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

2024
ESG REPORT

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About the Report

Editorial Note GRI 2-2 • 2-5

ACME Electronics Corporation (the "Company" or "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).

Since the publication of our first Corporate Social Responsibility Report in 2014, ACME has continued to disclose its sustainability performance through annual reporting. In 2020, the report was renamed the Environmental, Social, and Governance (ESG) Report. The current edition marks our eleventh report. Through the continued publication of the ESG Report, we aim to address issues of concern to stakeholders and demonstrate the Company's ongoing efforts toward sustainable operations.

Scope and Boundary of the Report

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The scope of this report covers all subsidiaries included in ACME's consolidated financial statements, including ACME Electronics (Guangzhou) Co., Ltd., ACME Electronics (Kunshan) Co., Ltd., and ACME Ferrite Products Sdn. Bhd. in Malaysia.

The reporting period is from January 1, 2024 to December 31, 2024. This report presents the Company's management approaches and performance in Environmental, Social, and Governance (ESG) aspects. The financial information disclosed herein is consistent with the data in the Company's financial statements audited by CPAs. Certain statistical data are sourced from the Company's annual report as well as publicly available information from government agencies and relevant websites. Unless otherwise specified, all monetary amounts are denominated in New Taiwan Dollars (NT$).

Reporting Frameworks

This report has been prepared in accordance with the 2021 edition of the Global Reporting Initiative (GRI) Standards, the Sustainability Accounting Standards Board (SASB) Standards, and the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies. In addition, the report references the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the principles of the United Nations Global Compact (UNGC) in defining its content. It also aligns with the United Nations Sustainable Development Goals (SDGs) by formulating corresponding objectives and action plans.

Internal Review and External Assurance

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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 has been prepared in accordance with the GRI Standards and was assured by Deloitte Taiwan, which served as the third-party assurance provider. Deloitte Taiwan reviewed the report's compliance with the GRI Standards and performed limited assurance procedures on five ESG indicators in accordance with ISAE 3000. An assurance statement was issued.

Publication Time GRI 2-3

The Company regularly publishes its ESG Report on a annual basis. This report is the eleventh edition.

Previous publication date	Current publication date	Next scheduled publication date
August 2024	**August 2025**	August 2026

Download the Report

To support environmental protection and promote paperless practices, the electronic version of this report is available for download in the "Corporate Sustainability" section of the Company's website.

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

Contact Information GRI 2-3

If you have any comments or suggestions regarding the content of the report, please feel free to contact us using the information below.

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Message from the Chairman

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In the face of ongoing global economic shifts, geopolitical uncertainties, and intensifying climate-related challenges, we remained steadfast in 2024 in upholding our commitment to "Creating Sustainable Value and Advancing a Sustainable Society." Guided by this vision, we continued to operate with prudence while actively responding to external uncertainties, enhancing corporate resilience, and reinforcing our long-term sustainability competitiveness.

Over the past year, through the concerted efforts of all team members across the Group, we not only delivered solid operational results but also made tangible progress in product innovation and sustainability management. We have actively advanced the development of new products, focusing on forward-looking technologies such as lightweight ABS, cooling-effect rubber materials, and SiC semiconductor materials. In addition, we have launched innovative applications in consumer products, including the CBC sterilization bottle, to expand our presence in the B2C market. USI, APC, and TTC have completed SGS ISO 14021 verification for pre-consumer recycled materials. Through innovative processes, valuable production waste is sorted, purified, and regenerated into high value-added recycled products, unlocking new market opportunities and fulfilling dual goals of circular economy and green manufacturing.

In our ESG efforts, we continue to strengthen both international engagement and the maturity of our internal governance mechanisms. In 2024, USI and China General Plastics Corporation (CGPC) participated in the international CDP assessments and both received "B" ratings for climate change and water security, reflecting the companies' transparency and responsiveness in climate and water resource management. The Group's original goal of achieving a 27% reduction in carbon emissions by 2030 compared to 2017 levels, which initially applied to domestic production sites, has now been expanded to cover all domestic and overseas operations. As of 2024, we have achieved a 20.7% reduction, demonstrating our strong commitment to climate action. Our total installed solar power capacity has increased to 8.6 MW, with an estimated annual generation exceeding 10.73 million kWh. We are steadily progressing toward low-carbon operations, with solar capacity targets of 10 MW by 2025 and 20 MW by 2027.

In terms of business performance, the rise of AI and the continued development of electric vehicles have fueled market demand. As a result, revenue from iron cores increased by 12%, while revenue from silicon carbide (SiC) grew by an impressive 83%. Through ongoing efforts to enhance business competitiveness and actively develop new business lines, the Company continues to achieve steady growth and progress.

We remain committed to upholding human rights and promoting employee well-being, while striving to foster a diverse and inclusive workplace environment. In 2024, USI, APC, TTC, and CGPC were recognized as outstanding enterprises in the Occupational Safety and Health Indicator (OSH) program by the Occupational Safety and Health Administration, Ministry of Labor. In addition, through the USI Education Foundation, the Group has continued to engage in long-term social initiatives, including support for education in rural areas, care for Indigenous communities, and environmental protection, thereby fulfilling its commitment to corporate social responsibility.

Looking ahead, as we embrace both the challenges and opportunities arising from the transformation of the semiconductor materials sector and the B2C market, we will continue to enhance our market responsiveness and production flexibility. Guided by innovation and a forward-looking perspective, we are committed to working closely with our value chain partners to create sustainable value together. With the collective efforts of all our employees, we are confident in leading the Group forward with stability and determination, making steady progress on the path to sustainable development and building a better, long-term future together.

ACME Electronics Corporation
Chairman

Overview of Sustainability Performance in 2024

Revenue from iron cores was NT$ **2,474,256** thousand, representing a **12%** ↑ increase from 2023.

Revenue from SiCs was NT$ **621,123** thousand, representing an **83%** ↑ increase from 2023.

Ranked in the top **6%–20%** in **the Corporate Governance Evaluation for TWSE-/TPEx-Listed Companies** for **ten** consecutive years.

Taiwan Corporate Sustainability Awards – **Gold Award** for Sustainability Report

Reduced carbon emissions by **2,466** tCO_2e **through various energy-saving and carbon reduction initiatives.**

Waste recycling rate reached 99.1%.

100% target achievement rate regarding the average educational training hours of employees.

Promoted the Six Sigma Green Belt training project and TRIZ training program.

01

Sustainable Operation of ACME

Sustainable Operation of ACME

1.1 Sustainability Prospects and Targets

GRI 2-23

1.1.1 Sustainability Prospects and Business Strategy

ACME Electronics Corporation (stock code: 8121) was established on September 5, 1991, through an investment by USI Corporation (USI). 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 has aligned its sustainability approach with the Group's vision by establishing three key sustainability principles: Business Governance and Value Chain Management, Resource Recycling and Environmental Friendliness, and Happy Workplace and Social Participation. These principles are linked to the Company's material topics, and the consistency between the results of materiality analysis and the sustainability principles is reviewed annually. In addition, the Company regularly assesses and discusses the achievement of its annual sustainability performance. The Company's sustainability strategy and its implementation plans across the economic, environmental, and social dimensions are outlined as follows.

ACME sustainability strategies

Business Governance and Value Chain Management
- Technology R&D
- Product quality
- Economic performance
- Customer relation management
- Supply chain management

Happy workplace and social participation
- Occupational health and safety
- Talent cultivation and development
- Talents attraction and retention

Resource recycling and environmental friendliness
- Air pollution control
- Raw material management

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

Aspect	Short-Term Plan (2025) – Action Plan	Short-Term Plan (2025) – Target	Mid-to-Long-Term Plan (2026)
G Governance	• Enhance product competitiveness and operational performance through product innovation and market expansion to support the Company's continued growth and long-term sustainability.	• Drive revenue and profit growth of the iron core business through market development, quality improvement, and cost reduction. • Achieve continuous growth in revenue and profit of the new SiC business.	• Continue driving growth and profitability in the iron core and SiC businesses. • Continue developing new products.
E Environmental	• Actively promote waste reduction, reuse, and recycling-related measures. • Comply with environmental protection regulations, commit to pollution prevention, and satisfy the environmental and quality requirements of customers. • Continue implementing energy-saving and carbon reduction measures.	• Waste recycling rate 99%. • Zero violations of environmental regulations. • Carbon reduction target (Taoyuan, Kunshan, Guangzhou, and Malaysia plants) : 1,455 tCO_2e	• Adopt the TCFD framework to identify transition risks and physical risks associated with operations. Review response measures annually to strengthen climate resilience. • Align Taoyuan, Kunshan, Guangzhou, and Malaysia plants with the USI Group's climate targets of reducing carbon emissions by 27% by 2030 (compared to 2017 levels) and achieving carbon neutrality by 2050. Implement energy-saving and carbon reduction measures. Increase the use of renewable energy.
S Social	• Attract and retain talent to build shared success, ensure proper alignment of people and roles, and create value together. • Continue to reduce safety and health risks, prevent and reduce occupational disasters, and improve employees' health.	• Employee Satisfaction Rates: Taiwan: 75%; Kunshan Plant: 80%; Guangzhou Plant: 84% • Recruitment Fulfillment Rates:Taiwan: 100%; Kunshan Plant: 100%; Guangzhou Plant: 100%; Malaysia Plant: 100% • Average Employee Training Hours:Taiwan: 48 hours; Kunshan Plant: 48 hours; Guangzhou Plant: 48 hours; Malaysia Plant: 48 hours • Zero accidents, zero injuries/illnesses, and zero violations of laws.	• Establish a structured and comprehensive training system and a professional mechanism for technical knowledge transfer, fulfill diverse training needs across all stages of employee career development, and foster mutual growth between the Company and its employees. • Maintain the highest target of zero disasters, zero accidents, zero occupational injuries or illnesses, and zero legal violations.

1.1.2 ESG Committee GRI 2-14

To fulfill its corporate social responsibility and promote economic, environmental, and social progress toward sustainable development, the Company has adopted its own "Practices for Sustainable Development," with reference to the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies." The Company's ESG development strategy is rooted in its business philosophy and corporate culture, with a commitment to social responsibility toward stakeholders. It seeks to build trusted partnerships with customers and suppliers through integrity and sound corporate governance, to attract long-term investors aligned with the Company's core values, and to foster employee cohesion through a shared sense of identity. With this internal and external momentum, the Company aims to achieve sustainable operations and ongoing 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-Tien Lin, Piao-Chun Chen, and Ting-Chang Wang, and the President. Independent Director Shun-Tien 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-Tien 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.

The ESG Committee convened three meetings in 2024, with a 100% attendance rate by all members. On March 5, 2024, the Committee reported to the Board of Directors on the planning and progress of the compilation of the 2023 ESG Report. On August 1, 2024, the Committee reported to the Board on the compilation status and content of the 2023 ESG Report, outlining the Company's efforts and achievements in the management of material ESG topics, stakeholder engagement, corporate governance, environmental protection, employee care, and social participation. In addition, the Committee reported on the implementation status of the greenhouse gas inventory and assurance for the Company and its consolidated subsidiaries.

The ESG Committee has established three taskforces: the Corporate Governance Taskforce, the Environmental Protection Taskforce, and the Social Relations Taskforce. Each taskforce is composed of department heads or their designated representatives and is responsible for planning relevant topics, collecting internal and external data, and setting targets. These taskforces collaborate to compile and publish the annual ESG report in accordance with their respective responsibilities. The Project Secretary is responsible for coordinating the Company's overall sustainability policies and strategic planning. This includes formulating and reviewing sustainability-related policies, systems, and management guidelines, as well as monitoring the progress of each taskforce's action plans and performance improvements.

The ESG Committee reports to the Board of Directors annually on ESG implementation outcomes. The Board supervises and reviews the Company's management and performance across economic, environmental, and social dimensions and provides strategic guidance on the direction for material topics.

The ESG Committee conducts materiality analyses through stakeholder surveys and the identification of material topics to evaluate which environmental, social, and corporate governance issues and risks are of highest concern to stakeholders. These assessments form the basis for compiling the ESG report and serve to address stakeholder concerns. Based on the results of the materiality analysis, the Company continually reviews its short-, medium-, and long-term sustainability strategies and strengthens the implementation of risk management policies and strategies.

Short-term target: reduce the specific electricity consumption of the new SIC business by 5%; medium-term target: expand self-use solar power generation; long-term target: achieve a 27% reduction in carbon emissions by 2030 compared with the baseline year. The Board of Directors regularly discusses corporate sustainability matters and supervises sustainability performance. For the ESG Committee's meeting minutes over the years, 2024 operations, work achievements, and 2025 work plan, please refer to the Sustainability Policy and Committee section on the Company's website.

1.2 Value Chain of ACME

1.2.1Introduction to ACME

ACME specializes in soft ferrite cores, a type of passive inductive component primarily used in communications, information technology, consumer electronics, and automotive electronics.

ACME strives for excellence in manufacturing through "Always Committed to Manufacturing Excellence", to "Achieve Customers' Missions &Expectations."

Amazing customers with quality service

Breakthrough, innovation and excellence

Coexistence and co-prosperity forever

Basic Profile of the Company

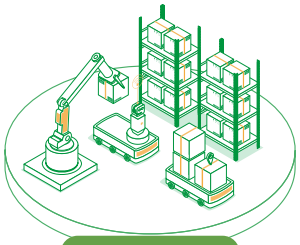
GRI 2-1

Company Name	ACME Electronics Corporation
Industry	Electronic parts and components
Headquarters Location	8F, No. 39, Jihu Rd., Neihu Dist., Taipei City 114
Address of Taoyuan Plant	No. 2, Guojian 2nd Rd., Guanyin Industrial Park, Guanyin Dist., Taoyuan City 328
Address of Guangzhou Plant	No. 1, Fuqian Rd., Zengjiang St., Zengcheng Dist., Guangzhou City, Guangdong Province, China
Address of Kunshan Plant	No. 533, Huangpujiang N. Rd., Kunshan City, Jiangsu Province, China
Address of Malaysia Plant	Plot 15,Jalan Industri 6 Kawasan Perindustrian Jelapang II(ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.
Capital	NT$**2.129** billion (as of December 31, 2024)
Total Number of Employees	1,724 persons (as of December 31, 2024, including Taipei HQ, Taoyuan Plant, Kunshan Plant, Guangzhou Plant, and Malaysia Plant)
Major 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
Production Capacity of Taoyuan Plant	Monthly production capacity of ferrite powder: **1,350 tons** (as of December 31, 2024)
Production Capacity of Guangzhou Plant	Monthly production capacity of ferrite cores: **550 tons** (as of December 31, 2024)
Production Capacity of Kunshan Plant	Monthly production capacity of ferrite cores: **700 tons** (as of December 31, 2024)
Production Capacity of Malaysia Plant	Monthly production capacity of ferrite cores: **200 tons** (as of December 31, 2024)

1.2.2 Our Value Chain GRI 2-6

Passive components play a fundamental role in electronic circuits. They do not operate independently but function by supplementing and connecting to active components. The three main categories of passive components are resistors, capacitors, and inductors, all of which are essential building blocks in information, communication, consumer, and industrial electronic products. In terms of functionality, resistors are used to regulate voltage and current within a circuit, capacitors serve various purposes including charge storage, AC filtering or bypassing, blocking DC voltage, and enabling tuning or oscillation, and inductors are primarily used for electromagnetic interference suppression, noise filtering, and power conversion. In addition, inductors can be combined with resistors and capacitors to form filters for signal processing.

Introduction to the passive component industry chain

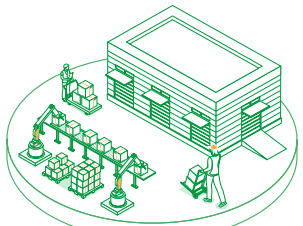


Upstream

- **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**

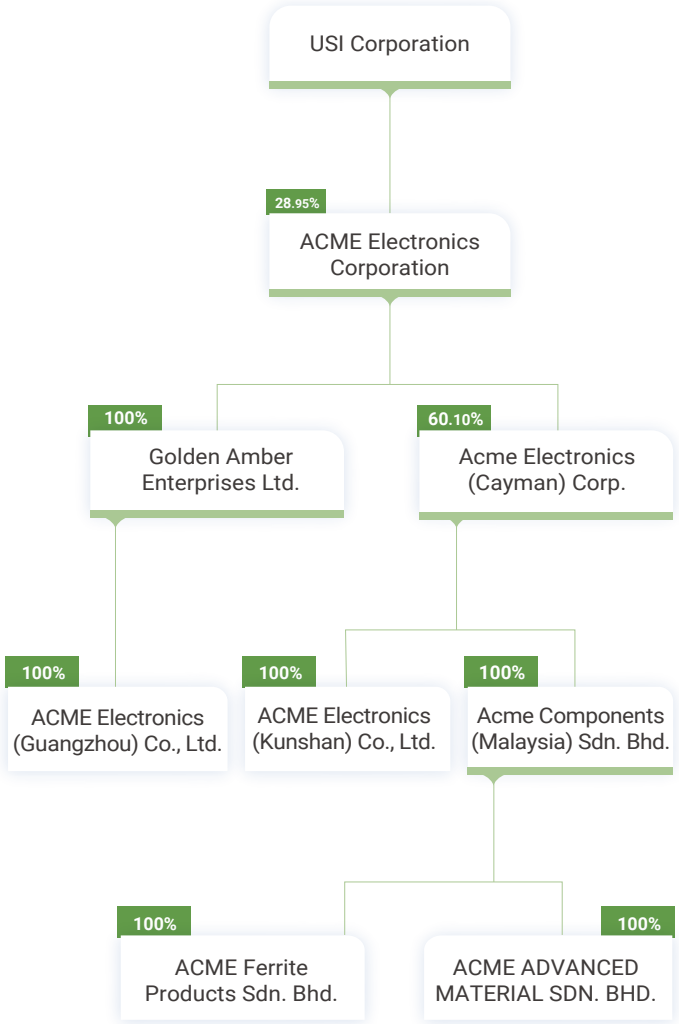
The Mn-Zn and Ni-Zn soft ferrite cores produced by the Company fall under inductive materials within the category of passive components. They serve as upstream materials for filters, chokes, electronic ballasts, switching power supplies (SPS), and various types of transformers such as inverters, converters, inductors, and telecom transformers. Major customers include Delta Electronics, Lite-On, FSP Technology, AcBel Polytech, Sumida, Wurth, 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.

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.

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

1.2.3 Introduction to Affiliates

The consolidated financial statements of the Company for the year 2024 include the Company and eight subsidiaries under its control (equivalent to related parties), totaling **eight** entities.



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.

This report primarily focuses on ACME Electronics Corporation. Chapters 3 and 4 additionally cover selected subsidiaries, including ACME (Guangzhou) Co., Ltd., ACME (Kunshan) Co., Ltd., and ACME Ferrite Products Sdn. Bhd. in Malaysia. Accordingly, the scope of this report does not include all subsidiaries. Moving forward, the Company plans to gradually expand the reporting scope to cover all subsidiaries, thereby promoting sustainable development strategies and advancing corporate sustainability.

1.3 Stakeholder Engagement

GRI 2-29 • 2-26

Gaining the trust and support of stakeholders is the driving force behind the Company's sustainable development. In accordance with the five core principles of the AA1000 Stakeholder Engagement Standard (AA1000 SES, 2015), as well as strategic needs, responsibilities, and relevant communication standards, the Company has identified six major categories of stakeholders: employees, customers, government agencies, shareholders and investors, suppliers and contractors, and community residents. This identification was based on routine operations and external communications conducted by relevant departments.

We engage stakeholders through transparent and effective multi-directional communication channels to better understand their needs and expectations of the Company. The feedback received from stakeholders serves as an important reference for formulating sustainability policies and related plans. At the same time, we respond to stakeholders' concerns through the ESG Report, aiming to further strengthen their trust and support. The following table outlines the communication channels and topics of concern between the Company and its key stakeholder groups.

Employees

Meaning to the Company	Topic of Concern	Communication Channels and Frequency	Responses to Topics of Concern	Outcomes of Communication
Employees are ACME's most valuable assets. By maintaining a sound compensation structure, benefits system, and training programs, the Company fosters employee cohesion, enhances professional knowledge and skills, and achieves co-prosperity through sustainable development.	• Economic Performance • Talent Attraction and Retention • Occupational Health and Safety • Climate Change and Energy Management	• Employee Welfare Committee (4 times/year) • Occupational Health and Safety Committee (4 times/year) • Employee Health Checkups (once/year) • Training Programs (executed per plan) • Labor Pension Fund Supervisory Committee (2 times/year) • Labor-Management Meetings (4 times/year) • Performance Appraisals (4 times/year) • Material Topic Survey (once every 2 years)	• Regular disclosure of annual reports and financial statements in accordance with regulations. • Implementation of occupational health and safety training and emergency response drills to achieve the goal of zero workplace accidents. • Provision of competitive compensation and comprehensive benefit programs. Annual performance reviews and salary adjustments are conducted to retain and cultivate talent through systematic training programs	• Annual and financial reports disclosed in accordance with regulations • 4 Employee Welfare Committee meetings held • 4 annual performance evaluations and 1 salary adjustment conducted • 4 Occupational Health and Safety Committee meetings held • 2 Labor Pension Fund Supervisory Committee meetings held • 1 annual employee health checkup conducted • 6 sessions of health services provided by contracted physicians • 1,700 hours of occupational health and safety training delivered

Customers

Meaning to the Company

Customers are key partners in ACME's operations and growth. Through technical collaboration and product enhancement, the Company provides high-quality products and satisfactory services to meet customer expectations.

Topic of Concern

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

Communication Channels and Frequency

- Client Visits by Sales Personnel (irregular, monthly)
- Customer Satisfaction Surveys (at least once/year)
- Market Research (irregular)
- Customer Feedback and Complaint Handling (irregular)

Responses to Topics of Concern

- Setting energy-saving and carbon-reduction targets; identifying climate change risks, opportunities, and potential financial impacts.
- Requiring suppliers to provide raw materials free from restricted substances to comply with sustainable material standards.
- Signing supplier commitment letters and conducting on-site supplier audits. Suppliers who fail to meet ESG assessment criteria will be guided and required to make improvements.

Outcomes of Communication

- ACME reduced carbon emissions from powder production by 4.5% in 2024 compared to the base year
- SiC-related carbon emissions in 2024 totaled 54,151 tCO_2e
- All ACME products are free from restricted substances
- Sales representatives conducted an average of 20 client visits per month
- Technical services provided to 10 customers throughout the year
- Overall customer satisfaction reached 93%
- 100% of customer feedback was addressed and resolved
- Supplier social responsibility commitment incorporated into supplier evaluations

Governmental Agencies

Meaning to the Company

Government agencies provide important guidance for corporate development and market expansion. Compliance with government regulations is a fundamental principle of ACME's business sustainability.

Topic of Concern

- Regulatory and Policy Compliance
- Compliance With Laws and Government Initiatives
- Transparency in Information Disclosure
- Occupational Health and Safety
- Water Resources Management
- Air Pollution Control
- Climate Change and Energy Management
- Waste Management

Communication Channels and Frequency

- Official Correspondence and Data Submissions (as required)
- Regulatory Briefings or Public Hearings (as required)
- Seminars, Forums, or Annual Meetings (as required)
- On-site Inspections (as required)
- Market Observation Post System Announcements (as required)
- Ministry of Environment Waste Declaration Platform (monthly)

Responses to Topics of Concern

- Compliance with relevant government regulations to achieve the Company's occupational health and safety goal of zero accidents.
- Formulation of water-saving plans and implementation of water conservation measures in line with government water restriction policies.
- Monitoring and control of air pollutant emissions.
- Implementation of the Group's 2030 carbon reduction goal of a 27% reduction compared to the base year.
- Meeting the Bureau of Energy's 1% annual electricity savings target.
- Monthly declaration of waste disposal based on waste tracking documents.

Outcomes of Communication

- Average of 18 official correspondences per month
- Regulatory briefings held at a frequency of one per month
- 67 on-site inspections conducted throughout the year
- Occupational safety inspections: 67; Environmental violations: 0
- Taoyuan Plant achieved a 4.5% reduction in GHG emissions from powder materials compared to the base year
- From 2015 to 2024, average electricity saving rate was 2.02%, meeting Bureau of Energy requirements
- Total waste disposal volume reached 795 metric tons, a 24% increase from the previous year

Shareholders and Investors

Meaning to the Company

Shareholders and investors are vital supporters of ACME's growth and sustainability. Through capital investment and corporate governance oversight, they enable the Company's continued development.

Topic of Concern

- Economic Performance
- Occupational Health and Safety
- Technology R&D
- Climate Change and
- Energy management

Communication Channels and Frequency

- Annual General Shareholders' Meeting (once/year)
- Market Observation Post System Announcements (as required)
- Quarterly Financial Reports and Annual Report Issuance (as required)
- Spokesperson Contact Information (irregular)
- "Investor Services" Section on Company Website (irregular)
- "Stock Affairs Web" on Company Website (irregular and timely)
- Publication of ESG Report (once/year)
- Publication of TCFD Report (once/year)
- Audit Committee Mailbox (irregular)
- Investor Conferences (2 times/year)
- Material Topic Survey (once every 2 years)

Responses to Topics of Concern

- Hosting investor conferences to present business performance and outlook. (Accounting Department)
- Timely publication of quarterly and annual financial reports in compliance with regulations. (Accounting Department)
- Immediate release of material information. (Accounting Department)
- Establishment of the "USI Group Safety Incentive Program" to achieve zero workplace accidents. (Occupational Health and Safety)
- Market development to meet customer needs. (R&D)
- Implementation of the Group's 2030 carbon reduction goal of a 27% reduction compared to the base year. (Projects)
- Planning of on-site solar power installations for self-use.

Outcomes of Communication

- Annual General Shareholders' Meeting held in May 2024
- Timely publication of quarterly and annual financial reports in compliance with regulations.
- Two investor conferences held
- Cumulative lost-time injury-free working hours reached 1.41 million hours by end of 2024
- 120 new product developments and 170 quality improvements completed
- A new 75.9 kW solar power system for self-use is planned for installation at Taoyuan Plant in June 2025, bringing total on-site solar generation to 322.7 kW

Suppliers and Contractors

Meaning to the Company

Suppliers and contractors are important partners in the provision of raw materials and equipment for ACME's production operations. Their contributions directly impact manufacturing efficiency and product quality.

Topic of Concern

- Supply Chain Management
- Process Safety Management
- Occupational Health and Safety
- Raw Material Management

Communication Channels and Frequency

- Procurement Procedures (as needed)
- Supplier Questionnaires (when onboarding new suppliers)
- Performance Review Meetings (as needed)
- Face-to-Face Review Meetings (based on product category)
- Procurement Staff Visits (irregular)
- Market Research (weekly)
- Confirmation of Raw Material Supply Stability (irregular)
- Joint Operation Agreement Meetings with Contractors (irregular)

Responses to Topics of Concern

- Signing supplier commitment letters and conducting on-site supplier audits. Suppliers who fail to meet ESG assessment criteria will be guided and required to make improvements.
- Process risk mitigation through internal Group audits.
- Establishment of the "USI Group Safety Incentive Program" to achieve zero workplace accidents.
- Achievement of a recycling rate target of 10% or more for flexible packaging bags.

Outcomes of Communication

- Two procurement planning meetings for secondary materials held
- Weekly market research reports conducted
- Zero process-related safety incidents
- Cumulative lost-time injury-free working hours reached 1.41 million hours by end of 2024

Community Residents

Meaning to the Company

Community residents are closely connected partners of ACME. They not only serve as a source of human resources but also play a role in monitoring the Company's occupational safety and environmental protection practices.

Topic of Concern

- Social Participation
- Occupational Health and Safety
- Air Pollution Control
- Waste Management

Communication Channels and Frequency

- On-site Inspections by Government Agencies (irregular)
- Information Sessions and Regional Joint Defense by Industrial Park Management Center (irregular)
- Regional Joint Defense by Industrial Park Management Center (irregular)
- Ministry of Environment Waste Declaration Platform (monthly)

Responses to Topics of Concern

- Organizing workplace safety, environmental protection, and fire safety briefings through the Management Center to help community residents understand the operations of companies in the industrial zone. (Occupational Health and Safety, Environmental Protection)
- Establishment of the "USI Group Safety Incentive Program" to achieve zero workplace accidents. (Occupational Health and Safety)
- Proper waste treatment, regulatory compliance, and routine reporting.

Outcomes of Communication

- Adopted Guojian 2nd Road near the plant site. (Administration)
- 12 wastewater discharge sampling inspections conducted by the management center
- Waste disposal handled by qualified vendors approved by the Ministry of Environment; no regulatory violations or fines in 2024; monthly declarations submitted to the Ministry's platform

1.4 Management of Material Topics

The Company follows the materiality determination process set out in the GRI Standards, which consists of three key steps: identification, analysis, and confirmation. A materiality assessment is conducted and incorporated the concept of double materiality by evaluating the impact of sustainability topics on the Company's operations as well as their economic, environmental, and human (including human rights) impacts. The process and outcomes of material topic identification are reviewed by the Group's ESG experts, reported to the ESG Committee, and finally submitted to the Board of Directors for approval, ensuring that the direction of sustainable operations and the reporting content align with the concerns and expectations of both internal and external stakeholders.

1.4.1 Process to Determine Material Topics GRI 3-1

Identification	Communication Targets	Following the AA1000 Stakeholder Engagement Standard (AA1000 SES), the Company distributes stakeholder identification questionnaires to supervisors of the ESG task force based on the Standard's five dimensions. The questionnaire is administered once every two years, in the same year as the materiality analysis. The results are reviewed and approved by the ESG Committee's project secretary and respective team leads. Based on the identification scores, five core stakeholder groups are determined: employees, customers, suppliers/contractors, shareholders/investors, and government agencies.	5 Core Stakeholders
	Collecting Topics	Referencing international sustainability norms and standards (GRI Universal Standards: 2021, SASB, SDGs, and TCFD), as well as the Company's operational goals and vision, the task forces compiled 33 actual and potential sustainability topics, both positive and negative in nature.	28 Sustainability Topics
Analysis	External Impact Assessment	In 2024, a questionnaire survey was conducted with core stakeholders to assess the level of positive and negative impacts associated with each sustainability topic. A total of 89 valid responses were received, including 35 from employees, 25 from customers, 5 from shareholders/investors, 18 from suppliers/contractors, 0 from government agencies, 5 from financial institutions, and 1 from other respondents.	89 Valid External Questionnaires
	Internal Impact Assessment	In 2024, a questionnaire survey was conducted with department supervisors and members of the Board of Directors to assess the level of positive and negative impacts of each ESG topic, as well as the likelihood of occurrence. A total of 25 valid responses were collected. The results were subjected to statistical analysis, with weighted adjustments based on responses from the highest governance level to ensure an accurate reflection of organizational priorities.	25 Valid Internal Questionnaires
	Materiality Analysis	The methodology for materiality analysis incorporates sustainability impacts on economic, environmental, and human (including human rights) dimensions, and aligns with the EU's Double Materiality concept. Materiality assessments are conducted every two years. Based on the results of stakeholder questionnaires, 16 significant topics were identified and prioritized. These topics were classified into environmental, social, and governance categories and subjected to a double materiality analysis, which ultimately converged into six material topics.	16 Significant Topics
Confirmation	Material Topic	To continue the management and follow-up of material topics identified in 2023, 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 2024, bringing the total to 11. The results were submitted to the ESG Committee for approval and subsequently reported to the Board of Directors.	11 Material Topics

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.

Potential Negative Impact

- **4.1** Insufficient R&D Capability to Meet End-User Needs
- **4.2** Supply Chain Disruptions Due to Poor Management and Rising Procurement Costs
- **4.5** Increased Production Costs Resulting from Carbon Fee Imposition

Actual Negative Impact

- **3.1** Market Oversupply Due to Weak Economic Conditions
- **3.3** Increased Electricity Expenses Driven by Rising Energy Prices

Potential Positive Impact

- **2.1** Revenue Growth Through Sustainable Material Development
- **2.2** Actively Seeking Alternative Raw Materials
- **2.3** Adoption of Advanced AI Technologies – Improved Efficiency
- **2.4** Investment in Renewable Energy – Achieving Green Power Goals
- **2.5** Development of Carbon Capture and Storage Technologies – Achieving Carbon Neutrality Goals
- **2.6** Promoting a Gender-Equal Workplace – Increasing Talent Retention Rate

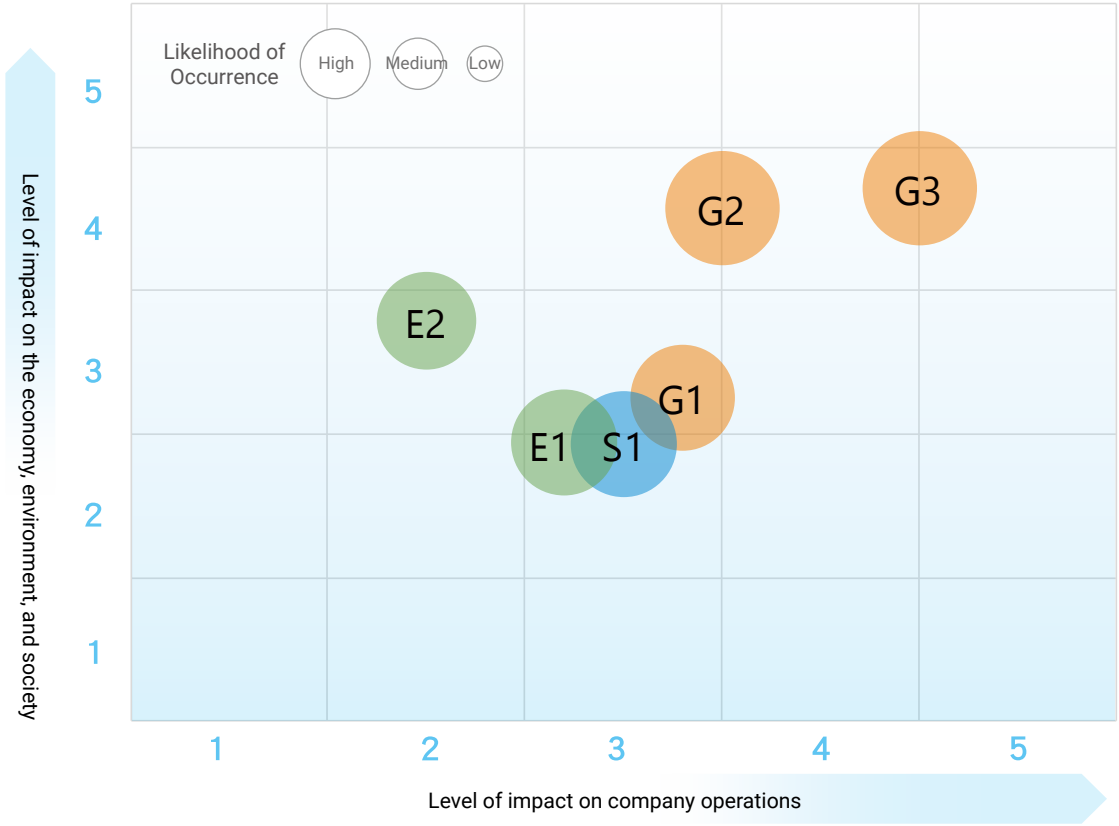
Potential Positive Impact

- **1.1** Product Innovation and Diversification
- **1.2** Productivity Enhancement Through Process Automation
- **1.3** Product Quality Improvement Through Effective Supply Chain Management
- **1.4** Regulatory Compliance Through Renewable Energy Investment
- **1.6** Turnover Reduction Through a Friendly Workplace Environment

Selection of Material Topics

The Company classified the 16 significant topics into environmental, social, and governance categories, and conducted a double materiality analysis based on their impact on the Company's operations and on the economy, environment, and people (including human rights). This process resulted in the identification of six 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 2024, bringing the total to 11. The results were submitted to the ESG Committee for approval and subsequently reported to the Board of Directors.



E Environmental

- E1 Climate Change and Energy Management
- E2 Raw material management

S Social

- S3 Talents attraction and retention

G Governance

- G1 Technology R&D
- G2 Supply Chain Management
- G3 Economic Performance

2024 Material Topic Identification Results GRI 3-2

16 Significant Topics

E Environmental

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

Continue the management and follow-up of material topics identified in 2023

S Social

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

Continue the management and follow-up of material topics identified in 2023

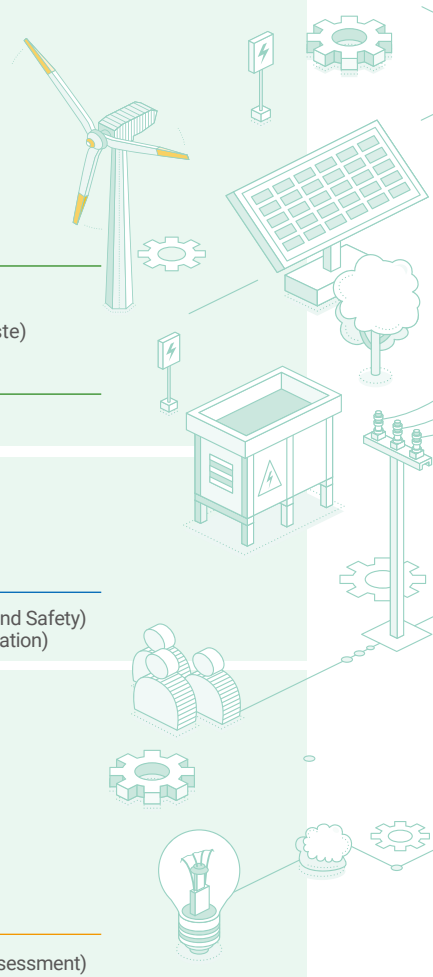
G Governance

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

Continue the management and follow-up of material topics identified in 2023

6 Material Topics

- Climate Change and Energy Management (GRI 302 Energy)
- Raw Material Management (GRI 301 Materials) (GRI 306 Waste)
- Air Pollution Control (GRI 305 Emissions)
- Talent Attraction and Retention (GRI 401 Employment)
- Occupational Health and Safety (GRI 403 Occupational Health and Safety)
  Talent Cultivation and Development (GRI 404 Training and Education)
- Technology R&D
- Supply Chain Management (GRI 308 Supplier Environmental Assessment) (GRI 414 Supplier Social Assessment)
- Economic Performance (GRI 201 Economic Performance)
- Product Quality
  Customer Relationship



1.4.2 Boundary of Material Topics GRI 3-2

● : Direct impact ◎ : Indirect impact

Aspect	Material Topic	Reason of Materiality	Corresponding GRI Standard Topic	Value Chain				Corresponding Chapters
				Supply Chain	Operation	Product	Social	
G Governance	Economic Performance	To allow the sustainable development of the Company and protect stakeholders' interests, continual profits and growth are necessary.	GRI 201: Economic Performance 2016	◎	●	●	◎	2.1 Economic Performance
	Technological R&D	New product and business development and improvement in product quality can improve market competitiveness, and they are the priority for corporate growth and continual development	Material Topics Set by the Company	◎	●	●		2.3 Product and Innovative R&D
	Product Quality	Ensure stable product quality, reduce defect rates, and enhance customer satisfaction through an efficient quality system and systematic management.	Material Topics Set by the Company	●	●	●		2.5 Customer Services and Product Quality
	Customer Relation Management	Customers' requirements and expectations are the drivers for the Company's continual growth.	Material Topics Set by the Company	◎	●	●		2.5 Customer Services and Product Quality
	Sustainable Supply Chain Management	Suppliers are partners supplying material raw materials and equipment to the Company for production, and they affect production operations and product quality.	GRI 308: Supplier Environmental Assessment 2016 GRI 414: Supplier Social Assessment 2016	●	●	●		2.4 Supply Chain Management
S Social	Talent Attraction and Retention	High-quality human capital is one of the key factors for business success. A merit-based approach and appropriate talent placement empower employees to apply their strengths and perform to their fullest potential.	GRI 401: Employment 2016		●	◎	●	4.1 Talent Attraction and Retention
	Talent Cultivation and Development	The professional competencies, managerial skills, and overall competitiveness of employees influence their career development and serve as a cornerstone of the Company's long-term sustainability.	GRI 404: Training and Education 2016		●	◎	●	4.2 Talent Cultivation and Development
	Occupational Health and Safety	Healthy and safe working environments are the priority of workers' labor conditions.	GRI 403: Occupational Health and Safety 2018	◎	●	◎	●	4.3 Occupational Health and Safety
E Environmental	Raw Material Management	Efforts to improve raw material production efficiency and enhance resource recycling and reuse have a direct impact on production costs.	GRI 301: Materials 2016 GRI 306: Waste 2020	◎	●	●		3.1 Resources, Materials, and Recycling Management
	Climate Change and Energy Management	Extreme weather events resulting from climate change present a critical challenge for enterprises. It is essential for businesses to improve energy efficiency and reduce greenhouse gas emissions in response.	GRI 302: Energy 2016 GRI 305: Emissions 2016	◎	●		●	3.2 Climate Change and Energy Management
	Air Pollution Control	The discharge of air pollutants affects compliance with environmental regulations and deteriorates air quality, making it a material topic of global concern.	GRI 305: Emissions 2016	◎	●		●	3.3. Air Pollution Control and Management

1.4.3 Management Approach to Material Topics GRI 3-2 • 3-3

Aspect	Material Topic	Purpose of Management	Management Policy and Target	Management Policy Effectiveness Evaluation Mechanism	Grievance Mechanism
G Governance	Economic Performance	Seek stable growth and maintain sustainable corporate operations.	Short-term target: Lower production costs and enhance the sales performance of high-margin products. Long-term target: Develop new business opportunities and pursue sustainable development.	• Revenue growth rate • Gross profit margin • Revenue growth rate of new business initiatives	• Shareholders' meeting • Direct line of the spokesperson or deputy spokesperson • "Contact us" section on the corporate website • "E-mail of Audit Committee" on the corporate website • Customer satisfaction survey • Regular annual supplier evaluation
	Technological R&D	Continuous advancement and innovation in technology represent the core values of the Company and serve as a key driver in sustaining our competitive advantage.	Short-term target: Collaborate with customers to develop new materials and products to maintain competitive advantage. Long-term target: Develop new business opportunities and pursue sustainable development.	• Ratio of R&D expenses to revenue	
	Product Quality	Stabilize quality and reduce defect rate to improve customer satisfaction.	Achieve six sigma quality and zero customer complaints by continuously improving process capabilities to ensure the highest level of customer satisfaction.	• Number of validated customer complaints • Finished product RoHS compliance rate • Zero incidents related to environmental, health, and safety regulations • Number of Six Sigma certifications • Number of process improvement cases	
	Customer Relation Management	Enhance product functionality and refine services to strengthen customer trust in the Company's brand.	Regularly gather and respond to customer needs and feedback through meetings and surveys to deliver optimal customer service.	• Customer satisfaction	
	Supply Chain Management	Establish long-term and stable partnerships with suppliers based on mutual assistance, trust, co-existence, and shared prosperity.	• Prioritize procurement from local suppliers. • Conduct due diligence on conflict minerals among suppliers. • Perform regular evaluations of suppliers based on quality, delivery timeliness, level of cooperation, and pricing.	• Rate of use of conflict-free minerals • Crucial supply chain risk management	
E Environmental	Raw Material Management	Improve the production efficiency of raw materials and recycling and reuse to reduce operating costs and improve corporate competitiveness.	Actively promote measures related to waste reduction and recycling to improve resource efficacy.	• Waste recycling rate	• Internal complaint handling methods: Complaints related to environmental safety and health may be raised through the Labor-Management Meetings, Occupational Health and Safety Committee Meetings, or other internal meetings. If advocacy or follow-up action is required, the responsible department will review the matter and, upon approval by the plant's highest-level supervisor, publicly announce the outcome. • External complaint handling method: External parties may submit complaints regarding environmental safety and health via telephone, verbally, or in writing. Once any unit of the Taoyuan Plant receives the complaint, it will be forwarded to the responsible department for verification. If the complaint is deemed valid, appropriate actions and responses will be taken accordingly.
	Climate Change and Energy Management	Comply with the voluntary GHG reduction commitment, comply with regulations, and analyze the risks and opportunities of climate change to reduce the financial loss arising from production operations caused by extreme climate events.	Establish the ISO 50001 energy management system and enhance energy efficiency through energy-saving measures and monitoring of energy performance indicators.	• Amount of carbon emissions reduced	
	Air Pollution Control	Comply with environmental protection regulations and enhance ambient air quality.	Commit to pollution control and comply with environmental protection regulations.	• Zero violation of law	
S Social	Talent Attraction and Retention	Attract virtuous and capable talents, achieve excellence together, and share the fruits of success.	Improve employee satisfaction, talent readiness, and recruitment fulfillment rate; reduce employee turnover rate.	• Employee satisfaction • Recruitment fulfillment rates	• All hands meeting • Labor-management meetings • Employee Welfare Committee meetings • Occupational Health and Safety Committee meetings • Employee complaint and feedback mailbox management • E-mail of Audit Committee
	Talent Cultivation and Development	Establish a robust training and evaluation mechanism to support optimal talent deployment and the full utilization of individual capabilities.	• Establish a comprehensive and systematic training framework. • Establish a well-structured and efficient talent pipeline system. • Establish a professional and complete technical knowledge transfer mechanism.	• Average educational training hours of employees	
	Occupational Health and Safety	Promote employee health and workplace safety, and commit to achieving zero disasters, zero accidents, and zero occupational injuries or illnesses.	Achieve the four-zero targets: zero disasters, zero accidents, zero injuries or illnesses, and zero legal violations.	• Zero disasters, zero accidents, zero injuries or illnesses, and zero legal violations.	

1.5 UN SDGs GRI 2-24

As a member of the global community, the Company believes that sustainable development must originate from its core values and align with the United Nations Sustainable Development Goals (SDGs). We have conducted SDG relevance identification in three phases and established corresponding targets, which have been integrated into our business plans.

SDGs Identification Procedures

Stage 1: Understanding the SDGs and Business Development

- Conduct SDG-related training and facilitate discussions on the potential impacts of SDGs on the Company's operations.
- Evaluate and prioritize relevant Sustainable Development Goals.

Stage 2: Identifying Impacts and Opportunities

- Map the SDGs to the Company's material topics.
- Identify key opportunities and determine appropriate resource allocation.

Stage 3: Setting Targets and Taking Action

- Assess the feasibility of target setting.
- Develop short-, medium-, and long-term plans, and discuss the integration of these targets into the Company's operational strategies.

Material Topics' Connection with the SDGs

Aspect	Material Topic	SDGs
G Governance	Economic Performance	SDG 8 Decent Work and Economic Growth
	Technological R&D	SDG 8 Decent Work and Economic Growth
	Product Quality	SDG 9 Industry, Innovation and Infrastructure
	Customer Relation Management	SDG 8 Decent Work and Economic Growth
	Supply Chain Management	SDG 17 Partners for the Goals
E Environmental	Raw Material Management	SDG 12 Responsible Consumption and Production
	Climate Change and Energy Management	SDG 7 Affordable and Clean Energy SDG 13 Climate Action
	Air Pollution	SDG 11 Sustainable Cities and Communities
S 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

SDG Alignment with Corporate Sustainability Goals

SDGs	Goals	Actual Practices in 2024	Corresponding Chapter
	Ensure a safe workplace environment and safeguard the health of employees.	• Occupational injury types at the Kunshan Plant: lacerations and fractures, involving 2 persons, with an incidence rate of 0.56%. The Taoyuan Plant, Guangzhou Plant, and Malaysia Plant reported no such incidents during the year. The combined occupational injury incidence rate was 0.12%.	4.3 Occupational Health and Safety
	Establish a robust training and evaluation mechanism to support optimal talent deployment.	• Achieved the target for average employee training hours • Six Sigma Green Belt training project courses • TRIZ training project courses	4.2 Talent Cultivation and Development
	Expand operating scope, reduce costs, and continue to improve revenue and profits.	• Revenue from iron cores was NT$2,474,256 thousand, representing a 12% increase from 2023. • Revenue from SiCs was NT$621,123 thousand, representing an 83% increase from 2023.	2.1 Economic Performance 2.3 Product and Innovative R&D 2.5 Customer Services and Product Quality 4.1 Talent Attraction and Retention
	Continuous advancement and innovation in technology to sustain competitive advantage.	• Ratio of R&D expenses to revenue > 5% • Customer complaint cases: 0 • Finished product RoHS compliance rate: 100% • Zero incidents related to environmental, health, and safety regulations • Number of Six Sigma certifications: 100% (new engineers) • CIP (Continuous Improvement Process) project improvements: 42 cases • (CIP: Continuous Improvement Process) • Procedure improvement target: 6 cases	2.3 Product and Innovative R&D 2.5 Customer Services and Product Quality
	Comply with environmental protection regulations, commit to pollution prevention, and satisfy the environmental and quality requirements of customers.	• Zero violations of environmental regulations.	3.3 Air Pollution Control and Management
	Comply with the voluntary GHG reduction commitment, comply with regulations, and analyze the risks and opportunities of climate change to reduce the financial loss arising from production operations caused by extreme climate events.	• Adopted the TCFD framework to identify transition risks and physical risks associated with operations. Reviewed response measures annually to strengthen climate resilience. • Reduced carbon emissions by 2,466 tCO_2e through various energy-saving and carbon reduction initiatives.	3.2 Climate Change and Energy Management
	Improve raw material production efficiency and enhance resource recycling and reuse.	• The overall waste recycling rate reached 99.1% in 2024, excluding general business waste (domestic waste) treated by incineration, meeting the target.	3.1 Resources, Materials, and Recycling Management
	Establish long-term and stable partnerships with suppliers based on mutual assistance, trust, co-existence, and shared prosperity.	• In 2024, the Company scheduled both process and system audits for its primary raw material suppliers. Additionally, 100% of the minerals used were not sourced from the Democratic Republic of the Congo conflict-affected mines as defined by the United Nations Security Council. • No deficiencies were found in the "Monthly Supplier Evaluation Forms" conducted for approximately 25 suppliers of critical raw and auxiliary materials.	2.4 Supply Chain Management

02

Business Governance and Value Chain Management

2.1 Economic Performance GRI 201-1

Management Policy GRI 3-3

Strategic Policy | Enhance product competitiveness and operational performance through product innovation and market expansion to support the Company's continued growth and long-term sustainability.

Commitment | Implement sound corporate governance practices to protect shareholders' rights and sustain the Company's long-term profitability.

Impact Management Positive/Negative Impact Items

- Actual positive impact - stable growth in financial performance, enhancing investor confidence and willingness to invest.
- Actual positive impact - implementation of automated processes and systems, improving production efficiency and reducing manufacturing costs.

Impact Management Negativity Remedies and Preventive Measures

2024

Target
- Drive revenue and profit growth of the iron core business through market development, quality improvement, and cost reduction.
- Achieve continuous growth in revenue and profit of the new SiC business.

Performance
- Revenue from iron cores was NT$2,474,256 thousand, representing a 12% increase from 2023.
- Revenue from SiCs was NT$621,123 thousand, representing an 83% increase from 2023.

2025

Target
- Continue driving growth and profitability in the iron core and SiC businesses.
- Continue developing new products.

2027

Target
- Continue driving growth and profitability in the iron core and SiC businesses.
- Continue developing new products.

2030

Target: Build on a stable core business foundation to expand into diversified products and new market segments.

Sustainability Principle: Business Governance and Value Chain Management

Due to the ongoing Russia-Ukraine war, inflation, and other factors, global consumer spending power declined sharply, leading to weakened demand for consumer electronics such as mobile phones and laptops. Although demand for automotive electronics and cloud server products continued to grow, the overall demand in the iron core market remained sluggish. Inflation-driven increases in raw material prices, combined with production halts and supply chain disruptions caused by pandemic control measures in Mainland China, further intensified the operational pressure on the iron core business. Fortunately, with the rapid development of EVs, revenue and profits from the Company's silicon carbide (SiC) products increased. As a result, consolidated net income after tax for the year reached NT$130,197 thousand. After deducting losses after tax of NT$25,101 thousand from non-controlling interests, the consolidated net income attributable to the Company amounted to NT$155,298 thousand, with earnings per share of NT$0.73.

In terms of R&D and market development, applications such as high-end automotive electronics, data centers, AI, industrial equipment, medical devices, aerospace, 5G, and the Internet of Things (IoT) are expected to continue growing. The Company aligns with these market trends and is actively developing related products. In the automotive electronics market, the rapid rise of EVs has significantly boosted demand for passive components. In the power segment, key applications include charging stations, on-board chargers, and DC-DC converters. In the sensing segment, the Company develops products such as keyless entry antenna rods, tire pressure monitoring sensors (TPMS), and solutions related to vehicle-to-everything (V2X) communications. Thanks to years of dedicated development, the Company has maintained steady growth in this sector.

In terms of production, given the highly competitive external environment, maintaining stable quality and effective cost control is essential to meeting customer expectations and ensuring profitability. The Company continues to actively promote lean production, Six Sigma practices, and TRIZ training and project implementation. It has also introduced an integrated Manufacturing Execution System (MES) to automate and digitize production processes, thereby achieving rationalization, Jidoka (automation with a human touch), and intelligent manufacturing. These efforts have significantly enhanced overall product quality and cost competitiveness.

In terms of new business development, the market for SiC has gradually taken shape, driven by the rapid growth of EVs. Countries around the world have designated SiC as a strategic critical material, and Taiwan has also included it in national industrial policy initiatives. The Company has made steady progress in the development of high-purity SiC powder, with sales continuing to grow. Looking ahead, the Company plans to expand production and sales capacity in line with market trends such as EVs and photovoltaic (PV) applications, and is actively exploring opportunities to extend into the high-purity SiC ceramic product market as the next phase of strategic development.

Inflation and geopolitical risks have continued to impact global economic development. With the easing of the COVID-19 pandemic, operations in countries around the world, including Mainland China, have gradually returned to normal. The electronics industry continues to introduce innovative applications, and the market remains rich with emerging opportunities. The Company aims to sustain growth and improve profitability by continuously strengthening the competitiveness of its iron core business and actively developing new business ventures.

Consolidated Financial Performance of ACME and Its Subsidiaries, 2022–2024

Unit: NT$ thousands

Item	2022	2023	2024
Consolidated Operating Revenue	3,057,217	2,551,746	3,095,379
Consolidated Gross Profit	519,969	237,499	637,789
Consolidated Operating Profit (Loss)	47,423	(248,196)	97,150
Consolidated Profit (Loss) Before Tax	53,072	(249,465)	145,529
Consolidated Net Profit (Loss) After Tax	14,717	(211,917)	130,197
Consolidated Net Profit (Loss) After Tax Attributable to the Company	16,348	(171,224)	155,298
Consolidated Net Profit (Loss) After Tax Attributable to Non-controlling Interests	(1,631)	(40,693)	(25,101)

To ensure that shareholders and investors have access to timely and accurate information when making investment decisions, the Company regularly publishes monthly revenue figures, quarterly financial statements, and annual reports for the shareholders' meeting. Additional relevant information is available in the "Investor Services" section of the Company's website (https://www.acme-ferrite.com.tw) or on the Market Observation Post System (MOPS) website (https://mops.twse.com.tw). In addition, shareholders and investors may contact the spokesperson or deputy spokesperson directly by phone, submit inquiries via the "Contact Us" page on the Company's website, or use the "Contact Us" section of the USI Group Stock Affairs Website (https://www.usig.com/USIGStockHome.aspx) to provide feedback or ask questions. All inquiries and suggestions are handled and responded to by designated personnel.

Company Website | MOPS | USI Group Stock Affairs Website | 2024 Annual Report for the Shareholders' Meeting

Direct Economic Value Generated and Distributed by ACME, 2022–2024

Unit: NT$ thousands

Item	Key Components	2022	2023	2024
Direct Economic Value Generated	Operating Revenue(Note 1)	1,379,326	1,188,771	1,630,367
Economic Value Distributed	Operating Costs (Note 2)	1,509,574	1,213,182	1,478,707
	Employee Salaries and Benefits (Note 3)	217,539	230,215	255,222
	Payments to Providers of Capital (Note 4)	16,906	23,233	31,697
	Payments to Government (Note 5)	1,210	1,256	1,253
	Community Investments (Note 6)	0	0	0
Economic Value Retained (Note 7)		16,348	(171,224)	155,298

Note 1 : Operating revenue refers to sales income.

Note 2 : Operating cost refers to the cost of sales plus operating expenses.

Note 3 : Employee salaries and benefits are included in the above mentioned operating cost.

Note 4 : The Company did not distribute cash dividends; therefore, this only includes interest expenses.

Note 5 : Payment to government refers to property taxes imposed by the government.

Note 6 : The Company's Taoyuan Plant is located within the Guanyin Industrial Park. Aside from the payment of management fees, there were no other community investment expenditures incurred.

Note 7 : The scope is not limited to Taiwan and also includes profit or loss recognized from overseas investees.

Financial Assistance Received from Government GRI 201-4

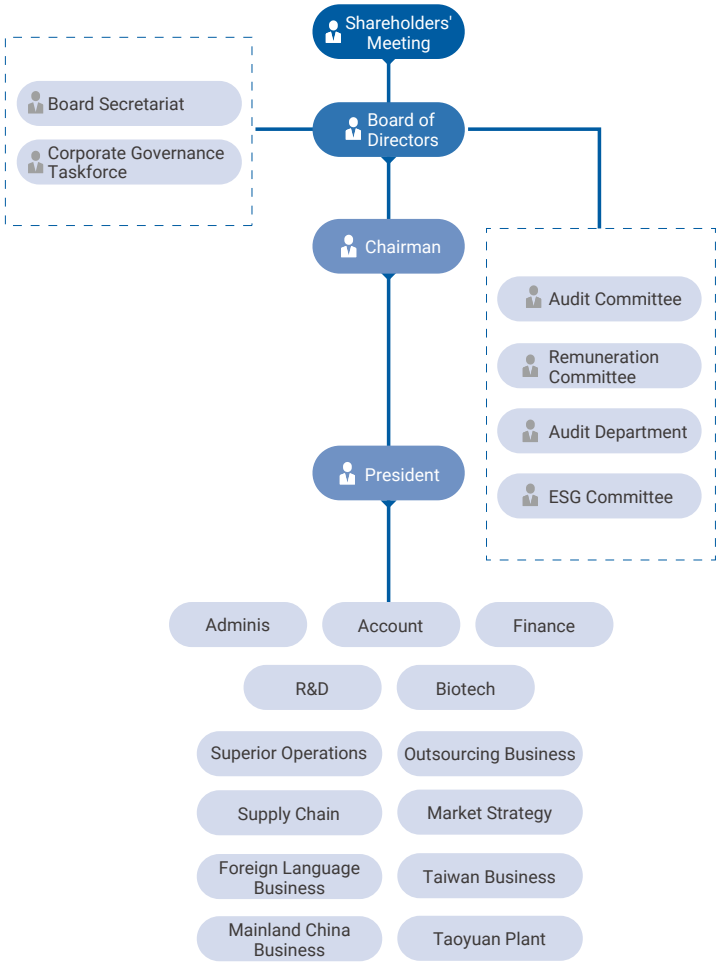
The Company actively invests in innovative R&D activities each year. R&D expenses may be used to offset the profit-seeking enterprise income tax payable in the current year; however, as there was no income tax payable in 2022 and 2023, no R&D tax credits were applied.

In 2024, the Company received a subsidy of NT$14,445 thousand from the Industrial Development Administration, Ministry of Economic Affairs, under the Taiwan Industry Innovation Platform Program.

2.2 Corporate Governance

2.2.1 Governance Structure

Governance Structure and Composition 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 2024, Mr. Yong-Zhi Chen, the Corporate Governance Officer, completed 23 hours of continuing education. For more details, please refer to the Company's 2024 Annual Report.

Protection of Shareholders' Rights and Information Transparency

As of March 29, 2025, the Company's shareholder structure was primarily composed of individual shareholders and other legal entities. For details on the shareholder structure and the list of major shareholders (Note), please refer to the "Shareholder Structure" section on the Company's official website.
https://www.acme-ferrite.com.tw/Offical/ShareholderStructure

Note : Shareholders holding 5% or more of the Company's shares, or those ranked among the top ten shareholders by shareholding ratio.

Shareholder Structure / Quantity	Other Legal Entities	Financial Institutions	Individuals	Foreign Institutions and Nationals	Total
Number of Shares Held	198	1	29,098	33	29,330
Shareholding Ratio	49.18%	0%	49.89%	0.93%	100%

To uphold shareholders' rights, the Company is committed to providing transparent and timely corporate information, and to fostering effective two-way communication with shareholders. Communication channels include the annual shareholders' meeting, investor conferences, the Market Observation Post System, the bilingual "Investor Services" section on the Company's website, the annual report, and the sustainability report. Through these channels, the Company discloses real-time information on corporate governance, operational performance, financial statements, sustainability practices, and other material financial and non-financial matters. In addition, shareholder feedback is continuously collected and conveyed to the management team as a reference for business decision-making.

2.2.2 Board Composition and Operations

GRI 2-9 • 2-10 • 2-11 • 2-13 • 2-17 • 405-1

Board of Directors

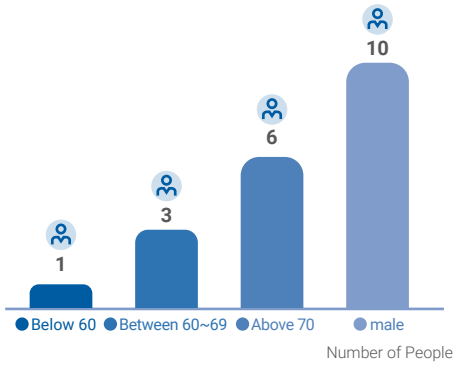
The Board of Directors is the Company's highest governance body. The Company requires all board members to strictly comply with applicable laws and regulations, and to operate in accordance with legal and ethical standards as the highest principle of corporate conduct.

The Company adopts a candidate nomination system for the election of Directors (including Independent Directors). Shareholders holding more than 1% of the total issued shares and the Board of Directors are entitled to propose candidates. The Board reviews and confirms that the nominated individuals meet the qualifications required for directorship before submitting the final candidate list to the shareholders' meeting for election. The current Board is composed of professionals with extensive experience in their respective fields. Among its members, four serve as Independent Directors, accounting for 40% of the Board. Directors serve a three-year term and may be re-elected. For board member information, please refer to the table below.

Term of the Current Board	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 : Li-Chiu Chang, Piao-Chun Chen, and Shun-Tien Lin, Ting-Chang Wang
Gender Composition	All male
Age Distribution	• 1 member under the age of 60 • 3 members aged between 60 and 69 • 6 members aged 70 or above

Note : Information on the Directors' backgrounds, educational qualifications, and concurrent positions in other companies is disclosed in the Company's annual report, which is available on the Market Observation Post System and the Company's official website.

Age distribution of board members



In 2024, the Company convened a total of five Board meetings. The attendance rate of all Directors (including Independent Directors) was 91.49% in person and 100% including proxy attendance. The Board is led by the Chairman. For details on Board operations, please refer to the Company's 2024 Annual Report.

Board Proposal Submission Process

GRI 2-9 • 2-10 • 2-11 • 2-12 • 2-13 • 2-16

Proposals are initiated by the responsible business units and first submitted to the respective functional committees for reporting, discussion, and resolution. They are then forwarded to the Board of Directors for further discussion and final resolution. After each meeting, the functional committees and the Board Secretariat respectively prepare meeting minutes that document the discussion process and resolutions adopted.

For information on the proposal submission process, the responsibilities of the Board Secretariat, and key resolutions passed by the Board in 2024, please refer to the table below.

Responsible Business Units	Functional Committees	Board of Directors
Submit proposals	Convene meetings within the scope of authority to report, discuss, and resolve proposals. Prepare meeting minutes documenting the decisions.	Present, discuss, and resolve proposals at Board meetings. Prepare meeting minutes documenting the resolutions.

Significant resolutions of the Board of Directors in 2024 (GRI 2-16) are disclosed in the Company's 2024 Annual Report and are also available on the Company's official website under the "Board Resolutions" section.

In addition, the Company has established a Board Secretariat as the administrative unit supporting Board operations. The Secretariat is responsible for planning and organizing Board meetings to enhance meeting efficiency and assist in the implementation of Board resolutions.

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

To strengthen corporate governance, the Company has established three functional committees under the Board of Directors: the Audit Committee, the Remuneration Committee, and the ESG Committee. Each committee is responsible for formulating and reviewing policies within its respective scope of duties.

Title	Name	Audit Committee	Remuneration Committee	ESG Committee
Chairman	Quintin Wu	---	---	Member
President	Wen-Hao Wu	---	---	Vice Chairperson
Independent Director	Li-Chiu Chang	Convener	Member	---
Independent Director	Piao-Chun Chen	Member	Convener	Member
Independent Director	Shun-Tien Lin	Member	Member	Chairperson
Independent Director	Ting-Chang Wang	Member	---	Member

Implementation of Board Diversification Policy GRI 2-10 • 2-17

According to Article 20 of the Company's "Corporate Governance Best Practice Principles," Board composition shall consider diversification, and members shall possess the knowledge, skills, and literacy required for the execution of duties.

To achieve the ideal target of corporate governance, the overall Board shall possess the following core competencies:

In addition to the eight core competencies mentioned above, the Company has also taken into consideration the increasing global emphasis on corporate governance and environmental protection. As part of its Board diversification policy, the Company seeks to ensure that Board members possess professional expertise in both law and environmental protection. All current Board members possess the necessary knowledge, skills, and professional qualities required to fulfill their duties, and collectively bring expertise in areas such as accounting and finance, international markets, legal affairs, and environmental protection.

The current Board of Directors was elected on May 26, 2023, and is composed of nine members, including three Independent Directors and six Corporate Representative Directors. On May 28, 2024, the Annual General Meeting approved the election of an additional Independent Director, Mr. Ting-Chang Wang. All Directors possess the capabilities necessary to support the Company's diversified business development. In addition to collectively meeting the core competencies required of the Board, all members have expertise in operational judgment, business management, crisis management, and decision-making. Among them, two Directors have legal expertise, and four possess knowledge and experience related to environmental protection. These qualifications demonstrate the Company's effective implementation of its Board diversity policy as stipulated in the Corporate Governance Best Practice Principles.

The Company's board diversity goals include the planned addition of a female director to promote gender diversity. In alignment with international best practices in corporate governance, the Company will gradually increase the proportion of female board members and actively invite outstanding professionals from various fields to enrich the Board's perspectives and enhance the quality of decision-making. In response to the growing global emphasis on corporate sustainability, the Company also plans to appoint directors with expertise in sustainability-related fields to strengthen the Board's capabilities and enhance the Company's long-term competitiveness in sustainable development. For more information on the Company's board diversity status, please refer to the Company's 2024 Annual Report.

Recusal of Directors for Conflicts of Interest GRI 2-15

The Company places strong emphasis on sound corporate governance. To ensure the independence and objectivity of Board decision-making, a comprehensive mechanism for managing and avoiding conflicts of interest has been established, as outlined below:

1.Policies and Guidelines: The Company has established the Board of Directors' Meeting Regulations, the Code of Ethical Conduct for Directors and Managers, the Ethical Corporate Management Best Practice Principles, and the Procedures for Ethical Management and Guidelines for Conduct. These documents clearly define the recusal requirements and procedures that Directors must follow in the event of a conflict of interest.

2.Meeting Procedures: When the Board discusses proposals involving any Director's personal interest, strict recusal procedures are enforced. The Chairperson of the meeting reminds the concerned Director to excuse themselves from the discussion and voting. In cases where the Chairperson has a conflict of interest, another Director is appointed to preside over the relevant agenda item.

3.Disclosure: The Board Secretariat records all recusal cases in detail and includes the relevant information in the meeting minutes.

4.Annual Disclosure: In 2024, the Company duly implemented conflict-of-interest recusal procedures in accordance with applicable regulations. For details, please refer to the "Board Operations" section of the Company's 2024 Annual Report. For disclosures related to potential conflicts of interest between Board members and stakeholders, please refer to the sections titled "Board Members' Information" and "Top Ten Shareholders by Shareholding Proportion" in the Company's 2024 Annual Report, as well as the "Related Party Transactions" section in the 2024 Financial Statements.

5.Continuous Improvement: The Company will continue to review and enhance its conflict-of-interest recusal mechanisms to ensure transparency and fairness in corporate governance.

Implementation of Performance Evaluation of the Board, Audit Committee, and Remuneration Committee GRI 2-18

The Company has established performance evaluation procedures and assessment methods for the Board of Directors. An annual self-assessment is conducted for the overall Board, individual Board members, and each functional committee. The Board Secretariat is responsible for organizing and executing the internal evaluation process. The results of these assessments are used as a basis for reviewing and improving the Company's governance practices.

The overall self-assessment results for the Board, individual Board members, and functional committees in 2024 are as follows:

Evaluation Unit	Overall Board of Directors		Individual Board Members		Audit Committee		Remuneration Committee		ESG Committee	
Evaluation Criteria		Score		Score		Score		Score		Score
	Degree of Participation in Company Operations	4.6	Understanding of Company Goals and Missions	4.87	Degree of Participation in Company Operations	4.75	Degree of Participation in Company Operations	4.83	Degree of Participation in Company Operations	4.80
	Enhancement of Board Decision-Making Quality	5	Awareness of Director Responsibilities	5	Awareness of Audit Committee Responsibilities	4.60	Awareness of Remuneration Committee Responsibilities	4.87	Awareness of ESG Committee Responsibilities	4.80
	Board Composition and Structure	5	Degree of Participation in Company Operations	4.73	Enhancement of Audit Committee Decision-Making Quality	4.79	Enhancement of Remuneration Committee Decision-Making Quality	4.76	Enhancement of ESG Committee Decision-Making Quality	5
	Selection and Ongoing Education of Directors	4.67	Internal Relationship Management and Communication	4.6	Audit Committee Composition and Member Appointment	4.75	Remuneration Committee Composition and Member Appointment	4.67	ESG Committee Composition and Member Appointment	4.90
	Internal Controls	5	Professional Competence and Ongoing Education of Directors	4.83	Internal Controls	4.67				
			Internal Controls	4.83						
Evaluation Result	The overall performance evaluation of the Board of Directors indicated that all five key assessment dimensions achieved average scores of 4.6 or above, reflecting a favorable evaluation outcome.		The self-evaluation results of individual Board member showed that all six assessment dimensions achieved average scores of 4.6 or above, indicating an overall favorable performance outcome.		The self-evaluation results of the Audit Committee indicated that all five assessment dimensions achieved average scores of 4.6 or above, reflecting a favorable overall performance outcome.		The self-evaluation results of the Remuneration Committee indicated that all four assessment dimensions achieved average scores of 4.6 or above, reflecting a favorable overall performance outcome.		The self-evaluation results of the ESG Committee indicated that all four assessment dimensions achieved average scores of 4.8 or above, reflecting a favorable overall performance outcome.	

Note : Evaluation scores range from 0 to 5, with 5 being the highest. The evaluation period was from January 1, 2024 to December 31, 2024.

The performance evaluation results of the Board of Directors, individual directors, and functional committees will be submitted to the Board meeting in the first quarter of 2025.

Audit Committee

1.The current term of office is from May 26, 2023 to May 25, 2026. The Committee consists of four members, all of whom are independent directors of the Company.

2.The Committee convenes at least once every quarter and may hold additional meetings as needed. In 2024, a total of five meetings were held, with an attendance rate of 100% by all members.

In the most recent fiscal year (2024), the Audit Committee held five meetings (A). The attendance of the independent directors is as follows:

Title	Name	Actual Attendance (B)	Attendance by Proxy	Actual Attendance Rate (%) (B/A) (Note 1, Note 2)	Remarks
Independent Director	Li-Chiu Chang	5	0	100	Reappointed (Re-elected on May 26, 2023)
Independent Director	Piao-Chun Chen	5	0	100	Reappointed (Re-elected on May 26, 2023)
Independent Director	Shun-Tien Lin	5	0	100	Reappointed (Re-elected on May 26, 2023)
Independent Director	Ting-Chang Wang	2	0	100	New Appointment (May 28, 2024)

Note 1 :If any independent director resigns before the end of the year, the resignation date shall be specified in the Remarks column.
Note 2:If any independent director is re-elected before the end of the year, both the former and the newly appointed independent directors shall be listed, and the Remarks column shall indicate whether the independent director is a former, new, or reappointed member, along with the re-election date.
Note 3:The actual attendance rate (%) shall be calculated based on the number of Audit Committee meetings held during the director's term of office and the number of meetings actually attended.

Remuneration Committee

1.The current term of office is from June 6, 2023 to May 25, 2026. The Committee consists of three members, all of whom are independent directors.

2.The Committee convenes at least twice a year. In 2024, a total of three meetings were held, with an attendance rate of 89% by all members. For details regarding the Committee's operations, please refer to the Company's official website, annual report, or the Market Observation Post System (MOPS).

3.The committee regularly reviews (1) the policy, system, standards, and structure of remuneration for directors and senior executives, as well as (2) performance evaluations. It considers the median level in the industry, individual goal achievement, the attainment of the company's short-term and long-term performance goals, the company's financial status, and other factors to determine and evaluate the remuneration for directors and senior executives, which is then approved by the board of directors. GRI 2-20

• Remuneration: The remuneration package for directors includes compensation, directors' remuneration, and business execution expenses. The remuneration package for senior executives includes monthly salary, fixed bonuses, year-end bonuses, employee compensation, annual special bonuses, statutory retirement contributions, and welfare funds. Directors' and employees' compensation are handled in accordance with Article 34 of the Company's Articles of Incorporation. GRI 2-19

In 2024, the total remuneration ratio was 10.17, and the total remuneration variation ratio was 116%. GRI 2-21

Note 1:Total Remuneration Ratio:The annual total remuneration of the individual with the highest remuneration in the organization divided by the median of the annual total remuneration of all employees (excluding the individual with the highest remuneration).
Note 2:Total Remuneration Variation Ratio:The percentage increase in the annual total remuneration of the individual with the highest remuneration in the organization divided by the percentage increase in the median of the annual total remuneration of all employees (excluding the individual with the highest remuneration).

• Performance Evaluation:

(1)The performance evaluation of directors covers areas such as alignment with the Company's goals and missions, understanding of responsibilities, level of participation in Company operations, management of internal relationships and communication, professional expertise and continuing education, and internal control. In addition, the Sustainability Committee is subject to a separate performance evaluation.

(2)The performance evaluation of senior executives covers dimensions such as financial, customer, product, talent, safety, and project aspects.

(3)For sustainability performance-linked indicators, the President (General Manager) is required to allocate at least 20% of the weighting, which must include no less than 5% related to climate issues. Other senior executives are required to allocate no less than 5% of their performance indicators to sustainability-related targets.

Enhancing Directors' Professional Competence

To strengthen the professional competence of Directors (including Independent Directors), the Company regularly provides information on relevant training courses and assists Directors with registration. In 2024, the Company arranged a total of 6 hours of internal training. On July 11, 2024, Mr. Kai-Lung Hua, Chief Technology Officer of Microsoft Taiwan, delivered a 3-hour course titled "Digital Reinvention for an AI-powered Future: Generative AI Use Cases." On October 16, 2024, Dr. Je-Liang Liou from the Chung-Hua Institution for Economic Research delivered a 3-hour course titled "Carbon Credit Trading Mechanisms and Carbon Management Applications." In addition, all Directors participated in various external training programs throughout 2024, with a cumulative total of 66 hours of continuing education. Following the by-election of a new Independent Director in 2024, Mr. Ting-Chang Wang received relevant training in accordance with Article 14, Paragraph 3 of the "Taipei Exchange Directions for Compliance Requirements for the Appointment and Exercise of Powers of the Boards of Directors of TPEx Listed Companies." All Directors have fulfilled the required training hours in line with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies." For detailed information on training courses and total hours completed in 2024, please refer to the Company's 2024 Annual Report.

2.2.3 Risk Management and Internal Control

Risk Management GRI 2-25

In 2022, the global economy was overshadowed by weakened demand due to inflation and interest rate hikes, geopolitical tensions arising from the Russia-Ukraine war, China's continued adoption of zero-COVID lockdown measures, financial risks associated with climate change and the energy crisis, and the pressure to achieve net-zero emissions by 2050. These developments have made risk management an increasingly vital component of corporate governance.

To strengthen corporate governance, mitigate operational risks, and ensure sound management and sustainable development, the Company established the "Regulations for Risk Management Policies and Procedures" in December 2020, which were approved by the Audit Committee and the Board of Directors. The policy outlines the Company's risk management principles, organizational structure, operational processes, risk categories, and control mechanisms. Under this framework, risks arising from business activities are effectively identified and managed, and the annual risk management performance is reported to the Audit Committee and the Board.

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 2024 performance of each risk management unit is summarized in the following table.

No.	Risk Type	Operating Situation in 2024
1	Financial Risks	1.Interest rate risk : As global inflation continues to ease, major economies are expected to enter an interest rate cut cycle. In response, the Company has adopted the following measures: • Short-term capital requirements: Closely monitor changes in the Taiwan central bank's overnight interbank rates and the interest rates on transferable certificates of deposit of various maturities. Adjust borrowing terms accordingly to reduce financing costs and maintain sufficient short-term liquidity to meet operational needs. • Medium- to long-term capital requirements: Secure medium- to long-term credit lines from financial institutions. Increase the proportion of borrowings with floating interest rates to better respond to downward interest rate trends. • In addition, borrowing levels are managed based on funding needs, and the ratio of short-term to medium/long-term borrowings is optimized. The utilization rate of short-term facilities is kept below 50% to strengthen the Company's overall financial structure and mitigate risks associated with interest rate volatility. 2.Exchange rate risk: With the U.S. Federal Reserve initiating a rate-cutting cycle and global political and geopolitical tensions intensifying exchange rate volatility, the Company maintained a prudent foreign exchange risk management strategy. In principle, the Company adopts a full hedging approach for net foreign exchange positions. However, when market movements are clearly favorable to the Company, the hedging ratio may be appropriately adjusted within controllable risk parameters. 3.Risk of property loss: The Company has taken out various property insurance policies based on its business and asset scale, using replacement cost as the basis. This allowed the Company to appropriately transfer risks to insurance companies. 4.Endorsement and guarantee risk: The Company provided endorsements and guarantees to its subsidiaries in which it holds 60.1% and 100% equity interests. Such arrangements help reduce the subsidiaries' funding costs and increase their financial flexibility. These endorsements were in line with the Company's business strategies, and the associated risks remained within acceptable levels. 5.Accounts receivable risk: The Company temporarily suspends shipments to customers with overdue payments and promptly visits them to clarify the reasons for the delay and assess any irregularities in their payment behavior. If necessary, the Company takes legal preservation actions, such as applying for provisional attachment or seizure of customer assets. Regular meetings were held to review the business status of customers or analyze their financial statements. If any concerns are identified, the Company recommends suspending further shipments or reducing credit limits.
2	Strategic and Operating Risks	1.The Company mitigated strategic risks by having operating departments regularly report on strategic matters to the Board of Directors, enabling Directors to provide guidance and oversight. 2.Weekly cross-site video conferences were held to review the operational status of each plant, allowing the Company to promptly adjust and formulate operational strategies. 3.Weekly business and R&D meetings were held to closely monitor developments and trends in competitors, markets, industries, and customers. This information served as a reference for production, technology, and product development planning.

No.	Risk Type	Operating Situation in 2024
3	Raw Material Price and Supply Chain Risks	1. Fluctuations in raw material prices: As overall market conditions remained stable with slight increases in raw material prices, the Company continuously monitored internal material requirements and price trends to enable optimal procurement decisions. 2. Raw material inventory and logistics management: By applying a rolling forecast mechanism, the Company regularly confirmed the material needs of each department, prepared materials in advance, and ensured smooth inventory and logistics operations. 3. Production equipment spare parts planning: The production department periodically reviewed and established plans for spare parts of major production equipment. The procurement team collaborated with the production department to understand suppliers' lead times and spare part availability, placing timely orders to ensure adequate preparedness.
4	Occupational Safety Risks	1. As of the end of September 2024, thanks to the efforts of all departments, the Taoyuan Plant has maintained a record of zero occupational accidents. 2. The cumulative figures for zero-accident days and hours are as follows: ▪ Zero-accident days: 1,134 days ▪ Zero-accident hours: 1,252,081 hours 3. To enhance the effectiveness of occupational safety and health management, we began implementing the ISO 45001 Occupational Health and Safety Management System in April 2022 obtained certification in December 2022. The system has continued to operate in 2024, with targets set and risks identified to implement related relevant occupational safety and health measures to achieve our goal of zero occupational accidents, thereby demonstrating our corporate social responsibility. 4. In coordination with the Group's Division of Equipment Preventive Maintenance and Environmental Risk Control, regular safety briefings were conducted to share incidents within the Group and major domestic or international industrial safety and environmental cases, enabling the Company to learn from others' experiences. 5. On-site contract medical professionals were engaged to provide employee health management services, organize health promotion activities, and deliver health education, thereby increasing health awareness and reducing the risk of occupational diseases. 6. To reinforce contractor management, a facial recognition system for contractors was implemented in September 2024 to strengthen access control for contract personnel.
5	Information Security Risks	1. The Company engaged a professional cybersecurity consulting firm to conduct social engineering drills semi-annually. Employees who failed the simulations received cybersecurity education and follow-up testing. The dedicated information security team and IT operations personnel also attended two professional training sessions during the year to enhance internal cybersecurity awareness. 2. The Company regularly dispatched personnel to production sites to carry out cybersecurity inspections and asset inventories of OT (Operational Technology) computers. These inspections strengthened security control over OT equipment. USB port locking mechanisms were implemented to reduce cybersecurity risks associated with external USB devices. 3. Throughout the year, system versions and cybersecurity suites of the Company's external firewalls were continuously updated to maintain the latest protection capabilities. Annual disaster recovery and failover drills were also conducted to enhance the resilience of firewall operations. 4. The Company applied next-generation firewall (NGFW) technology to configure access control list (ACL) rules that blocked suspicious connections from specific IP addresses or ports. DDoS protection features were activated to monitor and filter abnormal network traffic, mitigating the impact of external malicious attacks on Company services. 5. The Group's critical system servers underwent regular disaster recovery drills to improve recovery speed and capabilities. The Company followed the 3-2-1 backup strategy for critical system data to ensure rapid restoration in the event of a disaster, thereby maintaining business continuity across the Group. 6. The Company conducted a Group-wide inventory and antivirus scan of USB external storage devices to ensure that all devices permitted for use complied with security standards. 7. In line with the guidance from the Financial Supervisory Commission, the Company established a dedicated cybersecurity unit, appointing a cybersecurity officer and specialized personnel responsible for planning, monitoring, implementing, and overseeing information security management operations. 8. For critical information assets, the Company deployed two heterogeneous endpoint detection and response (EDR) software systems as complementary defenses against cyberattacks. 9. To strengthen the cybersecurity of the Company's official website, a third-party enterprise cybersecurity exposure service was introduced. This service utilized non-intrusive data collection, cyber honeypot mechanisms, and integrated threat intelligence, along with vulnerability scanning tools, to conduct external cybersecurity risk analysis, continuous security monitoring, and vulnerability remediation.

No.	Risk Type	Operating Situation in 2024
6	Legal Risks	1. Compliance risks: • During the year, the Group's Legal Affairs Department promptly provided written and oral consultations and recommendations to address legal uncertainties raised by various business units, ensuring that the Company's operations remained in compliance with applicable laws and regulations. • The Company consolidated and assessed domestic and international policy and regulatory developments, formulating proposed responses to provide timely reference for relevant personnel. • Where necessary, the Company consulted with competent authorities or external legal experts to ensure the appropriateness of legal interpretations. • No irregularities were identified during the year. 2.Transaction risks: • The Group's Legal Affairs Department handled the drafting and review of various transaction-related legal documents, thoroughly understanding transaction backgrounds, our positions, and contracting objectives through individual discussions or meetings. We provided appropriate and feasible recommendations to facilitate transaction completion while safeguarding company interests, thereby avoiding default risks and liabilities. • Designated personnel managed and affixed company seals in accordance with company regulations. The Group Legal Affairs Department reviewed legal or contractual documents for compliance and requested clarification or amendments where necessary to uphold regulatory integrity. • No irregularities were identified during the year. 3.Litigation resolution: • The Group Legal Affairs Department follows the principles below when managing litigation cases: • Evaluate and formulate appropriate dispute resolution strategies by taking into account factors such as the resolution process of each case, manpower and time requirements, cost implications, the finality of the litigation outcome, and the feasibility of subsequent enforcement. • Gain a full understanding of the facts of each case and develop robust defense or negotiation strategies, supported by comprehensive evidence and witnesses. • Seek external professional opinions and engage suitable legal representatives, while effectively managing litigation-related costs. • In 2024, the Group Legal Affairs Department did not handle any litigation cases on behalf of ACME Corporation. 4.Compliance awareness and actions: • The Company assisted relevant departments in organizing internal training and participated in training programs offered by regulatory authorities or external organizations. Additionally, through individual consultations or meeting discussions that involved legal support, the Company provided timely reminders to raise legal risk awareness among colleagues across departments. These efforts helped internalize legal compliance in employees' daily work practices and contributed to reducing the Company's overall legal risks. • No irregularities were identified during the year.

No.	Risk Type	Operating Situation in 2024
7	Human resource risks	For the current year, in addition to managing risks based on last year's assessments, we have remained vigilant about changes in relevant risks and have dynamically adjusted our control mechanisms. 1.Risk of insufficient human resources supply - talent shortage risk: • To mitigate the risk of talent shortages, the Company leveraged multiple recruitment channels, including online job banks, ESG-related platforms, and the corporate website, to identify suitable candidates. In addition, the Company collaborated with government agencies to enhance corporate image and visibility, thereby expanding talent sources and improving applicant willingness. • Talent development: ‧ The Company has established a training roadmap and development plans categorized by course content, applicable scope, and target audience. Programs include onboarding training for new hires, core and managerial competency development, professional skills training, general knowledge courses, and language training, with tailored approaches to meet diverse learning needs. ‧ In light of the broader shift driven by technological advancements and their impact on human capability, the Company actively reshapes and upgrades employee skillsets. ‧ An annual promotion nomination system and a talent review committee have been implemented to ensure that high-performing employees are developed and placed appropriately in line with their strengths. • Talent deployment: We strengthen talent identification and cultivation plans to ensure succession planning. 2.Risk of workforce stability – attrition risk: • The Company has continued to maintain effective communication with employees. In 2024, regular meetings held by the labor-management and Employee Welfare Committee, along with ongoing daily interactions, helped foster a cooperative labor-management relationship. • We have established a competitive compensation system to incentivize employee performance and enhance overall morale. • All employees can share in the Company's operational results, distributed according to actual profitability. • For employees of overseas subsidiaries, compensation packages are designed with reference to local labor market conditions, applicable laws and regulations, industry practices, and the subsidiaries' operational performance. These measures aim to encourage long-term employee commitment and shared growth with the Company. 3.Legal compliance risk: • The Company has established internal policies such as the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct." At the group level, additional codes have been implemented, including the "Code of Ethical Conduct for Directors and Managers" and the "Employee Code of Conduct." In 2024, the Company continued to offer training programs on business integrity and regulatory compliance. • An external legal advisory team specializing in labor law has been engaged to provide timely legal consultations. Designated personnel are responsible for regularly reviewing the Company's HR policies to ensure compliance with applicable laws and their effective implementation. Relevant personnel policies are promptly updated in accordance with regulatory changes. • Establishment of whistleblowing system to ensure effective implementation: ‧ The Company formulated the "Procedures for Handling Cases of Reporting Illegal, Unethical, or Non-Compliant Conduct" to encourage the reporting of any acts that violate ethical standards or the Ethical Corporate Management Best Practice Principles. ‧ Both employees and external parties may report such misconduct via the Company's website or the designated whistleblower hotline maintained by the Audit Department. • No violations or whistleblower reports were received in 2024.

No.	Risk Type	Operating Situation in 2024
8	R&D risk	1. In order to enhance industry positioning and protect existing technological achievements, the Company submitted and obtained approval from the Board of Directors on August 11, 2020 for the "Intellectual Property Management Plan," aiming to implement the Company's intellectual property management policy. 2. On November 4, 2024, the Company reported to the Board and obtained approval for the "2024 Implementation Status of the Intellectual Property Management Plan and the 2025 R&D Plan." 3. Weekly business and R&D meetings were held to closely monitor developments and trends in competitors, markets, industries, and customers. This information served as a reference for production, technology, and product development planning. 4. All relevant employees are required to sign non-disclosure agreements to ensure the protection of trade secrets and intellectual property rights.
9	Climate Change and Environmental Risks	1.The carbon emissions generated during operational processes have an impact on the environment: • The Company analyzed potential climate-related risks using the TCFD framework and international research reports, identifying possible opportunities and mitigation measures. A financial impact assessment was conducted, along with a description of the corresponding response actions. • On March 27 and October 15, 2024, the Group held on-site exchange meetings, promoting energy conservation, carbon reduction, occupational safety, environmental protection, and preventive equipment maintenance through a series of audit activities and training sessions. • On November 14, the Group organized the 2024 Group Plant Technical Exchange Conference, featuring case presentations and award selections to encourage ongoing implementation and improvement of occupational safety, environmental protection, equipment preventive maintenance, and energy conservation at the factories. • In 2024, the Taoyuan Plant and the Taipei Office completed verification under ISO 14061-1, with total Scope 1 and Scope 2 emissions reaching 8,768.47 metric tons of CO2e per year. • The Group continued to monitor changes in energy and carbon management policies and actively participated in public hearings on relevant regulatory updates and amendments. 2.Environmental pollution caused by operational processes: • The Group conducted internal audits on occupational safety, environmental protection, and fire safety compliance, identifying non-compliances and implementing corrective actions. • The Group implemented its annual environmental health and safety (EHS) training program to enhance the professional skills and regulatory knowledge of EHS personnel at each plant. • The Group continued to monitor changes in domestic and international environmental regulations and actively participated in public consultations and hearings on newly drafted or revised environmental laws through industry associations. • The Group's Division of Equipment Preventive Maintenance and Environmental Risk Control periodically issued awareness bulletins featuring major domestic and international incidents related to occupational safety and environmental protection to facilitate learning from external cases.
10	Disaster and Accident Risks	1. As of September 2024, no occupational accidents had occurred at the Taoyuan Plant. 2. A total of 120 maintenance and improvement tasks for machinery and equipment were completed, achieving a 100% completion rate as of September 2024. In addition, 4,968 inspection tasks had been carried out by the same date, with a 100% completion rate.
11	Technology Risks	1. An annual inventory of SSL VPN user accounts was conducted, with access controls implemented based on the principle of maintaining minimum required privileges. 2. The Company continuously monitored various cybersecurity issues (such as advisories issued by the National Institute of Cyber Security) and used them as a reference for auditing and remediating vulnerabilities within the Group's information and communication environment. 3. Cybersecurity management was carried out in accordance with the Group's three-phase defense framework (pre-event, during-event, and post-event), which was established based on operational practices. 4. Security controls for remote work were enforced through SSL VPN connection management mechanisms on corporate laptops. 5. Response to evolving customer demands and outdated production technologies: • The Company adopted Six Sigma and TRIZ methodologies to establish a systematic and scientific framework for innovation and problem-solving, enabling the rationalization, Jidoka (autonomation), and digitalization of production processes, thereby enhancing overall quality and cost competitiveness. • The ISO 50001 energy management system was introduced, and the Company planned for the implementation of a smart factory management system. This would enable systematic collection and analysis of production data and energy consumption data across production equipment to support continuous improvement in energy conservation and carbon reduction. • The Company optimized process parameters for existing equipment to improve production capacity. In addition, by leveraging opportunities to replace aging equipment, the Company collaborated with suppliers to jointly develop equipment with lower energy consumption and higher production efficiency, thereby meeting customer capacity demands while reducing carbon emissions.

Internal Control and Internal Audit System

The Company's Audit Department reports directly to the Board of Directors and assists the Board and management in examining and reviewing the internal control system. Its role is to help achieve the three primary objectives of internal control: (1) operational effectiveness and efficiency, (2) the reliability, timeliness, transparency, and compliance of financial reporting, and (3) compliance with applicable regulations.

The Audit Department formulates the annual audit plan in accordance with the Company's Internal Control System. The plan includes continuous audits of the Company's eight major operational cycles, management procedures, computerized information systems, and regulatory compliance matters. Prior to drafting the audit plan, the Audit Department conducts risk assessments to ensure alignment with the Company's annual strategic objectives and to cascade audit focus to all relevant operational levels. The annual audit plan is submitted to the Board of Directors for approval. Risk management and regulatory compliance are embedded into the daily operations of each department through the internal control system.

In 2024, the Audit Department issued a total of 50 audit reports and 12 improvement follow-up reports. Quarterly, the Audit Department reported to the Audit Committee and the Board of Directors on the implementation status of the audit plan, audit findings, and the progress of corrective actions. It also complied with statutory deadlines for online filing and submission of reports for review by the Audit Committee.

In compliance with the Financial Supervisory Commission's Order No. 1130381962 dated April 22, 2024, the Company revised its internal control system for sustainability information management, which was approved by the Audit Committee and the Board of Directors on November 4, 2024. The Company will continue to adjust the system in accordance with relevant laws and operational requirements, and beginning in 2025, the management of sustainability information will be included in the annual audit items.

Each year, the Company conducts effective risk management for identified risks, integrates these with the objectives of internal control operations, and evaluates the effectiveness of internal control design and implementation across various operational levels. In addition, in February 2025, the Audit Department completed its review of the 2024 self-assessment reports on internal control systems submitted by all departments and subsidiaries. A consolidated review report was issued as the primary basis for the Board of Directors and the President to issue the Internal Control System Statement.

STEP 1
Risk Assessment
Assess risks and formulate the annual audit plan for Board approval.

STEP 2
Audit Execution
Execute audits based on the annual audit plan.

STEP 3
Discussion Results
Communicate audit results with audited departments and propose corrective actions.

STEP 4
Report Submission
Submit audit reports to the audited units and management, and provide to Independent Directors for review.

STEP 5
Follow-up and Improvement
Track the implementation status of corrective measures on a quarterly basis.

STEP 6
Report Progress
Provide quarterly reports on audit execution and improvement progress to the Audit Committee and the Board.

Reporting and Consulting Channels GRI 2-25 • 2-26

To address violations of the Company's internal policies or national laws and regulations, the Company has established complaint, whistleblowing, and disciplinary mechanisms that offer legitimate channels for reporting misconduct. The identity of whistleblowers and the content of their reports are strictly kept confidential.

- Internal Whistleblowing and Consultation Mechanisms: The Company has formulated the "Regulations for Employee Complaints and Opinion Mailbox Management," the "Procedures for the E-mail of the Audit Committee," and the "Procedures for Handling Cases of Reporting Illegal, Unethical, or Non-Compliant Conduct" to provide formal channels for filing complaints or whistleblowing. Complaints and reports are received, handled, and responded to by the relevant responsible units based on the nature of the case, including the Human Resources Department, Audit Department, or the Audit Committee. Employees may submit complaints or reports through face-to-face meetings, telephone (+886-2-26503783), written submissions (7F, No. 37, Jihu Rd., Neihu Dist., Taipei City, Group Audit Department), or via the Audit Committee e-mail (auditcomm@usig.com).
- External Whistleblowing and Consultation Mechanisms: If external stakeholders have any suggestions or complaints, they may contact the Company through the "Contact Us" section on the official website or via the "E-mail of the Audit Committee."

The Company adheres to the Ethical Corporate Management Best Practice Principles. All employees are required to sign job-related commitment letters or non-disclosure agreements and comply with the Company's internal policies and regulations. In 2024, the Company identified no instances of fraud or legal violations.

Ethical Corporate Management RT-EE-510a.1

The Company established the Code of Ethical Conduct for Directors and Managers on December 8, 2006, requiring all directors and managers to act with honesty, integrity, fairness, legal compliance, and ethical self-discipline in the handling of Company affairs. They are expected to avoid conflicts of interest and opportunities for personal gain, maintain the confidentiality of trade secrets, engage in fair transactions, comply with applicable laws and regulations, and ensure the proper safeguarding and use of Company assets.

Upholding ethical business conduct as the cornerstone of sound corporate governance, the Company's Board of Directors approved the "Ethical Corporate Management Best Practice Principles" on December 23, 2010. Pursuant to these principles, the "Procedures for Ethical Management and Guidelines for Conduct" were adopted on December 18, 2012 and subsequently revised on November 1, 2022. The latest revision explicitly stipulates that, in addition to complying with legal prohibitions on insider trading, directors shall not trade Company shares during blackout periods, which are defined as the 30 days preceding the announcement of the annual financial statements and the 15 days preceding the announcement of quarterly financial statements.

The Company's ethical corporate management policy is founded on the principles of integrity, transparency, and accountability. It establishes an integrity-based framework aimed at fostering sound corporate governance and effective risk control mechanisms to support sustainable business development.

The "Ethical Corporate Management Best Practice Principles" stipulate that directors, managers, employees, or any individuals with substantial control over the Company shall not, either directly or indirectly, offer, promise, solicit, or accept any improper benefits, nor engage in any unethical, unlawful, or fiduciary-breaching conduct in the course of business activities. Prohibited acts include but are not limited to bribery, the offering or acceptance of bribes, the provision of illegal political donations, inappropriate charitable donations or sponsorships, and the giving or receiving of unreasonable gifts, services, hospitality, or other abnormal benefits.

To implement ethical corporate management, the Company adopts the following measures:

01 Specify the policy of ethical corporate management in the Company's rules and documents with external parties.

02 The Corporate Governance Taskforce is responsible for formulating the preventive plan, including the operating procedures, guidelines for conducts, and educational training, and regularly (at least once a year) reporting to the Board.

03 Establish and comply with an effective accounting system and internal control system.

04 Provide appropriate whistleblowing channels and stipulate a punishment and complaint system for violating the requirements of ethical corporate management.

To ensure that the Company's directors, managers, and employees fully understand, promote, and adhere to the Group's ethical and moral standards, the Company incorporates compliance with its ethical corporate management policy into employment conditions. Newly appointed directors and senior managers are required to sign a statement affirming their commitment to the policy. In 2024, the execution rate of such statements by directors and managers reached 100%.

Regulatory Compliance GRI 2-27

The Company's efforts in legal compliance are founded on our most important core value "ethical corporate management." To ensure that all employees stay informed on compliance-related matters, the Company promotes updates on laws and regulations through internal training sessions, external courses, and regular function-specific meetings. These efforts enable employees to stay abreast of newly enacted or amended regulations. In addition, the Legal Affairs Department of the USI Group provides legal consultation and guidance to support compliance across the organization.

To help employees understand ethical conduct standards, the Company not only publishes relevant codes and policies on its corporate website but also continues to invite renowned scholars, experts, and legal professionals to conduct training sessions and awareness campaigns for directors, managers, employees, and persons with actual control. These sessions reinforce the Company's commitment to ethical corporate management, outline related policies and preventive measures, and highlight the consequences of unethical conduct. In 2024, the Company organized a total of 159 participations, accumulating 318 training hours, for educational sessions related to ethical corporate management. Topics included Fair Trade Act regulations and case studies, prevention of workplace misconduct, and labor law seminars for HR personnel.

In 2024, the Company was not subject to any violations or fines related to customer privacy or its products and services.

2.3 Product and Technology R&D

Management Policy

Strategic Policy
- Adopt innovative corporate culture to accumulate innovation capacity
- Develop new materials and new products to maintain our competitive strength
- Explore new businesses and seek sustainable development

Commitment
Maintain the ratio of R&D expenses to revenue at **5%**

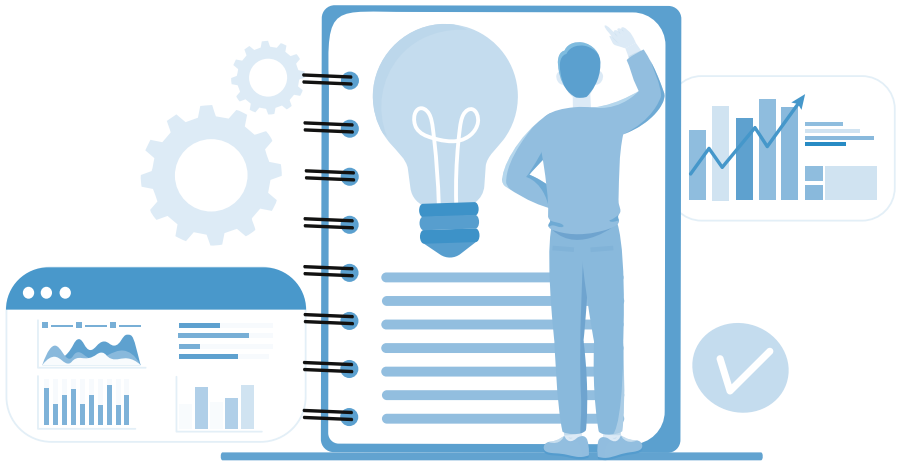
2024
Target: Ratio of R&D expenses to revenue > 5%
Performance: Ratio of R&D expenses to revenue > **8.1**%

2025
Target: Ratio of R&D expenses to revenue > 5%

2027
Target: Ratio of R&D expenses to revenue > 5%

2030
Target: Ratio of R&D expenses to revenue > 5%

Sustainability Principle: Business Governance and Value Chain Management



Constant and continuous technological advances and innovations are the core values of the Company, and they are also the momentum to maintain our competitive advantages. The Company occupies a leading position in the market and is able to rapidly satisfy different design requirements of customers.

In the past three years, the R&D funding invested by the Company continued to increase and maintained at 8% of its revenue; the proportion of such R&D investments is equivalent to that of top-notch companies worldwide. Due to the increase in the investment of R&D funding, we reinforced the personnel and quality of our R&D team while adding high-end experiment equipment to actively accumulate innovative capacity, create innovative environments, and realize the value of innovation.

Investment of R&D Expenses of ACME, 2022–2024

Year	2022	2023	2024
R&D Expenses	93,245	11,185	132,004
Ratio to Revenue	6.8%	10.3%	8.1%

Unit: NT$ thousands

Academic Background Distribution of R&D Personnel of ACME, 2022–2024

Year/Educational Background	Ph.D.	Master	Universities and colleges	Vocational high schools	Total
2022	4	20	8	1	33
2023	3	22	11	1	37
2024	3	24	12	1	40

Unit: person

Training Hours of R&D Personnel of ACME, 2022–2024

Year	Hours
2022	4,228
2023	3,519
2024	4,284

Unit: hour

For material development, the Company focused on EV power applications, CAN-BUS communication applications, and high-frequency power products for servers. In product development, efforts centered on miniaturized, high-frequency, high-power inductor cores, power products for 5G communications, and low-power consumption products for EV-related applications. The Company also collaborated with leading industry players to develop green energy materials characterized by high frequency, high power, and reduced power loss, aiming to meet evolving market demands and industry trends. In anticipation of the growth of green energy, the development of low-power amorphous alloys and ultra-fine alloy materials and products has also been set as a priority for 2025.

In new business development, silicon carbide (SiC) has emerged as a next-generation power semiconductor material that enables low power consumption, high efficiency, and miniaturization. Compared to conventional silicon (Si) semiconductor devices, SiC significantly reduces switching losses and maintains superior performance even under high-temperature conditions. SiC power components have already been adopted in applications such as solar inverters, EVs, and railway systems. Semi-insulating SiC is also expected to serve as a key substrate material for power amplifiers in 5G applications. In addition, due to its outstanding heat and corrosion resistance, SiC ceramic components are widely used in semiconductor and optoelectronic manufacturing equipment.

The market for SiC has gradually taken shape, driven by the rapid growth of EVs. Countries around the world have designated SiC as a strategic critical material, and Taiwan has also included it in national industrial policy initiatives. The Company has made steady progress in the development of high-purity SiC powder, with sales continuing to grow. Looking ahead, the Company plans to expand production and sales capacity in line with market trends such as EVs and photovoltaic (PV) applications, and is actively exploring opportunities to extend into the high-purity SiC ceramic product market as the next phase of strategic development.

Technologies or Products Successfully Developed by ACME, 2020–2022

Year	Technology or Product Successfully Developed	Usage
2022	1. The wide temperature permeability material can further reduce the αF coefficient (A044i)	Controller Area Network for Automotive (Automotive network)
	2. Improving the bandwidth characteristics of 10000u high conductivity material	Server Powder EMI choke (Filter inductors)
	3. Improving the Tc for high permeability material (A104i)	High Tc EMI Application for Automotive (Automotive high-Tc filter inductors)
	4. Improving the core loss for high frequency applications (P6X)r	High Frequency DC-DC Application for Server or 5G Power Supply
	5. Development of the wide temperature permeability (-40~160°C) material (F30)	Controller Area Network for Automotive (Micro-sensors)
	6. Development of nanocrystalline and amorphous materials	For GaN substrates Application(Alloy inductors)
2023	1. Development of manganese-zinc ferrite submicron materials	High-Frequency Model Performance Enhancement
	2. Development of P453 material for automotive power supplies with wide temperature range and low loss	Wide Temperature Power for Automotive
	3. Development of SiC/AIN sintered ceramic powders and forming sintering technology	SiC Sintered Powder
	4. Development of A051 material for automotive filter with high Tc	High Tc EMI Application for Automotive (Automotive high-Tc filter inductors)
	5. NiZn ferrite for EMI suppression and antenna (F32)	Controller Area Network for Automotive (Micro-sensors)
	6. Development of P53i 500kHz-100mT Mid-Frequency Material	High Frequency DC-DC Application for On-Board Battery Charger (Mid-Frequency Automotive Power Supply)
	7. Ni-Zn High Permeability and High Tc (K101) Automotive EMI Development	Ni-Zn High Permeability and High Tc ≥170°C (Automotive EMI Development)
	8. Development of P454 Ultra-Wide Temperature (~160°C) Low Loss Automotive Power Ferrite	Ultra-Wide Temperature power for Automotive (Automotive On-Board Charger Power Supply)
2024	1. Development of AIN/SiCB powder and sintered polycrystalline wafers	SiC Sintered Powder (Semiconductor material for power electronics)
	2. P492 high-temperature and high-current manganese-zinc ferrite (High Bs Power Ferrite)	Wide-temperature, low-power-loss material for 100–200 kHz with good +DC bias in high temperatures (Automotive electronics, Power transformers)
	3. P452i material: 300 kHz, ΔB = 120 mT	Wide-temperature, low-power-loss material for 200–500 kHz (Server power supply)
	4. Development of P65 material for high-frequency power chokes	High-frequency DC-DC power chokes
	5. Development of A072 material for high-Tc EMI filters for automotive	High Tc EMI Application for Automotive
	6. Development of NiZn ferrite with high Bs = 480 mT	mini DC-DC converters and inductors
	7. Development of P61i material for broadband 500 kHz–1.2 MHz, ΔB ≥ 100 mT	Automotive DC-DC converters, Data center power.
	8. Development of Ni-Zn High Permeability and High Tc (K201) Automotive EMI	NiZn ferrite for EMI suppression at high temperature
	9. Development of P453i material for wide-temperature, ultra-low-loss automotive power applications	Wide Temperature Power for Automotive
	10. Development of ferrite powder forming technology for 10–30 μm particle size	High-Frequency Power Model Performance Enhancement

2.4 Supply Chain Management

Management Policy

Strategic Policy

- Conflict mineral management: Implement conflict minerals due diligence of suppliers, and the use rate of qualified minerals reached 100%.
- Supply chain risk management: Perform regular "quality, delivery term, level of cooperation, and price" evaluations of suppliers to ensure that suppliers comply with the Company's requirements and maintain the stability of the supply chain.

Commitment

The production base for the Company's core manufacturing processes is located in Taiwan. Under otherwise equal conditions, the Company prioritizes procurement from local suppliers to foster long-term and sustainable partnerships.
Key ESG-related environmental responsibility indicators, such as RoHS, ISO 14000, ISO 45001, and ISO 50001, are integrated as the standards for supplier evaluation and management.

2024

Target
- Usage of qualified minerals: 100%
- Crucial supply chain risk management: 100%

Performance
- Revenue from iron cores was NT$2,474,256 thousand, representing a 12% increase from 2023.
- Revenue from SiCs was NT$621,123 thousand, representing an 83% increase from 2023.

2025

Target
- Usage of qualified minerals: 100%
- Crucial supply chain risk management: 100%

2027

Target
- Usage of qualified minerals: 100%
- Qualification maintenance rate of crucial raw material suppliers: 100%
- Increase in local procurement: 50% (excluding raw materials)
- Increase the ratio of procurements from suppliers using green energy or green procedures
- Support and adopt suppliers complying with environmental responsibility-related indicators

2030

Target
- Usage of qualified minerals: 100%
- Qualification maintenance rate of crucial raw material suppliers: 100%
- Increase in local procurement: 60% (excluding raw materials)

Sustainability Principle: Business Governance and Value Chain Management

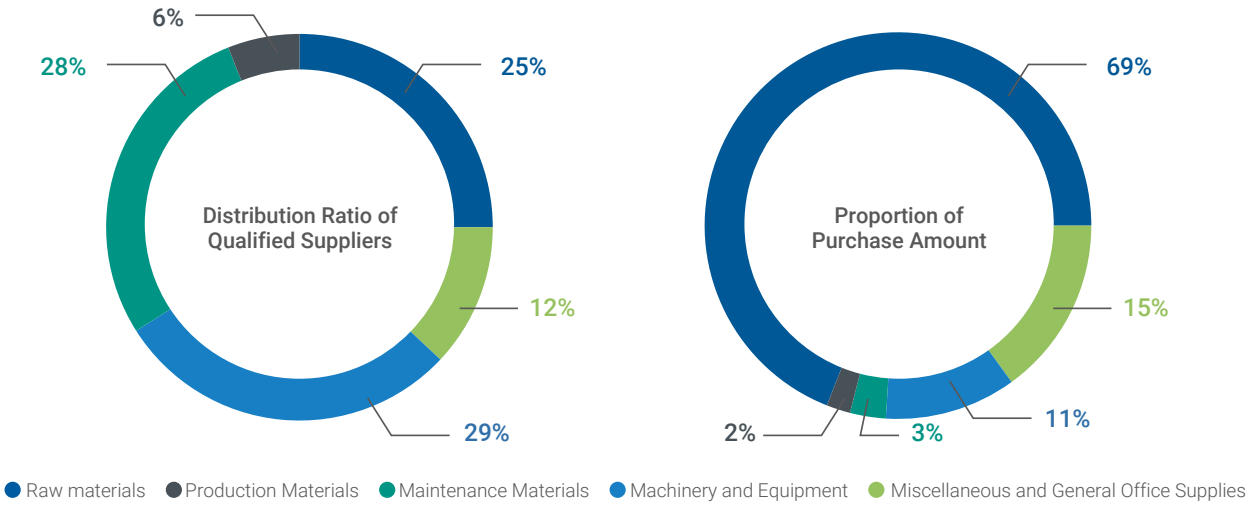
2.4.1 Procurement Strategy

With growing emphasis on sustainable operations and supply chain risk management, the Company not only actively fulfills its corporate social responsibility, but also increasingly recognizes the need to better understand the environmental, social, and governance performance of its suppliers.

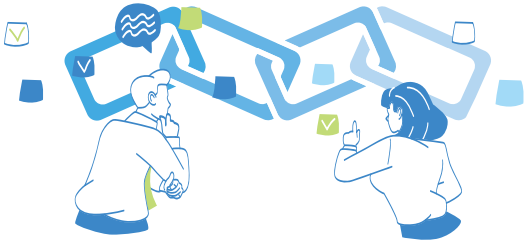
The Company has implemented a conflict-free minerals policy and established the Regulations for Environment-Related Substance Management, which require qualified raw material suppliers to complete the Conflict Minerals Reporting Template (CMRT) issued by the Conflict-Free Sourcing Initiative (CFSI), disclose the sources of smelters, and sign a declaration guaranteeing compliance with environmental substance requirements. In 2024, all raw material metals used by the Company complied with DRC Conflict-Free requirements. No minerals from mines in the Democratic Republic of the Congo identified by the United Nations Security Council as non-compliant with conflict-free standards were used.

The Company is committed to building long-term partnerships with suppliers based on mutual trust, support, and shared prosperity, and has maintained stable relationships with its suppliers over the years. Long-term suppliers are categorized into raw materials, production materials, maintenance materials, machinery and equipment, miscellaneous items, and general office supplies. In 2024, the Company had a total of 322 qualified suppliers. Their categories and distribution are presented in the table below.

Category	Raw materials	Production Materials	Maintenance Materials	Machinery and Equipment	Miscellaneous and General Office Supplies
Definition	Provide raw materials and additives for product manufacturing	Auxiliary materials required for the production of products	Spare maintenance parts	Machinery, equipment, instruments, and corresponding engineering used in production and manufacturing	Plant engineering, parts and components, and office supplies



In 2024, the procurement amount of major raw materials (iron oxide, manganese oxide, zinc oxide, calcining pills, and carbon and silicon, raw materials of SiC developed by the new business) of the Company accounted for 69% of the annual total procurement. Considering possible raw material supply risks, the following countermeasures are adopted.



Category Raw Materials Risk

Potential Risk Insufficient supply or suspension

Strategy	Practice
Separate the sources	Have two or more suppliers for iron oxide, manganese oxide, and zinc oxide
Regional distribution	The location of suppliers of the same raw material shall be in different countries
Procurement strategy	Regularly analyze market development and establish safety stock based on the location of suppliers, procedures, and other factors
Friendly exchange	Arrange technical exchange and friendly visits with suppliers regularly and from time to time to reinforce the cooperating relationships between both parties

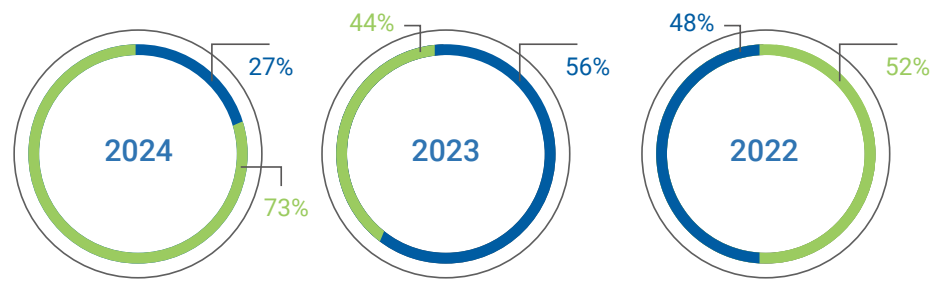
2.4.2 Supply Chain Management

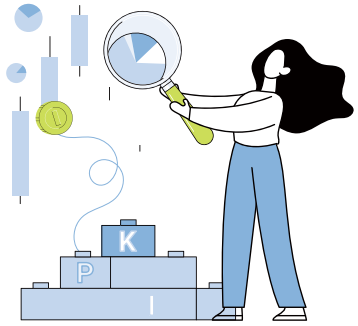
Support local procurement

The production base for the Company's core manufacturing processes is located in Taiwan. Under otherwise equal conditions, the Company prioritizes procurement from local suppliers to foster long-term and sustainable partnerships.

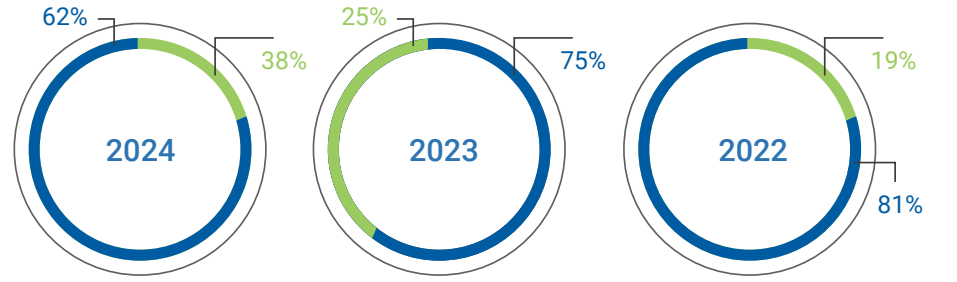
In 2024, approximately 27% of raw material purchases were made through local procurement. For office supplies and components, 62% of the total procurement amount was sourced from local small and medium-sized enterprises (SMEs) in the Taoyuan region. This approach not only supports the local economy but also contributes to energy conservation and carbon reduction by minimizing transportation processes.

Local Procurement Ratio of Raw Materials, 2022–2024





Ratio of Local Procurement Amount for Office Supplies and Parts and Components, 2022–2024



Supply Chain Management Mechanism

The Company adopts quality, capacity, environmental protection, and occupational safety and health policies as the conditions, together with the long-term cooperation with excellent suppliers, to duly fulfill its corporate social responsibilities and delivers environmental protection and occupational safety and health policies and information to suppliers and contractors in accordance with ISO 14001, ISO 45001, and ISO 50001. Meanwhile, the Company complies with RoHS to reinforce the environmental protection and occupational safety and health performance of suppliers. Additional environmental training is provided to engineering contractors to ensure construction safety within the facilities and to jointly manage operational risks.

In response to the ISO 50001 energy management system certification of Taoyuan Plant, we introduced energy design procurement standards and supplier energy performance evaluation report form. When procuring energy-consuming equipment, systems, or facilities, apart from the functional requirements of the requesting department, specifications that comply with energy-saving designs are prioritized. The energy-saving performance of suppliers (i.e., whether a supplier is a green plant or whether it has an energy management system) is also taken into account during the supplier evaluation and selection process.

In line with the ISO 45001 occupational health and safety management system certification at the Taoyuan Plant, requesting departments are required to inform suppliers of the relevant occupational safety and health requirements when submitting equipment purchase requests or outsourcing engineering projects. They must also confirm that the quoting suppliers fully understand the specified requirements and have signed and returned the acknowledgment.

The Company assesses suppliers' human rights management through regular evaluations and audits, while promoting ESG concepts. Plans are in place to incorporate these aspects into routine evaluation criteria going forward.

Long-term strategic partnerships have been established with key raw material suppliers. To ensure supply chain continuity, safety stock levels are determined based on factors such as supplier location and production processes.

To drive continuous improvement among suppliers and ensure the timely procurement of high-quality raw materials and services at appropriate volumes and prices, the Company conducts monthly evaluations of supplier performance in quality, delivery, and cooperation. In addition, annual audits are carried out. In accordance with the Company's Regulations for Supplier Evaluation, the supplier evaluation system is as follows:

Supplier Evaluation – Due Diligence on New Suppliers

The evaluation methods are as follows:

- Sample acceptance
- Market price inquiry and 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 that receive a score between 70 and 80 may submit a corrective action 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 Anomaly Management of 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 Evaluation Form" allocates a total of 100 points, distributed as follows: 50 points for quality, 30 points for delivery performance, and 20 points for cooperation level (including HSF management capability). In 2024, all Supplier Monthly Evaluation Forms completed for approximately 25 suppliers of critical raw and auxiliary materials showed no deficiencies, with all suppliers achieving full scores of 100.
- The evaluation results are used as references for future supplier selection and serve as the basis for determining procurement priority, volume adjustments, or termination of procurement relationships with existing suppliers.
- Suppliers shall regularly provide HSF reports issued by an impartial third-party institution each year.
- When necessary, the Company may set quality targets and request suppliers to implement quality control and improvement measures.

Supplier Audit – Annual Regular Evaluation of Qualified Suppliers

- The regular evaluation is divided into the evaluation of raw materials, auxiliary materials (excluding coating), coating, molds and jigs, and outsourced processing. Corresponding audit checklists are formulated based on the materiality of products delivered by suppliers. The evaluation items are categorized as follows:

  System Audit – System Evaluation: Regular Evaluation Checklist

  Environmental Protection Audit – Environmental and HSF System Audit: Regular Evaluation Checklist

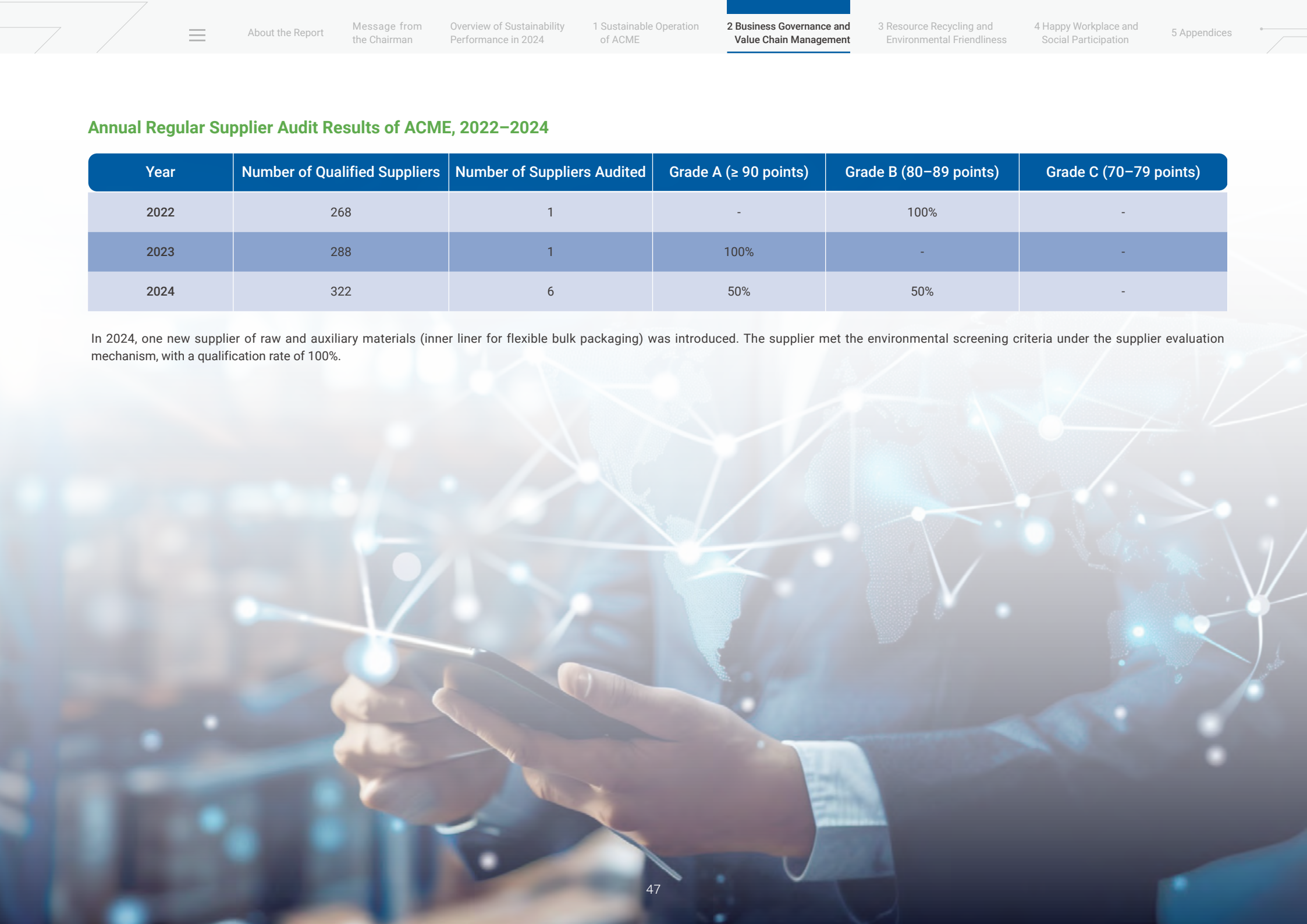
  Occupational Health and Safety Audit – Occupational Health and Safety System Audit: Regular Evaluation Checklist

- An internal evaluation team is assembled to conduct on-site assessments of suppliers.
- Before the end of February each year, the procurement department formulates the "Regular Evaluation Plan" for the coming year based on the previous year's qualified supplier evaluation reports and each supplier's development status and plans. Suppliers may be exempted from the annual regular evaluation under any of the following conditions: (1) transaction amounts in the preceding year were below NT$200,000 or RMB 40,000; (2) the supplier is a parent or subsidiary company; (3) no quality issues occurred in the preceding year; or (4) the supplier's products have no direct impact on product quality.
- After the regular evaluation, for premium suppliers rated A with a score of 90 or above, normal deliveries may continue; for suppliers rated B with a score ranging from 80 to 89, the current status may be maintained; for suppliers rated C with a score ranging from 70 to 79, the suppliers are required to implement corrective actions within a prescribed timeframe, and procurement will be reduced; for unqualified suppliers with a score less than 70, procurement will be terminated immediately.
- In 2024, six suppliers were scheduled for annual regular audits. All primary raw material suppliers underwent product audits, while auxiliary material suppliers were subject to product and/or process audits based on operational needs.

Annual Regular Supplier Audit Results of ACME, 2022–2024

Year	Number of Qualified Suppliers	Number of Suppliers Audited	Grade A (≥ 90 points)	Grade B (80–89 points)	Grade C (70–79 points)
2022	268	1	-	100%	-
2023	288	1	100%	-	-
2024	322	6	50%	50%	-

In 2024, one new supplier of raw and auxiliary materials (inner liner for flexible bulk packaging) was introduced. The supplier met the environmental screening criteria under the supplier evaluation mechanism, with a qualification rate of 100%.



2.5 Customer Services and Product Quality

2.5.1 Premium Customer Services

The Company's R&D Center focuses on the development of new materials and new material compositions, providing close support to customers in Taiwan and assisting with their new product development efforts. To serve customer production sites in other regions, the Company has also established subsidiaries in Kunshan (Jiangsu) and Zengcheng (Guangzhou), China, as well as in Ipoh, Malaysia. In addition, the Company has implemented the "Regulations for Customer Services" and regularly visits customers. It also interacts with them efficiently through its ERP system and customer transaction platforms to better understand and meet their needs.

Management Policy GRI 3-3

Strategic Policy | Regularly gather and respond to customer needs and feedback through meetings and surveys to deliver optimal customer service.

Commitment | Reinforce product functions and improve services based on customer satisfaction analysis to improve the trust of customers in the ACME brand.

Impact Management Positive/Negative Impact Items

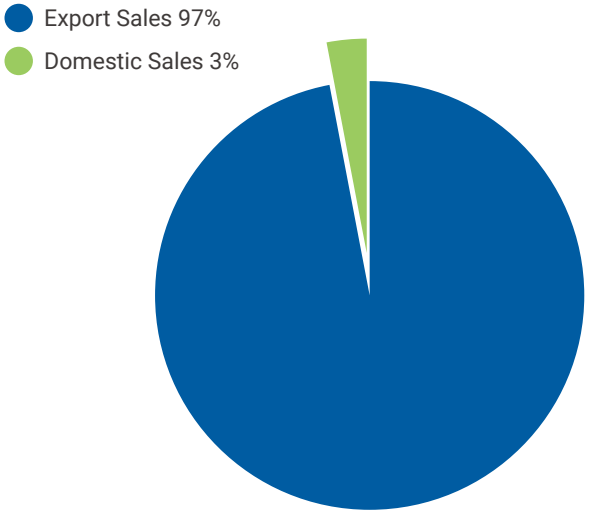
- follow-up on 2022 management actions Remedial and preventive measures for negative impacts

2024	Target	Customer satisfaction ≥ **92** point	Performance: Customer satisfaction ≥ **93** point
2025	Target	Customer satisfaction ≥ **92** point	
2027	Target	Customer satisfaction ≥ **92** point	
2030	Target	Customer satisfaction ≥ **92** point	

Sustainability Principle Business Governance and Value Chain Management

Sales market

The Company's major products are sold in Taiwan, China, Japan, South Korea, Singapore, the Philippines, Malaysia, Thailand, Indonesia, India, the United States, Mexico, Germany, France, and Russia. In 2024, domestic sales accounted for 3% and export sales accounted for 97%, both calculated based on sales revenue.



Technical Support

The Company is customer oriented. All subsidiaries have their R&D centers to cooperate with customers in developing new applications and new products and provide customized product services. R&D personnel are periodically dispatched to customer sites to introduce material properties and engage in technical collaboration and exchange. In addition, sales and marketing personnel participate in overseas exhibitions to expand the customer base in new markets.

The Company prints complete product catalogs and provides comprehensive and detailed texture features and product specifications for customer reference. Digital versions of the catalogs are available in the "Product Exhibition" section of the Company's website, enabling timely access to product information.

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 its "Regulations for Customer Property Management" to duly protect items provided by customers. For items involving customers' intellectual property rights, the Company enters into non-disclosure agreements to ensure confidentiality. The Company recognizes the importance of protecting trade secrets obtained or held during the course of collaboration and takes all necessary measures to maintain their confidentiality. Unless expressly authorized in writing by the customer, such trade secrets must not be disclosed, transferred, delivered, or made available to any third party, nor be published or used for the benefit of the Company or any third party, except for legitimate business purposes. The Company's confidentiality obligations shall cease only when the customer or the rightful owner of the trade secret publicly discloses the information or otherwise lifts its confidential status.

The Company is committed to honoring its obligations to customers and ensures that their intellectual property rights and privacy are respected in the course of business activities. In 2024, the Company received no complaints related to breaches of customer privacy or damage to customer property.

Handling Customer Complaints

The Company has established the "Regulations for Customer Quality Complaint Management," enabling customers to submit complaints through verbal, telephone, or written channels to the sales department. Upon receiving the complaint, the sales team promptly verifies the situation and relays the information to the quality department and other relevant units. The quality department conducts a preliminary analysis to identify the root cause and collaborates with related departments to investigate the issue. Timely responses are provided to the customer, and if necessary, personnel are dispatched to address the matter on site. Both parties engage in open communication and joint problem-solving. Once the issue is clarified, a formal response is issued to the customer. In the event that a complaint is classified as a major case, the quality department immediately notifies the quality unit heads of all plants, the management representative, and the President via email. The case is also recorded in the daily report of the quality department for continuous follow-up and progress updates, ensuring the maintenance of long-term, trust-based relationships with customers.

The Company implements a robust customer complaint management system. Through an electronic sign-off system, complaints are tracked and processed in accordance with established workflows. The system enables root cause analysis, assignment of corrective and preventive actions, and real-time tracking of progress by responsible units. In addition, the Company adopts the 8D methodology to facilitate structured, team-based resolution of complaints. Outcomes and insights are regularly reviewed in weekly quality meetings to ensure effective implementation of quality improvement measures and the ongoing enhancement of product quality.

Customer Quality Complaint Handling Procedures

Customer Submits Complaint Request	Sales Department Receives Complaint Request	Investigation by Quality and Relevant Departments	Customer Response	Effectiveness Verification	Case Closure
• Customer submits a complaint to the sales department	• Fills out the Quality Complaint Notification Form	• Analyzes the root cause • Suggests a solution	• Provides and replies with the 8D report	• Proposes corrective and preventive measures • Follows up on effectiveness	• Completes the Quality Complaint Report

Note : 8D reports include the improvement team (D1) → issue description (D2) → emergency handling (D3) → verification of the actual reason (D4) → improvement measures for the reason for the failure in verification (D5) → long-term countermeasures (D6) → fool-proofing, horizontal expansion, and standardization (D7) recognition of improvement achievements (D8).

Customer Quality Complaint Response Timeframe

General Complaints	Within 4 working days
Major Complaints	Within 3 working days
Customer-Specified Timeline	As specified by the customer

Customer Satisfaction

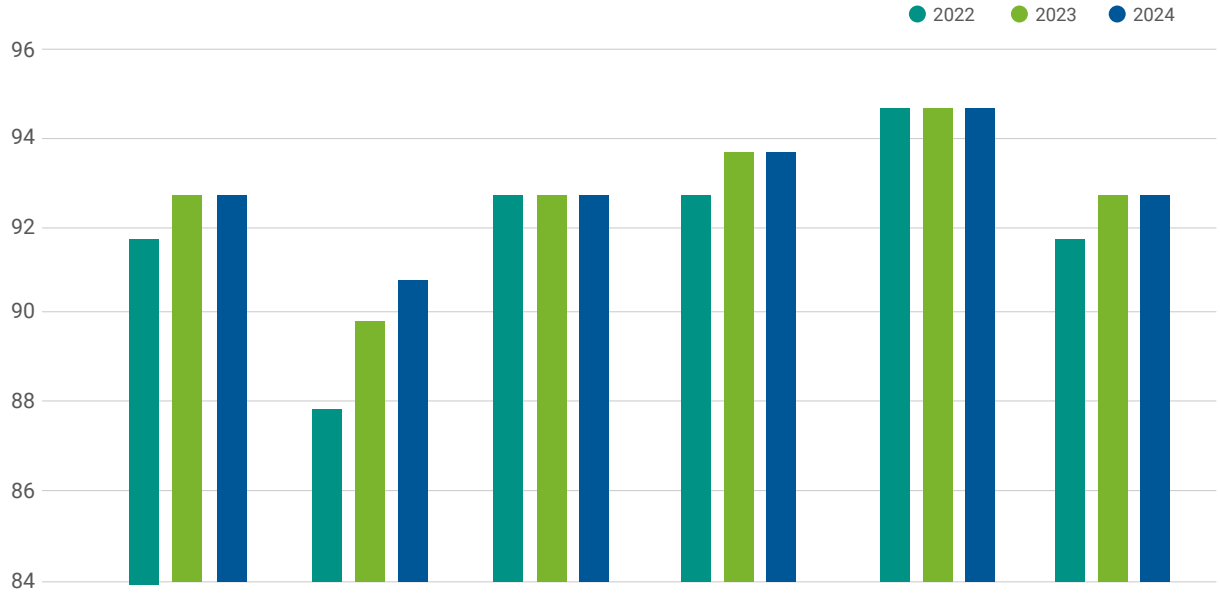
To gain a comprehensive understanding of customers' opinions on the Company's products and services, in addition to collecting feedback via the Company's website and through periodic telephone interviews or in-person visits by sales representatives, the Company conducts customer satisfaction surveys on a semi-annual basis. These surveys are administered in the form of questionnaires to help identify customer needs and collect feedback, which serves as a basis for improvement. Improvement plans are then developed based on customer feedback, and their implementation is tracked through management review meetings to ensure the continued enhancement of product and service quality.

The sampling method for the customer satisfaction survey involves distributing questionnaires to the top 30 customers by transaction volume in Taiwan for each half of the year, as well as to newly developed customers in Taiwan with growth potential. The evaluation covers five key aspects: product quality, delivery timeliness, responsiveness to quality complaints, sample delivery efficiency, and HSF (Hazardous Substances Free) management.

In the 2024 customer satisfaction survey, the Company's performance in product quality, sample delivery services, and HSF management was widely recognized by customers. The Company received an overall average score of 93 points, reflecting a high level of customer satisfaction. This positive feedback helps strengthen our presence in existing markets and customer bases and supports the development of potential new customers.

Customer Satisfaction Survey Results of ACME, 2022–2024

Unit: Points



Year	Quality Score	Delivery Score	Quality Improvement	Sample Delivery Efficiency Improvement	HSF Managemen	Overall Performance
2022	92	88	93	93	95	92
2023	93	90	93	94	95	93
2024	93	91	93	94	95	93

Note 1 : The scores for each evaluation item represent the average of the first and second half of the year.
Note 2 : A score of 86–100 indicates high satisfaction, 70–85 indicates acceptable, 55–69 indicates a need for improvement, and below 54 indicates dissatisfaction.

Membership 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.

2.5.2 Premium Product Quality

Management Policy

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.

Impact Management: Positive/Negative Impact Items

- Positive Actual Impact – Effective supply chain management leads to improved product quality.
- Positive Potential Impact – The introduction of AI and other advanced technologies is expected to enhance efficiency and quality.

Impact Management: Remedial and preventive measures for negative impacts

	Target	Performance
2024	• Customer complaint cases: 0 • Finished product RoHS compliance rate: 100% • Zero incidents related to environmental, health, and safety regulations • Number of Six Sigma certifications: 100% (new engineers) • CIP (Continuous Improvement Process) project improvements: 34 cases • Procedure improvement target: 6 cases	• Customer complaint cases: 4 cases (1 case related to black powder, 2 cases related to SiC, and 1 case related to iron core) • Finished product RoHS compliance rate: 100% • Incidents related to environmental, health, and safety regulations: 1 case • Number of Six Sigma certifications: 0% (postponed to 2025) • CIP (Continuous Improvement Process) project improvements: 30 cases • Procedure improvement target: 6 cases
2025	• Customer complaint cases: 0 • Finished product RoHS compliance rate: 100% • Zero incidents related to environmental, health, and safety regulations	• Number of Six Sigma certifications: 100% (new engineers) • CIP (Continuous Improvement Process) project improvements: 25 cases • Procedure improvement target: 8 cases (6 case related to black powder, 2 cases related to SiC)
2027	• Customer complaint cases: 0 • Finished product RoHS compliance rate: 100% • Zero incidents related to environmental, health, and safety regulations	• Number of Six Sigma certifications: 100% (new engineers) • CIP (Continuous Improvement Process) project improvements: 48 cases (CIP: Continuous Improvement Process)
2030	• Customer complaint cases: 0 • Finished product RoHS compliance rate: 100% • Zero incidents related to environmental, health, and safety regulations	• Number of Six Sigma certifications: 100% (new engineers) • CIP (Continuous Improvement Process) project improvements: 48 cases (CIP: Continuous Improvement Process) • Procedure improvement target: 6 cases

Sustainability Principle: Business Governance and Value Chain Management

To meet customer requirements for quality, all products of the Company comply with RoHS, REACH (including SVHC), and conflict mineral regulations. Accordingly, shipping packages are labeled with RoHS compliance marks. The Company has also obtained certifications for its quality, energy, and environmental, health, and safety management systems, including ISO 9001, IATF 16949, ISO 14001, ISO 50001, ISO 45001, and ISO 14064-1.

At the Taoyuan Plant, inspections are conducted upon receipt of raw materials and packaging materials based on raw and auxiliary material specifications and standard operating procedures. These inspections include verification of supplier test reports, loss on ignition (LOI) testing, moisture content analysis, and in-house XRF (X-ray fluorescence) screening for restricted substances. During production, on-site personnel perform ongoing self-inspections. Each batch of finished ferrite powder is subject to physical and electrical property testing, as well as XRF testing for composition ratio, RoHS compliance, and halogen content.

The Company has established a product identification and traceability management system. Each product is assigned a code based on the batch number of the ferrite powder used, enabling effective product traceability. In addition, all Engineering Change Requests (ECRs) and Engineering Change Notices (ECNs) are managed and reviewed through an online electronic system. This ensures transparency of product change information, allowing all operational sites to access and track product change histories in real time.

To ensure the effective operation of the internal quality audit system, the Company conducts weekly audits of production processes and products, as well as cross-site meetings focused on ferrite powder quality. In 2024, the R&D and Engineering Departments implemented 164 quality-related R&D and process improvement projects, along with 20 employee-initiated improvement proposals. The Company holds two management review meetings each year and conducts two audits of the ISO 9001 and IATF 16949 management systems annually, as well as one audit each of the ISO 14001 environmental management system, ISO 50001 energy management system, and ISO 45001 occupational health and safety management system, to ensure the effective operation of all management systems.

To further ensure that the Company's products comply with international regulations and customers' environmental standards, annual sampling and testing of products of different materials are conducted through third-party certification bodies, and all testing instruments undergo calibration by second-tier laboratories. As a result, the Company did not violate any regulations related to product information or labeling in 2023.

03

Resource Recycling and Environmental Friendliness

Resource Recycling and Environmental Friendliness

The Company emphasizes a business approach that harmonizes with the natural environment, recognizing that corporate operations inevitably place a burden on the planet. Accordingly, the Company applies consistent standards and targets across all operating sites to address the challenge of balancing environmental protection and economic development. In line with its environmental protection policies, the Company strives to contribute to a sustainable society. ACME fully recognizes the critical role of biodiversity conservation in maintaining the stability of global ecosystems and ensuring human well-being, and therefore actively implements measures to reduce the impact of its operations on the natural environment. ACME regularly conducts biodiversity risk assessments to examine the Company's dependence on and impact on the natural environment. Based on an assessment using the WWF Biodiversity Risk Filter, the Company identified "pollution" as a high-risk factor in its operations. In response, ACME has adopted the TNFD Mitigation Hierarchy, prioritizing "avoid" and "minimize" measures. All plants are located within industrial parks to prevent proximity to globally or nationally significant biodiversity areas, thereby reducing the risk of ecosystem disturbance. The Company also works to reduce pollutant emissions by implementing rigorous environmental monitoring and emission control measures to meet environmental standards.

In terms of pollution control, ACME has established a comprehensive ISO 14001 environmental management system to ensure a robust environmental protection framework across its plants and to effectively control and mitigate the environmental impacts of its operations. The Kunshan Plant and Guangzhou Plant are equipped with VOCs exhaust gas treatment systems and ambient-temperature catalytic treatment facilities to effectively address odors generated during the sintering process. The Guangzhou Plant has also upgraded its spray towers and installed soundproof rooms to further reduce air pollution impacts.

In terms of waste management, ACME implements waste segregation and reduction measures, achieving a waste recycling rate of 99.1% in 2024. Through dedicated management personnel and a GPS tracking system, the Company ensures the proper handling of waste. In addition, the Company actively sources recycled scrap materials from steel plants as raw materials and utilizes process dust collection equipment to recover dust for reuse in production, thereby advancing its resource circulation objectives.

In addition, ACME values transparency in environmental information, actively strengthens communication with stakeholders, enhances the management of and response to climate-related risks, and participates in local environmental protection activities to promote community sustainability and improve the ecological environment through concrete actions.

ACME's Taoyuan Plant, Guangzhou Plant, Kunshan Plant, and Malaysia Plant have established ISO 14001 environmental management system, and the Taoyuan Plant has established the ISO 50001 energy management system. These systems provide a robust environmental protection framework for all plants, enabling the Company to control and reduce environmental impacts, prevent environmental incidents, and ensure regulatory compliance. In March 2024, the Company obtained its first consolidated ISO 14064-1 greenhouse gas verification for 2022, covering the Taipei headquarters, Taoyuan Plant, Guangzhou Plant, Kunshan Plant, and Malaysia Plant. ACME remains committed to continuously advancing a range of sustainable development policies to achieve sustainable corporate operations and long-term growth.

In the past, corporate activities were primarily guided by the QCDS concept, which focuses on quality, cost, delivery, and service. With the growing prominence of environmental issues, this concept has evolved into the "QCDS+E" model, where "E" stands for environment, to reflect increasing environmental awareness. ACME believes that environmental initiatives should be closely integrated with corporate management rather than handled in isolation. Based on this principle, the Company incorporates environmental considerations as a key element of product quality and is committed to their full implementation.

In other words, the Company's product manufacturing processes are grounded in environmental protection principles. From R&D, raw material procurement, production of products, delivery, use, recycling, and reuse, all parts in the product's "lifecycle" are closely linked to environmental protection topics.

The production procedures of "soft ferrite powder," the major product of the Company, are divided into powder-making, forming, sintering, and grinding stages. The Taoyuan Plant is primarily responsible for powder-making, after which the powder is shipped to two plants in Mainland China for forming, sintering, and grinding. The Malaysia Plant conducts the entire production process locally.

Details on raw material and energy inputs, as well as product and waste outputs for 2024, are disclosed in subsequent sections.

In 2024, the total environmental cost of ACME's Taoyuan Plant, Kunshan Plant, Guangzhou Plant, and Malaysia Plant amounted to NT$17,581 thousand. The increase in environmental management activity costs at the Taoyuan Plant compared with the previous year was mainly due to the RK furnace heat recovery project for powder materials and the renovation of the wastewater treatment facility.

The Kunshan Plant and Guangzhou Plant have installed VOCs exhaust gas treatment systems and ambient-temperature catalytic treatment facilities to address odors generated during the sintering process. In 2024, the Guangzhou Plant's environmental equipment expenditures were related to the replacement of two spray towers and one soundproof room. For further details, please refer to Section 3.3, Air Pollution Control and Management. At the Taoyuan Plant, environmental management activity costs increased due to facility organization and refurbishment within the premises as part of its application to operate as a bonded warehouse.

Unit: NT$ thousands

Item	Taoyuan Plant	Kunshan Plant	Guangzhou Plant	Malaysia Plant
Environmental Management Activity Costs	6,889	1,669	2,067	650
Environmental Equipment Capital Expenditures	5,244	186	876	0
Total Environmental Cost	12,133	1,855	2,943	650

Note 1 : For the Guangzhou Plant and Kunshan Plant, the RMB to NT$ exchange rate was calculated at 1:4.984 (as of January 23, 2025).
Note 2 : For the Malaysia Plant, the MYR to NT$ exchange rate was calculated at 1:7.377 (as of January 23, 2025).

3.1 Resources, Materials, and Recycling Management

Management Policy GRI 3-3

Strategic Policy | Actively promote waste reduction and recycling-related measures and provide proposal bonuses to improve the resource management performance

Commitment | Center on resource circulation with a target waste recycling rate > 99%

Impact Management Positive/Negative Impact Items

- Positive, Potential – Actively Seeking Alternative Raw Materials to Reduce the Use of Scarce or Highly Polluting Raw Materials.
- Negative, Actual – Increases in Raw Material and Freight Prices Leading to Higher Costs.

Impact Management Negativity Remedies and Preventive Measures

- Adopt resource circulation as the core and improve recycling rate.

2024	Target	Waste recycling rate > 99%
	Performance	Waste recycling rate reached 99.1%.
2025	Target	Waste recycling rate > 99%
2027	Target	Waste recycling rate > 99%
2030	Target	Waste recycling rate > 99%

3.1.1 Raw Material Investment and Recycling

Main Raw Materials and Recycling

GRI 301-1 • 301-2

The major raw materials for producing soft ferrite powder at the Taoyuan Plant and Malaysia Plant are zinc oxide, manganese oxide, iron oxide, and calcined pellets made by mixing these three oxides in specific proportions, followed by granulation and calcination. Major auxiliary materials used in the manufacturing process include bismuth trioxide, PEG, PVA, defoamers, and dispersants. In recent years, the silicon carbide process at the Taoyuan plant has become increasingly mature and has reached the pilot production stage. The Company has disclosed the use of raw materials related to this process. The two plants in Mainland China perform the downstream processing using ferrite powder, with auxiliary materials such as zinc stearate, cutting fluid, and yttria-stabilized zirconia.

Approximately 40% of the iron oxide used by the Company is recycled scrap procured from steel plants. In addition, dust collectors are installed in the production process to capture dust powder for reuse, in line with the principles of resource circulation and recycling. In 2024, production volume increased slightly, and the recycling volume of dust powder rose by 253 tons from 2023 to reach 1,175 tons, accounting for 15% of total production.

Dust Powder Recycling of ACME, 2022 – 2024

Plant	Year	Dust Powder (ton)	Ratio to Production Volume
Taoyuan Plant	2022	1,612	15%
	2023	922	13%
	2024	1,175	15%

All raw material metals used by the Company comply with DRC Conflict-Free standards, and no minerals are sourced from the Democratic Republic of the Congo that have been identified by the United Nations Security Council as non–conflict-free.

Consumption Volume of Major Raw Materials

Unit: Ton

Plant	Year	Zinc Oxide	Manganese Oxide	Iron Oxide	Calcined Powder	Nickel Oxide	Copper Oxide
Taoyuan Plant	2022	1,420	1,580	7,880	573	0	0
	2023	420	1,320	4,863	641	0	0
	2024	760	1,600	4,530	684	0	0
Malaysia Plant	2024	256.8	8.5	890.3	0	146.3	35.49

Consumption Volume of Major Auxiliary

Unit: Ton

Plant	Year	Bismuth trioxide	PEG	Defoamers	PVA	Dispersants	Zinc Stearate
Taoyuan Plant	2022	1.1	5.4	5.9	98	39	0
	2023	0.67	3.9	4.3	68	27	0
	2024	0.62	4.18	4.55	76	32	0
Malaysia Plant	2024	0	0.825	1.886	11.34	7.138	3.69

Plant	Year	Zinc Stearat	Cutting Fluid	Yttria-Stabilized Zirconia
Kunshan Plant	2022	12	3	1.9
	2023	9.42	2.64	3.15
	2024	9.99	1.6	3.53
Guangzhou Plant	2022	16.7	24	4.8
	2023	11.745	17.2	2.85
	2024	13.595	17.6	5.45

Packaging Material Recycling GRI 301-3

The ferrite powder of the Company is packed in flexible freight bags and delivered to the two plants in Mainland China. For ferrite core products, in addition to external cartons, packaging also includes cushioning materials such as bubble wrap and EPE foam bags.

At the Guangzhou Plant, flexible freight bags are recovered, with a portion consolidated and returned to the Taoyuan Plant for reuse. The remainder is either reused internally or sold to local recycling companies for reuse, such as for packaging solid waste including grinding sludge, waste powder, waste green compacts, and waste ferrite cores. In 2024, 28.37% of the recovered flexible freight bags were returned to the Taoyuan Plant for reuse, 68.65% were reused internally, and 2.98% were sold to local recycling companies for reuse. The Kunshan Plant did not previously recycle flexible freight bags but began doing so in 2023, returning them to the Taoyuan Plant for reuse. In 2024, a total of 3,750 flexible freight bags were recovered, representing a recycling rate of 71%. Flexible freight bags not returned from the two plants in Mainland China are reused internally for packaging production scrap such as grinding sludge, waste powder, waste green compacts, and waste ferrite cores, with any surplus sold to local recycling companies.

3.1.2 Water Resources Management

Climate change and global warming, leading to increasing scarcity of water resources, represent another significant environmental challenge facing humanity today. In line with the principles of efficient water resource utilization and sustainable corporate operations, the Company continues to implement water conservation measures and promote water-saving awareness among employees 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.

The Taoyuan Plant sources its water from the Shimen Reservoir, with all water supplied as tap water. In 2024, production volume increased by 1.05% compared with the previous year, while water consumption rose by 0.27% compared with 2023.

The Kunshan and Guangzhou Plants primarily use water for product cleaning during the grinding and processing stages. Compared with the Kunshan Plant, the Guangzhou Plant produces lighter and smaller products with higher cleanliness requirements, particularly for automotive chain products, which require pure water cleaning. As a result, water consumption per unit of product is higher and has been increasing annually. In 2024, the Guangzhou Plant produced 2,738 tons, an increase of 281 tons compared with 2023, leading to a total increase in water consumption of 19,160 tons. In 2023, the Kunshan Plant's water consumption was 69,070 tons. In 2024, water usage increased by approximately 7,000 tons due to testing of newly installed grinding water tanks and the integration of process grinding water and cleaning water systems. With production volume rising by 3,600 tons compared with 2023, the plant's total water consumption increased by 7,780 tons, resulting in a higher water consumption per unit of product in 2024. The Guangzhou Plant, established in 2005, houses both its production and living areas within the same complex. Its water consumption and wastewater discharge include both production and domestic use. The plant's water supply network, composed of underground iron pipelines, has been in service for over 17 years. As leaks in deeply buried pipelines are difficult to detect, the plant initiated water balance testing and implemented a water-saving enterprise program in 2023 to reduce water resource wastage. On July 18, 2024, the Guangzhou Plant was awarded the title of Water-Saving Enterprise by the Guangzhou municipal government.

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%)

Unit: Thousand tons

Plant	Year	Water Consumption	Water Consumption per Unit Product	Wastewater Discharge	Wastewater Discharge per Unit Product
Taoyuan Plant	2022	38.4	3.13	9.3	0.76
	2023	32.14	4.38	9.08	1.24
	2024	41.05	5.36	9.56	1.25
Kunshan Plant	2022	67.51	15.04	26.28	5.85
	2023	69.07	20.56	23.21	6.91
	2024	76.85	20.66	38.82	10.44
Guangzhou Plant	2022	216.54	56.69	90.18	23.61
	2023	212.51	86.49	87.55	35.63
	2024	231.67	84.55	101.34	36.99
Malaysia Plant	2024	101.81	89.31	N/A	N/A

Note 1 : In 2024, the total water withdrawal of the Taoyuan Plant, Kunshan Plant, Guangzhou Plant, and Malaysia Plant was 451.38 thousand tons, with data disclosed to the second decimal place.
Note 2 : The wastewater discharge of the Taoyuan Plant, Guangzhou Plant, and Kunshan Plant was 149.72 thousand tons, and total water consumption was 199.85 thousand tons.
Note 3 : In accordance with local regulations in Malaysia, wastewater discharge is not monitored; therefore, no discharge data are disclosed for the Malaysia Plant.

In terms of wastewater recycling, the Taoyuan Plant uses RO water in its production processes; therefore, tap water must first be treated to produce RO water. During this process, approximately 60% of the tap water is converted into RO water, while around 40% becomes wastewater that is subsequently recycled. In 2024, the volume of recycled RO wastewater was approximately 8,176 tons. Recycled wastewater is used in scrubber circulation systems, for employees' domestic water needs, and for on-site cleaning. The Company continues to reduce the frequency of water replacement in scrubber circulation to further conserve water at the point of use.

Regarding wastewater treatment and discharge, the Taoyuan Plant has obtained water pollution control measures and discharge permits approved by the competent authority. In compliance with the requirements of the discharge permit, the plant has installed and operates wastewater treatment facilities to prevent water pollution. The volume and quality of effluent are regularly tested and reported to the competent authority, and test results consistently meet and remain well below the effluent standards. Taoyuan Plant is within Guanyin Industrial Park. Wastewater is collected and discharged to the park's sewage treatment facility, where it undergoes further treatment to ensure compliance with discharge standards. As a result, the plant's effluent does not have a material impact on the biodiversity of the receiving water bodies.

The Taoyuan Plant is located in the northwestern part of Guanyin District, Taoyuan, near the Taiwan Strait and between the Daku Creek and Fulin Creek. The surrounding area features diverse habitats and rich biodiversity, including the Guantang algal reef, which is home to protected species. The Company works in cooperation with the joint environmental defense organization of the Guanyin Industrial Park to protect the natural ecosystem.

The Kunshan Plant uses water for production and domestic purposes. Domestic wastewater is discharged into the municipal pipeline network in accordance with the requirements of the environmental impact assessment report. The plant's drainage system separates rainwater from wastewater.

The Guangzhou Plant implements separation of rainwater and wastewater. Production and domestic wastewater undergo initial sedimentation before being collected at the plant's on-site wastewater treatment facility for advanced treatment. Once the water quality meets the "Wastewater Quality Standards for Discharge to Municipal Sewers," it is discharged into the municipal sewer network and conveyed to the Licheng Wastewater Treatment Plant for further processing.

The Malaysia Plant discharges wastewater through sedimentation, using the physical process of settling to separate and remove suspended solids from the wastewater.

Effluent Testing Results of ACME in 2024

Unit: mg/L

Testing Item	Taoyuan Plant		Kunshan Plant		Guangzhou Plant		Malaysia Plant	
	Discharge Limit	Actual Discharge	Discharge Limit	Actual Discharge	Discharge Limit	Actual Discharge	Discharge Limit	Actual Discharge
Suspended Solids (SS)	480	104	400	28	400	34	100	28
Chemical Oxygen Demand (COD)	560	235	500	106	500	83	200	<15

Source: Effluent discharge test reports. For the Taoyuan Plant, the results represent the average of two tests conducted annually. For the Kunshan, Guangzhou, and Malaysia plants, the results are based on a single test conducted once per year.

3.1.3 Waste Reduction and Recycling

GRI 306-1 • 306-2 • 306-3 • 306-4 • 306-5 • RT-EE-150a.1

The Company's waste reduction approach is primarily implemented through product design and process improvements to prevent waste generation at the source.

All waste generated by the Company is properly stored in accordance with relevant regulations, with active promotion of waste segregation. Depending on the type and characteristics of the waste, qualified contractors are commissioned to handle off-site treatment through incineration, landfill, physical, or chemical methods, in compliance with legal requirements. For vendor and treatment process management, the Company's environmental protection unit conducts regular audits and signs contracts with qualified waste transport and treatment providers. GPS tracking systems are used to monitor vehicle routes and waste flow in real time during transportation, and a triplicate manifest system is adopted to ensure that all waste is transported and treated in accordance with regulatory requirements. In 2024, there were no breaches of contract by waste removal and treatment contractors.

Waste that can be reused or converted into resources is either recycled and reused within the plants or sold externally. In 2024, the Taoyuan, Kunshan, Guangzhou, and Malaysia Plants collectively recycled, reused, or sold a total of 22 tons of wastepaper, 88 tons of waste iron, and 16 tons of waste plastics.

Recycling and Reuse Volume of ACME, 2022 – 2024

Unit: Ton

Plant	Year	Paper	Waste Iron	Waste Plastics
Taoyuan Plant	2022	6	45	0
	2023	4	37	0
	2024	4	50	0
Kunshan Plant	2022	2	3	7
	2023	2	4	6
	2024	4	7	8
Guangzhou Plant	2022	12	20	6
	2023	10	12	6
	2024	14	17	6
Malaysia Plant	2024	0	14	2

* The Malaysia Plant began data collection in 2024.

In 2024, the Taoyuan Plant generated a total of 835 tons of industrial waste. Of this, 77 tons of general industrial waste were incinerated, primarily household waste; 629 tons of general industrial waste were recycled, mainly consisting of inorganic sludge and recycled flexible freight bags, with the recycled materials primarily converted into pellets; and 128 tons of hydrofluoric acid waste solution were recycled for reuse in fluorite regeneration. The industrial waste recycling rate was 90%. Due to increased production in 2024, total waste generation rose compared with 2023. The increase in hazardous industrial waste was attributable to the new silicon carbide product manufacturing process, with hazardous waste generation rising by 83 tons compared with 2023.

At the Guangzhou, Kunshan, and Malaysia Plants, general industrial waste for reuse primarily consists of by-products from the ferrite core production process, such as waste powder, waste green compacts, grinding sludge, and defective products. These materials are sent to recyclers, who reprocess them into powder for the production of lower-grade ferrite core products. As the waste is not processed on a regular or fixed-volume basis, the annual treatment volumes vary significantly. At the Kunshan Plant, domestic waste is removed daily by contracted waste transporters, averaging eight barrels per day, each weighing approximately 32 kg, resulting in an annual volume of about 58.40 tons. At the Guangzhou Plant, domestic waste is handled by the local sanitation department, averaging ten barrels per day, each weighing approximately 15 kg, with an annual volume of about 54.75 tons. At the Malaysia Plant, domestic waste removal is outsourced, and quantities are recorded by truckload.

Waste Processing Volume of ACME, 2022 – 2024

Unit: Ton

Classification	Ultimate Processing Method	Taoyuan Plant				Kunshan Plant				Guangzhou Plant				Malaysia Plant	
		2022	2023	2024	%	2022	2023	2024	%	2022	2023	2024	%	2024	%
General Industrial Waste	Incineration	70	73.01	77.15	11%	0	0	0	0.00%	0	0	0	0.00%	N/A	0.00%
	Landfill	0	0	0	0.00%	0	0	0	0.00%	0	0	0	0.00%	N/A	0.00%
	Recycling (Note)	545	485.611	629.393	89%	1,065.00	1,080.43	1,264.79	100.00%	668.866	494.753	473.96	100.00%	101.82	100.00%
	Total Weight	615	558.621	706.543	100.00%	1,065.00	1,080.427	1,264.79	100.00%	668.866	494.753	473.96	100.00%	101.82	100.00%
Hazardous Industrial Waste	Incineration	0	0	0	0.00%	0	0	0	0.00%	5.248	25.387	20.142	99.66%	0	0.00%
	Landfill	0	0	0	0.00%	0	0	0	0.00%	0	0	0	0.00%	0	0.00%
	Recycling (Note)	11	30	128.72	100.00%	1.4	18.44	14.52	100.00%	3.545	0.28	0.069	0.34%	10.602	100.00%
	Total Weight	11	30	128.72	100.00%	1.4	18.44	14.52	100.00%	8.793	25.667	20.211	100.00%	10.602	100.00%

Note 1 : In 2024, the total volume of general industrial waste was 2,547.11 tons, of which 2,469.96 tons were recycled, representing a recycling rate of 96.97%. The total volume of hazardous industrial waste was 174.06 tons, with 153.92 tons recycled, representing a recycling rate of 88.43%. Data are disclosed to the second decimal place.
Note 2 : As the waste is not processed on a regular or fixed-volume basis, the annual treatment volumes vary significantly. In 2024, the Guangzhou Plant generated 22.33 tons of hazardous waste, of which 20.21 tons were disposed of, leaving an end-of-year inventory of 2.12 tons.
Note 3 : Excluding domestic waste from general industrial waste treated by incineration, the overall waste recycling rate in 2024 was 99.1%.

3.2 Climate Change and Energy Management

Management Policy GRI 3-3

Strategic Policy Establish ISO 50001 energy management system to improve energy efficiency through energy-saving measures and monitoring of energy performance indicators. Voluntarily inventory and monitor greenhouse gas (GHG) emissions in line with voluntary GHG reduction commitments and regulatory requirements. Analyze climate change risks and opportunities to mitigate potential financial losses to production operations caused by extreme climate events.

Commitment Coordinate with the Group Energy and Resource Management Department to review plant energy-saving and carbon-reduction initiatives annually.

Impact Management Positive/Negative Impact Items

- Positive, Actual – Investment in Renewable Energy – Reducing Carbon Emissions and Enhance Industrial Competitiveness.
- Positive, Potential – nvestment in Renewable Energy – Achieving Green Power Goals.
- Negative, Actual – Increased Electricity Expenses Driven by Rising Energy Prices.
- Negative, Actual – Insufficient Power Supply – Production Interruptions.
- Negative, Potential – Increased Production Costs Resulting from Carbon Fee Imposition.

Impact Management Negativity Remedies and Preventive Measures

- Coordinate with the Group to review plant energy-saving and carbon-reduction initiatives annually.
- Develop and implement green power strategies, and install solar power generation systems at each plant.

2024 Target: Carbon emissions reduced by 3,140 tCO_2e. Performance: Carbon emissions reduced by 2,466 tCO_2e.

2025 Target: Carbon emissions reduced by 1,455 tCO_2e. Continue energy conservation and carbon reduction, and increase the use of green power.

2027 Target: Continue energy conservation and carbon reduction, and increase the use of green power.

2030 Target: Carbon emissions reduced by 27% from 2017 levels by 2030, equivalent to 15,302 tCO_2e.

3.2.1 Climate Change GRI 2-23 • 2-24

Climate change is a global challenge. To align with international practices and meet the needs of sustainable development, Taiwan announced on February 15, 2023, the amendment of the "Greenhouse Gas Reduction and Management Act" to the "Climate Change Response Act." In response to the impacts of climate change, carbon reduction has become a shared global objective. In early 2022, USI Group set a 2030 carbon reduction target of "reducing carbon emissions by 27% from 2017 levels," and in 2023, further established "net zero emissions by 2050" as its long-term corporate goal.

To achieve its sustainability vision, USI Group actively implements corresponding strategies and management mechanisms. All domestic production sites continue to conduct ISO 14064-1 greenhouse gas inventories and verifications, while planning and executing carbon reduction projects. The Group is also actively developing external renewable energy projects. As of the end of 2024, the combined grid-connected capacity of solar power installations at the Taoyuan, Kunshan, and Guangzhou plants reached 4,159 kW.

In line with the Group's 2030 carbon reduction target, the Company has developed a carbon reduction roadmap. In 2024, greenhouse gas emissions decreased by 4.5% compared with the base year (2017). For the new silicon carbide business, carbon emissions are managed with the goal of reducing unit consumption by 5% annually. Going forward, the Company will more actively implement energy-saving and carbon-reduction initiatives. The Company's medium-term carbon reduction strategy focuses on low-carbon energy transition, improving energy efficiency, implementing intelligent monitoring, and expanding the installation and use of renewable energy. Its long-term strategy will continue to emphasize low-carbon fuels, carbon capture and utilization technologies, and negative emission technologies to achieve the net zero emissions goal and advance sustainable development.

The Company designates the ESG Committee under the Board of Directors as the highest governance body for climate management, chaired by an independent director. Each year, the Committee reviews the Company's climate change strategies and targets, oversees actions to manage climate-related risks and opportunities, evaluates implementation progress, and reports to the Board of Directors. The Company adopts the framework of the Task Force on Climate-related Financial Disclosures, TCFD (TCFD) to identify climate-related risks and opportunities. Assessments are conducted across different departments to evaluate risks and opportunities, determine their financial impacts, and develop corresponding action plans. A comprehensive assessment is scheduled to be conducted every three years, with reviews and updates performed annually.

Climate Change Management Framework

Category	Management Strategies and Actions
Governance	• ESG Committee: The highest-level organization for climate change management, chaired by an independent director. Reports annually to the Board of Directors on climate change initiatives, planning, and performance. • Executive Management Meeting: Chaired by the Chairman, convened on an ad hoc basis to plan and report on major energy conservation and carbon reduction policies. • Group Division of Equipment Preventive Maintenance and Environmental Risk Control Quarterly Meeting: The highest authority for energy management within the USI Group. Convenes quarterly to report initiatives and progress to the Chairman and to make decisions. • Group Green Electricity Task Force: The primary unit responsible for promoting green electricity initiatives within the USI Group. Reports to the Chairman on green electricity development progress and future plans on an ad hoc basis.
Strategy	• Scenario Analysis: Assess physical risks under different climate scenarios. • Identification of Risks and Opportunities: Conduct materiality assessment of risks based on relevance and likelihood, and of opportunities based on operational feasibility and development potential. • Assessment of Potential Financial Impacts: Evaluate potential financial impacts of identified material risks and opportunities.
Risk Management	• Adoption of TCFD Framework: Apply the TCFD framework to identify risks and opportunities, communicate with responsible units, and confirm findings with senior management. • Presentation of Identification Results: Incorporate into the Company's annual risk management assessment. Each year, the President or a designated representative reports control measures and management performance to the Audit Committee and the Board of Directors.
Metrics and Targets	• Energy Management Targets: Set under the Group's carbon reduction targets, with 2017 as the base year, aiming for a 27% reduction in carbon emissions by 2030 and carbon neutrality by 2050. • Climate Response Strategies: Medium-term strategies focus on low-carbon energy transition, energy efficiency improvement, intelligent monitoring, and the installation and use of renewable energy. Long-term strategies continue to focus on low-carbon fuels, carbon capture and reuse technologies, and negative emissions technologies. • GHG Emissions Disclosure: Disclose Scope 1 and Scope 2 emissions annually in the sustainability report, and periodically review the reasons for increases or decreases.

Note : The carbon reduction target covers emissions generated by product lines and services in existence as of the base year (2017). Emissions from product lines and services added after the base year are excluded from the current target calculation scope and will be subject to separately planned reduction strategies.

Identification of Climate-Related Risks and Opportunities GRI 201-2

To address the increasing impacts of global climate change, the Company continues to adopt the TCFD framework to further assess potential risks under extreme climate conditions and identify emerging business opportunities. Referring to the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) and the National Science and Technology Center for Disaster Reduction, and based on the RCP 8.5 scenario, the Company projects changes in temperature, precipitation, flooding, and drought for the period 2016 – 2035, and has identified three physical risk topics. In addition, considering the Group's strategy, industry characteristics, the Intended Nationally Determined Contribution (INDC), and TCFD indicators, the Company has identified 9 transition risks and 12 opportunity topics, totaling 24 potential climate-related risk and opportunity topics.

In 2024, a questionnaire survey was conducted with members of the ESG Committee and senior management to assess the relevance of each risk to the Company's operations and the expected timeframe of potential impacts, as well as the development potential and feasibility of each opportunity. A total of 13 responses were collected. Based on the statistical analysis of the working group, 12 material climate-related topics were identified (1 physical risk topic, 5 transition risk topics, and 6 opportunity topics).

The Company evaluated the potential financial impacts of these 12 material topics and formulated corresponding response strategies and management mechanisms to address potential impacts of climate change across various dimensions, mitigate operational disruptions arising from extreme weather events, and foster a resilient climate adaptation culture.

Potential Financial Impact and Response Measures for Risk and Opportunity Items GRI 201-2

Climate-Related Topics	Topic Category	Description of Risks and Opportunities	Potential Financial Impact	Company Strategies and Response Measures
High Temperatures	Physical Risk / Chronic	• Based on the near-future (2016 – 2035) projection under the RCP 8.5 scenario with a global temperature rise of 4°C, the maximum summer (June–August) temperature is expected to reach 37.5°C. • Elevated temperatures may affect production processes and the cooling capacity of air-conditioning systems, increasing the frequency of use for cooling equipment, thereby driving up electricity and water consumption.	**Increase in Operating Costs** If water shortages occur, purchase water trucks; in severe cases, reduce production lines or halt operations entirely. Estimated additional water purchase cost: NT$26,000 per day.	• Monitor water conditions and implement emergency response procedures. • Cease non-essential water usage and strengthen inspection of pipelines and valves. • Implement water conservation improvement programs to reduce total water withdrawal annually.
Government Regulation or Supervision – Water Consumption Fee Imposition	Transition Risk / Policy and Legal	In January 2023, the Ministry of Economic Affairs announced the "Regulations on the Water Conservation Charge," which impose charges during the dry season (January – April, November – December) on large water users whose monthly water consumption exceeds 9,000 m³.	**Increase in Operating Costs** Constructed a 150-ton backup water tank in 2024, with a construction cost of NT$5 million.	• Set unit water consumption reduction targets per product and achieve annual reduction goals. • Improve wastewater recycling systems and enhance operational management to increase recycled water volume and reduce consumption.
Carbon Fee	Transition Risk / Policy and Legal	In December 2023, the Ministry of Environment released the draft "Regulations Governing the Collection of Carbon Fees," which will impose a carbon fee starting in 2025 on emitters with annual emissions exceeding 25,000 metric tons.	**High Upfront Costs, Lower Emissions and Operating Costs in the Long Term** The Company currently is not a major carbon emitter, future tightening of regulations may lead to increased operating costs.	• Incorporate carbon costs into investment evaluations to increase the feasibility of carbon reduction projects. • Plan and execute 2025 – 2030 energy-saving and carbon-reduction measures, including equipment upgrades and energy efficiency improvements.

Climate-Related Topics	Topic Category	Description of Risks and Opportunities	Potential Financial Impact	Company Strategies and Response Measures
Renewable Energy Regulations – Risks from the "Large Electricity Consumers" Clause	Transition Risk / Policy and Legal	The "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity," effective 2021, require users with a contracted capacity above 5,000 kW to install renewable energy facilities equivalent to 10% of their contracted capacity by 2025.	**Increase in Capital Expenditure and Operating Costs** The Company's contracted capacity is below 5,000 kW; future tightening of regulations may result in higher operating costs.	• Plan and execute 2025 – 2030 energy-saving and carbon-reduction measures, including equipment upgrades and energy efficiency improvements. • Install a 75.9 kW self-use solar power facility in 2025, bringing total self-use installed capacity to 322.7 kW.
Low-Carbon Technology Transition	Transition Risk / Energy and Technolog	Investments in energy transition, efficiency improvement, and fuel substitution technologies to reduce carbon emissions increase the overall technology investment cost.	**Increase in Capital Expenditure, Reduction in Operating Costs** In 2024, invested NT$4.2 million in energy-saving and carbon-reduction measures, achieving electricity savings of 210,000 kWh and carbon reduction of 102 tCO_2e.	Continue planning and executing 2025 – 2030 energy-saving and carbon-reduction measures, including equipment upgrades and energy efficiency improvements.
Increase in Raw Material Prices	Transition Risk / Market	The imposition of carbon taxes is expected to add carbon-related costs to raw materials, leading to price increases.	**Increase in Operating Costs** Higher costs for raw materials and product transportation.	• Promote secondary material recycling and reuse. • Reduce fugitive dust emissions in production processes and install dust collection equipment to recycle collected dust powder back into production.
High-Efficiency Production	Opportunity / Resource Efficiency	Improve production efficiency and reduce energy consumption through the use of AI-enabled smart manufacturing, industrial motors, and automated packaging systems.	**Increase in Capital Expenditure, Reduction in Operating Costs** Invested NT$1.85 million in intelligent systems to reduce cooling water setup costs.	Implement an intelligent cooling water dashboard management system for real-time monitoring of equipment operation and energy consumption.
Recycling and Reuse – Circular Economy	Opportunity / Resource Efficiency	Apply the 3R principles (Reduce, Reuse, and Recycle) to lower waste treatment costs and reduce raw material usage.	**Reduction in Operating Costs** In 2024, ACME's Taoyuan Plant recovered 1,175 metric tons of dust powder, representing 15% of total production.	• Reduce fugitive dust emissions in production processes and install dust collection equipment to recycle collected dust powder back into production. • Recycle silicon carbide (SiC) scrap for reuse.
Reduction of Water Use and Consumption	Opportunity / Resource Efficiency	Water resources are essential in the production process. Reduce factory water leakage and increase water recycling rates to lower operating costs and enhance plant resilience.	**High Upfront Costs for Water-Saving Technologies** In 2024, recovered approximately 480 metric tons of RO wastewater, saving NT$6,432.	• Recycle RO process wastewater for reuse. • Keep developing and implementing water consumption reduction and water-saving programs.

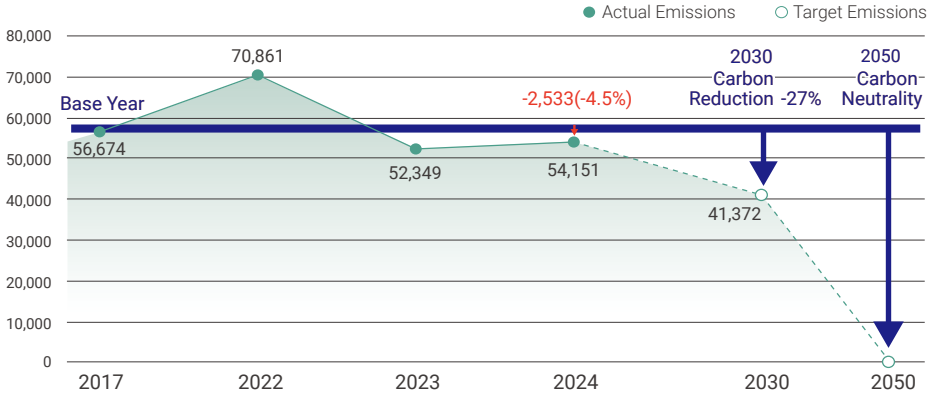
Climate-Related Topics	Topic Category	Description of Risks and Opportunities	Potential Financial Impact	Company Strategies and Response Measures
Use of Low-Carbon Energy	Opportunity / Resilience, Energy Source	Promote coal-to-gas transition and increase the proportion of renewable energy use to reduce carbon costs and product carbon footprints.	**Increase in Operating Expenses, Reduction in Operating Costs** Ongoing investment in carbon reduction, with associated costs and benefits.	• Install rooftop solar power facilities at the Taoyuan Plant, including a planned 75.9 kW self-use solar facility in 2025, bringing total self-use installed capacity to 322.7 kW. • Monitor and participate in the renewable electricity market. • Implement various energy-saving and carbon-reduction measures.
Leverage Incentive Programs from the Public Sector	Opportunity / Market	Utilize government incentive programs to lower investment costs, adopt new technologies, and enhance competitiveness.	**Increase in Capital Expenditure, Increase in Revenue** • Participated in customer-led low-carbon transformation programs • Replaced old, energy-consuming air compressors with new IE4 permanent magnet compressors, improving energy efficiency by 13%.	Participate in low-carbon transformation and power energy subsidy programs promoted by the Ministry of Economic Affairs.

Year	2024			2025
Item	Target Value	Actual Value	Achievement Rate	Target Value
Greenhouse Gas Emissions (tons CO_2e)	49, 209	54,151	91%	52,696

Note 1 : Achievement rate = 2024 target emissions / 2024 actual emissions
Note 2 : Previously disclosed as carbon reduction; the 2024 report has revised it to greenhouse gas emissions.

ACME Carbon Reduction Roadmap

Unit: tCO_2e



Note 1: The carbon reduction target covers emissions generated by product lines and services in existence as of the base year (2017). Emissions from product lines and services added after the base year are excluded from the current target calculation scope.
Note2: In 2024, the scope of the carbon reduction pathway was revised to cover companies included in the consolidated financial statements.

Group-Wide Internal Carbon Pricing Initiative

In February 2023, Taiwan implemented the "Climate Change Response Act," introducing a carbon fee collection mechanism. The Ministry of Environment will formulate related subordinate regulations to specify the collection methods and fee rates, with a phased approach starting from large emitters to smaller ones. The rates will be reviewed regularly and gradually increased. To proactively respond to government policy, effectively address climate change, and mitigate carbon risks, the Company introduced an internal carbon pricing mechanism in 2024. The pricing will be aligned with the domestic carbon fee framework and will be integrated into corporate decision-making and investment evaluation processes to assess the impact of carbon emissions on operations and accelerate the implementation of carbon reduction measures. The Group will also hold two training sessions for relevant departments to understand the concept and application of internal carbon pricing, facilitating its prompt implementation at all plants. In addition, a general course on carbon-related knowledge will be organized for Group employees to enhance company-wide carbon reduction awareness and support the achievement of long-term sustainability goals.

IFRS Sustainability Disclosure Standards

In August 2023, the "Blueprint for Promoting Taiwan's Convergence with IFRS Sustainability Disclosure Standards" was released. Publicly listed companies in Taiwan will adopt the IFRS Sustainability Disclosure Standards starting in 2026, in three phases. In 2024, the FCFC Group established a cross-functional IFRS Project Task Force, with quarterly updates on implementation progress submitted to the Board of Directors for oversight. The Task Force is led by the Group Chief Financial Officer and consists of an Operations Impact Sub-team and a Financial Impact Sub-team, working collaboratively across departments to assess potential financial impacts and implications of material risks and opportunities. Yueh-Feng Co., as a member of the Operations Impact Sub-team, completed in 2024 the establishment of the Task Force, the IFRS standards gap analysis, and the formulation of an implementation roadmap.

Phase 1 Analysis & Planning

2024 Q4

- Establish a dedicated IFRS Sustainability Disclosure Standards task force
- Preliminary analysis of differences and impacts between current sustainability disclosure and IFRS standards
- Preliminary identification of the reporting entity
- Draft implementation roadmap

Phase 2 Design & Execution

2025 Q2

- Identify sustainability-related risks and opportunities; evaluate financial impacts
- Confirm sustainability-related risks and opportunities, and evaluate potential financial impacts
- Evaluate whether sustainability-related information constitutes material financial information, and integrate it into the disclosure dimensions of metrics and targets, risk management, and strategy.

2025 Q3

- Review company's existing systems and align with IFRS disclosure requirements
- Establish linkages between sustainability-related data and the data used in financial reporting (e.g., input values and parameters).

2025 Q4

- Revise and adjust company processes, including financial and non-financial reporting procedures, information systems, supply chain management processes, internal controls, and the daily operations of various departments.

Phase 3 Implementation

2026 Q3 ~ Q4

- Conduct trial preparation of the first sustainability disclosure report under IFRS
- Continuously update the internal control manual related to IFRS sustainability information and conduct training programs.

Phase 4 Adjustment & Disclosure

2027 Q1

- In accordance with the IFRS Sustainability Disclosure Standards, disclose relevant information in the dedicated sustainability section of the 2026 annual report, and complete public disclosure and filing concurrently with the 2026 financial statements.

3.2.2 Energy Management

Group Energy Management Targets GRI 302-4

Since 2016, USI Group has voluntarily set energy management targets. In line with Taiwan's energy development policies, the Group continuously tracks international trends and national regulations to conduct dynamic reviews. After evaluating internal and external factors, USI Group set a 2030 carbon reduction target in early 2022 to achieve a 27% reduction in carbon emissions by 2030 compared to 2017 levels. Since 2018, the Group's nine core domestic production plants (including ACME's Taoyuan Plant) have progressively implemented the ISO 50001 Energy Management System and obtained certification. This enables effective management of energy performance and continued implementation of energy-saving and carbon reduction initiatives, with the aim of exerting a positive influence and reducing environmental impact.

Each year, USI Group holds "intra-plant technical exchange meetings" and several "northern/southern plant resource integration meetings" to facilitate the sharing of resources and enhance energy-saving and carbon-reduction performance through technical sharing and problem-solving discussions among plants. In 2024, the Group's intra-plant technical exchange meeting was held in November in a competition format, focusing on the core themes of "Occupational Safety and Environmental Protection," "Equipment Preventive Maintenance," and "Energy Saving and Carbon Reduction." Following case submissions from plants and a preliminary document review, seven cases advanced to the final presentations. The Group's senior executives and representatives from participating plants jointly voted to select three outstanding cases and four merit award cases. ACME's Taoyuan Plant received a merit award for its project to reduce the amount and cost of waste powder and sludge disposal by utilizing waste heat generated from existing air compressors for sludge drying, achieving a 14% reduction in sludge outsourcing volume. The award was presented by the Group Chairman along with a certificate and prize. Through recognition, exchange, and mutual learning, the Group continues to elevate its technical capabilities.

Taoyuan Plant Energy Management Targets

In accordance with the "Regulations on Setting Energy Conservation Objectives and Execution Plans for Energy Users" issued by the Ministry of Economic Affairs Energy Administration, an average electricity savings rate of 1% over a five-year period from 2015 to 2019 met the target, and another five-year average savings rate of 1% was set for 2020 to 2024. In 2024, the Taoyuan Plant achieved an electricity savings rate of 1.42%, and the average savings rate from 2015 to 2024 was 2.02%, meeting the "annual average electricity savings rate of 1%" requirement stipulated by the Energy Administration.

In terms of energy conservation and carbon reduction, the Taoyuan Plant will align with the USI Group's target set in early 2023 to reduce carbon emissions by 27% by 2030 compared to 2017 levels. In 2024, the Plant's self-conducted greenhouse gas inventory showed emissions of 54,151 tCO_2e, representing a 4.5% reduction from the base year (2017). For the new SIC business, the unit carbon emissions target is to reduce by 5% (tCO_2e/ton) annually starting from 2025 compared to the previous year.

The Taoyuan Plant obtained ISO 50001 Energy Management System certification in 2021 and successfully renewed its certification in 2024, extending it through 2027. Through the ISO 50001 system, the Plant has improved its energy efficiency, reduced energy usage costs, and lowered greenhouse gas emissions. By continuing to implement energy conservation and carbon reduction measures and increasing the use of green electricity, the Company aims to achieve sustainable operations that create a win-win outcome for business development and environmental stewardship.

The electricity savings rates (%) of ACME's Taoyuan Plant from 2022 to 2024

Energy Management Item	2022	2023	2024
Electricity Savings Rate (%)	0.83	1.84	1.42

Guangzhou Plant Energy Management Targets

The competent energy-saving authority of Zengcheng District, Guangzhou City, set an energy "dual control" target for the Guangzhou Plant under the 13th Five-Year Plan, in accordance with the Notice on the Energy "Dual Control" Target and Strengthening of Energy "Dual Control" for Key Energy-Consuming Entities under District Supervision issued by the Development and Reform Bureau of Zengcheng District. However, the energy "dual control" target for the 14th Five-Year Plan has not yet been issued.

In terms of total energy consumption, due to a decline in orders, production capacity in 2024 decreased by 11% compared with 2023, while total energy consumption increased by 273 tons of standard coal.

Energy Consumption Control Target for Guangzhou Plant (tons of standard coal)

Item	2020	2021	2022	2023	2024	2025
Target	4,267	5,300	5,800	5,750	5,700	4,950
Actual	4,147	5,713	5,570	4,511	4,784	

In terms of energy intensity, the energy consumption per unit of product in 2024 decreased by 0.089 tons of standard coal per ton of output compared with 2023.

Indicator Name	Item	2022	2023	2024	2025
Energy Consumption per Unit of Product (tons of standard coal/ ton of output)	Target	1.7000	1.7000	1.7000	1.7000
	Actual	1.4580	1.8360	1.7470	1.7470

Note : The Guangzhou Plant previously disclosed in units of quantity, but in 2024 the unit of disclosure was revised to weight.

Kunshan Plant Energy Management Targets

The production capacity of the Kunshan Plant increased by 11% in 2024, resulting in an approximately 12% increase in total electricity consumption. Electricity generation from photovoltaic equipment reached 2.09485 million kWh in 2024, representing a 96% increase compared with 2023. Purchased electricity from the grid amounted to 29.28416 million kWh in 2024, a 5% increase compared with 2023. Throughout the year, orders continued to decline. Although production volume increased slightly, the accumulated holiday shutdowns were relatively long. Maintaining the temperature of sintering furnaces and operating certain equipment during these shutdowns consumed electricity without output, resulting in a relatively high "energy consumption per unit of product" ratio.

The energy-saving targets and performance of the Kunshan Plant are as follows:

Indicator Name	Item	2022	2023	2024	2025
Energy Consumption per Unit of Product (tons of standard coal/ton of output)	Target	0.9400	0.9400	0.9400	0.9400
	Actual	1.0100	1.0238	1.0479	

Energy Use GRI 302-1 • GRI 302-3 • RT-EE-130a.1

ACME's Taoyuan, Kunshan, Guangzhou, and Malaysia Plants have dedicated environmental units responsible for planning, promoting, and supervising the implementation of various energy conservation and carbon reduction management programs to reduce energy consumption and mitigate environmental impact. The energy use over the past three years is shown in the table below.

The Taoyuan Plant primarily uses electricity and natural gas as its main sources of energy for operations. Although the production of magnet powder increased, ongoing improvements in energy efficiency during the calcination process reduced natural gas consumption per unit of output compared to 2023. However, the increased output of the new silicon carbide business led to higher electricity use, up by 19,444 GJ from 2023. As a result, total energy consumption in 2024 reached 133,213 GJ, representing a 28.4% increase from 2023, while the energy intensity per unit of product increased by 23%.

The two plants in Mainland China primarily use electricity for operations, with the main electricity-consuming equipment being the sintering furnaces used in the sintering process.

In 2024, total energy consumption amounted to 461,368.05 GJ, of which 329,027.48 GJ was purchased non-renewable electricity, 33,831.91 GJ was purchased renewable electricity, and 14,682.93 GJ was self-generated renewable electricity. Purchased electricity accounted for 78.65% of the total, and renewable electricity accounted for 10.52%.

Energy Category	Unit	Taoyuan Plant			Guangzhou Plant			Guangzhou Plant			Malaysia Plant
		2022	2023	2024	2022	2023	2024	2022	2023	2024	2024
Natural Gas	GJ	91,617.64	61,527.71	71,428.61	0	0	0	0	0	0	0
Liquefied Petroleum Gas (LPG)	GJ	0.00	0.00	0.00	0	0	0	0	0	0	6,420.70
Purchased Non-renewable Electricity	GJ	35,462.32	40,332.06	59,848.51	163,011.68	134,654.25	142,786.19	129,835.00	96,969.84	105,446.99	20,945.79
Purchased Renewable Electricity	GJ	0	0	0	0	0	0	0	0	0	33831.91
Self-generated Renewable Electricity	GJ	553	967.51	894.64	0	0	6,245.13	0	3,838.49	7,543.16	0
Gasoline	GJ	40.46	49.41	40.39	819.18	1,021.39	850.93	217	349.74	358.31	143.48
Diesel	GJ	1,263.30	876.42	1,000.96	2,186.43	2,472.36	2,469.68	1,287.00	1,103.66	1,053.01	170.84
Total Energy Consumption	GJ	128,936.71	103,753.11	133,213.11	166,017.29	138,148.00	152,351.93	131,340.00	102,261.74	114,305.47	61,497.55
Production Output	ton	11,042.00	7,344.00	7,660.00	3,819.85	2,457.03	2,738.25	4,493.00	3,361.00	3,724.00	1,143
Energy Intensity per Unit of Product	(GJ/metric ton)	11.68	14.13	17.39	43.46	56.23	55.64	29.23	30.43	30.69	53.80

Note 1 : Data from the Malaysia Plant was included in the statistics for the first time in 2024.
Note 2 : Conversion factors for energy consumption are based on announcements from the Energy Administration, Ministry of Economic Affairs: gasoline – 7,800 kcal/L, electricity – 860 kcal/kWh, and diesel – 8,400 kcal/L, with 1 cal equivalent to 4.187 KJ. The natural gas conversion factor is based on CPC Corporation's monthly average calorific value, which was 9,508 kcal/L in 2024.
Note 3 : The Taoyuan Plant does not sell electricity, heating, cooling, or steam, and the production process does not consume cooling or steam energy.
Note 4 : The Malaysia Plant has installed solar panels for self-generated consumption; however, due to plant expansion works that damaged the solar panel circuits, no related data is disclosed for the year.

In 2024, the production output of the Guangzhou Plant increased by 11% compared to 2023, while total energy consumption rose by 10%. As a result, the energy intensity per unit of product decreased by 1%.

For the Kunshan Plant, production was affected by extended shutdowns during the Lunar New Year, Labor Day, and National Day holidays. Although production capacity increased by 11% compared to 2023, total energy consumption rose by 12%. During the shutdown periods, the sintering furnaces still required electricity to maintain operating temperatures, and certain equipment remained in operation, resulting in energy consumption without output. Consequently, the energy intensity per unit of product remained essentially the same as in 2023.

Note: Based on the conversion factors for energy consumption announced by the Energy Administration, Ministry of Economic Affairs, the factors for gasoline, electricity, and diesel are 7,800 kcal/L, 860 kcal/kWh, and 8,400 kcal/L, respectively, with 1 cal equal to 4.187 KJ. For natural gas, the monthly average calorific value coefficient provided by CPC Corporation was adopted, with a value of 9,508 kcal/L in 2024 for conversion purposes.

3.2.3 Greenhouse Gas Management

GRI 305-1 • GRI 305-2 • GRI 305-4 • GRI 305-5

The Company is committed to energy conservation and carbon reduction, which not only contributes to society but also reduces operating costs through improved energy efficiency. The Taoyuan Plant is classified by the Ministry of Environment as a stationary pollution source subject to mandatory reporting, and it submits quarterly reports in compliance with government inspections. In 2022, the Taoyuan Plant obtained ISO 14064-1 assurance for its greenhouse gas inventory. In 2024, the Guangzhou and Kunshan Plants obtained ISO 14064-1 GHG inventory verification in June and July, respectively, while the Malaysia Plant obtained verification in January 2024.

For the Taoyuan Plant, due to an increase in magnetic powder production and ongoing energy-saving improvements in the calcination process, natural gas consumption slightly increased in 2024. In addition, higher production of the new silicon carbide product line led to increased electricity consumption. As a result, the plant's self-inventoried greenhouse gas emissions in 2024 totaled 11,582 tCO_2e, representing a 33% increase compared with 2023, while the "energy intensity per unit of product" increased by 28%.

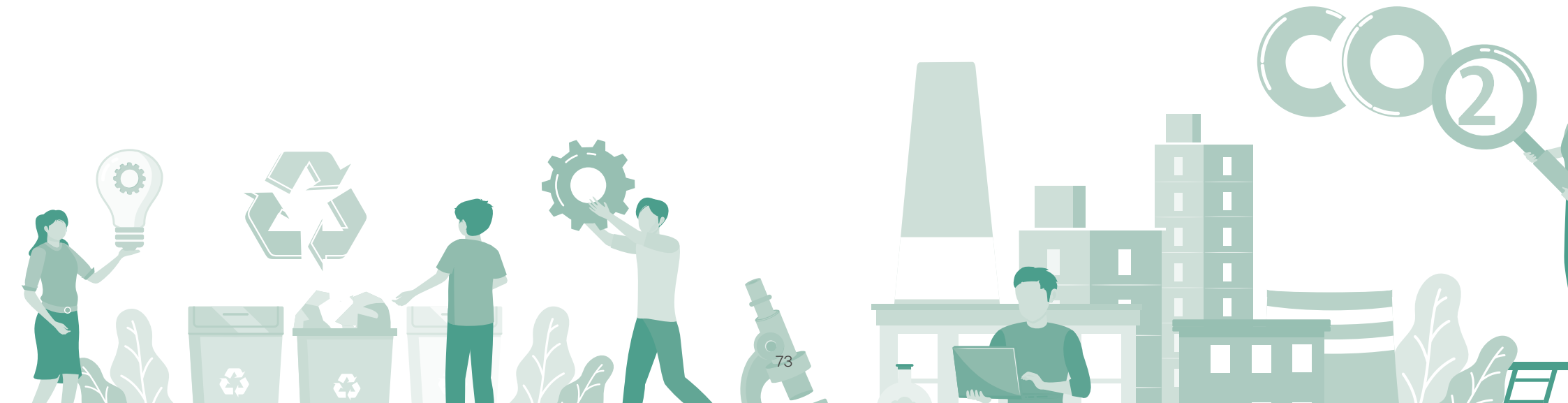
For the Guangzhou Plant, production in 2024 increased by 11% compared with 2023. Greenhouse gas emissions for the year totaled 22,570 tCO_2e, representing a 13% increase from 2023, while the "greenhouse gas intensity per unit of product" rose by 1%.

For the Kunshan Plant, greenhouse gas emissions in 2024 totaled 20,705 tCO_2e, compared with 19,052 tCO_2e in 2023, representing an 8.7% increase. Over 99% of greenhouse gas emissions originated from purchased electricity, with purchased electricity consumption in 2024 amounting to 2.92 million kWh, resulting in CO_2e emissions of 20,601 metric tons. In addition, a portion of electricity was generated for self-consumption through solar photovoltaic systems, which were commissioned in July 2023 with an annual generation of 1.07 million kWh. In 2024, with the systems operating for the full year, generation reached 2.09 million kWh, a 97% increase from 2023. This contributed to a notable reduction in purchased electricity and resulted in a 1.94% decrease in "greenhouse gas intensity per unit of product."

In 2024, ACME's consolidated Scope 1 greenhouse gas emissions totaled 4,989 tCO_2e, and Scope 2 emissions totaled 51,343 tCO_2e, resulting in combined emissions of 56,332 tCO_2e. The data has been assured by an independent third party.

Category	Unit	Taoyuan Plant			Guangzhou Plant			Kunshan Plant			Malaysia Plant		
		2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Scope 1	tCO_2e	4,774	3,186	3,709	224	256	691	111	107	195	483	310	394
Scope 2	tCO_2e	4,876	5,544	7,874	23,862	491	21,278	25,366	18,945	17,689	12,901	7,806	4,502
Total	tCO_2e	9,650	8,730	11,583	24,086	111	21,969	25,477	19,052	17,884	13,384	8,116	4,896
Production Output	t	11,042	7,344	7,660	3,820	107	2,738	4,493	3,361	3,724	1,417	977	1,143
GHG Emissions Intensity per Unit of Product	tCO_2e /t	0.87	1.18	1.51	6.31	8.13	8.02	5.67	5.67	4.80	9.46	8.36	4.28

Note 1 : Scope 1 refers to direct emissions from processes or facilities. The above data are calculated based on natural gas consumption, as well as gasoline used by company vehicles and diesel used by forklifts.
Note 2 : Scope 2 refers to indirect emissions from energy consumption. The above data are calculated based on electricity consumption.
Note 3 : Scope 3 refers to raw material transportation, product transportation, and employee commuting.
Note 4 : The organizational boundary is defined under the operational control approach, covering the Taoyuan Plant, Guangzhou Plant, Kunshan Plant, and Malaysia Plant.
Note 5 : Emission factors are based on the Ministry of Environment's GHG Emission Factor Management Table, China's grid emission factor, and the IPCC Sixth Assessment Report (2021) Global Warming Potential values.
Note 6 : GHG categories include carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3).
Note 7 : The 2024 emissions were assured by Ernst & Young. According to ISO 14064-1, Scope 3 greenhouse gas emissions amounted to 664 tCO_2e at the Taoyuan Plant, 5,590 tCO_2e at the Guangzhou Plant, 78 tCO_2e at the Kunshan Plant, and 62 tCO_2e at the Malaysia Plant.

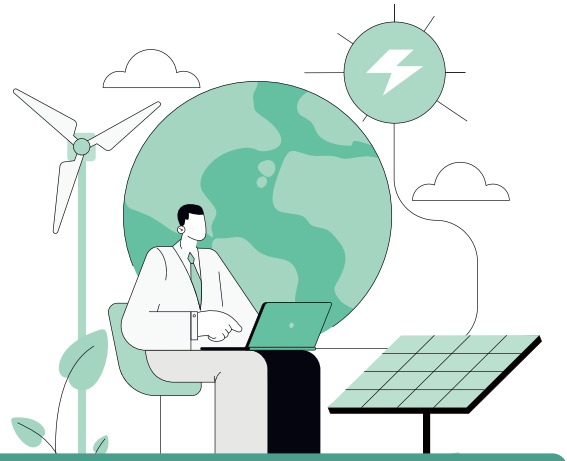


3.2.4 Implementation of Energy Conservation and Carbon Reduction GRI 305-5

In 2024, the Company implemented various energy conservation and carbon reduction initiatives as outlined in the table below, achieving a total carbon emissions reduction of 2,467 tCO_2e. For the Taoyuan Plant, the waste heat recovery and reuse project for calcination furnaces delivered lower-than-expected results in 2024, reaching only 78.5% of the originally planned reduction target.

Energy Saving Measures in 2024				
Plant	Improvement Plan	Energy Savings Calculation Method	Actual Carbon Reduction	Investment Amount
Taoyuan Plant	Increase load to enhance effective utilization of cooling water, increasing the temperature difference between inlet and outlet cooling water from 2°C to 5°C.	Reduced cooling water flow for production equipment and increased the number of cooling units (load) in the 500RT cooling water system from 12 units (5 tons/month output) to 24 units (10 tons/month output), operating 8,760 hours annually. For the 500RT cooling water system (specification: 6,457 L/min, 63 kWh), reduced production equipment cooling water flow from 300 L/min to 150 L/min, improving efficiency by 50%. Annual improvement benefit: (63 kW – 31.5 kW [load doubled]) × 8,760 hours/year = 275,940 kWh.	136.3 tCO_2e	NT$4,200 thousand
Guangzhou Plant	Phase out old, energy-intensive air conditioners	In 2024, replaced 176 old air conditioners with inverter models. Energy savings formula: (Power consumption of old air conditioner – Power consumption of inverter air conditioner) × operating hours × number of units Note: Power consumption of inverter air conditioner = cooling power consumption ÷ 1,136 Power consumption of fixed-speed air conditioner = input power ÷ 1,000	65.1 tCO_2e	NT$1,712 thousand
	Install rooftop photovoltaic project	Rooftop photovoltaic system connected to the grid in March 2024. Annual photovoltaic power supply in 2024 reached 1,734,364 kWh.	914.2 tCO_2e	NT$38,875 thousand
Kunshan Plant	Install rooftop solar power project	In 2024, cumulative photovoltaic power generation reached 2,094,846 kWh.	1,351.0 tCO_2e	NT$34,539 thousand
Total			2,466.6 tCO_2e	NT$79,326 thousand

Plant	2024 Target GHG Reduction (CO_2e)	2024 Actual GHG Reduction(CO_2e)	Achievement Rate
Taoyuan Plant	991.40	136.30	13.70%
Kunshan Plant	1,200.00	1,351.00	112.60%
Guangzhou Plant	949.00	979.30	103.20%
Total	3,140.40	2,466.60	78.50%



The energy-saving and carbon reduction plans that the Company plans to implement in 2025 are shown in the table below, with a target to reduce carbon emissions by 1,455 tCO_2e.

Energy-Saving and Carbon Reduction Plan in 2025

Plant	Improvement Plan	Energy Savings Calculation Method	Estimated Energy Savings	Target Carbon Reduction
Taoyuan Plant	Replace old 75HP unit with high-efficiency direct-drive air compressor	After replacement, the air compressor system efficiency was improved from 5.5 kW/m^3 to 4 kW/m^3, representing a 35% improvement. The system is expected to operate 8,640 hours annually, with a total electricity consumption of 483,840 kWh.	483,840 X 35 % = 169,344kw	84 tCO_2e
	Utilize calcining furnace waste heat for pellet preheating	By utilizing waste gas to preheat pellets and evaporate moisture, the consumption of natural gas for heating can be reduced from 147 m^3/ton to 125 m^3/ton, achieving a 15% savings. The total annual consumption is 158,166 m^3.	158,166*15%=23,725 m^3	53 tCO_2e
	Change PVA heating equipment medium from water to kerosene	For PVA heating equipment, with an annual operating time of 4,320 hours and an annual demand of 72,000 kg, changing the heating medium from water to kerosene reduces the electricity consumption for heating from 2 kW/kg to 1 kW/kg, representing a 50% improvement in efficiency.	(2kw-1kw) *72,000kg =72,000kw	37 tCO_2e
Kunshan Plant	Install solar photovoltaic system	Based on the actual average values from 2024.	Anticipate a monthly average reduction of 100 tCO_2e	1,200 tCO_2e
Guangzhou Plant	Replace old air compressors	The Processing Department of the Guangzhou Plant has a 55 kW air compressor that has been in operation for over 18 years (manufactured in 2006). Due to its high energy consumption and low productivity, it will be replaced with a more energy-efficient model.	Annual electricity saving: approximately 46,728 kWh	25 tCO_2e
	Optimize sintering duration for HI products in box furnaces	Optimization of the sintering duration for HI products in the NB02 box furnace under Program 2 reduced the average energy consumption per furnace from 1,701 kWh/furnace (average from January 1 to January 21, 2025) to 1,390 kWh/furnace, achieving an energy saving of 311 kWh/furnace. The annual energy savings is calculated as 311 kWh/furnace × 30 furnaces/month × 11 months = 102,630 kWh/year.	Annual electricity saving: 102,630 kWh	57 tCO_2e
	Total	Electricity saving: 390,702 kWh Natural gas saving: 23,725 m^3		1,455 CO_2e

Note 1 : From 2024, the calculation method for energy-saving and carbon reduction has been adjusted to include the annualized benefits in the year of plan execution.
Note 2 : Starting in 2025, the Malaysia Plant will plan and compile energy-saving and carbon reduction data.

3.3 Air Pollution Control and Management

Management Policy GRI 3-3

Strategic Policy | Comply with environmental protection regulations, commit to pollution prevention, and satisfy the environmental and quality requirements of customers.

Commitment | Achieve zero violation of environmental protection laws

Impact Management Positive/Negative Impact Items

- Continue the management follow-up in 2021.

Impact Management Negativity Remedies and Preventive Measures

- Negative Remedy: Maintenance of perimeter roads and roadside trees.
- Preventive Measure: Enhancement of air pollution control equipment to reduce air pollutant emissions.

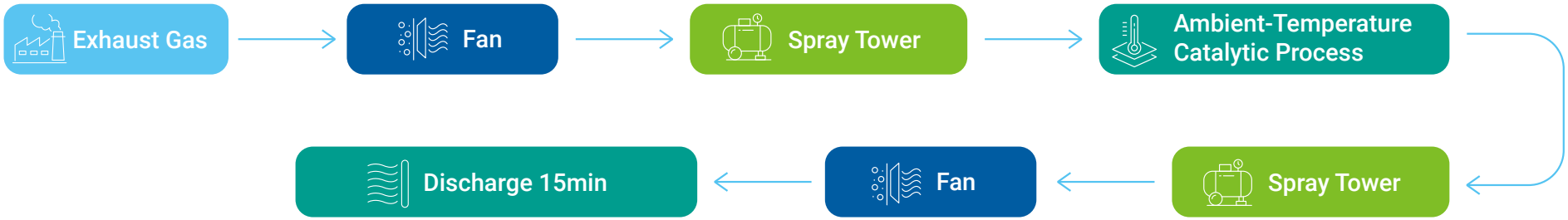
2024	Target	Zero violation of environmental protection laws
	Performance	Zero violation of environmental protection laws
2025	Target	Zero violation of environmental protection laws
2027	Target	Zero violation of environmental protection laws
2030	Target	Zero violation of environmental protection laws

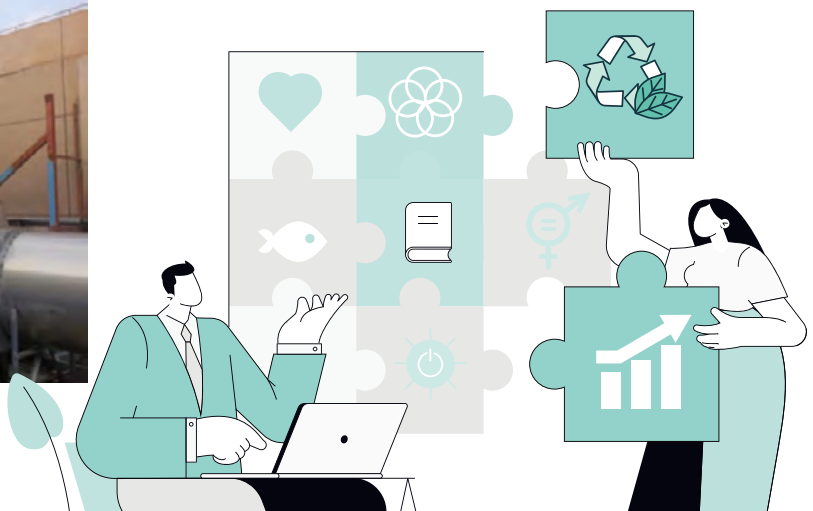
There is pollution control equipment in place for all stationary sources at the Taoyuan Plant. The pollutants include particulate matter and nitrogen oxides (NOx). The pollution control equipment consists of cyclone separators, baghouse dust collectors, and scrubbers. The pollutant emission reduction equipment includes the installation of bag filters for the feeding and discharging processes of the calcination equipment, as well as the installation of automated transportation equipment for the batch bucket discharging process to reduce spillage.

The installation of control equipment has significantly improved the operating environment by reducing dust dispersion and spillage of particulate matter. The collected dust is recycled back into the production process, thereby minimizing resource waste. All dust is collected directly from the original process pipelines, ensuring that product quality and purity are not affected.

Taoyuan Plant conducts testing and reporting of stationary pollution source emissions in accordance with the Air Pollution Control Act. The reports have been approved by the Ministry of Environment, confirming compliance with air pollutant emission standards for stationary sources, with no sulfur oxide (SOx) emissions. The operating permit for the stationary pollution sources at Taoyuan Plant was renewed in 2021, with changes made to the contents of the operation and installation license. In accordance with the Stationary Pollution Source Installation, Operating and Fuel Use Permit Management Regulations Amended Clauses, the Company has applied for and obtained an extension of the operating permit, which is now valid until 2026.

Kunshan Plant and Guangzhou Plant conduct annual testing of stationary pollution sources in compliance with legal requirements, and all 2024 test results met the applicable emission standards.





In 2024, testing of stationary pollution source emissions at the Malaysia Plant showed full compliance with local regulatory limits.

Location	Substance Tested	Test Result (mg/m³)	Limit* (mg/m³)
AFP I - Chimney No. 2 (Dust Collector 2, 3, 4)	Total PM	32.8	50
	Cu	< 0.01	5.0
	Zn	< 0.01	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	22.3	50
	Cu	< 0.01	5.0
	Zn	< 0.01	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	61.4	150
	Cu	< 0.01	5.0
	Zn	2.5	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

Stationary Pollution Source Emissions of ACME in 2024 GRI 305-7

Plant	Pollutant	Emissions
Taoyuan Plant	Particulate matter (PM)	0.129 tons/year
	Nitrogen oxides (NOx)	2.871 tons/year
	Volatile organic compounds (VOCs)	11.161 tons/year
	Hazardous air pollutants (HAPs)	NA
Kunshan Plant	Particulate matter (PM)	0.299 tons/year
	Nitrogen oxides (NOx)	NA
	Volatile organic compounds (VOCs)	NA
Guangzhou Plant	Particulate matter (PM)	2.634 tons/year
	Nitrogen oxides (NOx)	NA
	Volatile organic compounds (VOCs)	NA

Note 1 : In accordance with ecological and environmental statistical requirements, emissions from fixed pollution sources at the Guangzhou Plant were calculated using the coefficient method, as no automatic online monitoring equipment was installed and manual monitoring was not conducted on a quarterly basis. However, as the ecological and environmental statistics platform no longer provides access to the submitted information, the data are not disclosed.

Note 2 : According to the environmental impact assessment report, the Kunshan Plant is not involved in nitrogen oxides or volatile organic compounds. In accordance with local ecological statistical requirements, fixed pollution sources are not required to install automatic online monitoring equipment; therefore, pollutant emissions are calculated based on the annual testing report's emission concentrations and emission rates. As the testing report indicates the presence of hazardous air pollutants (HAPs), their emissions are also calculated using the annual testing report's concentrations and emission rates. However, as the emission volumes are extremely low, the data are not disclosed.

04

Happy Workplace and Social Participation

Happy Workplace and Social Participation

4.1 Talent Attraction and Retention

The Company adheres to the traditional cultural philosophy of USI Group and attaches great attention to the care of employees. It complies with all applicable labor regulations, offering employees due respect and autonomy to work with dignity within a reasonable framework of policies and people-oriented management. The Company strives to help employees achieve work-life balance, meet both livelihood and family needs, and enjoy a fulfilling work and personal life.

Management Policy GRI 3-3

Strategic Policy | Attract virtuous and capable talents, achieve excellence together

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

Impact Management Positive/Negative Impact Items

Positive, Potential – Become an Enterprise With a Happy Workplace – Improve Employees' Sense of Identification With the Company.

Impact Management Negativity Remedies and Preventive Measures

Enhance employee benefits and improve the work environment.

2024	Target	• Employee Satisfaction Taiwan: 75%; Kunshan Plant: 80%; Guangzhou Plant: 84% • Recruitment Fulfillment Rates Taiwan: 100%; Kunshan Plant: 100%; Guangzhou Plant: 100%	Performance: • Employee Satisfaction Taiwan: 65%; Kunshan Plant: 97.6%; Guangzhou Plant: 95.8% • Recruitment Fulfillment Rates Taiwan: 100%; Kunshan Plant: 95%; Guangzhou Plant: 100%
2025	Target	• Employee Satisfaction Taiwan: 75%; Kunshan Plant: 90%; Guangzhou Plant: 84% • Recruitment Fulfillment Rates Taiwan: 100%; Kunshan Plant: 100%; Guangzhou Plant: 100%	
2027	Target	• Employee Satisfaction Taiwan: 76%; Kunshan Plant: 90%; Guangzhou Plant: 85% • Recruitment Fulfillment Rates Taiwan: 100%; Kunshan Plant: 100%; Guangzhou Plant: 100%	
2030	Target	• Employee Satisfaction Taiwan: 78%; Kunshan Plant: 84%; Guangzhou Plant: 85% • Recruitment Fulfillment Rates Taiwan: 100%; Kunshan Plant: 100%; Guangzhou Plant: 100%	

Sustainability Principle: Happy Workplace and Social Participation

Note : Recruitment fulfillment rate – The ratio of the number of personnel successfully recruited to the planned number of hires, based on the staffing requirements of the employing unit. Calculation formula: Number of personnel recruited ÷ Planned number of hires.

Human Resource Structure GRI 2-7

In 2024, the total number of employees at the Company's Taipei office and Taoyuan Plant was 212, comprising 167 male employees (79%) and 45 female employees (21%). Except for the Chairman, who concurrently serves as CEO in a part-time capacity, all employees were full-time permanent staff. The relatively high proportion of male employees reflects the physically demanding and heavy-lifting requirements of work at the Taoyuan Plant. To safeguard employees' employment rights, apart from the Chairman's concurrent position, the Company adopts standard employment arrangements and enters into open-ended contracts with all other employees, enabling them to work with security and peace of mind.

The total number of employees at the Kunshan and Guangzhou Plants was 1,135, comprising 607 males (53%) and 528 females (47%), all of whom were full-time employees. Compared with the Taoyuan Plant, the Kunshan and Guangzhou Plants are engaged in later-stage processing operations that require more delicate work, resulting in a higher proportion of female employees. In accordance with legal requirements, after two consecutive fixed-term labor contracts, an open-ended labor contract must be signed upon the third renewal. The proportion of employees with a seniority of six years or more who have signed open-ended contracts was 3.6% at the Kunshan Plant and 37% at the Guangzhou Plant.

The total number of employees at the Malaysia Plant was 377, comprising 249 males (66%) and 128 females (34%). Of these, 271 were permanent employees (open-ended contracts), 6 were fixed-term employees, and 99 were contract employees.

The Company encourages disadvantaged groups in society to contribute their talents. As of the end of 2024, there were 14 employees with physical or mental disabilities in service, including 13 at the Guangzhou Plant, none at the Kunshan Plant, and 1 at the Taoyuan Plant.

Employee Composition of ACME in 2024 (Number of Employees)

Item/Description			Taiwan	Kunshan Plant	Guangzhou Plant	Malaysia Plant
Gender	Male		167	209	398	249
	Female		45	145	383	128
	Total		212	354	781	377
Function	Non-Management	Direct	81	239	631	263
		Indirect	60	66	93	34
	Senior Management	Male Manager	47	17	19	32
		Female Manager	12	8	7	19
	Junior and Mid-Level Management	Male Manager	10	13	23	26
		Female Manager	2	11	8	3
	Total		212	354	781	377
Employment Contract		Permanent Employee	212	13	285	272
		Fixed-term Employee	0	341	496	105
		Total	212	354	781	377
Middle and Senior Management		Male Manager	211	354	781	377
		Female Manager	1	0	0	0
		Total	212	354	781	377

Item/Description		Taiwan	Kunshan Plant	Guangzhou Plant	Malaysia Plant	Total
Middle and Senior Management	Male Manager	79.66%	68.00%	73.07%	62.75%	71.4 3%
	Female Manager	20.34%	32.00%	26.93%	37.25%	28.57%
	Total	100.00%	100.00%	100.00%	100.00%	100.00%

Note 1: Senior and middle management refers to supervisors at the section chief level or above. Junior management refers to team leaders and group leaders.
The gender and age distribution of the Company's senior, middle management, and general employees is presented in the table below. Managers are predominantly male and aged over 30. General employees are primarily aged between 31 and 50, and the gender ratio varies by region; overall, the difference is minimal. As some employees from the Taoyuan Plant are seconded to Mainland China to serve in management positions, the proportion of senior management is relatively high. Consequently, the Kunshan Plant employs only two senior managers aged over 51, while the Guangzhou Plant employs only three senior managers in this age group.

Age Distribution of ACME Employees in 2024 (Number of Employees)

Item/Description		Gender	Taiwan	Kunshan Plant	Guangzhou Plant	Malaysia Plant
Senior Management (Assistant Manager and Above)	Below 30	Male	0	0	0	0
		Female	0	0	0	0
	31-50	Male	16	10	7	4
		Female	4	4	2	2
	Above 51	Male	26	2	2	6
		Female	3	0	1	4
Junior and Mid-Level Management (Supervisor, Team Leader, and Section Chief)	Below 30	Male	0	1	7	7
		Female	0	0	0	12
	31-50	Male	6	17	25	26
		Female	6	15	12	14
	Above 51	Male	9	0	1	15
		Female	1	0	0	4
General employees	Below 30	Male	16	53	173	84
		Female	4	16	103	27
	31 - 50	Male	83	104	168	99
		Female	21	93	263	54
	Above 51	Male	11	22	15	8
		Female	6	17	2	11

The distribution of employees' educational backgrounds by level is presented in the table below. As the Taoyuan Plant serves as the development hub for new materials, new products, and new businesses, it has a higher proportion of employees with university or master's degrees. The Kunshan and Guangzhou Plants are production bases and therefore have a higher proportion of employees whose highest education level is senior high school or vocational high school and below.

Talent Recruitment and Appointment GRI 401-1

To maintain a stable workforce, the Company adopts a fair, transparent, impartial, and efficient recruitment system aimed at selecting highly qualified and suitable talent to strengthen its business foundation. It is committed to promoting diversity and ensuring equal opportunity, with no discrimination in employment on the basis of race, skin color, age, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, membership in any organization, or marital status. The Company complies with the relevant provisions of the Labor Standards Act and adheres to the standards set forth in the Responsible Business Alliance (RBA) Code of Conduct.

When vacancies arise or expansion is required due to business needs, organizational planning, or employee resignations, the hiring department completes a "Personnel Request Form" for approval. Priority is given to internal recruitment and job rotation within the Group, while external recruitment is conducted concurrently. Recruitment channels primarily include online job banks, public employment service stations, employee referrals, campus recruitment, and other diversified approaches to attract talent at all levels. Preference is given to hiring local talent to create job opportunities and contribute to the community.

In 2024, the Company primarily employed personnel under the age of 50. The Kunshan Plant mainly hired employees aged between 31 and 50, while the Guangzhou Plant employed a greater proportion of employees under the age of 30. At both Mainland China plants, most employees were from other provinces (69% at the Guangzhou Plant and 71.5% at the Kunshan Plant). Many of these non-local employees returned to their hometowns at the end of the year for family or career development reasons, leading to seasonal turnover and necessitating continuous recruitment to fill vacancies. In 2024, the recruitment fulfillment rates at the Kunshan Plant and Guangzhou Plant were 95% and 100%, respectively. Both plants successfully met the personnel requirements specified in each Personnel Request Form, maintaining a stable workforce. Despite severe labor shortages in Taiwan, including both direct labor and general staff, and ongoing recruitment challenges, the Taoyuan Plant still achieved a 100% recruitment fulfillment rate in 2024 through sustained efforts and the successful introduction of foreign workers.

Educational Background Distribution of ACME Employees in 2024 (Number of Employees)

Item/Description		Taiwan	Kunshan Plant	Guangzhou Plant	Malaysia Plant
Employees	Junior High School	13	175	590	129
	Senior / Vocational High School	66	71	66	124
	Junior / Technical College	31	72	69	84
	University / Bachelor's Degree	56	30	53	32
	Master's Degree	42	6	3	7
	Ph.D.	4	0	0	1

Overview of Talent Recruitment at ACME, 2022–2024

Item/Description		2022	2023	2024
Taiwan	Number of New Hires	27	52	48
	Number of Employees at Year-End	194	186	212
	New Hire Rate	14%	28%	23%
Kunshan Plant	Number of New Hires	263	403	315
	Number of Employees at Year-End	383	405	354
	New Hire Rate	69%	100%	89%
Guangzhou Plant	Number of New Hires	368	469	553
	Number of Employees at Year-End	713	717	781
	New Hire Rate	52%	65%	71%
Malaysia Plant	Number of New Hires	173	55	58
	Number of Employees at Year-End	395	373	377
	New Hire Rate	44%	15%	15%

Note : New Hire Rate = (Number of New Hires ÷ Total Number of Employees)

Gender, Age, and Region Distribution of New Employees of ACME in 2024

GRI 405-1

Item/Description	Taiwan		Kunshan Plant		Guangzhou Plant		Malaysia Plant	
Gender and Age Distribution of New Employees	Male	Female	Male	Female	Male	Female	Male	Female
Below 30	16	3	121	52	225	150	27	10
31-50	20	5	56	78	89	89	11	9
Above 51	2	2	4	4	0	0	1	0

Registered Domicile Distribution of New Employees	Taiwan	Kunshan Plant	Guangzhou Plant	Malaysia Plant
Taiwan	22	0	0	0
Mainland China	0	315	553	0
Thailand	23	0	0	0
Indonesia	22	0	0	0
Malaysia	0	0	0	38
Nepal	0	0	0	20

Talent Mobility GRI 401-1

The Company respects employees' individual career plans. Among employees who resigned, 61% were under the age of 30, and 37% were between 31 and 50. At the two plants in Mainland China, turnover rates are relatively high due to changes in the macroeconomic environment. Many non-local employees choose to return to their hometowns, start their own businesses, care for their families, pursue further education, or make other personal choices.

In 2024, most resignations were voluntary. In Taiwan, the primary reasons for voluntary resignation were health considerations, career planning, and family factors. In Mainland China, the main reasons included non-local employees returning to their hometowns for employment, caring for their families, pursuing further education, and health-related reasons.

In 2024, the primary reasons for resignation at the Malaysia Plant included changes in career plans, family issues, the return of foreign workers to their home countries upon contract completion, and pursuing further education.

The overall turnover rate in 2024 increased compared with 2023, mainly due to the lower stability of newly hired employees who had difficulty adapting to the work environment, corporate culture, and interpersonal relationships. At the Kunshan and Guangzhou Plants, employees who resigned within six months of joining accounted for 71% of total resignations.

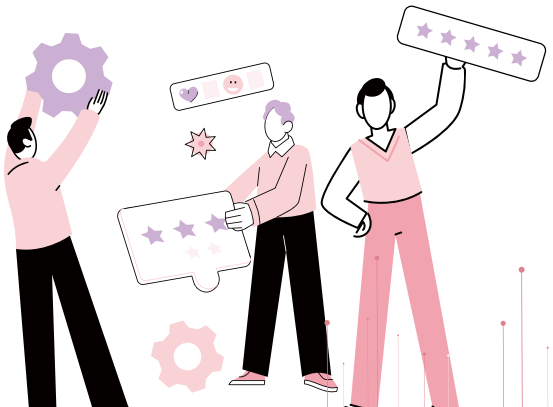
To improve the retention and stability of new employees, the Company has adopted the following measures at different stages:

- **Interview Stage**: Arrange on-site visits for applicants to observe the actual work environment and provide detailed explanations of job responsibilities.
- **Probation Stage**: Provide care and timely guidance, along with training programs to enhance their understanding of the Company.
- **Post-Confirmation Stage**: Offer employee services and counseling, assist with career planning, provide ongoing in-service training to strengthen skills, and ensure fair performance evaluations as well as competitive remuneration and benefits.
- Two Mainland China Plants: As most employees are from other provinces, organize new employee forums, recreational activities, and birthday celebrations to help them quickly adapt to the new work and living environment and to foster a sense of belonging within the Group.

Overview of Employee Resignations at ACME, 2022–2024

Item/Description		2022	2023	2024
Taiwan	Number of Resignations	28	19	30
	Number of Employees at Year-End	186	194	212
	Turnover Rate	15%	10%	14%
Kunshan Plant	Number of Resignations	508	289	338
	Number of Employees at Year-End	405	383	354
	Turnover Rate	125%	75%	95%
Guangzhou Plant	Number of Resignations	636	373	485
	Number of Employees at Year-End	717	713	781
	Turnover Rate	89%	52%	62%
Malaysia Plant	Number of Resignations	153	74	52
	Number of Employees at Year-End	395	373	377
	Turnover Rate	39%	20%	14%

Note : Turnover Rate = (Number of Resignations ÷ Total Number of Employees)



Gender, Age, and Region Distribution of Resigned Employees at ACME in 2024

GRI 405-1

Item/Description	Taiwan		Kunshan Plant		Guangzhou Plant		Malaysia Plant	
Gender and Age Distribution of Resigned Employees	Male	Female	Male	Female	Male	Female	Male	Female
Below 30	9	5	119	57	191	14	17	13
31 - 50	5	5	69	83	79	74	8	11
Above 51	6	0	4	6	1	0	2	1

Registered domicile distribution of resigned employees	Taiwan	Kunshan Plant	Guangzhou Plant	Malaysia Plant
Taiwan	23	0	0	0
Mainland China	0	338	485	0
Thailand	4	0	0	0
Malaysia	3	0	0	46
Nepal	0	0	0	5
Myanmar	0	0	0	1

Resignation Category	Taiwan	Kunshan Plant	Guangzhou Plant	Malaysia Plant
Voluntary Resignation	17	325	422	51
Contract Expiration / Retirement / Internal Transfer / Unpaid Leave	12	8	6	1
Involuntary Resignation	1	5	0	0

Human Rights Protection

Human Rights Policy GRI 2-23

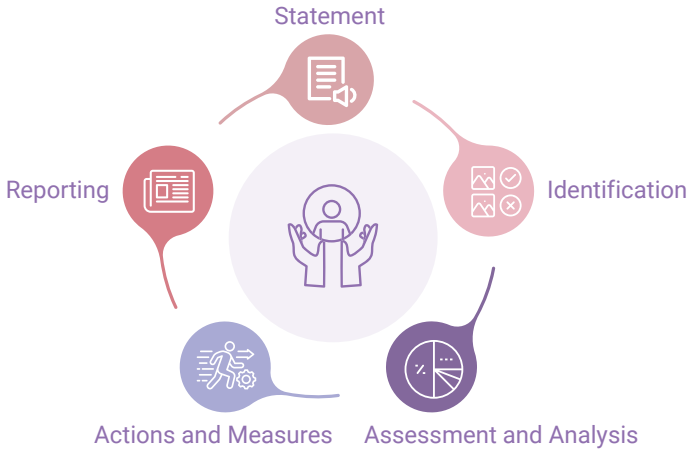
The Company, with reference to the International Bill of Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and other internationally recognized human rights standards, has established a Human Rights Policy with the approval of the Chairman. This policy applies to the Company and all affiliates of USI Group, and aims to prevent any acts that infringe upon or violate human rights. In addition to providing a safe and appropriate workplace, the Company is committed to ensuring that all current employees are treated reasonably and with dignity.

Human Rights Risk Identification and Assessment

The Company conducts human rights risk identification on an annual basis. For the identified human rights issues of concern, compliance reviews and third-party assessments are carried out. Based on the results of risk assessments and deficiencies identified through internal and external audits, mitigation and corrective measures are implemented, with continuous improvements to achieve effective risk management.

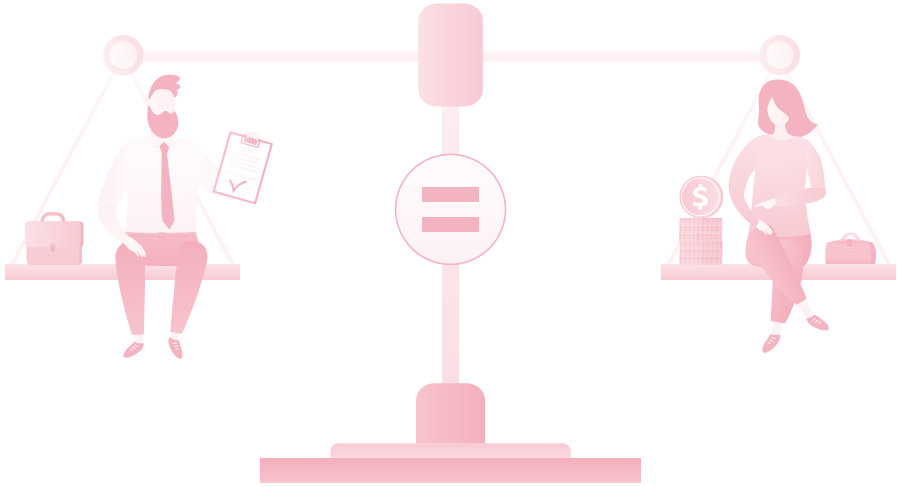
As human rights issues involve different business units, the HR department coordinates due diligence and risk management processes on human rights by addressing different stakeholders and specific human rights topics.

The Company has established procedures and processes for each stage of human rights management as the foundation for safeguarding and protecting human rights, including the following:



Human Rights Due Diligence Process GRI 2-24

Stage	Step	Practice
Stage 1	Statement	Make external commitments to support and comply with international standards and local laws, and establish a Human Rights Policy.
Stage 2	Identification	Identify material human rights issues and affected stakeholders based on organizational characteristics and business operations.
	Assessment and Analysis	Regularly assess human rights impacts on all employees and throughout service processes to understand the level of risk exposure.
Stage 3	Actions and Measures	▪ Develop different action plans based on the level of human rights risks identified through regular assessments. ▪ Track the implementation and performance of action plans, while ensuring ongoing communication to strengthen the effectiveness of human rights management. ▪ In the event of human rights violations, provide remedial measures through system improvements as well as material and psychological support.
	Reporting	Conduct internal discussions and reporting on human rights management, and disclose practices and outcomes on the Company's website.



Human Rights Management Results in 2024

GRI 2-24

No major violations of laws occurred during the year. The Company will continue to provide human rights–related education and training. For details on human rights training, please refer to(https://www.usig.com/ACMECSR/Personnel.aspx). Based on the Company's Human Rights Policy and implementation guidelines, 14 human rights topics were identified through risk assessment in 2024. Among these, 8 were designated as topics of concern, and one risk item, "Excessive Working Hours," was addressed. Mitigation and remedial measures were implemented as follows:

Mitigation and Remedial Measures for Human Rights Management Topics

Topic	Mitigation Measures	Remedial Measures
Excessive Working Hours	Obtain employees' consent before overtime work, and allow them to choose between receiving overtime pay or compensatory leave afterward.	Overtime pay is provided in accordance with legal requirements whenever employees work overtime.
	Require employees to record daily whether extended working hours are due to personal reasons or work-related needs in the system.	Monitor employees' workload and the causes of excessive working hours, and actively improve processes and operations to enhance work efficiency.
	The HR department regularly reviews overtime situations in each unit and follows up to identify and understand the underlying causes.	Employees with excessive working hours are included in the list for abnormal workload identification and risk assessment. Regular health examinations are arranged, and relevant work processes and staffing levels are adjusted as appropriate.

Compensation System GRI 405-2

The Company upholds the principle of profit sharing with employees to attract, retain, develop, and motivate outstanding talent, offering a diversified and competitive compensation system.

The starting salary of new employees is based on the principle of equal pay for equal work. Employees with the same educational and professional background performing the same duties receive equal compensation. After hiring, salaries are adjusted, and performance bonuses are awarded according to individual performance.

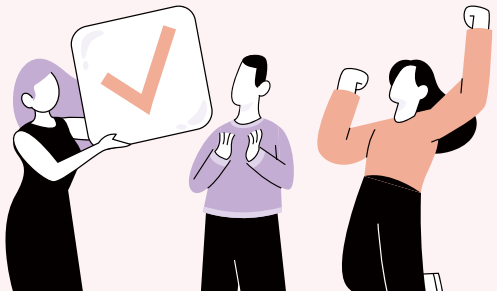
At the Taoyuan Plant, the wages of entry-level employees, except for foreign workers whose pay follows the minimum wage announced by the government, are the same for male and female employees and slightly above the statutory minimum wage.

At the Kunshan, Guangzhou, and Malaysia Plants, the standard wages for entry-level employees are aligned with the local minimum wage and are consistent across genders.

Ratio of Standard Wages of Entry-Level Employees by Gender to Local Minimum Wage

Plant	2022		2023		2024	
	Male	Female	Male	Female	Male	Female
Taiwan	1.09	1.09	1.12	1.10	1.09	1.13
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 ensure workforce stability and retain outstanding talent, the Company regularly evaluates market salary levels and makes appropriate adjustments and planning for employee compensation. Exceptional performers are granted special salary increases to achieve a compensation level that is competitive in the market.



Compensation of Full-Time Employees in Non-Management Positions

In 2024, the number of full-time employees in non-management positions, together with their average and median salaries, is presented in the table below. Both the average and median salaries increased compared with the previous year, mainly due to higher company profitability and the resulting increase in employee year-end bonuses.

Item/Description	2024	Difference From Previous Year
Number of Full-Time Employees in Non-Management Positions	158	+3
Average Salary of Full-Time Employees in Non-Management Positions (NT$ Thousands)	938	+70
Median Salary of Full-Time Employees in Non-Management Positions (NT$ Thousands)	861	+71

Note : This table excludes the Kunshan, Guangzhou, and Malaysia Plants, and covers only full-time employees in non-management positions at the Taoyuan Plant and the Taipei Office.

Happy Workplace GRI 401-2

The Company believes that comprehensive and considerate employee benefits are key to talent retention. In Taiwan, whether employees are based at the Taipei Office or the Taoyuan Plant, and whether they are foreign or local workers, the Company provides labor insurance, national health insurance, and labor pension contributions in accordance with the law, along with the following employee care and welfare measures:

1. Group insurance for employees, with preferential rates available for dependents.
2. Preventive health protection, including annual health checkups that exceed legal requirements.
3. Meal and transportation subsidies, as well as uniforms, safety shoes, and dormitory facilities to cover daily needs. Employees are also provided with free freshly ground coffee in line with the growing coffee culture.
4. Labor Day bonus to celebrate the holiday with employees.
5. Monetary gifts for weddings, funerals, and other personal milestones to share in employees' life events.
6. Partnerships with designated merchants, including restaurants, hotels, leisure and entertainment venues, and medical examination providers, offering employees comprehensive assistance.
7. Travel subsidies and occasional day trips or social gatherings to promote camaraderie among employees and family well-being.

In Mainland China

In addition to contributing to the statutory "five social insurances and one housing fund" for employees, the Company provides holiday bonuses for traditional festivals such as the Mid-Autumn Festival and the Dragon Boat Festival, monetary gifts for weddings, funerals, and other personal milestones, birthday vouchers or company-hosted birthday celebrations, free occupational health checkups and group accident insurance, as well as complimentary three daily meals.

Malaysia Plant

1. Insurance coverage is provided for supervisors, engineers, executives, and managers and above.
2. The Company provides uniforms for all permanent employees. For those working in production areas, safety shoes and tools are also provided. For foreign workers, the Company provides dormitories, transportation, and covers utility expenses.
3. Through the Family Fund, cash assistance is provided to employees in the following circumstances:
   - RM150 for employees with more than one year of service upon the death of an immediate family member (spouse, parents, or children).
   - RM100 cash assistance is granted to hospitalized employees (excluding cases of intentional self-harm, reckless driving, intoxication, or drug abuse).
   - RM100 wedding gift is provided for an employee's first legally registered marriage in Malaysia.
   - RM100 baby gift is provided for the birth of an employee's first child in Malaysia (not applicable if a hospitalization claim has already been made).

At the Taoyuan Plant and Taipei Office, an Employee Welfare Committee has been established in accordance with the law. The committee is composed of 13 members, including 11 representatives elected by employees and 2 executive members appointed by the employer, and holds meetings once every three months or on an ad hoc basis when necessary. The committee is responsible for distributing holiday and wedding/funeral allowances, organizing year-end banquets, employee trips, and other activities. The Company allocates 0.05% of monthly revenue and 40% of income from scrap sales as the committee's activity fund. In 2024, the total allocation amounted to NT$810 thousand, representing approximately 0.5% of total employee compensation.

The Kunshan Plant established a labor union in 2016, consisting of one chairperson, one vice chairperson, and five committee members, accounting for 1.5% of total employees. The union is responsible for arranging employee welfare matters. The Guangzhou Plant has not established a union, and employee welfare is coordinated by the Company's administrative unit. (GRI 2-30)

The Malaysia Plant established a Family Committee, consisting of one chairperson, one vice chairperson, one advisor, one secretary, and nine members, representing 3.45% of the total workforce. The Family Committee members discuss employee welfare, while management continues to make the final decisions.

Taoyuan Plant employee trip

Taoyuan Plant 2024 year-end banquet

Kunshan Plant three-day trip to Hongcun Village

Kunshan Plant Mid-Autumn Festival party in September

Kunshan Plant monthly birthday celebration

Kunshan Plant year-end banquet in January

Guangzhou Plant summer charity camp, July–August 2024

Guangzhou Plant 2024 monthly birthday celebrations

Kunshan Plant retirement gifts for employees

Guangzhou Plant 2024 basketball tournament

Guangzhou Plant 2024 hiking activity at Guailü Lake

Guangzhou Plant 2024 year-end banquet

Malaysia Plant Anniversary banquet (August 17, 2024)




Malaysia Plant Christmas celebration




Foreign Workers

Equal rights and protections in line with international human rights are essential for all global companies. As the Company employs foreign workers, we have placed particular emphasis on measures to support and respect them.

New Employees	Pre-employment briefings are provided, covering national labor laws and regulations, health information, local government service centers, and Thai-language radio broadcasts.
Dietary Needs	One to two meals per day are offered with the option of Thai cuisine, enabling foreign workers to choose food aligned with their preferences.
Living Environment	Dormitories are equipped with Chinese-Thai translation tools and a shrine for worship of Phra Phrom (Four-Faced Buddha) in respect of religious beliefs. Accommodation exceeds legal requirements, offering comfortable air conditioning, free unlimited broadband internet, satellite channels, and audio-visual equipment.
Agency Services	Agencies employed are rated Grade A, the highest standard by the Ministry of Labor, and provide professional support for residence permits, medical checkups, tax filing, and leave arrangements.
Communication Channels	At least three translation-assisted visits are arranged by the agency each month to facilitate two-way communication. The Company also provides a suggestion box and assigns a dedicated dormitory manager for foreign workers to address needs promptly.
Benefits	In addition to equal rights and benefits equivalent to local employees, foreign workers also receive allowances during the Songkran Festival in recognition of their being away from home.

Unpaid Parental Leave GRI 401-3

To support employees with childcare needs, the Company allows applications for parental leave without pay until a child reaches the age of three, for a maximum period of two years. The original position is reserved for employees returning from leave, and if necessary, temporary staff are hired under fixed-term contracts to cover the role, ensuring both business continuity and peace of mind for employees raising the next generation.

In addition to statutory parental leave, the Company provides a fully air-conditioned nursing room, hygienic breast milk storage facilities, and flexible nursing schedules. The Company has also entered into partnerships with local kindergartens to offer childcare discounts. These facilities provide children with activity spaces and opportunities to engage in educational and recreational experiences, including planting and cultivating a variety of plants.

ACME Parental Leave Without Pay – Applications, Returns, and Retention in 2024

Item/Description	Taiwan	
	Male	Female
Number of Employees Eligible for Parental Leave Without Pay in the Year	2	3
Number of Employees Who Applied for Parental Leave Without Pay in the Year	0	1
Number of Employees Due to Return From Parental Leave Without Pay in the Year	0	1
Number of Employees Who Actually Returned From Parental Leave Without Pay in the Year	0	1
Return Rate (Actual Number of Employees Returned ÷ Number Due to Return)	-	100%
Number of Employees Who Remained Employed for 12 Months After Returning From Parental Leave Without Pay in the Previous Year	-	1
Retention Rate (Employees Remaining Employed 12 Months After Returning in the Previous Year ÷ Employees Who Actually Returned in the Previous Year)	-	100%

Note : This table does not include the Kunshan Plant, Guangzhou Plant, and Malaysia Plant.

Pension Contributions GRI 401-3

In Taiwan, in accordance with the Labor Standards Act and the Labor Pension Act, the Company has established retirement regulations for all full-time employees. Pension contributions are made monthly to the Department of Trusts, Bank of Taiwan, and to individual pension accounts at the Bureau of Labor Insurance. Since 2017, in response to the amendments to the Labor Standards Act requiring full funding of pension reserves, the Company has conducted annual year-end calculations to determine the amount to be supplemented for the following year. The required amount is deposited into the designated account by the end of March to ensure that every employee who retires in accordance with the law receives the entitled pension benefits. In Mainland China, the Kunshan and Guangzhou plants purchase five social insurances and one housing fund for employees in accordance with local regulations, which include pension insurance.

In Malaysia, the Company makes contributions to the Employees Provident Fund (EPF), which is a mandatory savings and retirement scheme for private sector workers Contributions are deposited into each employee's individual EPF account, with the amount determined by the employee's monthly salary. For employees earning RM5,000 or below per month, the Company contributes 13% of monthly wages while the employee contributes 11%. For employees earning above RM5,000 per month, the Company contributes 12% while the employee contributes 11%. These contributions are deposited into the employees' accounts on a monthly basis. In addition, the Company provides a retirement gratuity scheme, offering a one-time payment to retirees based on their years of service.

Item	Retirement Contribution as a Percentage of Salary	Employee Participation in Retirement Plan
Labor Standards Act (Old Pension System)	Employer: contributes 2% of monthly salary to the labor pension reserve fund.	100%
Labor Pension Act (New Pension System)	Employer: contributes 6% of monthly salary Employee: contributes 0–6% of monthly salary	100%

Communication Channels GRI 2-30

In Taiwan, there is no labor union and therefore no collective bargaining agreement. However, the Company maintains smooth and effective communication channels with employees. The Kunshan Plant established a labor union in 2016, serving as a channel for communication between employees and the Company. The Guangzhou Plant has not established a labor union, and communication with employees is coordinated by the administration unit, which reviews and responds as appropriate.

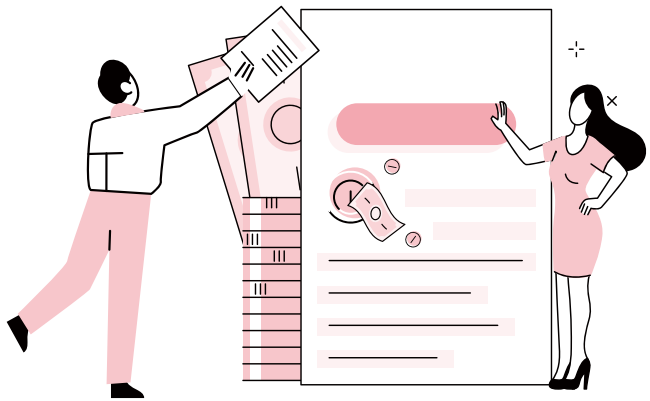
A Family Committee is established with members from different departments serving as representatives of each department. In addition, internal memorandums and bulletin boards are used for official announcements. An employee suggestion box is also available for employees to provide feedback and suggestions to the Company.

Formal Channels	Informal Channels
• All Hands Meetings, labor-management meetings, Employee Welfare Committee meetings, Labor Pension Supervisory Committee meetings, and other ad hoc meetings • Bulletin boards, USI Group service website, Company website, and the Market Observation Post System (MOPS) • Employee suggestion mailboxes, proposal submission areas, and employee satisfaction surveys	• Telephone • E-mail • Face-to-face meetings • Informal meetings

Formal meetings such as All Hands Meetings, labor-management meetings, Employee Welfare Committee meetings, and Labor Pension Committee meetings are documented with meeting minutes, and follow-up results are tracked and implemented. All public information is categorized and published on various websites for employees to access. If employees have any questions, they may seek clarification at any time through face-to-face meetings, telephone, email, or other informal channels.

Suggestion mailboxes and proposal submission areas are set up in public spaces, enabling employees to provide feedback at any time. In addition, in compliance with regulations, a Workplace Unlawful Infringement Prevention Task Force has been established to handle related cases. The roster of task force members is published to facilitate complaints; however, no such cases have occurred in recent years.

An annual employee satisfaction survey is conducted to better understand employee expectations, and the Company endeavors to meet relevant needs within reasonable and lawful boundaries.



Employee Opinion Survey Report

In Taiwan, the employee satisfaction survey is conducted annually with year-over-year comparisons by department, job level, or region. The 2024 survey results showed a slight decline compared with 2023, primarily due to the inclusion of foreign employees in the survey for the first time and the relatively large number of new employees who are still in the adjustment phase.

Satisfied Items	Top Three	Dissatisfied Items
General Affairs Management	1	Work Environment
Employee Benefits	2	Canteen Meals
Compensation System / Corporate Image	3	Employee Benefits

For the dissatisfied items, monthly 6S audits continue to identify and improve issues in the work environment. As food vendors around the plant are limited, the Company has requested adjustments from existing vendors and has also planned to increase meal subsidies and replace vendors in 2025. These measures are part of ongoing efforts to enhance employee benefits.

The two plants in Mainland China conduct annual employee satisfaction surveys to identify management and system-related issues over the past year. The surveys also enable middle and senior management to gain a better understanding of employees' genuine concerns, allowing the Company to implement effective solutions that enhance employee satisfaction, improve productivity, and ultimately achieve a win–win outcome for both the Company and its employees. The surveys focus on factors closely tied to employees' well-being, primarily covering four areas: work, daily life, management, and meals.

In 2024, both plants in Mainland China achieved their employee satisfaction targets. Employees expressed higher satisfaction with the three key factors of work, daily life, and management, all of which met the Company's satisfaction management objectives. At the Guangzhou Plant, work received the highest satisfaction score, while at the Kunshan Plant, daily life was rated the highest.

Satisfaction levels were relatively lower in the area of meals, particularly with respect to taste and price. In response, the Company conducted an analysis of the survey findings on areas of dissatisfaction and proposed improvement measures in 2024.

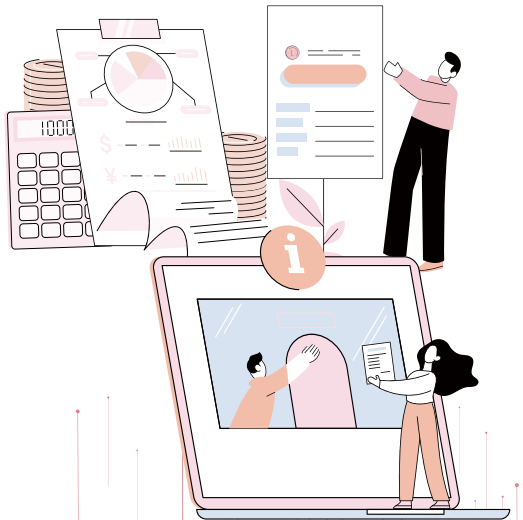
In 2024, in addition to continuously improving meal services, the Guangzhou Plant also assisted employees in obtaining household registration in Guangzhou and facilitated their children's school enrollment, helping them to fully experience a sense of belonging and well-being.

Both the Kunshan and Guangzhou Plants held employee forums in June and December 2024 to promptly understand employee needs, listen to their suggestions, and implement improvements based on reasonable recommendations. These efforts enhanced employees' sense of identification and belonging to the Company, while fostering a stronger sense of responsibility as stakeholders.

At the Malaysia Plant, employee satisfaction surveys are planned to be implemented starting in 2025.

Employees Satisfaction Survey Results of ACME in 2024

	Target	Actual
Taiwan	75%	65%
Kunshan Plant	82%	97%
Guangzhou Plant	84%	96%



4.2 Talent Cultivation and Development

Management Policy GRI 3-3

Strategic Policy | Establish a comprehensive and systematic training framework.Establish a well-structured and efficient talent pipeline system.Establish a professional and complete technical knowledge transfer mechanism.

Commitment | Fulfill diverse training needs across all stages of employee career development, and foster mutual growth between the Company and its employees.

Impact Management Positive/Negative Impact Items

Positive, Actual – Talent Cultivation and Retention - Reduce Turnover Rate

Impact Management Negativity Remedies and Preventive Measures

Establish a structured talent development mechanism, provide learning resources across various fields, and implement a performance appraisal system

2024	Target	Average educational training hours of employees Taiwan: 48 hours; Kunshan Plant: 48 hours; Guangzhou Plant: 48 hours; Malaysia Plant: 48 hours	Performance: Average educational training hours of employees Taiwan: 59.5 hours; Kunshan Plant: 77.1 hours; Guangzhou Plant: 62.9 hours; Malaysia Plant: 106 hours
2025	Target	Average educational training hours of employees Taiwan: 48 hours; Kunshan Plant: 48 hours; Guangzhou Plant: 48 hours; Malaysia Plant: 48 hours	
2027	Target	Average educational training hours of employees Taiwan: 48 hours; Kunshan Plant: 48 hours; Guangzhou Plant: 48 hours; Malaysia Plant: 48 hours	
2030	Target	Average educational training hours of employees Taiwan: 48 hours; Kunshan Plant: 48 hours; Guangzhou Plant: 48 hours; Malaysia Plant: 48 hours	

Sustainability Principle: Happy Workplace and Social Participation

Educational Training GRI 404-1 • GRI 404-2

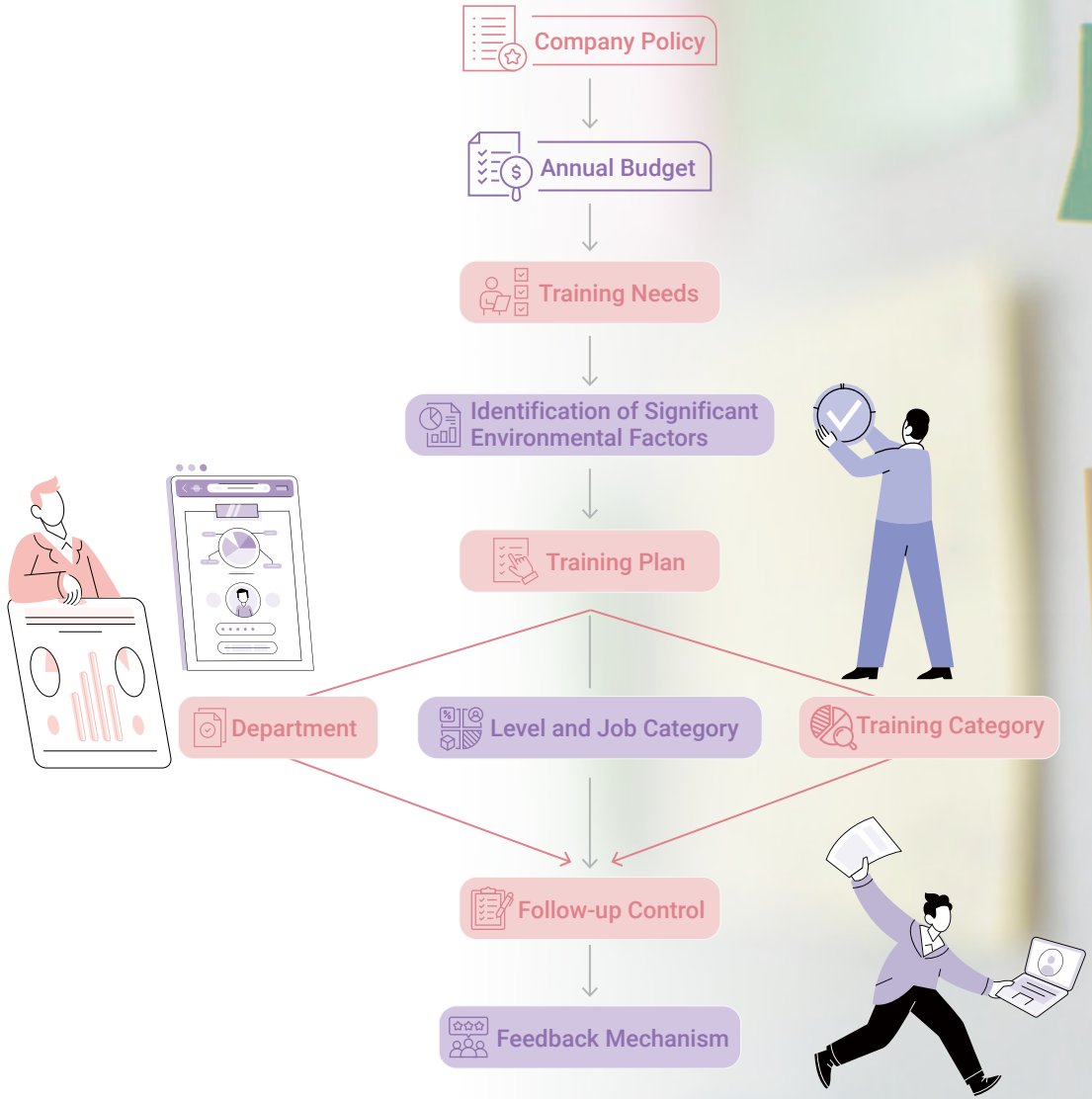
The Company's overall training system is incorporated into the ISO framework and is governed in detail by the "Regulations for Employee Training and Qualification Certification." These regulations set out training methods and requirements, annual training schedules and forms, training plan follow-up, internal and external training procedures, and qualification certification criteria for special positions. Each year, both internal auditors and external auditors review the implementation to ensure the effectiveness of the system.

In terms of the execution rate of the 2024 training plan, the rate reached 93% in Taiwan, Guangzhou, and Kunshan. The unmet portion was mainly due to scheduling conflicts or the cancellation of courses that were no longer needed. For 2025, the training plan is expected to focus on enhancing professional competencies across departments to bridge technical gaps, meet quality requirements, and comply with various regulations, while also strengthening employee development to support the Company's sustainability goals.

In 2024, the total training hours for Taiwan, the two plants in China, and the Malaysia plant amounted to 130,999 hours, with an annual average of 74.7 training hours per employee. The average training hours were 60 hours in Taiwan, 77 hours at the Kunshan Plant, 63 hours at the Guangzhou Plant, and 106 hours at the Malaysia Plant, all of which exceeded the target of 48 hours set for Taiwan, the Kunshan Plant, and the Guangzhou Plant.

The majority of training programs focused on professional and functional competencies, while general training programs, such as those on health, ethics, and safety, also accounted for a significant proportion. This reflects the Company's emphasis not only on professional expertise but also on the holistic development of employees. External training primarily addressed regulatory requirements and professional competencies. For 2025, employee training activities at the Taiwan, Kunshan, and Guangzhou Plants are planned with a target of 48 hours per employee, with key programs focusing on quality management, employee safety, Six Sigma certification, and professional skill development.

Flowchart of ACME Training Plan Formulation and Implementation



Statistics on Training Hours of ACME in 2024

Plant	Employee Category	Unit	Male	Female	Total
Taiwan	Senior Management (Assistant Manager and Above)	Number of Employees	42	7	49
		Training Hours	2,099	484.5	2,583.5
		Average Hours per Employee	50	69.2	52.7
	Junior and Mid-Level Management (Supervisor, Team Leader, and Section Chief)	Number of Employees	15	7	22
		Training Hours	538	521.5	1,059.5
		Average Hours per Employee	35.9	74.5	48.2
	General employees	Number of Employees	110	31	141
		Training Hours	6,353	2,609	8,962
		Average Hours per Employee	57.8	84.2	63.6
Kunshan Plant	Senior Management (Assistant Manager and Above)	Number of Employees	11	3	14
		Training Hours	1,114	238	1,352
		Average Hours per Employee	101.3	79.3	96.6
	Junior and Mid-Level Management (Supervisor, Team Leader, and Section Chief)	Number of Employees	21	15	36
		Training Hours	1,670	1255	2,925
		Average Hours per Employee	79.5	83.7	81.3
	General employees	Number of Employees	188	145	333
		Training Hours	15,335	10,926	26,261
		Average Hours per Employee	81.6	75.4	78.9
Guangzhou Plant	Senior Management (Assistant Manager and Above)	Number of Employees	9	3	12
		Training Hours	947	327	1274
		Average Hours per Employee	105.2	109.0	106.2
	Junior and Mid-Level Management (Supervisor, Team Leader, and Section Chief)	Number of Employees	33	12	45
		Training Hours	1,658	706.5	2,364.5
		Average Hours per Employee	50.2	58.9	52.5
	General employees	Number of Employees	356	368	724
		Training Hours	23,402.8	20,867.6	44,270.4
		Average Hours per Employee	65.7	56.7	61.1
Malaysia Plant	Senior Management (Assistant Manager and Above)	Number of Employees	10	6	16
		Training Hours	1,057.7	584.4	1,642.1
		Average Hours per Employee	105.77	97.40	102.6
	Junior and Mid-Level Management (Supervisor, Team Leader, and Section Chief)	Number of Employees	48	30	78
		Training Hours	4,726.1	3,423.7	8,149.8
		Average Hours per Employee	98.46	114.12	104.5
	General employees	Number of Employees	191	92	283
		Training Hours	24,702	5,453	30,155
		Average Hours per Employee	129.33	59.27	106.6

Human capital is a key asset to the Company, and we have established five major training systems:

The detailed training programs include:

1. **New Employee Educational Training:** Understanding company policies, environmental and safety precautions, and relevant ISO standards.
2. **General Training:** Courses designed to enhance employees' knowledge or skills in various areas.
3. **Professional Training:** Skill enhancement programs tailored to different functions and job responsibilities.
4. **Management Training:** Training for current and future supervisors to develop managerial skills and planning capabilities.
5. **Language Training:** Online English courses or other learning subsidies provided in line with group initiatives.
6. **Special Certification Training:** Certifications required by government regulations or specific to automotive products, ensuring compliance with the latest legal and customer requirements.
7. **Traffic Safety Training:** Ongoing promotion of traffic regulations to strengthen employees' awareness of traffic safety.
8. All engineers and above employees have

All training materials are uploaded to the Company's shared training platform, allowing employees to review and refresh their knowledge at any time, as well as use them as reference resources.

To encourage continuous improvement and the application of expertise at work, the Company has established the Regulations for Qualification Certification. Under these regulations, employees who meet the eligibility requirements may receive a set period of training and then take an examination. Those who pass will be granted additional technical allowances. Different certification levels correspond to different subsidy amounts. Furthermore, employees who no longer hold the relevant position or whose technical competence has lapsed will no longer be entitled to receive such subsidies, thereby reminding employees to remain diligent, continuously improve, and grow together with the Company.

Career development training courses for incumbent employees are designed to enhance functional skills and learning capabilities, which further serve as a foundation for lifelong learning. In the future, upon retirement or career transition, these acquired skills can serve as a solid basis for career change or post-retirement planning.

6 Sigma Green Belt Training Project Courses

To enhance employees' problem analysis and problem-solving capabilities and to continuously improve product quality, the Taoyuan, Guangzhou, and Kunshan Plants have continued to implement Six Sigma Green Belt training project courses.

In 2024, five employees at the Taoyuan plant received training. Due to the alignment of R&D projects with experimental equipment, certification is scheduled to be postponed until 2025.

100% At the Guangzhou Plant, six employees were trained in 2024, all of whom successfully passed the written exam and project certification, achieving a 100% certification rate.

100% At the Kunshan Plant, two employees were trained in 2024, and both successfully passed the written exam and project certification, also achieving a 100% certification rate.

On February 25, 2025, the Company held the annual CIP Continuous Improvement Competition. The top two projects from each plant were presented via video conference, allowing participants to exchange insights. Chairman Wu and other senior executives from the Group were invited to provide guidance and to select the best project of 2024.

TRIZ Training Project Courses

To enhance employees' ability to apply technology and advanced management tools, accelerate new product research and innovation, and seize market opportunities, Taoyuan, Guangzhou, and Kunshan Plants launched the TRIZ training project courses in 2022.

In 2024, the trainings at the Kunshan and Guangzhou Plants were canceled due to scheduling conflicts.

100% At the Malaysia plant, 22 employees participated in the training, and all 22 received certificates, achieving a 100% completion rate.

Training and Certificate Awarding at Guangzhou Plant

Certificate Awarding at Kunshan Plant

Performance Evaluation System GRI 404-3

A sound performance evaluation system, coupled with appropriate rewards, is one of the motivating factors that inspire employees to realize their potential. Based on different employee characteristics, the Company has established tailored evaluation methods and frequencies for direct personnel, indirect personnel, and senior executives. Each evaluation includes both quantitative and qualitative indicators in varying proportions to avoid bias and achieve a reasonable and fair balance. To further implement human capital development, in 2016 the Company engaged consultants to design and execute a comprehensive human resource development system, enabling a more systematic approach to talent evaluation and cultivation. This ensures that performance evaluations extend to job appraisal and career planning.

All full-time employees are required to participate in the evaluation process, except for new employees with less than one month of service.

In 2024, performance evaluation results across the Company were all rated grade C or above, meeting the requirements.

ACME Employees' Participation in Performance Evaluation in 2024

Plant	Employee Category	Unit	Male	Female	Total
Taiwan	Senior Management (Assistant Manager and Above)	Number of Employees Required to Participate	41	7	49
		Number of Employees Actually Participated	41	7	49
		Participation Rate (%)	100%	100%	100%
	Junior and Mid-Level Management (Team Leader and Section Chief)	Number of Employees Required to Participate	15	7	18
		Number of Employees Actually Participated	15	7	18
		Participation Rate (%)	100%	100%	100%
	General Employees	Number of Employees Required to Participate	110	30	125
		Number of Employees Actually Participated	110	30	125
		Participation Rate (%)	100%	100%	100%

Plant	Employee Category	Unit	Male	Female	Total
Kunshan Plant	Senior Management (Assistant Manager and Above)	Number of Employees Required to Participate	12	4	16
		Number of Employees Actually Participated	12	4	16
		Participation Rate (%)	100%	100%	100%
	Junior and Mid-Level Management (Team Leader and Section Chief)	Number of Employees Required to Participate	18	15	33
		Number of Employees Actually Participated	18	15	33
		Participation Rate (%)	100%	100%	100%
	General Employees	Number of Employees Required to Participate	179	126	305
		Number of Employees Actually Participated	179	126	305
		Participation Rate (%)	100%	100%	100%

ACME Employees' Participation in Performance Evaluation in 2024

Plant	Employee Category	Unit	Male	Female	Total
Guangzhou Plant	Senior Management (Assistant Manager and Above)	Number of Employees Required to Participate	9	3	12
		Number of Employees Actually Participated	9	3	12
		Participation Rate (%)	100%	100%	100%
	Junior and Mid-Level Management (Team Leader and Section Chief)	Number of Employees Required to Participate	33	12	45
		Number of Employees Actually Participated	33	12	45
		Participation Rate (%)	100%	100%	100%
	General Employees	Number of Employees Required to Participate	356	368	724
		Number of Employees Actually Participated	356	368	724
		Participation Rate (%)	100%	100%	100%
Malaysia Plant	Senior Management (Assistant Manager and Above)	Number of Employees Required to Participate	10	6	16
		Number of Employees Actually Participated	10	6	16
		Participation Rate (%)	100%	100%	100%
	Junior and Mid-Level Management (Team Leader and Section Chief)	Number of Employees Required to Participate	48	30	78
		Number of Employees Actually Participated	48	30	78
		Participation Rate (%)	100%	100%	100%
	General Employees	Number of Employees Required to Participate	191	92	283
		Number of Employees Actually Participated	191	92	283
		Participation Rate (%)	100%	100%	100%

4.3 Occupational Health and Safety

Management Policy GRI 3-3 • 403-1 • 403-8

Strategic Policy | Continue to reduce safety and health risks, prevent and reduce occupational disasters, and improve employees' health.

Commitment | Zero disasters, zero accidents, zero injuries or illnesses, and zero legal violations.

Impact Management Positive/Negative Impact Items

Positive, Actual – Create Friendly Workplace Environments - Reduce Turnover Rate and Occupational Disaster Occurrence

Impact Management Negativity Remedies and Preventive Measures

Implement ISO 45001 Occupational Health and Safety Management System and Employee Health Management

2024	Target	Zero disasters, zero accidents, zero injuries or illnesses, and zero legal violations.
	Performance	At the Kunshan plant, two cases of occupational injuries occurred, involving lacerations and fractures, representing an incident rate of 0.56%. No such incidents were reported at the Taoyuan, Guangzhou, and Malaysia Plants. The combined occupational injury rate across the four plants was 0.12%, with all four plants achieving zero disasters and zero legal violations.
2025	Target	Zero disasters, zero accidents, zero injuries or illnesses, and zero legal violations.
2027	Target	Zero disasters, zero accidents, zero injuries or illnesses, and zero legal violations.
2030	Target	Zero disasters, zero accidents, zero injuries or illnesses, and zero legal violations.

Sustainability Principle: Happy Workplace and Social Participation

To ensure workplace safety and the physical and mental well-being of employees, contractors, customers, visitors, and all other stakeholders, the Company continuously improves occupational health and safety, emphasizes work safety, and is committed to the ultimate goals of zero disasters, zero accidents, zero injuries or illnesses, and zero legal violations. All personnel strictly adhere to the following safety philosophy:

1. All injuries and occupational diseases are preventable.
2. All potential hazards in operations can be anticipated and prevented.
3. Preventing employee injuries is the responsibility of management.
4. Training employees to acquire safe work skills is essential.
5. Working safely is the responsibility of every employee.
6. Continuous safety audits are necessary.
7. Identified safety risks must be rectified promptly.
8. Contractors' safety is as important as employees' safety.
9. Employees' safety after working hours is equally important.


bsi.

Certificate of Registration

...making excellence a habit.

The Taoyuan Plant has established the "Occupational Safety and Health Management SOP," while the Taoyuan, Kunshan, Guangzhou, and Malaysia Plants have jointly formulated and implemented the "Regulations for Safety and Health Management," which are consistently applied across all four plants. These measures aim to safeguard the safety and health of employees and workers (including contractors) during the operation of machinery and equipment in the workplace and to prevent occupational safety incidents. All employees and contractors are required to participate and comply. In 2024, the Regulations for Safety and Health Management covered a total of 1,290 employees across the Taipei Office, Taoyuan Plant, Guangzhou Plant, Kunshan Plant, and Malaysia Plant, as well as 7,144 contractor across the four plants , achieving 100% coverage. The four plants operate under a planned production model, with no significant fluctuations in the ratio of employees to contractors.

To continuously enhance occupational health and safety management, the Company has implemented the ISO 45001 Occupational Health and Safety Management Systems. The Taoyuan Plant obtained certification on December 22, 2022, with validity until December 21, 2025. The Kunshan Plant was certified on October 18, 2024, valid until October 17, 2027, and the Guangzhou Plant was certified on October 14, 2024, valid until October 13, 2027. The Malaysia Plant received certification on November 16, 2023, with validity until November 1, 2026. The management system continues to operate effectively across all plants.

Accident Investigation Procedure GRI 403-2

The Company has established accident investigation procedures for disabling injuries, non-disabling injuries, and near-miss incidents that occur during plant operations. These procedures are designed to document, investigate, and analyze incidents to prevent the recurrence of accidents or near misses. In the event of natural disasters or force majeure situations that endanger personal safety, personnel are required to follow emergency evacuation measures and retreat to designated assembly areas to ensure employee safety and health.

Accident Handling

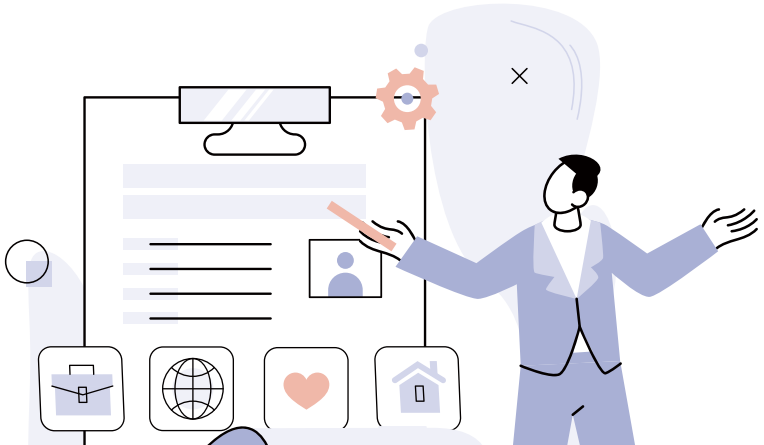
In the event of an occupational accident, in addition to providing first aid to the injured personnel, the on-site supervisor must immediately report the incident and complete a "Disaster Report" to be submitted to the responsible unit supervisor.

Investigation and Review

Within two days, the supervisor of the accident unit shall submit a detailed report on the cause of the accident, together with proposed corrective actions or improvement measures, in the "Disaster Report" to the Administration, Environmental Protection, and Occupational Health and Safety Departments for verification of responsibility.

Improvement and Follow-up

The "Disaster Report," after review and approval by the Plant Manager and the President, shall be made public and the improvement measures shall be tracked until completion.



Employee Health Management GRI 403-6

To safeguard employee health, the Taoyuan Plant appoints occupational physicians and nurses to provide on-site health management services. The occupational physicians conduct risk assessments of the workplace environment and propose improvement measures to reduce the risk of occupational diseases. They also hold health management consultations with employees identified as high-risk in the annual health checkups, offering recommendations to address potential issues, thereby protecting employees' physical and mental well-being. The nurses develop annual health management plans that address overwork, ergonomics, maternal health, and health checkup results through a tiered management approach. For employees with abnormal health reports, they conduct interviews and provide health education. In collaboration with the occupational health and safety team, administration and human resources, and department supervisors, they also formulate relevant recommendations to ensure employee health.




Employee Health Care

GRI 403-3 • 403-6 • SASB RT-CH 320a.2

At the Taoyuan Plant, health examination programs are designed according to employees' age groups and work environments, aiming to detect health risks and potential disease factors at an early stage. Contracted medical professionals review annual health examination reports and assess areas requiring improvement based on the proportion of abnormal cases, annual trends, and demographic patterns. Items in need of improvement are prioritized by urgency, with comprehensive intervention plans formulated to address individual needs. Employees are assisted in arranging follow-up consultations at hospitals and receive ongoing health care follow-ups to ensure comprehensive support. For employees identified as high-risk in special occupational health examinations, one-on-one consultations are arranged with occupational physicians. These consultations provide detailed explanations of the employees' health check results, dietary habits, and lifestyle.

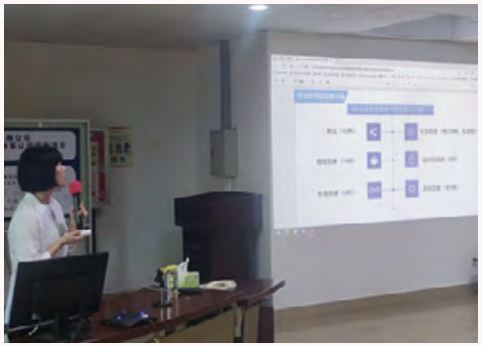
To strengthen the management of occupational disease prevention and enhance protection measures, the Kunshan and Guangzhou plants are committed to safeguarding workers' health and safety throughout the labor process. In accordance with the "Law on the Prevention and Treatment of Occupational Diseases" and the "Provisions on the Administration of Occupational Health at Workplaces" of the People's Republic of China, employees undergo occupational health examinations as required by law. These include pre-employment, on-the-job, and post-employment health checks, with follow-up management for employees exposed to occupational hazards such as dust, noise, manganese and its compounds, and nickel and its compounds.

2024 Employee health examination at Taoyuan Plant




2024 Employee health examination at Guangzhou Plant


2024 Occupational disease prevention and autumn wellness seminar at Guangzhou Plant

2024 Employee care visits for serious illness cases at Guangzhou Plant

2024 Employee health examination at Kunshan Plant




2024 Safety and first aid training seminar at Kunshan Plant




Employee health examination in Malaysia



Employee health examinations at each plant:

Item	Taoyuan Plant	Kunshan Plant	Guangzhou Plant	Malaysia Plant
	Examination Rate	Examination Rate	Examination Rate	Examination Rate
General Health Examination	100%	100%	100%	97%
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 Temperatures	N/A	100%	100%	N/A
Power Frequency Electric Field	N/A	100%	100%	N/A
Silicon Dioxide	N/A	N/A	100%	N/A
Copper Fume	N/A	N/A	100%	N/A
Benzene and Its Compounds	N/A	N/A	100%	N/A
Nitrogen Oxides	N/A	N/A	100%	N/A
Methanol	N/A	N/A	100%	N/A
Ethylene Glycol	N/A	N/A	100%	N/A

Employee Health Activities

The Taoyuan Plant upholds the values of a happy economy, employee well-being, fairness, and corporate sustainability, recognizing that protecting employees' health fosters stronger business growth. From May 20 to August 26, 2024, the plant organized a three-month "Healthy Easy Go" program. The campaign featured both team competitions and individual weight-loss points, with weekly measurements of blood pressure and weight combined with health education sessions to track physical changes. Employees also formed exercise groups and uploaded workout photos as part of a diverse scoring system. At the conclusion of the program, cash rewards were presented to the top three teams with the highest scores and to individuals with the best weight-loss results. A "Continuous Progress Award" was also introduced to encourage employees to maintain healthy habits beyond the program.

In addition to fostering healthier lifestyles, the initiative encouraged employees to exercise outdoors, thereby reducing time spent at home consuming energy and indirectly achieving energy conservation and carbon reduction. This health-oriented action strategy reflects a commitment to creating a healthier planet for the future.

A total of 32 employees participated in the program. As expressed in the campaign's spirit: "Your health contributes to the robust growth of the Company."

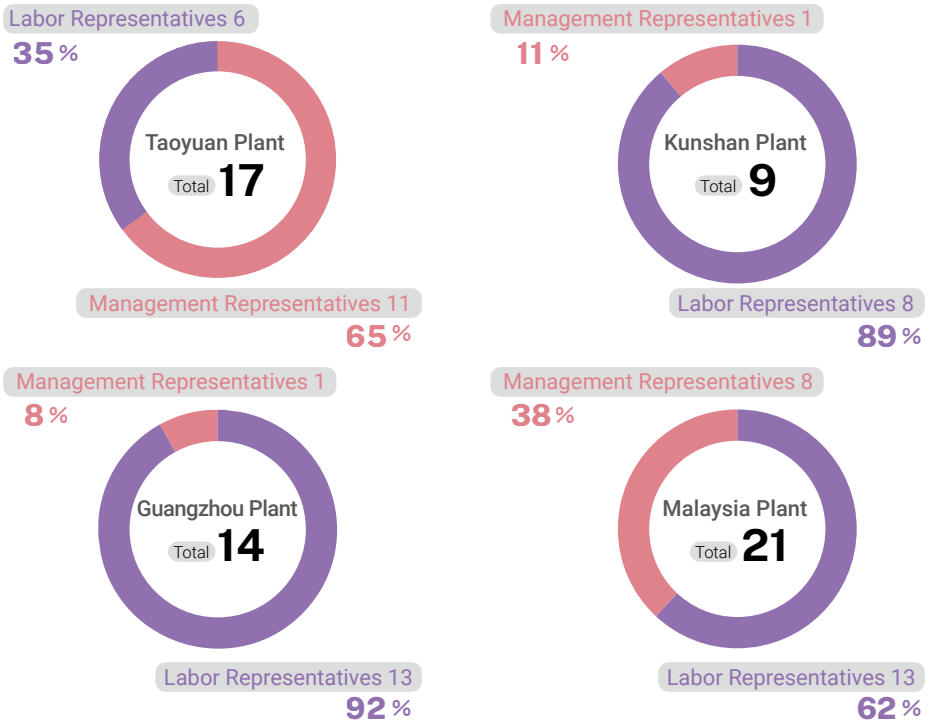
Highlights of the 2024 Taoyuan Plant Healthy Easy Go Activities

Occupational Health and Safety GRI 403-4

At the Taoyuan Plant, an Occupational Health and Safety Committee has been established in accordance with the Occupational Safety and Health Act. The committee consists of 17 members, including 6 labor representatives elected by the employee representatives of the labor-management conference. Labor representatives account for 35% of the committee members and 3% of total employees. The committee convenes quarterly meetings where labor representatives voice employee concerns and work with management to discuss environmental, health, and safety issues.

At the Kunshan and Guangzhou Plants, in compliance with the "Work Safety Law," "Fire Protection Law," "Law on the Prevention and Treatment of Occupational Diseases," and the "Labor Law" of the People's Republic of China, "Safety Production and Occupational Health Management Organizations" and "Emergency Response Management Organizations" have been established. Dedicated safety management units and personnel are assigned under these organizations, and department heads and managers are required to obtain certification after passing relevant training before assuming their positions.

ACME Occupational Health and Safety Organization Representation Ratio



Employee Disabling Injuries and Absenteeism GRI 403-9 • 403-10

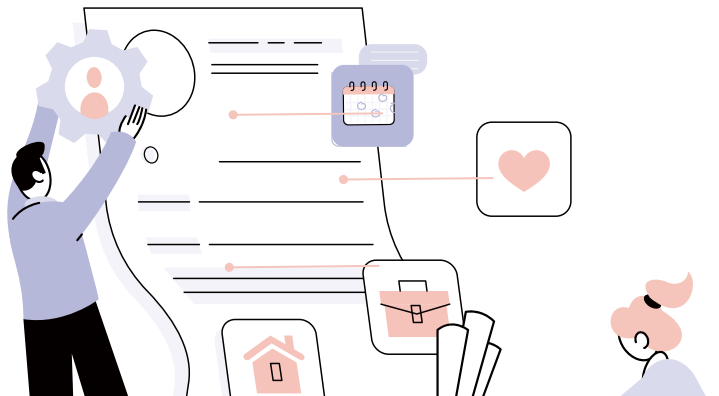
2024	Taoyuan Plant	Kunshan Plant	Guangzhou Plant	Malaysia Plant
Number of Occupational Accidents	0	2	0	0
Occupational Accident Rate	0%	0.56%	0%	0%

Note 1 : The occupational accident rate is calculated as the number of occupational accidents divided by the total number of employees as of December 31, 2024. The consolidated occupational accident rate was 0.12%.
Note 2 : In the 2024 annual health examination of the Kunshan Plant, five employees were identified with occupational contraindications, including one from molding operations and four from processing operations. All cases have been addressed in accordance with the examination findings and handling recommendations.

To reduce occupational hazard risks, noise insulation facilities have been installed on workshop operating equipment, and regular workplace environment testing is conducted annually. On the employee side, pre-employment occupational health examinations are required for new hires, and annual occupational health examinations are provided for employees in positions with potential occupational disease exposure. In addition, labor protection equipment is distributed, and employees are educated on the correct use of personal protective equipment.

Total Employee Working Hours in 2024

Item/ Description	Taoyuan Plant	Guangzhou Plant	Kunshan Plant	Malaysia Plant
Month	Total Working Hours	Total Working Hours	Total Working Hours	Total Working Hours
Total Annual Working Hours	468,840	2,650,914	1,069,177	672,828



Occupational Injury Statistics of ACME in 2024

Gender	Taoyuan Plant			Kunshan Plant			Guangzhou Plant			Malaysia Plant		
	Employees		Contractors	Employees		Contractors	Employees		Contractors	Employees		Contractors
	Male	Female		Male	Female		Male	Female		Male	Female	
Recordable Occupational Injury Rate	0	0	17.15	1.49	1.49	0	0	0	0	0	0	0
Severe Occupational Injury Rate	0	0	17.15	1.49	1.49	0	0	0	0	0	0	0
Occupational Injury Fatality Rate	0	0	0	0	0	0	0	0	0	0	0	0
Employee Disabling Injury Frequency Rate (F.R.)	0	0	17.15	1.49	1.49	0	0	0	0	0	0	0
Disabling Injury Severity Rate (S.R.)	0	0	240.00	83.23	25.27	0	0	0	0	0	0	0
Occupational Disease Rate (ODR)	0	0	0	0	0	0	0	0	0	0	0	0

Note :
- Recordable Occupational Injury Rate = Number of Recordable Occupational Injuries (including fatalities) × 1,000,000 hours ÷ Total Working Hours
- Severe Occupational Injury Rate = Number of Severe Occupational Injuries (excluding fatalities) × 1,000,000 hours ÷ Total Working Hours
- Occupational Injury Fatality Rate = Number of Fatalities × 1,000,000 hours ÷ Total Working Hours
- Disabling Injury Frequency Rate (F.R.) = Number of Injuries × 1,000,000 hours ÷ Total Working Hours
- Disabling Injury Severity Rate (S.R.) = Lost Days × 1,000,000 hours ÷ Total Working Hours
- Occupational Disease Rate (ODR) = Number of Occupational Disease Cases ÷ Total Number of Employees

Contractor Operations Statistics in 2024

Plant	Number of Construction Permit Applications	Number of Site Entries	Total Working Hours
Taoyuan	1,735	1,735	1,735
Kunshan	19	123	3,768
Guangzhou	195	825	8,087
Malaysia	25	117	2,032

Contractor Safety Management

GRI 2-8 • 403-7 • 403-10

The Company has established the "Regulations for Related Parties," the "Rules for Engineering Permit," and the "Occupational Safety and Health Management SOP" to regulate contractor safety management. Contractors are required to submit special operation applications according to the type of work and comply with the personnel operation control system. Routine operations are subject to unscheduled audits of contractor activities. In addition to these comprehensive control measures, the Company continues to strengthen contractors' safety awareness to reduce the risk of accidents. In 2024, there were no cases of contractor work-related injuries or occupational diseases.

Occupational Hazard Identification and Risk Assessment Process

GRI 403-2

To prevent operations, activities, services, or facilities from endangering personnel safety and health or causing financial losses to the Company, early action is taken through ongoing hazard identification, risk assessment, and opportunity evaluation. Appropriate preventive measures, necessary control methods, or hazard elimination are implemented to keep risks within an acceptable level, while improvement opportunities are identified to enhance occupational health and safety performance. The Company has established Procedures for Hazard Identification and Risk Assessment, which are divided into regular assessments and ad-hoc assessments.

Regular assessments are initiated annually in June by the Occupational Safety and Health (OSH) unit, requiring each department to conduct hazard identification and risk assessments based on their work environment and activities. OSH unit confirms relevant details before ISO 45001 internal audits and announces implementation In 2024, a total of 16 units conducted assessments, identifying four unacceptable risks, all of which have since been rectified.

Ad hoc assessments are carried out under the following circumstances:

1. When the Company introduces new equipment, new processes, new chemicals, or changes in operating procedures.
2. When there are significant revisions to the environmental health and safety policies, or when deemed necessary by the management representative.
3. When new hazards emerge or when existing hazards are altered.

Employees are reminded on an ad hoc basis that, in the event of an emergency hazard, they shall follow the Emergency Response Procedures. To ensure personal safety, employees must immediately cease ongoing tasks and retreat to a safe location.

Fire Safety and Emergency Response Management GRI 403-5

The Company conducts regular response training and drills for hazards that may pose material operational risks, including fire drills, to minimize the risk of operational interruption.

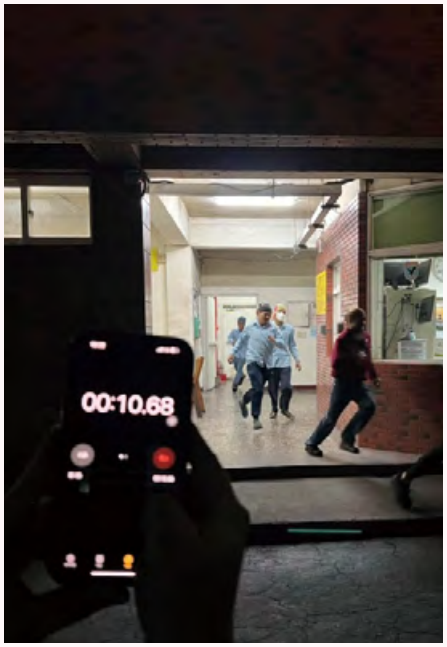
In 2017, the 3rd Battalion of the Taoyuan City Fire Department conducted a comprehensive inspection of the Taoyuan Plant and re-examined the categories and quantities of regulated hazardous materials stored on site. Upon reporting, the competent authority approved the Plant as a legally compliant site for the use and storage of such materials. The Taoyuan Plant also cooperates semiannually with the Caoluo Fire Brigade of the Guanyin Industrial Park to conduct drills and awareness programs. In 2024, regular drills were carried out in both the first and second halves of the year, including a night drill in the second half. Members of the Caoluo Fire Brigade participated in the exercises and provided on-site guidance, strengthening employees' knowledge and emergency preparedness.

At the Taoyuan Plant, hydrofluoric acid used in the silicon carbide process is classified as a substance of concern, and its usage has reached the regulated operating threshold. Accordingly, annual emergency response drills are required. The Plant collaborates with members of the Guanyin Industrial Park regional joint defense organization to conduct comprehensive hydrofluoric acid leakage drills, ensuring coordinated response measures and mutual support in the event of a chemical spill within the facility.

At the Guangzhou Plant, in compliance with the latest regulatory revision of the "Measures for the Administration of Contingency Plans for Work Safety Accidents," a contingency plan has been filed and recorded. The Plant regularly conducts emergency rescue training and drills, such as initial fire suppression drills, hands-on training with firefighting and rescue equipment, confined space emergency rescue drills, and professional first aid training, to reduce the risk of operational disruption.

Nighttime firefighting drill

Nighttime evacuation drill



Hands-on training with firefighting equipment

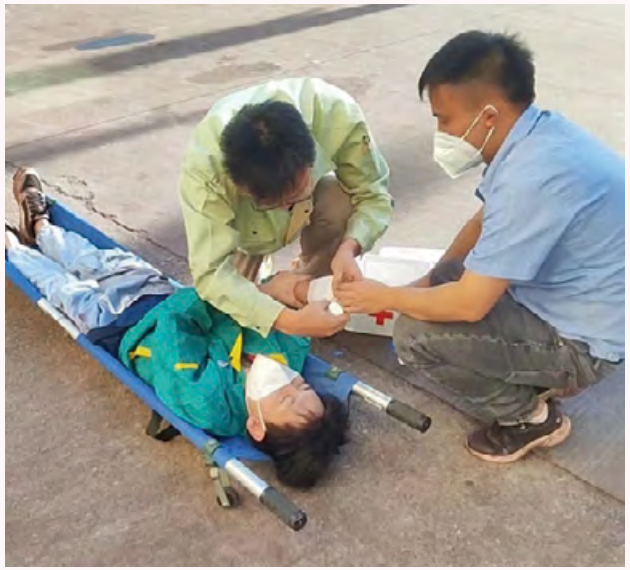
Fire drill conducted on June 27, 2024

Chemical spill emergency drill conducted on September 26, 2024

Confined space emergency drill conducted on August 15, 2024

Fire evacuation and rescue drill conducted on November 28, 2024

Machinery accident drill conducted on December 16, 2024



Participation in the "2024 Annual Work Safety Emergency Drill of Guangzhou Zengcheng District" organized by the Zengcheng District Emergency Management Bureau on December 30, 2024

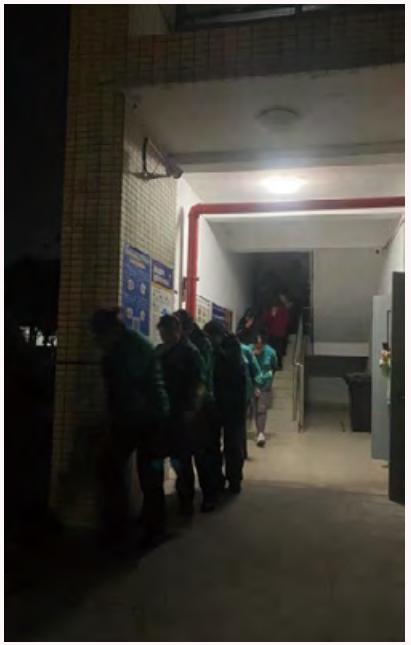
Kunshan Plant conducts regular training and drills, including special equipment response drills, emergency rescue drills, and environment-related emergency response drills, in accordance with the "Contingency Plan for Environmental Emergencies of Corporations," the "Contingency Plan for Production Safety Incidents of Production Units," the "Safety Evaluation Report of Hazardous Chemicals," and the "Evaluation Report of the Current Status of Occupational Disease Hazards." In February 2023, the Kunshan Plant passed the reassessment and public notice for "Level 3 Safety Production Standardization Certificate" and is currently applying for "Level 2 Safety Production Standardization Certificate."

Emergency rescue drill – heatstroke response


Emergency drill – hazardous waste leakage


First half-year drill on May 24, 2024 / second half-year fire drill on November 29, 2024




Fire emergency evacuation drill at Malaysia Plant



Chemical spill emergency drill



Occupational Safety, Health, and Environmental Training GRI 403-5

Occupational safety, health, and environmental training and awareness programs form the foundation for enhancing employees' safety awareness. The Company organizes on-the-job training according to job requirements to strengthen employees' safety awareness and practices. In 2024, the three plants across Taiwan and Mainland China collectively conducted related training for a total of 15,658 participants (instances), amounting to 38,304 training hours.

Training Category	Taoyuan Plant		Kunshan Plant		Guangzhou Plant	
	Participants (Instances)	Training Hours	Participants (Instances)	Training Hours	Participants (Instances)	Training Hours
New Certification Training for Safety Officer	-	-	-	-	1	40
Recertification for Safety Officer	-	-	1	8	1	16
New Certification Training for Safety Manager	-	-	-	-	2	80
Recertification for Safety Manager	-	-	7	56	8	128
Fire Protection Equipment Operator (Intermediate)	-	-	3	288	4	135
Fire Safety Responsible Person / Administrator	-	-	2	16	-	-
Explosive Precursors Certificate – Initial Training	-	-	-	-	-	-
Explosive Precursors Certificate – Recertification	-	-	-	-	6	288
Internal Safety Training	825	2,016	5,509	11,533	9,216	23,262
Occupational Health Management Personnel Certification	-	-	2	32	2	36
Occupational Health Affairs Managers Certification	-	-	1	16		
Occupational Safety Management Specialist	1	12	-	-	-	-
Occupational Safety and Health Affair Managers	1	6				
Hazardous Operations Supervisor Training (organic solvents, special chemicals, dust, lead, confined space)	7	66	-	-	-	-

Training Category	Taoyuan Plant		Kunshan Plant		Guangzhou Plant	
	Participants (Instances)	Training Hours	Participants (Instances)	Training Hours	Participants (Instances)	Training Hours
First Aid Personnel Training	5	15	-	-	-	-
Overhead Crane Operator Training	37	111	-	-	-	-
Forklift Operator Training	8	24	1	24	1	40
New Certification Training for Hazardous Chemicals Administrator	-	-	-	-	-	-
Recertification for Hazardous Chemicals Administrator	-	-	-	-	3	48
Special Equipment Safety Management	-	-	-	-	-	-
Low Voltage Electrician – Recertification	-	-	-	-	3	6
High Voltage Electrician – Recertification	-	-	-	-	1	2

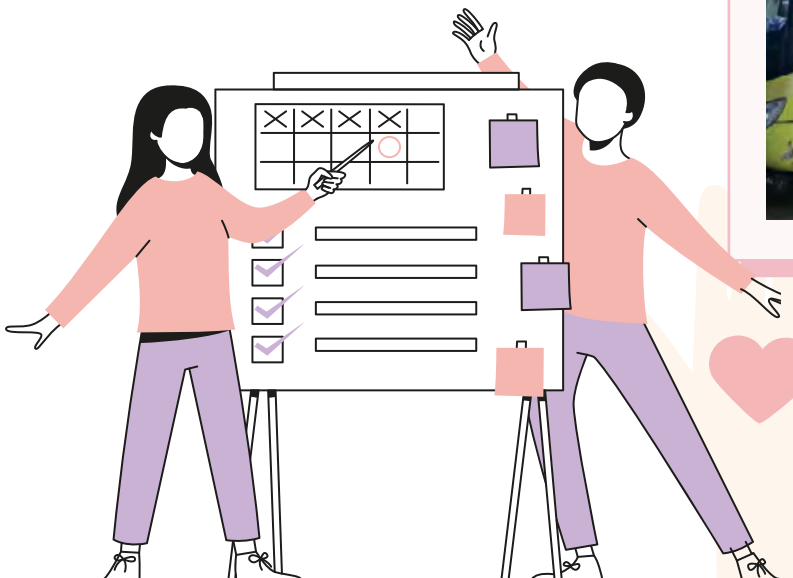
Note 1 : Internal safety training is counted by training instances, while all other categories are counted by participants.
Note 2 : Occupational safety, health, and environmental training at the Malaysia Plant complies with regulatory requirements. Consolidated statistical data will be compiled starting in 2025.

4.4 Social Participation

The Company upholds the spirit of "taken from the community, giving back to society" by maintaining interactions with neighboring communities and local organizations, fostering friendly relationships, and participating in activities such as blood donation. These efforts reflect USI Group's vision of "creating sustainable value and building a sustainable society."

With Taiwan facing a blood shortage, the Neihu Science Park Development Association organized the 10th and 11th Neihu Science Park Blood Donation Campaigns, with USI Group serving as a co-organizer. In February 2024, the 10th campaign recorded 51 donors, providing 81 units of blood, and in August 2024, the 11th campaign recorded 42 donors, providing 65 units of blood.

To promote a spirit of contribution, the Guangzhou Plant continues to organize annual employee blood donation activities in support of World Blood Donor Day. In 2024, nine employees were eligible to donate, contributing a total of 1,800 cc of blood.



Appendices

5.1 GRI Standards Disclosure Comparison Table

Statement of Use	Acme Electronics Corporation has reported the information for the period from January 1, 2024 to December 31, 2024 in accordance with the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021.

GRI 2: General Disclosures 2021

Disclosure			Report Section	Page	Notes
Organizational profile	2-1	Organizational details	1.2.1 Introduction to ACME	08	
	2-2	Entities included in the organization's sustainability reporting	About the Report 1.2.3 Introduction to Affiliates	01 10	
	2-3	Reporting period, frequency and contact point	About the Report	01	
	2-4	Restatements of information	About the Report	01	No restatements of information
	2-5	External assurance	About the Report 5.3 Independent Assurance Statement	01 125	
Activities and workers	2-6	Activities, value chain and other business relationships	1.2.2 Our Value Chain 2.4.2 Supply Chain Management	09 45	No significant changes
	2-7	Employees	4.1 Talent Attraction and Retention	80	
	2-8	Workers who are not employees	4.3 Occupational Health and Safety	104	
Governance	2-9	Governance structure and composition	2.2.1 Governance Structure 2.2.2 Board Composition and Operations	27 28	
	2-10	Nomination and selection of the highest governance body	2.2.2 Board Composition and Operations	28	
	2-11	Chair of the highest governance body	2.2.2 Board Composition and Operations	28	

GRI 2: General Disclosures 2021

Disclosure			Report Section	Page	Notes
Governance	2-12	Role of the highest governance body in overseeing the management of impacts	2.2.2 Board Composition and Operations	28	
	2-13	Delegation of responsibility for managing impacts	2.2.2 Board Composition and Operations	28	
	2-14	Role of the highest governance body in sustainability reporting	1.1.2 ESG Committee	07	
	2-15	Conflicts of interest	2.2.2 Board Composition and Operations	28	
	2-16	Communication of critical concerns	2.2.2 Board Composition and Operations	28	
	2-17	Collective knowledge of the highest governance body	2.2.2 Board Composition and Operations	28	
	2-18	Evaluation of the performance of the highest governance body	2.2.2 Board Composition and Operations	28	
	2-19	Remuneration policies	2.2.2 Board Composition and Operations	28	
	2-20	Process to determine remuneration	2.2.2 Board Composition and Operations	28	
	2-21	Annual total compensation ratio	2.2.2 Board Composition and Operations	28	
Strategy, policies and practices	2-22	Statement on sustainable development strategy	Message from the Chairman 1.1.1 Sustainability Prospects and Business Strategy	02 05	

GRI 2: General Disclosures 2021

Disclosure			Report Section	Page	Notes
Strategy, policies and practices	2-23	Policy commitments	1.1.1 Sustainability Prospects and Business Strategy 3.2.1 Climate Change 4.1 Talent Attraction and Retention	05 63 80	
	2-24	Embedding policy commitments	1.5 UN SDGs 3.2.1 Climate Change 4.1 Talent Attraction and Retention	21 63 80	
	2-25	Processes to remediate negative impacts	2.2.3 Risk Management and Internal Control	32	
	2-26	Mechanisms for seeking advice and raising concerns	1.3 Stakeholder Engagement 2.2.3 Risk Management and Internal Control	11 32	
	2-27	Compliance with laws and regulations	2.2.3 Risk Management and Internal Control	32	
	2-28	Membership associations	2.5 Customer Services and Product Quality	48	
Stakeholder engagement	2-29	Approach to stakeholder engagement	1.3 Stakeholder Engagement	11	
	2-30	Collective bargaining agreements	4.1 Talent Attraction and Retention	80	As the Company maintains effective communication with employees through the labor union and labor-management meetings, no separate collective bargaining agreement has been established.
Management policy	3-1	Process to determine material topics	1.4.1 Identification of Material Topics	15	
	3-2	List of material topics	1.4.1 Identification of Material Topics 1.4.2 Boundary of Material Topics 1.4.3 Management Approach to Material Topics	15 19 20	
	3-3	Management of material topics	1.4.3 Management Approach to Material Topics	20	

Topic-specific Standards Disclosures

Material Topic	Management Approach and Disclosure		Report Section	Page	Note
Category: Governance					
Economic Performance	GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	2.1 Economic Performance	24	
		201-2 Financial implications and other risks and opportunities due to climate change	3.2.1 Climate Change	63	
		201-3 Defined benefit plan obligations and other retirement plans	4.1 Talent Attraction and Retention	80	
		201-4 Financial assistance received from government	2.1 Economic Performance	24	
Category: Environment					
Raw Material Management	GRI 301: Materials 2016	301-1 Materials used by weight or volume	3.1.1 Raw Material Investment and Recycling	57	
		301-2 Recycled input materials used	3.1.1 Raw Material Investment and Recycling	57	
		301-3 Reclaimed products and their packaging materials	3.1.1 Raw Material Investment and Recycling	57	
Climate Change and Energy Management	GRI 302: Energy 2016	302-1 Energy consumption within the organization	3.2.2 Energy Management	68	
		302-2 Energy consumption outside of the organization	Information on the external energy consumption of the organization is not available	-	Information is not available/ incomplete
		302-3 Energy intensity	3.2.2 Energy Management	68	
		302-4 Reduction of energy consumption	3.2.2 Energy Management	68	

Topic-specific Standards Disclosures						
Material Topic	Management Approach and Disclosure			Report Section	Page	Note
Climate Change and Energy Management	GRI 302: Energy 2016	302-5	Reductions in energy requirements of products and services	The Company's products are electronic components and raw materials, and therefore have no direct relation to the energy consumption of downstream customer products.	-	N/A
	GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	3.2.3 GHG Management	73	
		305-2	Energy indirect (Scope 2) GHG emissions	3.2.3 GHG Management	73	
		305-3	Other indirect (Scope 3) GHG emissions	3.2.3 GHG Management	73	
		305-4	GHG emissions intensity	3.2.3 GHG Management	73	
		305-5	Reduction of GHG emissions	3.2.4 Implementation of Energy Conservation and Carbon Reduction	74	
Air Pollution Control	GRI 305: Emissions 2016	305-6	Emissions of ozone-depleting substances (ODS)	No discharge of substances that damage the ozone layer	-	N/A
		305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	3.3 Air Pollution Control and Management	78	

Topic-specific Standards Disclosures						
Material Topic	Management Approach and Disclosure			Report Section	Page	Note
Raw Material Management	GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	3.1.3 Waste Reduction and Recycling	60	
		306-2	Management of significant waste-related impacts	3.1.3 Waste Reduction and Recycling	60	
		306-3	Waste generated	3.1.3 Waste Reduction and Recycling	60	
		306-4	Waste diverted from disposal	3.1.3 Waste Reduction and Recycling	60	
		306-5	Waste directed to disposal	3.1.3 Waste Reduction and Recycling	60	
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	45	
		308-2	Negative environmental impacts in the supply chain and actions taken	-	-	Information is not available/ incomplete
Category: Environment						
Talent Attraction and Retention	GRI 401: Employment 2016	401-1	New employee hires and employee turnover	4.1 Talent Attraction and Retention	85	
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.1 Talent Attraction and Retention	88	

Topic-specific Standards Disclosures

Material Topic	Management Approach and Disclosure			Report Section	Page	Note
Talent Attraction and Retention	GRI 401: Employment 2016	401-3	Parental leave	4.1 Talent Attraction and Retention	94	
	GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	2.2.2 Board Composition and Operations 4.1 Talent Attraction and Retention	29 80	
		405-2	Ratio of basic salary and remuneration of women to men	4.1 Talent Attraction and Retention	87	
Occupational Health and Safety	GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	4.3 Occupational Health and Safety	104	
		403-2	Hazard identification, risk assessment, and incident investigation	4.3 Occupational Health and Safety	105	
		403-3	Occupational health services	4.3 Occupational Health and Safety	106	
		403-4	Worker participation, consultation, and communication on occupational health and safety	4.3 Occupational Health and Safety	104	
		403-5	Worker training on occupational health and safety	4.3 Occupational Health and Safety	117	
		403-6	Promotion of worker health	4.3 Occupational Health and Safety	104	
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.3 Occupational Health and Safety	104	
		403-8	Workers covered by an occupational health and safety management system	4.3 Occupational Health and Safety	104	

Topic-specific Standards Disclosures

Material Topic	Management Approach and Disclosure			Report Section	Page	Note
Occupational Health and Safety	GRI 403: Occupational Health and Safety 2018	403-9	Work-related injuries	4.3 Occupational Health and Safety	111	
		403-10	Work-related ill health	4.3 Occupational Health and Safety	104	
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	99	
		404-2	Programs for upgrading employee skills and transition assistance programs	4.2 Talent Cultivation and Development	100	
		404-3	Percentage of employees receiving regular performance and career development reviews	4.2 Talent Cultivation and Development	102	
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	45	
		414-2	Negative social impacts in the supply chain and actions taken	-	-	Information is not available/ incomplete

Disclosures on Custom Material Topics

Material Topic	Management Approach and Disclosure			Report Section	Page	Note
Innovative R&D	ACME 201: Innovation and R&D 2023	ACME 201-1	Product and Innovative R&D	2.3 Product and Innovative R&D	40	
Product Quality	ACME 202: Product Quality 2023	ACME 202-1	Quality Management of Manufactured Products	2.5 Customer Services and Product Quality	48	
Customer Relationship Management	ACME 203: Customer Relationship Management 2023	ACME 203-1	Customer Relationship Management	2.5 Customer Services and Product Quality	48	

5.2 SASB

Topic	Accounting Metric	Unit	Code	2024 Performance	Page
Energy Management	(1) Total energy consumed (2) percentage grid electricity (3) percentage renewable	(1) GJ (2) % (3) %	RT-EE-130a.1	3.2.2 Energy Management (1) 461,368.05 GJ (2) 78.65% (3) 10.52%	68
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	Metric tons (t), Percentage (%)	RT-EE-150a.1	3.1.3 Waste Reduction and Recycling 153.91 metric tons, 88.43%	60
	Number and aggregate quantity of reportable spills, quantity recovered	Number, Kilograms (kg)	RT-EE-150a.2	No hazardous waste spill incidents	-
Product Safety	Number of recalls issued, total units recalled	Number	RT-EE-250a.1	No product recalls	-
	Total amount of monetary losses as a result of legal proceedings associated with product safety	Reporting currency	RT-EE-250a.2	No legal proceedings related to product safety	-
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	Percentage (%) by revenue	RT-EE-410a.1	The Company has established an environmental substance policy and management measures in accordance with IEC 62474	-
	Percentage of eligible products, by revenue, that meet ENERGY STAR® criteria	Percentage (%) by revenue	RT-EE-410a.2	Not applicable to the Company's products	-
	Revenue from renewable energy-related and energy efficiency-related products	Reporting currency	RT-EE-410a.3	The Company's silicon carbide products are categorized as energy-saving related products, with 2024 revenue of NT$621,123 thousand	-
Materials Sourcing	Description of the management of risks associated with the use of critical materials	n/a	RT-EE-440a.1	2.4.1 Procurement Strategy	44
Business Ethics	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	n/a	RT-EE-510a.1	2.2.3 Risk Management and Internal Control	32
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	RT-EE-510a.2	No related incidents or losses	-
	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Reporting currency	RT-EE-510a.3	No related incidents or losses	-
Activity Metrics	Number of units produced by product category	Number	RT-EE-000.A	1.2.1 Introduction to ACMC Ferrite powder: 1,350 metric tons Ferrite cores: 1,450 metric tons Silicon carbide powder: 25 metric tons	8
	Number of employees	Number	RT-EE-000.B	4.1 Talent Attraction and Retention 1,290 employees	80

5.3 Independent Assurance Statement

Deloitte.

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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, 2024.

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 5, 2025

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

APPENDIX

SUMMARY OF SUBJECT MATTER INFORMATION

#	Subject Matter Information	Corresponding Section	Applicable Criteria	Disclosures
1.	Taoyuan Plant, Kunshan Plant, Guangzhou Plant, and Malaysia Plant: In 2024, the total energy consumption was 461,368.05 GJ, percentage of purchased electricity was 78.65%, and utilization rate was 10.52%.	3.2.2 Energy Management/Sustainability Disclosure Indicators - Electronic Parts and Components Industry	Total energy consumption, percentage of purchased electricity, and utilization rate	Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies, Appendix 1-12, No. 1
2.	Taoyuan Plant, Kunshan Plant, Guangzhou Plant, and Malaysia Plant: In 2024, total water withdrawn was 451.38 thousand m^3. Taoyuan Plant, Kunshan Plant, and Guangzhou Plant: In 2024, total water consumption was 199.85 thousand m^3.	3.1.2 Water Resources Management/Sustainability Disclosure Indicators - Electronic Parts and Components Industry	Total water withdrawn and total water consumption	Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies, Appendix 1-12, No. 2
3.	Taoyuan Plant, Kunshan Plant, Guangzhou Plant, and Malaysia Plant: In 2024, total general waste generated was 2,547.11 MT, and percentage recycled was 96.97%. Total hazardous waste generated was 174.06 MT, and percentage recycled was 88.43%.	3.1.3 Waste Reduction and Recycling/ Sustainability Disclosure Indicators - Electronic Parts and Components Industry	Total general and hazardous waste generated, and percentage recycled	Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies, Appendix 1-12, No. 3
4.	Taoyuan Plant, Kunshan Plant, Guangzhou Plant, and Malaysia Plant: In 2024, the number of employees in occupational accidents was 2 person, and the rate of occupational accidents was 0.12%.	4.3 Occupational Safety and Health/Sustainability Disclosure Indicators - Electronic Parts and Components Industry	Number of employees in and rate of occupational accidents	Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies, Appendix 1-12, No. 4
5.	Taoyuan Plant: In 2024, air emissions of the following pollutants, nitrogen oxides (NOx) 2.87 MT, volatile organic compounds (VOCs) 11.16 MT, sulfur oxides (SOx) and hazardous air pollutants (HAPs) were both 0 MT.	3.3 Air Pollution Control and Management	Emissions of nitrogen oxides (NOx), sulfur oxides (SOx), volatile organic compounds (VOCs) and hazardous air pollutants (HAPs).	SASB RT-CH-120a.1 Air Quality

- 3 -

5.4 Sustainability Disclosure Indicators - Electronic Parts and Components Industry

No.	Indicator	Type of Indicator	2024 Disclosure Status	Unit	Corresponding Section and Page
1	Total energy consumption, percentage of purchased electricity, and percentage of renewable energy used	Quantitative	(1) 461,368.05 GJ (2) 78.65% (3) 10.52%	Gigajoules (GJ), (%)	3.2.2 Energy Management
2	Total water withdrawal and total water consumption	Quantitative	Total water withdrawal: 451.38 thousand m³; Total water consumption: 199.85 thousand m³	Thousand cubic meters (m³)	3.1.2 Water Resources Management
3	Weight of hazardous waste generated and percentage recycled	Quantitative	174.06 metric tons 88.43%	Metric tons, (%)	3.1.3 Waste Reduction and Recycling
4	Description of types, number, and rates of occupational injuries	Quantitative	• Kunshan Plant: occupational injury types included lacerations and fractures, with 2 cases, representing a rate of 0.56%. • Taoyuan Plant, Guangzhou Plant, and Malaysia Plant: no occupational injuries occurred in 2024. Consolidated occupational injury rate: 0.12%.	Number of people, (%)	4.3 Occupational Health and Safety
5	Disclosure on product lifecycle management: including the weight of end-of-life products and electronic waste, and percentage recycled	Quantitative	Not applicable to the Company's products	Metric tons, (%)	-
6	Description of the management of risks associated with the use of critical materials	Qualitative Description	• Supply diversification: key raw materials such as iron oxide, manganese oxide, and zinc oxide are sourced from more than two suppliers. • Geographic diversification: suppliers of the same raw materials are located in different countries. • Procurement strategy: regular market analysis is conducted, and safety stock is established based on supplier locations and production processes. • Collaborative engagement: regular and ad-hoc technical exchanges and visits are arranged with suppliers to strengthen cooperation.	N/A	2.4.1 Procurement Strategy
7	Total monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	0	NT$	No related incidents or losses
8	Production volume of major products by product category	Quantitative	Ferrite powder: 1,350 metric tons Ferrite cores: 1,450 metric tons Silicon carbide powder: 25 metric tons	Metric tons	1.2.1 Introduction to ACME

5.5 Execution Status of Climate-Related Information

<table>
<tr><th>Item</th><th colspan="3">Execution Status</th></tr>
<tr><td>Describe the board's and management's oversight and governance of climate-related risks and opportunities.</td><td colspan="3">ACME Electronics Corporation has assigned the Board of Directors to oversee climate change management. The ESG Committee under the Board of Directors as the highest governance body for climate management, chaired by an independent director. Each year, the Committee reviews the Company's climate change strategies and targets, oversees actions to manage climate-related risks and opportunities, evaluates implementation progress, and reports to the Board of Directors.

The ESG Committee consolidates information from various working meetings as follows:
• Executive Management Meeting: Chaired by the Chairman, convened on an ad hoc basis to plan and report on major energy conservation and carbon reduction policies.
• Group Division of Equipment Preventive Maintenance and Environmental Risk Control Quarterly Meeting: The highest authority for energy management within the USI Group. Convenes quarterly to report initiatives and progress to the Chairman and to make decisions.
• Group Green Electricity Task Force: The primary unit responsible for promoting green electricity initiatives within the USI Group. Reports to the Chairman on green electricity development progress and future plans on an ad hoc basis.
• Other Functional Committees under the Board: For example, the Audit Committee receives reports from the risk management task force and submits them to the Board of Directors. The risk management task force conducts annual assessments of risks arising from global climate change, energy issues, and related fiscal and tax matters.

Recognizing the growing global emphasis on environmental (E), social (S), and governance (G) issues, and in line with the Financial Supervisory Commission's "Sustainable Development Roadmap for TWSE/TPEx Listed Companies," ACME has progressively promoted the disclosure of greenhouse gas (GHG) inventories and assurance, and has strengthened its organizational capacity in GHG accounting. The Company has completed consolidated inventory and assurance covering both the parent company and subsidiaries. Each year, the Company reports on the measures implemented, and directors provide guidance and suggestions.

In addition to enhancing corporate governance effectiveness, ACME is carefully planning and implementing decarbonization targets and green electricity strategies to reduce risks and align with international standards, thereby achieving its long-term vision of sustainable development.</td></tr>
<tr><td rowspan="7">Describe how the identified climate-related risks and opportunities impact the company's business, strategy, and financial planning (short-, medium-, and long-term).</td><td colspan="3">The Company has identified the following climate-related risks that may impact its operations:</td></tr>
<tr><td>Type</td><td>Item</td><td>Time Horizon</td></tr>
<tr><td>Physical Risk</td><td>High Temperatures</td><td>Medium-term (3–7 years)</td></tr>
<tr><td rowspan="4">Transition Risk</td><td>Government Regulation or Supervision – Water Consumption Fee Imposition</td><td>Short-term (< 3 years)</td></tr>
<tr><td>Carbon Fee</td><td>Short-term (< 3 years)</td></tr>
<tr><td>Renewable Energy Regulations – Risks from the "Large Electricity Consumers" Clause</td><td>Medium-term (3–7 years)</td></tr>
<tr><td>Low-Carbon Technology Transition</td><td>Medium-term (3–7 years)</td></tr>
<tr><td>Increase in Raw Material Prices</td><td>Short-term (< 3 years)</td></tr>
</table>

<table>
<tr><th>Item</th><th colspan="4">Execution Status</th></tr>
<tr><td rowspan="13">Describe how the identified climate-related risks and opportunities impact the company's business, strategy, and financial planning (short-, medium-, and long-term).</td><td colspan="4">The Company has identified the following climate-related opportunities that may impact its operations:</td></tr>
<tr><td>Type</td><td>Item</td><td>Development Potential</td><td>Technical Feasibility</td></tr>
<tr><td rowspan="5">Opportunity</td><td>High-Efficiency Production</td><td>Promising potential; already part of existing company policies</td><td>Under expansion</td></tr>
<tr><td>Recycling and Reuse – Circular Economy</td><td>Promising potential; planned to be incorporated into company policies</td><td>Under expansion</td></tr>
<tr><td>Reduction of Water Use and Consumption</td><td>Promising potential; already part of existing company policies</td><td>Mature</td></tr>
<tr><td>Use of Low-Carbon Energy</td><td>Promising potential; planned to be incorporated into company policies</td><td>Under expansion</td></tr>
<tr><td>Leverage Incentive Programs from the Public Sector</td><td>Promising potential; already part of existing company policies</td><td>Under expansion</td></tr>
<tr><td colspan="4">Potential Financial Impact and Response Measures for Risk and Opportunity Items:</td></tr>
<tr><td>Climate-Related Topics</td><td>Topic Category</td><td>Potential Financial Impact</td><td>Company Strategies and Response Measures</td></tr>
<tr><td>High Temperatures</td><td>Physical Risk / Chronic</td><td>Increase in Operating Costs
If water shortages occur, purchase water trucks; in severe cases, reduce production lines or halt operations entirely. Estimated additional water purchase cost: NT$26,000 per day.</td><td>• Monitor water conditions and implement emergency response procedures.
• Cease non-essential water usage and strengthen inspection of pipelines and valves.
• Implement water conservation improvement programs to reduce total water withdrawal annually.</td></tr>
<tr><td>Government Regulation or Supervision – Water Consumption Fee Imposition</td><td>Transition Risk / Policy and Legal</td><td>Increase in Operating Costs
Constructed a 150-ton backup water tank in 2023, with a construction cost of NT$5 million.</td><td>• Set unit water consumption reduction targets per product and achieve annual reduction goals.
• Improve wastewater recycling systems and enhance operational management to increase recycled water volume and reduce consumption.</td></tr>
<tr><td>Carbon Fee</td><td>Transition Risk / Policy and Legal</td><td>The Company currently is not a major carbon emitter, future tightening of regulations may lead to increased operating costs.</td><td>• Incorporate carbon costs into investment evaluations to increase the feasibility of carbon reduction projects.
• Plan and execute 2025–2030 energy-saving and carbon-reduction measures, including equipment upgrades and energy efficiency improvements.</td></tr>
<tr><td>Renewable Energy Regulations – Risks from the "Large Electricity Consumers" Clause</td><td>Transition Risk / Policy and Legal</td><td>The Company's contracted capacity is below 5,000 kW; future tightening of regulations may result in higher operating costs.</td><td>• Plan and execute 2025–2030 energy-saving and carbon-reduction measures, including equipment upgrades and energy efficiency improvements.
• Install a 75.9 kW self-use solar power facility in 2025, bringing total self-use installed capacity to 322.7 kW.</td></tr>
</table>

Item	Execution Status			
Describe how the identified climate-related risks and opportunities impact the company's business, strategy, and financial planning (short-, medium-, and long-term).	Potential Financial Impact and Response Measures for Risk and Opportunity Items:			
	Climate-Related Topics	Topic Category	Potential Financial Impact	Company Strategies and Response Measures
	Low-Carbon Technology Transition	Transition Risk / Energy and Technology	**Increase in Capital Expenditure, Reduction in Operating Costs** In 2024, invested NT$4.2 million in energy-saving and carbon-reduction measures, achieving electricity savings of 207,000 kWh and carbon reduction of 102 tCO_2e.	Continue planning and executing 2025–2030 energy-saving and carbon-reduction measures, including equipment upgrades and energy efficiency improvements.
	Increase in Raw Material Prices	Transition Risk / Market	**Increase in Operating Costs** Higher costs for raw materials and product transportation.	• Promote secondary material recycling and reuse. • Reduce fugitive dust emissions in production processes and install dust collection equipment to recycle collected dust powder back into production.
	High-Efficiency Production	Opportunity / Resource Efficiency	**Increase in Capital Expenditure, Reduction in Operating Costs** Invested NT$1.85 million in intelligent systems to reduce cooling water setup costs.	Implement an intelligent cooling water dashboard management system for real-time monitoring of equipment operation and energy consumption etc.
	Recycling and Reuse – Circular Economy	Opportunity / Resource Efficiency	**Increase in Revenue** In 2024, ACME's Taoyuan Plant recovered 1,175 metric tons of dust powder, representing 15% of total production.	• Reduce fugitive dust emissions in production processes and install dust collection equipment to recycle collected dust powder back into production. • Recycle silicon carbide (SiC) scrap for reuse.
	Reduction of Water Use and Consumption	Opportunity / Resource Efficiency	**Reduction in Operating Costs** In 2024, recovered approximately 480 metric tons of RO wastewater, saving NT$6,432.	• Recycle RO process wastewater for reuse. • Keep developing and implementing water consumption reduction and water-saving programs.
	Use of Low-Carbon Energy	Opportunity / Resource Efficiency	**Increase in Operating Costs, Reduction in Carbon Fee** Ongoing investment in carbon reduction, with associated costs and benefits.	• Install rooftop solar power facilities, including a planned 75.9 kW self-use solar facility in 2025, bringing total self-use installed capacity to 322.7 kW. • Monitor and participate in the renewable electricity market. • Implement various energy-saving and carbon-reduction measures.
	Low-Carbon Energy-Saving Product Development	Opportunity / Resource Efficiency	**Increase in Revenue** • Participated in customer-led low-carbon transformation programs • Replaced old, energy-consuming air compressors with new IE4 permanent magnet compressors, improving energy efficiency by 13%.	Participate in low-carbon transformation and power energy subsidy programs promoted by the Ministry of Economic Affairs.

Item	Execution Status
Describe the impacts of extreme climate events and transition actions on finance.	**Impacts of Extreme Climate Events on Finance** Extreme climate events may result in rapid increases in ambient temperatures, with summer highs projected to reach 37.5°C. This could directly affect process efficiency and equipment performance. Higher temperatures would increase the use of air conditioning and cooling systems, driving up energy and water demand and leading to higher operating costs. In addition, the increasing frequency and intensity of severe typhoons could damage plant facilities, raising repair costs and the risk of business interruption. To mitigate financial impacts, the Company has been replacing outdated equipment, promoting energy management system certification, and installing rooftop solar power systems to enhance climate resilience and manage rising costs. **Impacts of Transition Actions on Finance** In response to climate transition, the Company has undertaken actions that involve higher initial capital expenditures, such as replacing energy-intensive equipment, improving process energy efficiency, and expanding renewable energy installations. The Company is also strengthening wastewater recycling systems to comply with government requirements on water consumption fees and carbon charges. While these measures increase operating costs and capital expenditures in the short term, over the long term they are expected to reduce energy, water, and carbon costs through improved efficiency and the application of internal carbon pricing. These actions will mitigate financial risks from future policy changes, support cost competitiveness, and reinforce the Company's sustainable development capacity.
Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	To uphold the principle of integrity in operations and ensure stable management and sustainable development, ACME has established the "Regulations for Risk Management Policies and Procedures," approved by the Board of Directors in 2020. This framework enables directors to properly evaluate and oversee existing or potential risks. Each responsible functional department conducts real-time assessments and rolling adjustments in response to changes in the global economic environment, the latest ESG regulations, and the Company's risk and opportunity assessment guidelines. The President's Office reports at least once annually to the board on the Company's risk management practices, ensuring that directors are aware of the risks faced by the Company and can provide timely and concrete recommendations for operational strategies.
If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	To address the intensifying impacts of global climate change, the Company has adopted the TCFD framework to further assess potential risks under extreme climate conditions and to capture emerging business opportunities. By referencing the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) and the National Science and Technology Center for Disaster Reduction (NCDR), and based on the RCP 8.5 scenario, the Company has projected changes in temperature, precipitation, flooding, and drought for the period of 2016–2035. Three key physical risk topics have been identified: flooding, drought, and extreme heat. In accordance with the Group's strategy, industry characteristics, the Intended Nationally Determined Contribution (INDC), and TCFD indicators, climate risks have been categorized into transition risks and physical risks. Transition risks include those related to policies and regulations, reputation, technology, and market dynamics, while physical risks encompass flooding, drought, and extreme heat. Opportunities are identified across four dimensions: resource efficiency, energy sources, products and services, and markets. Physical risk assessment was conducted with reference to the "Atlas of Taiwan Climate Change Key Indices: AR6 Statistical Downscaling Edition" (released by TCCIP in June 2023) and the "National Climate Change Disaster Risk Platform" developed by NCDR, which were used to project long-term climate changes and potential risks. The Company has adopted the SSP5-8.5 scenario from the IPCC AR6, which represents an extremely high greenhouse gas emissions pathway in which CO_2 emissions are projected to double by around 2050, to analyze future risks associated with "high temperatures," "flooding," and "drought." For transition risks, the Company referenced the International Energy Agency's World Energy Outlook 2021, which outlines three scenarios based on different energy trends and climate policies: STEPS (Stated Policies Scenario), APS (Announced Pledges Scenario), and NZE (Net Zero Emissions by 2050 Scenario). The NZE scenario assumes that all countries achieve net zero emissions by 2050 and represents the most ambitious pathway for emission reductions. The Company has also referred to the "Pathway to Net-Zero Emissions in 2050" released by Taiwan's National Development Council in 2022, aligning with the national decarbonization strategy to ensure resilience and sustainable operations under the impacts of extreme climate change. The primary financial impacts include increased operating costs due to government carbon fee and water consumption fee policies, as well as short-term capital expenditures required to enhance energy and water efficiency. However, in the long term, through the adoption of energy-saving technologies, process recycling, and circular economy measures, the Company expects to gradually reduce operating costs and strengthen competitiveness. Additionally, climate-induced increases in raw material prices are expected to raise production costs. The Company needs to invest in smart equipment to improve energy efficiency and resource recycling, thereby reducing financial risks and capturing opportunities arising from the market transition, in order to maintain long-term financial stability.

Item	Execution Status
If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	Climate change is a global challenge. To align with international practices and meet the needs of sustainable development, Taiwan announced on February 15, 2023, the amendment of the "Greenhouse Gas Reduction and Management Act" to the "Climate Change Response Act." In response to the impacts of climate change, carbon reduction has become a shared global objective. In early 2022, USI Group set a 2030 carbon reduction target of "reducing carbon emissions by 27%. from 2017 levels," and in 2023, further established "net zero emissions by 2050" as its long-term corporate goal. To achieve its sustainability vision, the Company actively implements corresponding strategies and management mechanisms. All production sites continue to conduct ISO 14064-1 greenhouse gas inventories and verifications, while planning and executing carbon reduction projects. The Company is also actively developing external renewable energy projects. As of the end of 2023, the combined grid-connected capacity of solar power installations at the Taoyuan and Kunshan reached 2,247 kW. The Company has planned its carbon reduction pathway in line with the Group's 2030 carbon reduction target. In 2023, greenhouse gas emissions increased by 32.5% compared with the 2017 baseline year, mainly due to the expansion of silicon carbide capacity in new business operations. Looking ahead, the Company will implement energy conservation and carbon reduction measures more proactively. The Company's medium-term carbon reduction strategy focuses on low-carbon energy transition, improving energy efficiency, implementing intelligent monitoring, and expanding the installation and use of renewable energy. Its long-term strategy will continue to emphasize low-carbon fuels, carbon capture and utilization technologies, and negative emission technologies to achieve the net zero emissions goal and advance sustainable development.
If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company introduced an internal carbon pricing mechanism in 2024. The pricing will be aligned with the domestic carbon fee framework and will be integrated into corporate decision-making and investment evaluation processes to assess the impact of carbon emissions on operations and accelerate the implementation of carbon reduction measures. The Company also hold two training sessions for relevant departments to understand the concept and application of internal carbon pricing, facilitating its prompt implementation at all plants. In addition, a general course on carbon-related knowledge will be organized for employees to enhance company-wide carbon reduction awareness.
If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Climate change is a global challenge. To align with international practices and meet the needs of sustainable development, Taiwan announced on February 15, 2023, the amendment of the "Greenhouse Gas Reduction and Management Act" to the "Climate Change Response Act." In response to the impacts of climate change, carbon reduction has become a shared global objective. In early 2022, USI Group set a 2030 carbon reduction target of "reducing carbon emissions by 27%. from 2017 levels," and in 2023, further established "net zero emissions by 2050" as its long-term corporate goal. In line with the Group's carbon reduction targets, the Company has mapped out a 2050 decarbonization pathway to realize its corporate sustainability vision. As of the end of 2023, the cumulative grid-connected capacity of solar installations at the Taoyuan and Kunshan plants reached 2,247 kW. For information on the scopes, planning horizon, and annual progress of greenhouse gas emissions reduction, please refer to the implementation status of No. 9.
Greenhouse gas inventory and assurance, reduction targets, strategies, and specific action plans.	For details, please refer to 3.2.3 GHG Management.

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