

# ACULA TECHNOLOGY CORP.

## 2024 Sustainability Report



# Table of Contents

## Preface

About the report .....	1
Message from the Chairman.....	3
CH1 About ACULA .....	4
1.1 Company Profile.....	4
1.2 Sustainable governance .....	6
1.3 Stakeholder identification and agreement .....	7
1.4 Identification of major sustainability themes .....	10

## CH2 Corporate Governance

2.1 Corporate governance structure.....	12
2.2 Risk management.....	17
2.3. Legal compliance and integrity management .....	17
2.4 Customer Relationship Management.....	22
2.5 Product quality and responsibility .....	24
2.6 Innovation and R&D.....	25
2.7 Supply chain management.....	28
2.8 Information security management .....	32

## CH3 Happy workplace and social co-prosperity

3.1 Happy workplace.....	34
3.2 Occupational safety and health .....	44
3.3 Protection of human rights .....	47
3.4 Social co-prosperity .....	51

## CH4 Sustainable Environment

4.1 Climate change response.....	52
4.2 Energy management .....	64
4.3 Water Resources Management .....	65
4.4 Waste management .....	66
4.5 Green products and circular economy .....	67

## appendix

CRY Criterion comparison table .....	68
SASB indicator comparison table.....	73
Climate-related information of TPEx listed companies .....	74

## **Preface**

### **About this report**

This report is the second sustainability report (hereinafter referred to as the "Report") issued by ACULA TECHNOLOGY CORP. (referred to as ACULA, the Company or "us"), and the purpose of issuance is mainly to disclose to the public and stakeholders the Company's environmental and Efforts made in the three major aspects of social (Social) and economic governance (Governance) include actual actions, performance results, and future planning. We hope that through this corporate sustainability report, we will comprehensively reveal specific actions and achievements in key aspects such as corporate governance, sustainable services, corporate social responsibility, and project promotion, so that all sectors can have a deeper understanding of ACULA's efforts in sustainable development and environmental friendliness. At the same time, we sincerely invite valuable opinions from all walks of life to help ACULA continue to improve on the road of sustainable development.

- **Boundaries and Scope of the Report:**  
The information disclosed in this report is based on the Taiwanese parent company of ACULA Taiwan, and does not include the Taiwanese subsidiary AcuMed Biotech Corp., Ltd. and the overseas subsidiary Shenzhen Zhexiang Electronics Co., Ltd.. If there is information involving other areas, it will be specially marked in the report.
- **Report Period:** 1 January 2024 to 31 December 2024.
- **Release Overview:** The current version is published in August 2025, and the distribution frequency is expected to be once a year.
- **Basis for Compilation:** This report was prepared in accordance with the 2021 edition of the GRI Standards published by the Global Reporting Initiative (GRI). It also adheres to the industry indicators of the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD) framework. An index of GRI Standards and SASB content is provided in the appendix for quick retrieval and reference.
- **Report information preparation and approval process:**  
The relevant information in this report is compiled and submitted by each department, and after review by the top executive, it is compiled by the Company's Sustainability Department and submitted to the Chairman for review, and finally officially released after discussion and approval by the Board of Directors.
- **Compilation of Information:**  
The Company's 2024 report does not contain any reorganization of information.
- **Feedback:**  
The unit of the Company's report responsible is the Sustainable Development Promotion Group, and the report can be downloaded electronically from the official website of ACULA and the Public Information Observatory. If you have any feedback or advice on the content of this report, you are welcome to contact us through the following channels.

<b>Contact person</b>	Spokesperson: JIAN SHENG-SUNG, Vice President Chief Financial Officer & Acting Spokesperson: CHEN YUN-JU , Vice President Director of the Department of Sustainable Development: SHEN, HSIANG-HONG, Director
<b>Phone</b>	03-313-5577 #130
<b>Email</b>	rachelshen@acula.com.tw
<b>Official website</b>	<a href="http://www.acula.com.tw">http:// www.acula.com.tw</a>

**Message from the chairman**

The management philosophy of ACULA is to steadfastly pursue excellence and provide uncompromising service quality to our clients. The Company's attitude is embodied in the principles of continuous innovation, commitment to excellence, customer orientation, and environmental sustainability. As the world faces challenges such as extreme climate change, geopolitical tensions, and inflation-issues that span natural, political, and economic domains. ACULA Information, guided by the belief in sustainable management, recognizes its responsibility as a global citizen to address these pressing matters.

In response, we have progressively implemented initiatives aligned with the globally emphasized ESG principles: Environment, Social Responsibility, and Corporate Governance. As a responsible member of the global business community, we consider it our duty to actively engage in sustainable ESG practices. From within the organization, we uphold diversity in corporate governance by including both a female director and an independent director on our board. For our employees, we foster a diverse and fulfilling workplace. In our products, The Company emphasizes diversified R&D and continuous innovation. In terms of social responsibility, we actively participate in charitable activities, providing care and support to students in remote areas and to underprivileged communities. On the environmental front, the Company aligns with the government's 2050 Net Zero policy and follows the sustainability roadmap set forth by the Taipei Exchange, continuously advancing our efforts in energy conservation and carbon reduction.

In 2023, the Company completed a comprehensive carbon inventory, and in 2024, we established a Sustainability Promotion Task Force to identify, plan, and set short-, medium-, and long-term goals related to sustainable development.

Chairman: JEAN, FENG-HUI

## CH1 About ACULA

### 1.1 Company Profile

Committed to becoming a pioneer in the global video industry, ACULA specializes in providing complete OEM/ODM video solutions. With its excellent R&D capabilities, ACULA has strong core capabilities in circuit board design, network circuit design, chipset design, software programming, and mechanism design, and continues to lead industry innovation. Adhering to the corporate philosophy of "customer first" and "uncompromising service quality", ACULA tailors the most suitable products and solutions for global customers through innovative design and manufacturing OEM service processes. We firmly believe that every ACULA product contains excellent research and development, rigorous quality control, and real-time and efficient service commitments, creating excellent value for customers.

Basic information	
Company name	ACULA TECHNOLOGY CORP.
Industry Category	Optoelectronics industry
Stock code	3434
Headquarters location	No. 11, Alley 21, Lane 20, Daxing Rd., Luzhu District, Taoyuan City
Operating base	Taiwan
Date of establishment	May 05, 1993
Chairman	JEAN, FENG-HUI
General manager	JEAN, FENG-HUI
paid-in capital	NT\$280,278,000

### Main products

ACULA has long focused on the design, manufacturing, and sales of diversified products, covering three major series: security monitoring, industrial applications, and healthcare. In the field of security monitoring, ACULA provides high-definition and full HD LCD monitors, professional-grade 4K2K monitors, network-based monitors, and public monitors, and has expanded to expand to augmented vision devices and voice reading aids for low vision, helping to improve public safety and cater to the needs of vulnerable groups.

**Industry value chain relationship**

ACULA's safety monitoring, industrial applications, and healthcare products mainly rely on the supply of mechanical components, LCD panels, optical components, power supplies, and electronic components in the upstream as key material sources required for product development and manufacturing. ACULA plays a core role in R&D, design, manufacturing, and assembly in the midstream, focusing on providing customers with a variety of products such as security surveillance monitors, touch monitors, digital imaging equipment, and medical displays through OEM/ODM models, ensuring product quality and stable performance through rigorous design integration and efficient manufacturing processes to meet global market demands. The downstream covers applications such as the security industry, construction industry, system integrators, equipment installers, and medical institutions, and expands to domestic and foreign markets through agents, distributors, and traders. ACULA continues to work with upstream and downstream partners to promote industrial innovation and development, and is committed to improving the efficiency, resilience, and competitiveness of the entire value chain to achieve long-term sustainable co-prosperity.

**Public associations participate**

ACULA actively participates in industry associations and professional associations, hoping to jointly promote industrial innovation, technological improvement, and sustainable development through exchanges and cooperation with industry peers, supply chain partners, and relevant stakeholders. The Company not only participates in conferences, forums, and working groups to grasp both the latest industry and policy trends, but also contributes to the sound development of the industry by advocating for industry self-discipline, sharing best practices, and supporting policy recommendations. In addition, the Company also values cooperative relationships with public associations and actively participates in various promotion, education, and standard formulation work, hoping to strengthen the overall competitiveness of the industry and jointly create a positive impact on society and the environment. The public associations in which the Company participates are as follows:

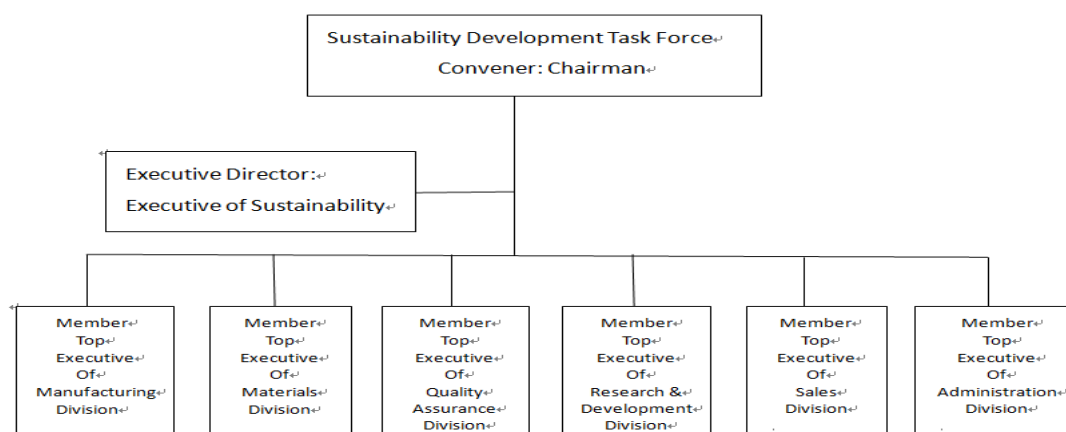
Association/organization name	Participation status
Taipei Electronics Association	Member
Taipei Medical and Biotechnology Equipment Industry Association	Member

## 1.2 Sustainable governance

### Sustainability governance framework

In August 2024, ACULA established the "Sustainable Development Department" as a dedicated unit to promote sustainability issues, and simultaneously established the "Sustainable Development Promotion Group", with the chairman as the convener, the head of the Sustainable Development Department as the director-general, and six senior executives at the department level as team members, responsible for integrating cross-departmental resources and comprehensively promoting sustainable development-related businesses. Based on the principle of materiality, the team regularly identifies environmental, social, and governance (ESG) risks that are highly relevant to the Company's operations, and formulates and implements corresponding management strategies and action plans accordingly.

#### ▼ Sustainable governance framework



### The role of the board of directors in sustainable governance

The board of directors is the highest supervisory and review unit for the Company's sustainable development, responsible for reviewing the promotion of sustainability and the effectiveness of implementation, and guiding the Company towards long-term sustainable management. The Sustainable Development Promotion Group focuses on "environmental sustainability", "social responsibility" and "sustainable governance", and promotes sustainability strategies in accordance with the government's 2050 net-zero carbon emission goal and relevant domestic and international regulations. The team provides regular updates to the board of directors regarding the outcomes and execution of annual promotional initiatives, with the latest report delivered on November 7, 2024. Additionally, the team has completed the 2023 annual sustainability report, presenting comprehensive disclosure of implementation outcomes and performance for the year.

#### ▼ Sustainability report preparation and approval process

1.Focus on discussion	2.Report preparation	3.Report review	4.External certainty	5.Final publication
The Sustainability Promotion Team convenes department heads and external expert consultants to discuss the main structure of the report and identify major themes.	The Sustainability Promotion Team and external experts will compile the information required for disclosure on various topics, invite various departments to provide information, and compile it into a first draft.	The heads of relevant departments and external experts jointly review the first draft of the report on major topics, and then submit it to the Sustainability Promotion Team for confirmation, provide opinions, and finalize the revision after completion.	Entrust a third-party external assurance unit to perform assurance and obtain a third-party assurance report, which has not yet been implemented in 2024 and is expected to be introduced from 2025.	After the report is completed, it will be approved by the chairman of the board of directors and published after discussion and approval by the board of directors.



### 1.3 Stakeholder identification and agreement

Stakeholders	Importance and significance	Concerned issues	Communication channels	2024 Communication Performance
<b>Employees</b>	Employees are the cornerstone of a company's operations and growth, and their job satisfaction, career development, and physical and mental health directly impact operational efficiency and organizational stability. ACULA is committed to creating a safe, respectful and developmental work environment to attract and retain top talent.	<ul style="list-style-type: none"> <li>● Talent cultivation and development</li> <li>● Talent attraction and retention</li> <li>● Occupational safety and health management</li> <li>● Human rights protection</li> </ul>	<ul style="list-style-type: none"> <li>● Regular employee benefits (health checkups, insurance)</li> <li>● Internal and external education and training are held from time to time</li> <li>● The Employee Welfare Committee is held quarterly</li> <li>● Quarterly labor-management meetings</li> <li>● Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>● On December 2, 2024, a biennial physical examination for all employees was conducted</li> <li>● In 2024, four employee welfare committee meetings will be held</li> <li>● Four labor-management meetings will be held in 2024</li> <li>● Three remuneration committee meetings will be held in 2024</li> </ul>
<b>Shareholders and investor</b>	Shareholders and investors are supporters of the Company's source of funds and sustainable development, and they are highly concerned about corporate governance, operating performance and information transparency. ACULA attaches great importance to sound management and risk control to create long-term stable investment value returns.	<ul style="list-style-type: none"> <li>● Corporate governance</li> <li>● Innovation and R&amp;D</li> <li>● Risk management</li> </ul>	<ul style="list-style-type: none"> <li>● The Company's website has a spokesperson mechanism and contact information</li> <li>● An annual shareholders' meeting</li> <li>● Corporate briefings are held from time to time</li> <li>● Publish material information on the "Public Information Observatory"</li> <li>● Announce financial reports and annual reports in accordance with regulations</li> <li>● The Company's website discloses information related to corporate governance, finance, business, and other operational performance in real time</li> </ul>	<ul style="list-style-type: none"> <li>● A regular shareholders' meeting will be held on June 13, 2024</li> <li>● Corporate briefings will be held on August 14, 2024 and December 12, 2024</li> <li>● 24 major Chinese news in 2024</li> </ul>
<b>Clients</b>	Customers are the driving force behind the continuous optimization of the Company's products and services. Based on integrity, quality, and innovation, ACULA is committed to meeting customer needs and establishing long-term and stable cooperative relationships to enhance market trust.	<ul style="list-style-type: none"> <li>● Product innovation and research and development</li> <li>● Customer relationship management</li> <li>● Product quality and responsibility</li> <li>● Regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>● Company website information</li> <li>● The Company's product business contact window</li> <li>● Customer service contact window</li> <li>● Hold two-way production quality and quality communication meetings for different customers regularly/irregularly</li> <li>● An annual customer satisfaction survey</li> </ul>	<ul style="list-style-type: none"> <li>● In 2024, a total of 10 customer satisfaction surveys were issued, covering 9 major customers, and their turnover accounted for 90% of the overall performance</li> </ul>
<b>Suppliers</b>	Suppliers are indispensable partners in the Company's value chain. ACULA works with suppliers to maintain stable supply, consistent quality, and responsible procurement to achieve mutual prosperity and	<ul style="list-style-type: none"> <li>● Product development and innovation</li> <li>● Sustainable supply chain</li> <li>● Product quality and safety</li> <li>● Compliance and Integrity Management</li> </ul>	<ul style="list-style-type: none"> <li>● Establish supplier control procedures, requiring cooperative suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and jointly</li> </ul>	<ul style="list-style-type: none"> <li>● 4 QVL meetings will be held in 2024</li> </ul>

Stakeholders	Importance and significance	Concerned issues	Communication channels	2024 Communication Performance
	sustainable supply chain management.		<p>strive to enhance corporate social responsibility</p> <ul style="list-style-type: none"> <li>● Regularly maintain the list of qualified suppliers: The evaluation team conducts evaluations, and relevant units are invited to hold QVL meetings every quarter to review and explain the quality and delivery grade evaluation tables of suppliers incoming materials in the current quarter, and revise the "Qualified Supplier List" according to their resolutions</li> <li>● Visit suppliers or hold meetings from time to time to discuss material delivery and quality and provide feedback to suppliers</li> </ul>	
<b>Government agencies</b>	Government agencies are important setters of company operational compliance and industrial policies. ACULA complies with relevant laws and regulations, implements corporate responsibility, and supports public policies and sustainable development of the industry through positive communication.	<ul style="list-style-type: none"> <li>● Energy management</li> <li>● Water Resources Management</li> <li>● Waste management</li> </ul>	<ul style="list-style-type: none"> <li>● Participate in publicity meetings held by the competent authority from time to time</li> <li>● Cooperate with the competent authority for supervision and audit</li> <li>● Set up a contact point to maintain good interaction with the competent authority</li> </ul>	<ul style="list-style-type: none"> <li>● In 2024, personnel will be dispatched to participate in three publicity meetings organized by the competent authorities</li> </ul>
<b>Community residents with Non-profit organizations</b>	ACULA regards local communities and public welfare organizations as partners for coexistence and co-prosperity, attaches importance to positive contributions to local environmental and social well-being, and actively participates in public welfare activities to practice corporate citizenship.	<ul style="list-style-type: none"> <li>● Energy management</li> <li>● Water Resources Management</li> <li>● Waste management</li> </ul>	<ul style="list-style-type: none"> <li>● Participate in community public welfare activities</li> <li>● Sponsor activities related to love clubs</li> </ul>	<ul style="list-style-type: none"> <li>● In 2024, donate daily necessities to disadvantaged families and the elderly living alone in rural areas</li> </ul>
<b>Media &amp; NGOs</b>	The media and NGOs play an important role in exposing issues of social concern and promoting corporate transparency. ACULA responds to external concerns with an open attitude and proactively discloses sustainable performance to strengthen transparent governance and social trust.	<ul style="list-style-type: none"> <li>● Information security management</li> <li>● Human rights protection</li> <li>● Product quality and responsibility</li> <li>● Talent attraction and retention</li> </ul>	<ul style="list-style-type: none"> <li>● Quarterly e-mail to all employees to promote the "Information Network Software and Hardware Usage Regulations" and "User Information Security SOPs and Precautions"</li> <li>● At any time, according to the actual situation, all employees will be notified of "information security-related information" by e-mail.</li> <li>● Real-time communication, company website information</li> </ul>	<ul style="list-style-type: none"> <li>● In 2024, 4 promotional emails were sent to all employees regarding the "Information Network Software and Hardware Usage Regulations" and "User Information Security SOPs and Precautions"</li> <li>● In 2024, 4 e-mail notifications of "information security-related information" will be sent to all employees</li> </ul>

ACULA values the needs and opinions of stakeholders, and through discussions and evaluations by internal managers, seven categories of stakeholders have been identified, including employees, shareholders and investors, customers, suppliers, government agencies, community residents and non-profit organizations, and media and NGOs. To enhance engagement with stakeholders and gain insight into their perspectives and expectations regarding the Company's sustainable development, an update on the status of stakeholder communication was presented to the Board of Directors on November 7, 2024.

### **Procedures to remedy negative shocks**

The Sustainability Promotion Team integrates the results of interactions between various departments and stakeholders as a basis for identifying potential risks and formulating improvement measures, and regularly discloses them in the Sustainability section of the Company's official website to enhance information transparency and timeliness. In response to comments, doubts, or grievances raised by stakeholders, the Company has established multiple response channels for internal and external stakeholders to ensure that relevant issues can be received and properly handled in a timely manner. All complaints are handled in accordance with the principles of integrity and legal compliance, strictly protecting the identity and information security of the complainant, and assigned personnel are responsible for accepting, recording, investigating, and tracking the progress of the process to ensure timely responses and effective actions. At present, the Company has the following complaint and reporting channels:

<b>Stakeholders</b>	<b>Communication channels</b>
Employees	wendyyeh@acula.com.tw
Shareholders, investors	sunnychung@acula.com.tw / rachelshen@acula.com.tw
client	arieschu@acula.com.tw
suppliers	benchien@acula.com.tw
Government agencies	rachelshen@acula.com.tw
Community Residents/Non-Profit Organizations	

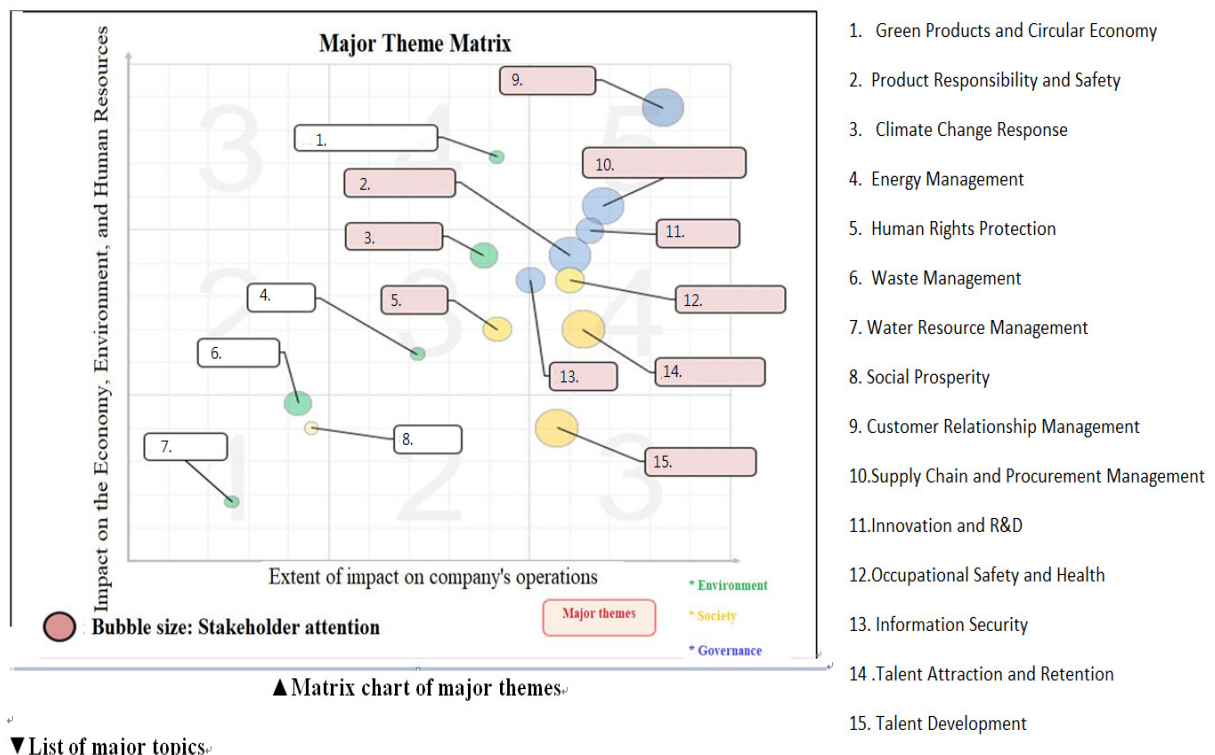
As of December 31, 2024, ACULA has not received any complaints related to negative economic, environmental or social impacts.

## 1.4 Identification of major sustainability themes

### Material sustainability theme identification process

Through internal discussions and the assistance of external experts, and with reference to the GRI Standards issued by the Global Reporting Initiative (GRI) and important trends in domestic and foreign industries, the Company collects various sustainability issues, and conducts a survey on the impact of various issues on management in 2024 through systematic analysis methods such as departmental interviews and questionnaires to assess the impact of each issue on the economy, The impact on the environment and people and the impact on the Company's operations, and a questionnaire on the level of concern on major topics was distributed to major stakeholders, and a total of 59 valid questionnaires were collected. Identify the sustainability issues that stakeholders are concerned about and draw a matrix map of major themes accordingly.

In the matrix diagram below, the X axis represents the "degree of impact on the Company's operations", the Y-axis represents the "degree of impact on the economy, environment, and society", and the size of the bubble represents the "degree of stakeholder concern". The importance of the topic is evaluated according to the level of the score, and major topics and general topics are distinguished. After integrating analysis and confirmation with senior executives, ACULA's 10 major themes in 2024 were identified, namely: customer relationship management, supply chain management, product responsibility and safety, innovation and research and development, information security, talent attraction and retention, talent cultivation and development, occupational safety and health, human rights protection, and climate change response. We also use this as a reference basis for information disclosure in the report and continue to improve it.



▲ Matrix chart of major themes

▼ List of major topics

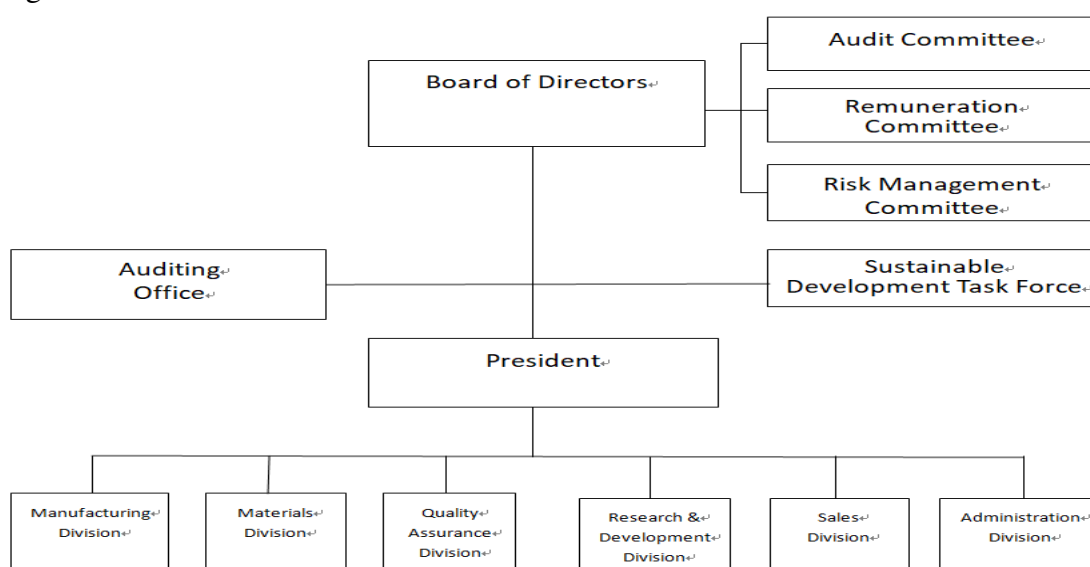
Oriented	Major topics	Material topic description	corresponding chapters
Governance	Customer relationship management	Through excellent customer service and communication, we enhance customer trust and satisfaction, and consolidate long-term cooperation.	2.4 Customer relationship management
	Product responsibility and safety	Strictly control product quality to ensure that products meet international standards to safeguard consumer rights and market trust.	2.5 Product quality and responsibility
	Innovation and R&D	Continue to invest in technological innovation, develop forward-looking products, and improve production efficiency and market competitiveness.	2.6 Innovation and R&D
	Supply chain management	Establish a sustainable supply chain system and strengthen supplier management and responsible procurement practices.	2.7 Supply chain management
	Information security management	Implement information security management to protect corporate and customer data and reduce information security risks.	2.8 Information security management
Society	Talent attraction and retention	Provide good career development and benefits to attract and retain outstanding diverse talents. Plan and improve training resources to assist employees in professional improvement and career growth.	3.1 Happy workplace
	Talent cultivation and development		
	Occupational Safety and Health	Protecting the safety and health of workers and providing a high-quality working environment is the basic responsibility of the Company.	3.2 Occupational Safety and Health
	Human rights protection	Respect and protect the human rights of employees and all parties, establish a fair working environment, and promote social justice and diversity and inclusion.	3.3 Protection of Human Rights
Environment	Climate change response	Formulate carbon reduction goals and actions, and actively respond to climate change challenges and opportunities.	4.1 Climate change response

## CH2 Corporate Governance

### 2.1 Corporate governance structure

The board of directors is responsible for major decision-making and supervisory functions, and has an audit office to help ensure the effective operation of the internal control system. The Company is managed by the chairman and general manager, **and is responsible for product research and development, manufacturing, quality assurance, sales, materials and management departments, which** are responsible for product research and development, manufacturing, quality management, market expansion, supply chain management, and administrative logistics, forming a complete corporate governance and operating structure.

#### ▼Organizational chart



### Composition and operation of the board of directors

In accordance with the Company's "Code of Practice on Corporate Governance" and "Election of Directors", ACULA actively promotes the diversity of board members, and plans and composes the Company's business model and future development needs from two aspects: basic conditions and values (such as gender, age, nationality and culture) and professional knowledge and skills (such as law, accounting, finance, technology, marketing and industry experience). All members of the board of directors generally possess professional capabilities such as operational judgment, financial analysis, crisis management, industry insight, leadership and decision-making, to improve the quality of corporate governance and decision-making efficiency.

Currently, the board of directors has 10 directors, including 3 independent directors, with backgrounds spanning industry, academia, finance, accounting, and business management, fully demonstrating the principle of diversity. Women account for 10% of the board of directors, 20% are employees, and no more than one-third of the directors are also managers of the Company, all of which meet the established diversity management goals. In terms of age group, 3 directors are between 31 and 50 years old, 5 are between 51 and 70 years old, and 2 are 71 to 80 years old, showing generational integration and complementary experience. The term distribution of independent directors is also flexible, effectively balancing external supervision and internal governance needs.

In 2024, the Board of Directors held a total of 6 meetings, and the overall attendance rate was good, except for one director who had been entrusted to attend once, and the other

directors attended the entire event in person, with an actual attendance rate of 98.33% for all directors, demonstrating a high degree of participation and governance responsibility among directors, and also reflecting the stable operation and high level of investment of the board of directors.

### **Directors' further education**

To enhance the professionalism of directors and strengthen the effectiveness of corporate governance, the Company arranges for directors to participate in continuing education courses covering issues such as corporate governance, ethical management, internal control system, and sustainable development in accordance with Article 20 of the Code of Corporate Governance. In 2024, all directors completed the training, with course topics including "Corporate Ethical Management and Preventing Insider Trading" and "How Enterprises Can Implement Energy Conservation and Carbon Reduction to Enhance Company Profits", with each director receiving 6 hours of annual training to further deepen the director's understanding of corporate sustainability and governance responsibilities.

### **Directors avoid interests**

In order to strengthen corporate governance and maintain the fairness of decision-making, ACULA has established a clear system for directors to avoid conflicts of interest in accordance with the Company Law and relevant corporate governance standards, ensuring that directors actively disclose and avoid voting when deliberating proposals involving their own interests in accordance with the law, so as to avoid affecting the Company's overall interests and the fairness of decision-making.

The chairman of the Company also serves as the general manager, based on the fierce competition in the industry and the rapidly changing market operating environment, considering decision-making efficiency and execution. This concurrent mechanism helps facilitate internal communication among the board of directors, accelerate policy implementation, and strengthen the integration of business strategy and performance management. In addition to regularly reporting to all directors on operational status and strategic planning, directors strictly refrain from participating in discussions and voting on proposals involving personal interests in accordance with the law to ensure the independence and legitimacy of the board's governance mechanism.

In the actual operation of the board of directors, the Company requires directors to actively disclose issues of interest in accordance with regulations and implement interest avoidance procedures. As of December 31, 2024, ACULA has not experienced any major conflicts of interest, indicating that the Company has effectively implemented conflict of interest identification, prevention, and management mechanisms. The implementation status of directors' interest avoidance in 2024 is as follows:



Meeting Date (Period)	Contents of the motion	Reasons for interest avoidance and participation in voting
August 8, 2024 The second time of the eleventh session Board of Directors	<ul style="list-style-type: none"> <li>● General manager retirement and renewal remuneration</li> <li>● Change of deputy general manager</li> </ul>	<ul style="list-style-type: none"> <li>● Mr. Jian Fenghui, the general manager, recused himself from the discussion and voting during the discussion and voting because he had his own interests in this case, and appointed Mr. Tai Min-Hsiung, an independent director, to temporarily act as the chairman of the discussion of this case.</li> <li>● Director Mr. James Chien has his own interests in this case and avoided leaving the meeting in accordance with the law during discussion and voting. This case was consulted by the chairman and passed without objection from the other directors present.</li> </ul>
November 7, 2024 The third time of the 11th session Board of Directors	<ul style="list-style-type: none"> <li>● Review the remuneration and remuneration of the 11th director of the Company</li> </ul>	<ul style="list-style-type: none"> <li>● Chairman Mr. James Chien has his own interests in this case and avoided leaving the meeting in accordance with the law during discussion and voting. and appointed Mr. Tsai, Min-Hsiung, an independent director, to temporarily act as chairman on the discussion of this case. This case was approved by Mr. Tsai, Min-Hsiung, acting chairman and independent director, without objection from other directors present.</li> <li>● Independent Director Mr. Tsai, Min-Hsiung, Independent Director Mr. Chou, Wen-Ming, and Independent Director Mr. Chieh, Cheng-Ching have their own interests in this case and avoided leaving the table in accordance with the law during discussion and voting. This case was approved by the chairman in consultation with other directors present without objection.</li> </ul>

### Director performance evaluation

On August 4, 2020, the board of directors passed the "Board of Directors Performance Evaluation Measures", which stipulates that the performance evaluation of the board of directors and its functional committees should be conducted regularly every year. The evaluation period is from January 1 to December 31 of each year, and the evaluation report shall be completed and submitted to the board of directors for review before the end of the first quarter of the following year.

In 2024, the Board of Directors and its subordinate Remuneration Committee and Audit Committee completed the annual operational performance evaluation in accordance with regulations and submitted the evaluation results at the Board meeting on March 13, 2025. The evaluation methods are divided into self-evaluation of the performance of the board of directors and functional committees (the executive unit collects information about activities and fills out a self-evaluation questionnaire to compile statistical analysis) and the performance self-evaluation of board members (each director fills in the questionnaire, and the executive unit compiles statistical analysis). The assessment results are graded into five levels: extremely poor (1), poor (2), medium (3), excellent (4), and excellent (5), and presented as an average score.

Overall, the results of the 2024 annual performance evaluation show that most of the indicator scores of the board of directors, board members, and functional committees are "excellent" or "excellent", with an average score of 4.78 points for the board of directors, an average score of 4.77 points for board members, and an average score of 4.92 points for functional committees.



## **Functional Committee**

In order to strengthen the corporate governance system and the supervisory function of the board of directors, ACULA has established three functional committees: the Audit Committee, the Remuneration Committee, and the Risk Management Committee, to provide professional reviews and suggestions on financial supervision, compensation policies, and risk management, respectively, to improve the quality of decision-making and the transparency of the Company's operations.

- **Risk Management Committee**

To enhance the overall risk control system and implement the Company's risk governance mechanism, ACULA established a risk management committee on August 8, 2024, consisting of three independent directors with professional backgrounds, including conveners Tsai, Ming-Hsiung, Chou Wen-Ming, and Chieh, Cheng-Ching. The Risk Management Committee meets at least once a year to provide professional advice and recommendations on the Company's risk management strategy and related material issues.

According to the Organizational Regulations of the Risk Management Committee, the responsibilities of the Risk Management Committee include reviewing risk management policies and procedures, guiding the overall risk control direction, and supervising the operation of the Executive Team. To strengthen the implementation aspect, the Committee has established a risk management executive team, with the head of the Sustainable Development Department serving as the executive secretary and the top executives of each department serving as team members, responsible for identifying, evaluating, and tracking the implementation of risk items. The Executive Team meets at least twice a year and regularly reports its management results and progress to the Risk Management Committee.

In 2024, the Risk Management Committee held a total of one meeting to review and approve the annual risk management project, and submitted it to the board of directors for review and approval. On the same day (November 7, 2024), the management team also reported the implementation of risk management to the Audit Committee and the Board of Directors as a reference for management decision-making and governance supervision, ensuring the normal operation of the risk control mechanism and strengthening the organization's ability to respond to risks.

- **Audit Committee**

To enhance the supervisory function of the board of directors, ACULA established an audit committee on July 8, 2021, and handled relevant operations in accordance with the "Regulations Governing the Establishment of Audit Committees by Public Companies" and the Company's "Audit Committee Organizational Regulations". The Audit Committee is composed of all independent directors serving as members, and the term of office is the same as that of the Board of Directors, and the current term of office of the current members is from June 13, 2024 to June 12, 2027.

The Audit Committee shall meet at least once a quarter in accordance with the law, and its main duties include: formulating or amending the internal control system, evaluating the effectiveness of the internal control system, handling major asset transactions, derivatives transactions, fund loans or endorsements and guarantees, proposals involving the interests of directors, securities issuance, appointment and dismissal of certified public accountants, review of financial statements, and other matters required by the competent authority.

In 2024, the Audit Committee held a total of 5 meetings to discuss topics such as annual and quarterly consolidated financial statement review, earnings allocation and capital increase, issuance of internal control system statements, accountant independence assessment, major asset purchase and convertible corporate bond issuance, etc., and actively performed supervisory duties by formulating and revising relevant regulations and operating rules for the sustainability information management and internal control system. The attendance at the 2024 meeting was good, with all committee members attending in person, demonstrating a strong emphasis on corporate governance and risk monitoring.

- **Remuneration Committee**

To improve the corporate governance mechanism and strengthen the fairness and transparency of the remuneration system, ACULA established the Remuneration Committee on November 9, 2011. The committee is composed of all independent directors, and the current members serve from June 13, 2024 to June 12, 2027.

The operation of this committee is based on the "Organizational Regulations of the Remuneration Committee" established by the Company, and the members shall faithfully perform their duties with the care and duty of a good manager and be responsible to the board of directors. The main responsibilities include formulating and regularly reviewing performance evaluation standards, annual and long-term performance targets for directors and managers, as well as remuneration policies, systems, standards and structures; The committee's recommendations will be submitted to the board of directors for further review to ensure the objective and professional decision-making process.

The 2024 Remuneration Committee held a total of 3 meetings to discuss the 2023 employee and directors and supervisors remuneration allowance allocation, the retirement and renewal remuneration of the general manager, the change of the vice president, the remuneration and remuneration of the 11th directors, the scope of managers subject to remuneration pre-review, and the salary approval procedures for managers. Each meeting is unanimously approved by all members and submitted to the board of directors for review, demonstrating that the remuneration committee actively performs its duties and implements the review responsibilities of the remuneration system. The 2024 meeting attendance was good, with all members attending the meeting throughout their term of office and zero delegated attendance, indicating that they attach great importance to and participate in corporate compensation governance.

### **Remuneration policy and decision process**

In accordance with Article 14-6 of the Securities and Exchange Act and related regulations, ACULA has established the "Organizational Regulations of the Remuneration Committee" as the basis for the remuneration system for directors and managers. The Company's compensation policy is based on the principles of fairness, reasonableness, and market competitiveness, ensuring that outstanding talents can be attracted, motivated, and retained, while considering the Company's sustainable business goals and risk control principles.

The composition of director and manager remuneration includes fixed salaries, variable rewards, retirement and resignation benefits, stock options, dividends, allowances, etc., and is performance-oriented to ensure that the remuneration is consistent with individual contributions and the Company's overall operating results. If the Company experiences a significant profit decline or long-term loss, the remuneration of directors and managers shall not be higher than that of the previous year, unless the board of directors explains the reasonableness and discloses it in accordance with the law. The salary determination process is as follows:

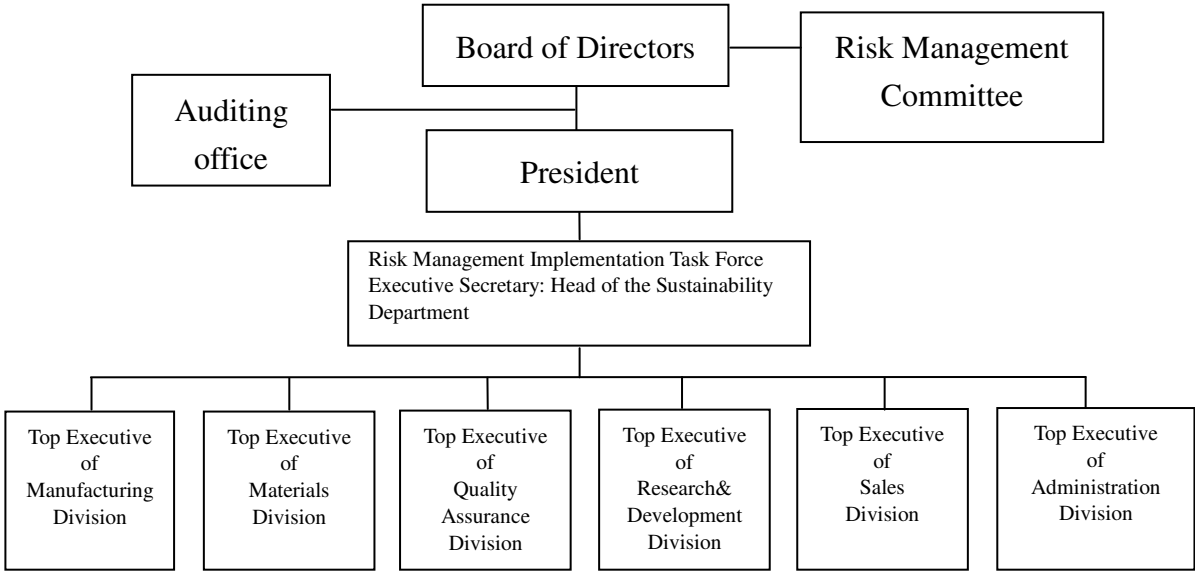
1. The Remuneration Committee meets at least twice a year to review and evaluate the performance and compensation structure of directors and managers.
2. The committee proposes the content and amount of remuneration based on the achievement of performance targets, personal responsibilities, industry level, and the Company's financial situation.
3. All proposals are submitted to the board of directors for discussion and resolution; If the board of directors does not adopt or amend the committee's recommendation, more than two-thirds of the directors must be present and more than half of the directors present agree, and the reason and reasonableness of the amendment must be explained.
4. When it comes to personal remuneration of a member, the member must refrain from voting and discussion in accordance with the law.
5. The results of the final resolution and its reasonableness shall be disclosed in the annual report and shareholders' meeting report in accordance with the law, and announced in the information reporting system designated by the competent authority.

2.2 Risk management

Risk management organizational structure

In order to effectively promote risk management policies and implementation procedures, ACULA established a risk management committee by resolution of the board of directors on August 8, 2024, and established a risk management executive team under the structure of the risk management committee.

▼Risk management organizational chart



Risk Management Policy

ACULA comprehensively considers scale, business characteristics, risk attributes, and operational activities, constructs a comprehensive risk governance and management structure, and closely links risk management with the Company's strategy and goals through the participation of the board of directors, functional committees, and senior management team. This aims to identify material risk items, enhance the comprehensiveness, foresight, and completeness of risk identification, and carry out risk control and response actions to reasonably ensure the effective achievement of the Company's strategic objectives.

Risk management process

The Company's risk management process adopts a systematic management structure, which implements steps such as risk identification, risk analysis, risk assessment, risk response and control, risk supervision, risk reporting, and information disclosure, and establishes a continuous risk response mechanism to effectively reduce the impact of uncertainty on operational objectives and ensure that all risks are within an acceptable range.

**Risk identification**

The scope of the Company's risk management covers potential risks that may arise in its operational activities, including environmental, social, economic and other aspects, and expands to other related risks according to actual conditions. The main types of risks include, but are not limited to, operational risks, financial risks, information security risks, occupational safety and health risks, as well as environmental, climate change and natural disasters. In 2024, after a systematic evaluation by the Risk Management Implementation Team, we will compile and formulate risk management items for the year.

**Risk management execution**

The Risk Management Executive Team is the executive unit of the Company's risk governance mechanism, and holds meetings at least twice a year to implement each stage of operations in accordance with the Company's risk management process, and regularly reports to the Risk Management Committee on the risk environment, management priorities, assessment results, and corresponding response measures faced by the Company. The Risk Management Committee shall hold a meeting at least once a year to review and guide overall risk management matters and ensure that relevant information is submitted to the Board of Directors and the Audit Committee in accordance with the law.

In 2024, the Risk Management Executive Team completed a comprehensive assessment of the annual risk items, and after being reviewed and approved by the Risk Management Committee, it was submitted to the Audit Committee and the Board of Directors in accordance with regulations to serve as a reference for the Company's risk supervision and decision-making, further strengthening the transparency and management effectiveness of risk governance.

## **2.3 Legal compliance and Integrity management**

### **Integrity Management policy**

ACULA adheres to the principles of fairness, honesty, trustworthiness, and transparency in its business activities. In order to implement ethical management, the Company has established the "Ethical Management Procedures and Conduct Guidelines" in accordance with the "Code of Ethical Management for Listed and OTC Listed Companies" and the "Code of Ethical Management" of the Company, which clearly stipulates the standards and codes of conduct that directors, managers, employees and de facto controllers of the Company and its subsidiaries should follow in the execution of their business. All personnel shall not engage in any act of offering, accepting, promising or soliciting improper benefits for the purpose of obtaining or maintaining benefits:-

The company also has clear standards and review procedures for gifts, entertainment, donations, sponsorships, political donations, and other interest behaviors, and has established response and reporting regulations for facilitation fees and conflicts of interest. The relevant regulations also require the Company's employees to conduct integrity assessments before establishing business relationships and include integrity clauses in contracts to ensure fair, transparent, and legal relationships with business partners.

### **Integrity management promotion unit**

The Company designates the Human Resources Department of the Management Office as a dedicated unit for promoting ethical management, responsible for the formulation, revision, implementation and interpretation of the Company's "Ethical Management Operating Procedures and Conduct Guidelines", and regularly reports to the board of directors on the effectiveness of the implementation of relevant systems.

1. Integrity and moral values are integrated into the Company's business strategy, and relevant anti-fraud measures are formulated to ensure ethical management in accordance with laws and regulations.
2. Establish a code of conduct to prevent unethical conduct, and establish standard operating procedures related to business work within the code.
3. Plan the internal organization, establishment, and responsibilities, and establish a mutual supervision and check and balance mechanism for business activities with a high risk of unethical behavior within the business scope.
4. Promotion and coordination of integrity policy promotion training.
5. Plan a reporting system to ensure the effectiveness of implementation.
6. The board of directors and management shall audit and evaluate whether the preventive measures established by the implementation of ethical management are operating effectively, and regularly evaluate the compliance status of relevant business processes and prepare reports.

In addition, Article 20 of the Company's "Ethical Management Operating Procedures and Conduct Guidelines" clearly stipulates the relevant terms of ethical management, and when the Company signs a contract with others, it shall include compliance with ethical management in the contract terms, and the contract clearly stipulates that if the trading counterparty is involved in dishonest behavior, the contract may be terminated or terminated at any time.

## **Compliance Policy**

ACULA continues to pay attention to various laws and regulations and policy trends and implements legal compliance requirements in areas such as product quality, labor conditions, information security, financial accounting, personal data protection, and environmental protection. For behaviors involving violations of laws and regulations, ethical risks, or significant impact on the rights and interests of stakeholders, the Company has established relevant response and reporting procedures and requires personnel to report potential violations to the supervisor and dedicated unit in accordance with the prescribed procedures for handling, and report to the board of directors when necessary.

## **Whistleblowing system**

In order to improve the culture of ethical management and protect the legitimate rights and interests of whistleblowers and those who are reported, ACULA has formulated the "Implementation Measures for the Whistleblowing System" in accordance with the "Code of Ethical Management" and relevant laws and regulations, and announced the reporting channels and formats on the Company's website to implement the operation of the system and information transparency. The Company has a dedicated audit office responsible for accepting reported cases, and the chairman appoints investigators or convenes an investigation team to ascertain the facts. The handling of whistleblowing cases shall be handled in a confidential manner, and the procedures shall be objective and fair to protect the rights and interests of the respondent. The reporting information shall include the basic information of the whistleblower, specific evidence and identifiable objects, and if the information is incomplete or anonymous, the report may not be accepted.

In principle, all reported cases should be investigated, and a written report should be issued within three months, and major violations must be reported to the audit committee and the board of directors. The Company also has a clear protection mechanism to strictly prohibit any adverse punishment against whistleblowers. If the reported case is found to be true and the circumstances are serious, the Company may provide incentives in accordance with regulations. If malicious reports are involved, they will be punished in accordance with the Company's disciplinary system. As of December 31, 2024, the Company has not received any reports or appeals.

## **Major violations of laws and regulations**

In 2024, ACULA had no major incidents of violations of environmental, social, or economic regulations. The criteria for the Company's material violations of laws and regulations by the TWSE are based on the provisions of Article 34 of the Regulations Governing the Review of Emerging Stocks Traded on the OTC of the Taipei Exchange (TPEX), which results in a disaster, collective protest, strike, environmental pollution, cyber security incident, or other material event, resulting in any of the following circumstances:

1. causing significant damage or impact to the Company.
2. Relevant permits are ordered by the relevant authorities to suspend work, suspend, suspend business, revoke or revoke relevant permits.
3. The sum of fines in a single incident shall be NT\$1 million or more.

## **Education and training**

The Company continues to provide education and training related to ethical management and insider trading prevention, covering internal training, external courses, and new employee training, and plans appropriate course content according to different ranks and needs to implement the downward rooting and comprehensive promotion of the integrity culture. The status of relevant courses is shown in the table below:

Training time	Training name	Types of training	Number of trainees	Accumulated hours
2024/08/08	Corporate integrity management and prevention of insider trading	External training courses	11 people-time	33 hours
2024/09/25~2024/09/26	Corporate integrity management and prevention of insider trading	internal training courses	99 people-time	99 hours
2024/09/27~2024/12/31	Newcomer training (including corporate integrity management and prevention of insider trading)	internal training courses	9 people-time	9 hours

## 2.4 Customer Relationship Management

### Impact influence

The Company values long-term partnerships with customers and strengthening customer satisfaction, and if communication is not prompt and responses are incomplete, it may lead to customer churn, damage to trust, and even derive product liability or privacy risks.

Policy commitments	Actions taken	Target	Evaluation mechanism and performance results
ACULA is committed to innovation and research and development in order to meet customer needs, and "customer-oriented" and "pursuit of excellent service quality" are the core concepts of ACULA.	In order to properly handle various customer problems, we communicate through "customer satisfaction surveys" and "quality communication meetings", and establish internal response methods to quickly handle related problems.	<p><b>Short-term goals:</b> 100% recovery rate of "customer satisfaction survey", customer complaint rate of major incidents/quarter ≤</p> <p><b>Medium- to long-term goals:</b> Increase customer satisfaction to 90% of the "Good level"</p>	<p><b>Evaluation mechanism:</b> Each department reports on customer service in weekly meetings.</p> <p><b>Performance results:</b> There were no major customer complaints in the 2024 statistics.</p>

### Stakeholder Agreement:

- In 2024, a total of 10 customer satisfaction surveys were issued, covering 9 major customers.
- After the customer places a manufacturing order, a two-way production quality meeting is held immediately to ensure that both parties fully communicate and reach a consensus on product specifications and quality requirements.
- Based on the actual needs of each customer, regular quality communication meetings are held quarterly or weekly to respond to customer concerns in real time and continuously promote quality improvement.

### ▼ Customer communication control procedures

Types of customers	Communication and control procedures
First-time contact	If the customer is willing to cooperate and ask the customer or the business to fill in the "Customer Information" form on their behalf.
long-term cooperative customers	Contact and update the "Customer Information" form irregularly.
customers who make inquiries	The salesperson will quote the customer in the "Quotation" form or e-mail.
Medical product-related customers	When selling medical products, salesmen need to obtain the medical product registration number of the place where they are sold or ask the customer to provide a self-conformity certificate to attach to the equipment file of the R&D Office.



### **Customer complaint handling process**

ACULA has established a complete customer complaint handling system, covering all stages from receiving customer complaints to analysis, processing, and replying to ensure that customer questions can be responded to quickly and effectively, and continuously improve product quality and service satisfaction. All customer complaints are recorded and traceable, and internal improvement and supplier management mechanisms are combined to strengthen operational responsiveness and customer relationship maintenance. The Company's customer complaint handling process is as follows:

1. **Abnormal requirements from customers:** Sales personnel issue processing documents and notify the warehousing and quality assurance departments.
2. **Quality assurance implementation review:** Test products according to the content of the documents and notify the biotechnology department or supplier to assist in analysis if necessary.
3. **Maintenance and analysis operations:** The CS unit entrusts the product to engineers for maintenance and asks the maintenance personnel to fill in the "Processing Record Form", which includes the analysis results and the information of the materials used.
4. **Result Reporting and Follow-up Confirmation:** The CS unit compiles data and provides it to the business side to reply to the customer and evaluate whether to carry out exchanges, refurbishments, or quoted repairs.
5. **Processing completion and product shipment:** If refurbishment or maintenance is required, the biotechnology department will carry out the procedures according to the procedures, and after inspection, return to the warehouse, and the business will issue a shipment notice.
6. **Record Keeping and Tracking Improvement:** All documents and records are retained in accordance with the "Record Control Procedure", and specific medical models are incorporated into the original production history to improve product traceability.

All cases are handled through cross-departmental collaboration, with a clear division of responsibilities from quality assurance, warehousing, biotechnology, and the business side, and the CS (Customer Service) unit tracks the progress throughout the process. ACULA also has clear processing time limits and exception handling principles and will make adjustments on a case-by-case basis for a large number of return cases to ensure service quality and flexibility. As of December 31, 2024, the Company has not experienced any major customer complaints, indicating that the customer complaint response and improvement mechanism has been effective.

### **Customer privacy**

ACULA respects and values the privacy of customers and regards it as an important responsibility of the Company. To protect the security of customer personal information, we promise to collect customer information only to the extent necessary and in a lawful manner, and clearly disclose the collection, use, and protection methods of data to ensure the transparency of the information processing process. Unless explicitly authorized by the customer, ACULA will not disclose or misuse customer information for any purpose. In the event of significant changes to our data processing policies or information protection measures, we will proactively inform customers to uphold mutual trust and maintain robust information security between both parties. As of December 31, 2024, ACULA has not received any complaints about invasion of customer privacy or loss of customer information.

## 2.5 Product quality and responsibility

### Impact influence

Product quality and responsibility directly affect user safety, customer trust, and brand reputation, and are highly relevant to company operations and the public. Improper product quality control may also pose consumer risks, leading to regulatory liabilities and environmental burdens. Therefore, implementing product responsibility and quality management helps improve customer satisfaction, strengthen market competitiveness, and promote the practice of efficient resource utilization and circular design.

Policy commitments	Actions taken	Target	Evaluation mechanism and performance results
ACULA adheres to the quality policy of "pursuing perfect quality, meeting customer needs, and complying with safety regulations", and has introduced quality management systems such as ISO9001, ISO13485, and QMS to continuously build a prevention-oriented quality management framework.	Follow the departments under the jurisdiction of the Quality Assurance Department to conduct compliance inspections throughout the entire process from incoming materials to shipment, supplemented by "corrective and preventive measures procedures" for root cause analysis and improvement.	<b>Short-term goals:</b> incoming material yield of more than 99.5%, finished product yield of more than 98.5% <b>Medium and long-term goals:</b> Increase the incoming material exemption rate to more than 15%, and the shipment achievement rate is 100%.	Evaluation mechanism: The Quality Assurance Department presides over inter-departmental meetings to review customer complaints every month Performance results: 2024 The yield rate of incoming and finished products reaches 99.58% or more, the inspection exemption rate of incoming materials reaches 5%, and the shipment achievement rate is 100%.

### Stakeholder agreement

ACULA continues to conduct post-market surveillance and information tracking and proactively provides supplementary information in accordance with the "Post-Market Surveillance and Control Procedures" and "Recommended Notice Control Procedures" to ensure that users receive complete product information and operational safety guidelines.

Before being launched on the market, all new products must undergo rigorous laboratory testing with a mean time between failures (MTBF) of over 50,000 hours to ensure their long-term stability and reliability.

### Product health and safety

To ensure that the circulation and use of our products in the global market meet the highest safety standards, we have promoted our products to pass multiple international authoritative certifications, including EU CE certification, UL safety certification in the United States, and TÜV technical testing in Germany, fulfilling our commitment to user health and safety.

### Product marketing and labeling

ACULA attaches great importance to product information transparency and responsible marketing communication, and all products provide clear, accurate, and complete labeling content in accordance with laws and regulations, including product specifications, uses, safety precautions, etc., to ensure that users can correctly operate and understand product characteristics. At the same time, we also strictly comply with the Fair-Trade Act and relevant marketing communication regulations in our marketing activities and advertising content to avoid misleading or misrepresentations and maintain market credibility and customer rights. In 2024, there were no incidents of violations of product and service labeling regulations or marketing communication-related regulations.

## 2.6 Innovation and R&D

### Impact influence

The Company's continuous investment in research and development will help promote industrial upgrading, enhance product added value, and promote positive social benefits such as energy conservation and intelligence. However, if market trends and technology maturity are not carefully evaluated, it may lead to resource misplacement, product failure, or negative impacts such as increased electronic waste and supply chain burdens.

Policy commitments	Actions taken	Target	Evaluation mechanism and performance results
ACULA adheres to the core concept of "innovation-driven growth", allocates R&D resources according to the 80/20 rule, 80% focuses on projects commissioned with customers, and 20% invests in independent innovative products, focusing on intelligent, high-reliability, and customized product development to enhance market differentiation and sustainable competitiveness.	Based on operational development and market demand, four major R&D directions are formulated: safety monitoring, industrial applications, and healthcare.	<b>Short-term goal:</b> R&D expenses account for 5% of operating income, and R&D personnel account for more than 20% of total employees. <b>Medium- and long-term goals:</b> R&D expenses account for more than 5% of operating income, and R&D personnel account for more than 25% of the total number of employees.	Evaluation mechanism: The R&D department is responsible for the progress management and achievement tracking of R&D projects and conducts annual performance evaluations based on established indicators. Performance results: In 2024, R&D expenses accounted for 5.01% of operating income, and R&D personnel accounted for more than 25% of total employees

### Stakeholder agreement

Continue to maintain close interaction with customers, technical partners, and internal teams, ensure that the direction of innovative R&D is close to market trends and practical applications through project cooperation, demand feedback, and functional optimization discussions, and strengthen the team's R&D efficiency and innovation capabilities through regular training and cross-departmental collaboration mechanisms, and continue to promote technological evolution and product differentiation.

### R&D strategy and direction

To enhance its competitive advantage and expand emerging application fields, ACULA actively focuses on non-bulk consumer markets based on the product strategy of "small quantity and diversity", extending its R&D focus from traditional displays to intelligent and network application products, targeting high value-added markets such as industrial, medical, marine, and military specifications. Starting from 2024, the Company has formulated three major R&D directions based on operational development and market trends:

- I. Security Monitoring:** Develop high-resolution CCTV displays that integrate network camera and screen functions and introduce voice guidance functions.
- II. Industrial Applications:** Designing e-paper displays, touch units, automotive and marine displays, pursuing high durability and reliability.
- III. Healthcare:** Establish a product line of special displays for radiology, clinical, and endoscopy, and comply with international medical regulations.

The overall strategy also echoes the demand for smart display applications driven by IoT and Industry 4.0, combining multi-functional, professional, and systematic design to comprehensively enhance product competitiveness. To support the above strategy, the Company's R&D expenditure in 2024 reached NT\$31.7 million, and R&D manpower accounted for 21% of the total workforce.

**Future challenges and coping strategies**

In the face of rapid changes in the chip supply ecosystem and the continuous evolution of artificial intelligence technology, ACULA also regards this as a major challenge in R&D innovation. The company has long focused on video-in display products, but in recent years, it has become clear that chipmakers are gradually withdrawing from the video application market, and functions that were previously possible on a single chip now rely on multiple high-priced chip combinations to achieve them, resulting in an increase in both design and cost pressure. At the same time, AI technology is changing rapidly, and next-generation models also need to introduce compatible chips and design architecture more quickly, putting forward higher requirements for R&D teams' real-time response capabilities.

In response to these challenges, the Company has launched a chip supply preparation plan, actively negotiating with existing suppliers to retain available inventory, and simultaneously engaging with new chip manufacturers to ensure uninterrupted design resources. In addition, we continue to supplement the R&D manpower structure by recruiting new blood and encourage existing R&D personnel to participate in technical training and interdisciplinary courses to strengthen the overall adaptability and innovation capabilities of the team.

**Intellectual property items**

In 2024, the R&D Office obtained a new model patent for the "image scaling device" in the Republic of China, as well as a design patent and invention patent for the "electronic magnifying glass" in the Republic of China, demonstrating the Company's innovative strength in the field of image processing and auxiliary display technology. At the same time, a U.S. invention patent application has also been filed for the "IMAGE SCALING DEVICE", which is currently being reviewed by the U.S. Patent Office. The above research and development results have been successfully transformed into a mass-produced product, the EEM-034A, and will be officially sold in the Taiwan market starting in 2024, further strengthening the Company's market layout in the field of high-end imaging applications.

**▼Patent and trademark statistics over the years**

Patents/Trademarks	title	Public announcement number	Validity period
Model patent	Image scaling device	M655597	2024/09/11~2039/02/19
Design patent	Electronic magnifying glass	D233617	2024/05/11~2034/02/19
trademark	ACULA	00805776	2028/06/15

patent	domestic	overseas
Patents that have been filed	2	1
Patents that have been approved	2	0
Patents under review	0	1

- **Project Example - 21.3" 3M pixel and 5M pixel Radiology Display Monitor**

The 21.3" 3M pixel and 5M pixel Radiology Display Monitors have received FDA 510(k) approval in the United States and are classified as Class II medical devices suitable for displaying mammogram images.

**Trade secret protection policy**

To maintain the Company's technical and operational advantages, ACULA has established a comprehensive trade secret protection mechanism. For confidential information that needs to be disclosed to the public, the Company requires the recipient to sign a non-disclosure agreement (NDA) to clearly regulate the rights and responsibilities of both parties and prevent information leakage. Internally, the Company restricts employees on trade secret management through labor contracts and relevant internal management regulations, requires employees to strictly abide by confidentiality obligations, and continuously strengthens their awareness of information protection to ensure that corporate secrets are properly controlled at all stages of research and development, production, and operation.

## 2.7 Supply chain management impact

If suppliers are unstable in quality, delayed delivery, or violate environmental and social responsibilities, it may lead to decreased product yields, increased regulatory risks, decreased customer trust, and damaged brand reputation. Especially for medical applications, such as supply source disruptions or non-compliance with regulations, will directly impact patient safety and market compliance risks. In addition, if the supply chain does not properly control conflict minerals, human rights, or carbon emissions, it may also lead to reputational risks and termination of cooperation with customers.

Policy commitments	Actions taken	Target	Evaluation mechanism and performance results
The Company has established the "Supplier Control Procedures", which clearly require suppliers to comply with environmental, social responsibility and relevant regulatory standards, and must sign the "Guarantee for Non-Use of Environmentally Hazardous Substances" and the "Integrity and Confidentiality Commitment", promising not to use conflict minerals.	The Company regularly conducts supplier ESG self-assessment questionnaires, covering three major aspects: environmental (E), social (S), and governance (G), as a basis for subsequent hierarchical management and replacement. For critical medical components, the Company conducts annual risk level reviews to ensure compliance and stability.	<p><b>Short-term goals:</b> Increase the signing rate of the "Guarantee of Non-Use of Environmentally Hazardous Substances" and the "Commitment to Integrity and Confidentiality" to 85%, the ESG signature of the supplier's self-evaluation questionnaire form by 66%, and the signing of the certificate of non-use of hazardous substances and the consent form of the green procurement benchmark by 42%.</p> <p><b>Medium- and long-term goals:</b> Increase the local procurement rate to 86%, and actively increase the return rate of "Certificate of No Use of Hazardous Substances and Green Procurement Standard Consent Form" and "Confirmation of Non-Use of Conflict Minerals" to 85%.</p>	<p>Evaluation mechanism: The purchasing department holds quarterly QVL meetings to evaluate suppliers</p> <p>Performance results: New suppliers have completed written evaluations and on-site visits, and signed the "Guarantee of Non-Use of Environmentally Hazardous Substances" and the "Commitment to Integrity and Confidentiality", with an overall signing rate of 64%. A total of 277 material suppliers have completed regular assessments, with a pass rate of 100%. The local procurement rate is 57%.</p>

### Stakeholder agreement

ACULA values long-term partnerships with suppliers and proactively understands their feedback and expectations on quality, delivery, compliance, and sustainability issues through daily procurement operations, regular QVL meetings, and on-site evaluations.

### Supply status of major raw materials

The main raw materials required for the Company's products can be divided into three categories: electronic materials, mechanical materials and packaging materials. To ensure the diversification of supply sources and price flexibility, the Company adopts a decentralized procurement strategy and strengthens the stability and resilience of material sources by establishing stable cooperative relationships with multiple domestic suppliers or agents.

## **Supplier Management Policy**

ACULA is committed to building a sustainable supply chain with suppliers, and through a continuously optimized supplier management system, it achieves the operational goals of stable quality, reliable delivery, and social responsibility. The Company prioritizes manufacturers that have obtained international management system certifications such as ISO 9001, ISO 13485, and ISO 14001, and requires suppliers to comply with government regulations and industry standards to ensure product safety and compliance. Qualified suppliers must sign the "Guarantee of Non-Use of Environmentally Hazardous Substances" and the "Integrity and Confidentiality Commitment", promising not to use conflict minerals and operate in accordance with the principles of integrity. The Quality Assurance Department conducts supplier evaluation and grading every year based on indicators such as incoming material quality, delivery timeliness, material shortages, and price increases, and decides on ratification, improvement, or replacement within a time limit.

## **New supplier selection mechanism**

When a company develops new products, expands production capacity, or existing suppliers cannot continue to meet supply demand, a new supplier selection mechanism will be activated. The evaluation team is composed of production management, procurement, quality assurance, R&D and biotechnology units, and is convened by the purchasing department every year to conduct a comprehensive supplier assessment. For example, the evaluation team uses the "Supplier Quality Strength Evaluation Items" based on product attributes for material suppliers, or the "Supplier Evaluation Form - Finished Products/Semi-finished Products" is used in semi-finished product processing plants or assists processing suppliers in scoring, and team members visit the supplier's factories on site to confirm their quality management systems, delivery capabilities, and operating conditions. All new suppliers must pass a written and on-site double evaluation before they can be included in the Qualified Supplier List, and all new suppliers must pass a written and on-site double evaluation before they can be included in the Qualified Supplier List.

The evaluation covers aspects such as company establishment, factory registration, quality management system, delivery and contract performance capabilities, cooperation, operating conditions, and sustainability commitments, ensuring that partners have stable operating conditions and long-term cooperation potential. All evaluations and on-site visits have been completed. Among them, 274 companies signed the "Guarantee of Non-Use of Environmentally Hazardous Substances" and the "Integrity and Confidentiality Commitment", with a signing rate of **64%**.

## **Suppliers are regularly assessed**

To ensure stable production, reliable quality, and competitive prices, ACULA has established a clear regular assessment system in accordance with the "Supplier Control Procedures", which is applicable to all suppliers who provide raw materials, finished products, equipment, instruments, and fixtures. The Company holds quarterly QVL (Qualified Vendor List) meetings, with the participation of procurement, quality assurance, and R&D departments, and comprehensively scores each supplier according to the assessment items of the "Supplier Input Grade Evaluation Form" and grades them into five levels: "Excellent, A, B, C, and D".

Suppliers rated as Class C will be listed as targets for improvement within a time limit; If it is rated as C for two consecutive quarters, the procurement relationship will be terminated. Class D suppliers will not be renewed, and their qualified supplier qualifications will be directly canceled. For key components involving medical products, the Company also conducts supply risk level reviews in the fourth quarter of each year to ensure regulatory compliance and



stability of supply sources. If a supplier has a significant quality abnormality during operation, or if the QVL meeting resolves that it needs to be re-evaluated, the new supplier selection process will be re-implemented, including the "Supplier Quality Strength Evaluation Items" or "Supplier Evaluation Form - Finished Products/Semi-finished Products" to determine whether to continue to be listed in the Qualified Supplier List.

In consideration of practical flexibility, suppliers (except medical devices) can be exempted from evaluation in the following situations: suppliers designated by customers, those with market patents or technologies, state-owned enterprises or agents, overseas component manufacturers, ISO 17025 certified laboratories, and suppliers who provide services such as calibration and testing. In 2024, the Company completed regular assessments of 277 suppliers, with a pass rate of 100%, and no suppliers were identified that had significant actual or potential negative impacts on the environment or society, indicating that ACULA's risk control and sustainable governance in supply chain management have been effective.

▼ Supplier self-evaluation questionnaire items

E (Environmental Aspect)	S (Social Aspect)	G (Governance Aspect)
1. Energy and emissions management 2. Water resources and wastewater treatment management 3. Waste management 4. Energy Investigation and Management	1. Occupational safety and labor health 2. Human rights, equality and inclusion 3. Information security 4. Product quality and safety 5. Service quality and customer satisfaction 6. Talent attraction and retention 7. Talent development 8. Remuneration and benefits and employee care 9. Social care and public welfare investment	1. Business ethics and ethical management 2. Regulatory compliance 3. Risk control and crisis management 4. Product development and innovation 5. Sustainable supply chain 6. Corporate governance 7. Operational performance

**Locally sourced**

ACULA continues to support the development of the local economy and continues to strengthen cooperative relationships with local suppliers to promote the stability of the regional industrial chain and improve operational efficiency. The company prioritizes the procurement of local raw materials, components, and manufacturing services that meet qualified and quality requirements to shorten delivery times, reduce transportation carbon footprint, and improve supply flexibility. Therefore, in terms of procurement strategy, ACULA is committed to diversifying supplier layout, establishing a stable local supply network through cooperation with upstream suppliers such as electronic components, structural parts, and packaging materials in Taiwan. However, some products involve special raw materials or specified specifications, and international manufacturers are entrusted to supply them according to actual needs, ultimately prioritizing local procurement.

In 2024, over 90% of the Company's main raw materials, such as electronic components, LCD modules, power supplies, and mechanical parts, were provided by local suppliers in Taiwan, effectively strengthening local supply resilience and industry collaboration, and fulfilling the Company's responsibility for local economic development.



**Conflict Minerals Statement**

ACULA pays attention to the international community's attention to conflict minerals issues and supports global initiatives on human rights and ethical responsibility in the supply chain. According to Section 1502 of the Wall Street Reform and Consumer Protection Act of the United States, tin (Sn), tantalum (Ta), tungsten (W), and gold (Au) produced in the Democratic Republic of the Congo and neighboring countries (hereinafter referred to as the Congo countries) are defined as "conflict minerals" that may contribute to armed conflict and human rights violations.

ACULA is well-aware of the serious humanitarian conflicts and regional instability caused by illegal mineral acquisition, and in order to uphold human rights and maintain peace, he has made a clear commitment not to purchase minerals from conflict areas. If it is assessed that the supply source may involve conflict minerals, ACULA will take necessary action to stop using them.

## 2.8 Information security management impact influence

Poor management of information security can lead to operational disruptions, leakage of confidential data, infringement of customer privacy, and even legal liability and loss of goodwill. Unauthorized access to customer confidential design data can seriously damage business trust and partnerships. At the same time, information leakage may also indirectly cause supply chain disruptions and industry confidence to be shaken, with a high potential for negative operational and social impacts.

Policy commitments	Actions taken	Short, medium and long-term goals	Evaluation mechanism and performance results
ACULA has established the "Information Security Policy" as the highest principle of information governance, clearly committing to ensuring the "confidentiality, integrity, and availability" of information assets and ensuring the data security of the Company, customers, and partners.	Invest NT\$24.36 in information security-related funds to strengthen overall information security protection capabilities, conduct training for information security personnel, and enhance professional knowledge and response capabilities.	<b><u>Short-term goal:</u></b> Zero information security incidents, expand the scope of information security education and training personnel. <b><u>Medium- and long-term goals:</u></b> Maintain zero information security incidents.	Evaluation mechanism: The Information Department is responsible for regularly reviewing information security records, performing vulnerability scans and system audits, reporting and handling abnormal events according to the process, completing reports and improving tracking after case closure, and regularly reporting the implementation status to the general manager's office. Performance Results: There were no security incidents in 2024.

### Stakeholder agreement

The Information Department is responsible for responding to customer audit requests and collecting opinions through education and training and stakeholder questionnaires as a reference for system optimization.

### Information Security Policy Commitments

In order to strengthen the Company's information security management system, ensure the confidentiality, integrity, and availability of various information assets, and comply with the requirements of laws and regulations and competent authorities, ACULA has established the "Information Security Policy" as the highest principle of information security governance to prevent information risks and operational impacts caused by intentional attacks, human negligence, or natural disasters from internal or external sources. This policy applies to all employees, outsourced service providers, and visitors, and covers the following areas of information security management:

1. Evaluation and formulation of information security policies
2. Establishment and operation of an information security organization
3. Information asset classification and hierarchical management
4. Identification and management of information security risks
5. Information security policy promotion and employee education and training
6. Physical security, environmental security, communication and operational safety management
7. Data access control and security
8. Compliance with relevant laws and regulations of the competent authority

ACULA continues to pay attention to changes in information security-related laws and regulations and revises its internal management system accordingly to ensure that operations comply with regulations and industry trends. In December 2023, ACULA completed its membership in the TWCERT Information Security Alliance, further strengthening the joint defense cooperation mechanism for information security protection.

### **Information security management mechanism**

To improve the efficiency of information protection and implement the goals of information security policies, ACULA has built a comprehensive information security management mechanism. The investment in information security in 2024 is NT\$24.36, which is used to strengthen system construction, technical protection, and personnel training. The Company also regularly conducts information security promotion and reviews information security operating procedures from time to time, striving to reduce potential risks, enhance response capabilities, and ensure operational stability and stakeholder trust.

### **Information-security education and training**

The Company continues to promote information security education and regularly conducts information security awareness promotion operations. Every quarter, the "Information Network Software and Hardware Usage Specifications", user information security SOPs, and related precautions are distributed to all employees to enhance information security awareness and implement safe operation behaviors. In addition to full-staff advocacy, advanced education and training are also planned for information security personnel, and a professional course of 420 minutes/1 person will be completed on June 7, 2024, to strengthen practical capabilities and response literacy. In 2024, a total of 4 cyber security promotional emails were sent, and no major information-security incidents occurred during this period, indicating the effectiveness of the Company's education, training, and protection mechanisms.

### **Information-security incident response actions**

ACULA has established a comprehensive information security incident response mechanism. When an information security anomaly occurs, it will report to the Information Department in accordance with the "Information-Security Anomaly Handling Process" to determine whether it is an information security incident and to classify and handle it according to the severity of the incident.

The 2024 information security implementation results show that there were no unreported information security incidents throughout the year, and there were no records of repeated incidents of the same incident.

### **Customer privacy protection**

ACULA values and is committed to protecting the personal data and trade secrets of all customers, ensuring that the information processing process complies with laws and regulations and respects privacy rights. In accordance with the Personal Data Protection Act and other relevant laws and regulations, the Company has established an information security policy to regulate the collection, processing, and use of personal information, and implements the principle of data minimization to ensure that data is only used for specific, explicit, and lawful purposes.

All internal operations involving customer data must be executed after authorization, and permission management, access control, and audit trails are implemented by the information department, and as of 2024, the Company has not received any complaints or violations related to customer privacy or data breaches.

## CH3 Happy workplace and social co-prosperity

### 3.1 Happy workplace

#### 3.1.1 Talent attraction and retention

##### impact influence

A good labor-employment relationship helps promote employee investment and productivity improvement, thereby enhancing the overall operational performance of the enterprise. However, if labor relations are not properly managed or employee welfare policies and communication mechanisms are not sound, it may lead to a decline in employee satisfaction, further leading to negative impacts such as brain drain, and posing potential risks to the Company's long-term development.

Policy commitments	Actions taken	Target	Evaluation mechanism and performance results
In the "people-oriented" corporate culture of ACULA Information Technology, employees are the most important asset of the Company and one of the main driving forces for the company's upward growth.	It has been stipulated in the Company's articles of association that if there is a profit in the year, no less than 5% shall be allocated as employee remuneration according to the profit status, and the employee's personal year-end bonus shall be paid based on the Company's overall annual operating performance and personal performance. The Employee Welfare Committee has been established in accordance with regulations, and employee welfare funds have been allocated in accordance with the law to provide various welfare measures for employees to protect their rights and interests.	<b>Short-term goal:</b> The average length of service of employees is 75%, the new recruitment rate is 25%, and the total turnover rate is less than 25%. <b>Medium- and long-term goals:</b> Employees have an average service experience of more than 8 years, maintain a three-month retention rate of 80%, a new recruitment rate of 20%, and a total turnover rate of less than 20%.	Evaluation mechanism: The human resources department regularly counts the turnover of personnel and expands talent recruitment channels. Performance results: In 2024, the average length of service of employees was 9.37 years, the new recruitment rate reached 23%, the retention rate after three months was 76%, and the total turnover rate was 23%.

##### Stakeholder agreement

Stakeholders can learn about employee welfare measures and implementation through the Company's official website, recruitment website, and company annual report. In 2024, a total of 4 labor-management meetings were held to discuss the discussion on legal provisions - working hours and vacations - in accordance with Article 32 (extended working hours) of the Labor Standards Act. Communication channels within the Company include:

Suggestion box: Located in the B1 stairwell

Complaint hotline: (03) 3135577 extension 885 (help me)

Appeal email: hr885@acula.com.tw

Name of the person in charge/unit: Human Resources Supervisor/Human Resources Department

### Diverse workforce structure

As of the end of 2024, ACULA employed a total of 110 employees at its headquarters in Taiwan, including 48 men and 62 women, accounting for 56% of women, indicating a gender-balanced trend in the Company's overall workforce structure. According to job categories, there are 14 senior executives (10 males, 4 females), 24 middle managers (15 males, 9 females), and 72 general employees, of which women account for nearly 70%, indicating a higher proportion of women in grassroots positions.

All employees of the Company include full-time and permanent employees, no temporary, part-time, or temporary personnel, and no non-employee status workers (such as outsourced workers, temporary personnel or interns), and in terms of age structure, there are 14 employees under the age of 30, accounting for 13% of the total; 53 employees aged 30 to 50 are the main source of manpower; There are 43 employees over 50 years old.

#### ▼Employee manpower structure in 2024

Category	Taiwan		Total	Proportion of total employees
	Male	Female		
Executives	10	4	14	13%
Middle manager	15	9	24	22%
General employees	23	49	70	65%
Sum	48	62	110	-
Permanent employees <sup>Note 1</sup>	47	61	108	98%
Temporary employees	1	1	2	2%
Sum	48	62	110	100%
Age group				
Younger than 30 years old	5	9	14	13%
30-50 years old (inclusive)	21	32	53	49%
Older than 50 years old	22	21	43	38%
sum	48	62	110	-

Notes:

1. Permanent employees: Full-time or part-time employees on indefinite-term (i.e., indefinite) contracts.
2. Temporary employees: Employees who have a fixed-term (i.e., fixed-term) contract. The contract expires at a specified time or ends when a specific task or event with an evaluation timeline is completed (e.g., the end of a work project or the return of an employee in the original acting role).

### Employee diversity

The Company continues to promote a friendly workplace environment and actively implements the concept of gender equality. In 2024, women accounted for 56% of the total workforce, with 37% of female supervisors, demonstrating women's active participation and leadership roles in organizations.

#### ▼ Diversity of women

Content	Proportion (%)
Percentage of female employees	56%
Female middle managers	38%
Female executives	29%

In terms of employee diversity, there are 1 employee with a disability and 8 foreigners, including 7 women, demonstrating the Company's principles of inclusiveness and diversified employment. However, there are currently no employees with indigenous status, and we will continue to pay attention to the equal employment opportunities between indigenous people and other ethnic groups in the future. In terms of employment for people with disabilities, ACULA met the legal minimum employment ratio (1% of the total number of employees) in 2024 in accordance with the regulations of the "Protection of the Rights and Interests of Persons with Disabilities" and has actually hired employees with disabilities with employability.

In addition, all employees with disabilities actually participate in the Company's daily work responsibilities, and before joining the Company, they will arrange movements, process explanations, and necessary resource introductions according to their physical and mental conditions. After joining the Company, appropriate equipment support and workplace assistance are also provided to ensure that they can work with peace of mind and realize their potential.

#### ▼ Diversity of employee identities

Employee status	Male	Female	Total	Proportion of total employees
Indigenous identity	0	0	0	0%
People with disabilities	0	1	1	1%
Expatriates	1	7	8	7%
Sum	1	8	9	8%

Note: ACULA treats applicants of different races, genders, ages, religions, nationalities or political affiliations equally, and does not conduct a survey on race, so there is no racial percentage data to disclose.

#### New and former employees

In 2024, ACULA will have a total of 25 new employees throughout the year, mainly those aged 30 to 50 (inclusive), indicating that the Company has certain advantages in attracting talents with professional experience and immediate combat capabilities. The number of turnovers for the year was 26, of which 24 were voluntary, with a total turnover rate of 24%. The main reasons for resignation are personal career planning and family factors, and there are no large or concentrated department resignations, and the overall turnover is kept within a reasonable range.

The Company actively attracts and recruits outstanding talents through multiple channels, including online recruitment platforms (104-Manpower Bank, 1111-Manpower Bank, and the Company's official website), internal recommendations, etc., to continue to expand talent sources. At the same time, we regularly review the recruitment and exit processes and provide comprehensive education and training for new employees to help them quickly integrate into the working environment and corporate culture. For resigning personnel, the Company has set up resignation questionnaires and exit interviews to understand their direct reasons (family factors, health factors, seeking other jobs, etc.) or indirect reasons (such as company systems, interpersonal relationships, and career planning, etc.), as a reference for internal management review and improvement. The interview feedback also serves as an important reference for optimizing human resources policies and improving employee retention, further strengthening organizational stability and overall employee satisfaction.

▼ Number of new employees and resigning employees in 2024

Category	Age	Number of new employees	Number of leaving employees
Male	Younger than 30 years old	2	3
	30-50 years old (inclusive)	9	8
	Older than 50 years old	5	1
	sum total	16	12
female	Younger than 30 years old	1	3
	30-50 years old (inclusive)	6	8
	Older than 50 years old	2	3
	sum total	9	14
The total number of new employees/departing employees		25	26

Note: 1. New recruitment rate = total number of new employees in 2024 ÷ total number of employees at the end of 2024

2. Turnover rate = total number of employees leaving in 2024 ÷ total number of employees at the end of 2024

3. Non/voluntary turnover rate = total number of non/voluntary resignation employees in 2024 ÷ total number of employees at the end of 2024

4. Retention rate = (total number of employees at the end of 2024 - total number of new employees in 2024) ÷ total number of employees at the end of 2023

5. The total number of employees at the end of the previous year (2023) was 111

▼ Proportion of new employees and departing employees in 2024

category	New employees	Leaving employees
Male	64%	46%
Female	36%	54%
Younger than 30 years old	12%	23%
30-50 years old (inclusive)	60%	62%
Older than 50 years old	28%	15%

Note: Proportion calculation = number of people in each category ÷ total number of new (leaving) employees in 2024

**Salary ratio**

▼ The annual total salary of the highest-paid individual is the same as the annual remuneration of other employees of the organization (excluding the highest-paid individual).

Annual	Organizational annual total compensation	All employees (excluding the highest-paid individual) median annual total remuneration	Annual total compensation ratio
2024	85,392,778	502,772	169.84
2023	80,511,337	489,071	164.62

Note: 1. Annual total compensation ratio = annual total compensation of the organization ÷ Median annual total compensation of all employees (excluding the highest-paid individual).

2. The statistical object is all employees of the enterprise (including supervisors, non-supervisors, full-time and part-time).

3. Items related to the organization's personal salary are not disclosed because they involve confidentiality of personal information.

▼ The ratio of average basic salary to average salary of women to men

Category	Female	Male	Ratio
Executives	207,500	293,510	1 : 0.41
Middle manager	60,356	65,547	1 : 1.09
General employees	36,955	40,122	1 : 1.09

Note: 1. Among middle and senior executives, the proportion of men in leadership positions is higher, while female managers are relatively concentrated in other job ranges, resulting in higher average salary for male managers.

2. Among the general employee categories, the proportion of men in R&D engineering is high, and most operators and administrative staff are women, resulting in a gender pay gap.

3. The salary information disclosure paths for full-time employees who do not hold supervisory positions are as follows: Public Information Observatory> Single Company> Corporate Governance> Corporate ESG> Corporate ESG Company Information> ESG Information Disclosure (Individual Company Inquiry) > Social Aspects - Human Resource Development Indicators.

### Employee benefits

The Company adheres to the people-oriented concept and is committed to providing employees with a safe, stable and growing working environment. We believe that a good salary and benefits system is the key to attracting and retaining talent, so in terms of salary, it exceeds the minimum basic wage stipulated by the Labor Standards Act and provides competitive compensation with reference to industry standards and market conditions, so that employees' efforts and contributions can be recognized as they deserve.

In order to comprehensively protect employees' work rights and life safety, the Company not only insured all employees with labor insurance, national health insurance, and pension contributions in accordance with the law, but also took the initiative to provide additional group insurance and overseas business trip safety insurance to help reduce the physical and mental risks that employees may face during daily work and travel with a sound risk management mindset. In addition, the Company has established an "Employee Welfare Committee" to actively promote various welfare measures, continue to pay attention to employee needs, and enhance overall well-being and a sense of belonging.

Category	Employee benefits
Life, medical and disability insurance	<ul style="list-style-type: none"> <li>• Labor insurance</li> <li>• Health insurance</li> <li>• Group Insurance (including Injury &amp; Medical)</li> <li>• Ping An Insurance for business trips overseas</li> </ul>
Maternal care	<ul style="list-style-type: none"> <li>• Pregnancy, childbirth, and parental leave without pay</li> <li>• Cozy nursing room setting</li> <li>• Maternity subsidy</li> <li>• Childcare allowance subsidy (expected to be implemented in 2025)</li> </ul>
Employee benefits	<ul style="list-style-type: none"> <li>• Employee travel subsidies</li> <li>• Travel leave will be given for 1~3 days according to seniority</li> <li>• Afternoon tea is provided once a month, additional subsidies for secondary department dinners, year-end dinners, etc.</li> <li>• Once a year, domestic (or foreign) travel subsidies, wedding and funeral subsidies, employee training and children's education scholarships and bursaries.</li> <li>• Twice a year, departmental dinner subsidies, New Year's gift certificates, and birthday gift certificates.</li> </ul>



## ● Parental leave

In addition, those who meet the conditions during the parental leave period can also apply for parental leave without pay allowance in accordance with the Employment Insurance Act for up to six months, so that parents with care responsibilities can receive basic living security. The Company encourages employees to use this system in a timely manner to establish a family-friendly support environment and practice the core values of gender equality and work-life balance in the workplace.

### ▼ 2024 parental leave application status

Category	Male	Female
Total number of employees entitled to parental leave in 2024 (A)	48	62
Total number of employees who actually used parental leave in 2024 (B)	1	0
Total number of employees who should return to work in 2024 after parental leave (C)	0	0
Total number of employees who actually returned to work in 2024 after parental leave (D)	0	0
Total number of employees who returned to work in 2023 after parental leave (E)	0	1
Total number of employees who have been employed for one year after reinstatement in 2023 (F)	0	1
Reinstatement Rate (D/C)	-	-
Retention Rate (F/E)	-	100%

### Minimum notice period for operational changes

Both labor and management adhere to the principle of the Labor Standards Act, and introduce humanized management methods in operation and management, and are committed to establishing a working environment of mutual trust and respect. The Company's internal communication channels are smooth, the relationship between the two parties is harmonious, and there has been no loss due to labor disputes over the years.

To strengthen institutional communication and two-way cooperation, the Company has established a labor-management conference committee and holds regular meetings to fully exchange and negotiate on issues such as employee rights, working conditions, and labor conditions, further promoting consensus and labor-management harmony. In the future, the Company will continue to aim for the common growth of both labor and management, deepen the foundation of cooperation, and expect no risk of labor disputes and losses, and move towards sustainable and stable organizational development.

The manpower adjustments involved in the Company's operational changes are handled in accordance with Article 16 of the Labor Standards Act. When the Company needs to terminate the labor contract in accordance with the proviso of Article 11 or Article 13, it will provide the following statutory notice period based on the employee's tenure:

- For those who have been in service for more than three months but less than one year, the notice period is 10 days.
- For those who have been in service for more than one year but less than three years, the notice period is 20 days.
- For those who have been employed for more than three years, the notice period is 30 days.

From the date of receipt of the notice, workers may take leave to go out during working hours to seek another job and can take up to two working hours per week, and their wages will be paid as usual during the leave. If the Company fails to provide a notice period in accordance with regulations, it will pay wages equivalent to the notice period in accordance with the law to protect the rights and interests of employees.

**Collective agreement**

ACULA has not yet signed a collective agreement, but to ensure that employees' opinions can be reflected in a timely manner and promote two-way exchanges, the Company actively promotes communication and exchanges between labor and management through regular labor-management meetings, departmental meetings, symposiums, and other communication channels, and establishes a benign dialogue mechanism with employees. In the future, the Company will continue to review the feasibility of signing collective agreements based on employee needs and government regulations.

**Prevention and remedial measures**

Employees' recognition of corporate culture and corporate values comes from the corporate culture and the centripetal force of employees, and the Company strives to manage employee relations through various mechanisms to ensure the Company's long-term competitiveness. Establish a smooth response channel, widely accept the opinions and suggestions expressed by colleagues at all levels, and serve as an important reference for business reform, hoping to create a harmonious and rational working environment, establish an organizational culture of communication and mutual trust, and pursue the greatest interests of both labor and management.

Communication channels within the Company include:

- Suggestion box: Located in the B1 stairwell
- Complaint hotline: (03) 3135577 extension 885 (help me)
- Appeal email: hr885@acula.com.tw
- Name of the person in charge/unit: Human Resources Supervisor/Human Resources Department

### 3.1.2 Talent cultivation and development

#### Impact influence

Education and training have multiple positive impacts on individuals, helping employees learn new skills or deepen existing ones, enhance professional capabilities, and enhance work performance and competitiveness. Good education and training can improve work efficiency and stimulate innovative thinking, enhancing corporate productivity. However, if training is too focused on one area, other skills may be overlooked, making it difficult to work across fields.

Policy commitments	Actions taken	Target	Evaluation mechanism and performance results
Based on employees' work ability and professionalism, the Company assists in arranging for employees to learn other job contents in a diversified manner, so as to enhance their professionalism and make their career ability development more forward-looking.	In order to improve the quality and work skills of employees, and enhance the efficiency and quality of work, the "Employee Education and Training Control Procedures" have been established. Formulate an annual education and training plan every year to implement pre-employment education and training for new employees.	<u>Short-term goal:</u> The average training hours of employee education and training are 4 hours/person. <u>Long-term goal:</u> The average training hours of employee education and training are 8 hours/person.	<b>Evaluation Mechanism:</b> The human resources department is responsible for the overall education and training plan planning, implementation, and tracking of course completion rates. <b>Performance results:</b> 85% of the 2024 annual education and training course opening rate.

#### Stakeholder agreement

In 2024, a total of 4 employee performance evaluations were conducted, and individual interviews between supervisors and employees were conducted based on the evaluation results to promote performance feedback and development dialogue.

#### Diversified development policy

To improve the overall quality and professional skills of employees, and strengthen work efficiency and quality, ACULA has established a clear "Employee Education and Training Control Procedure" as the basis for the implementation of education and training. The Company formulates an annual education and training plan every year to arrange appropriate courses for the needs of different levels and departments. Pre-employment education and training are implemented for new employees to help them quickly understand the Company's systems and work requirements and smoothly integrate into the workplace. In addition, the Company will also hold on-the-job training from time to time according to actual operational needs and encourage employees to participate in external professional courses to continuously improve their professional capabilities and knowledge.

ACULA also attaches great importance to employees' career development and assists in arranging cross-functional and diverse learning opportunities, giving employees the opportunity to experience different work contents, expand their functional horizons, and accumulate diverse experiences. These learning and training results will be included as one of the evaluation bases for promotion and salary adjustments, thereby motivating employees to actively learn and grow actively, and achieve the goal of common development between

employees and the Company.

The Company's total expenditure on education and training in 2024 was NT\$549,857, with training courses covering four categories, with diverse and practical content to meet different functional and development needs. Compared to 2023, the number of class attendees, training hours, and total expenditure in 2024 all showed growth, indicating that the Company continues to strengthen its emphasis and investment in talent cultivation.

▼ The average number of training hours per employee in 2024

Employee Categories	Training hours			Total number of employees	Average number of training hours per person
	Male	Female	Total		
Executives	63	54	117	14	8.36
Middle manager	188	129	317	24	13.21
General employees	271	435	706	72	9.81
Total training hours	522	618	1,140	110	10.36

Note: The average number of training hours per person in this category = the total number of training hours in this category / the total number of employees in this category

▼ 2024 Employee General Training Statistics

Employee Categories	Hours (hours)			Number of people (person-time)			Amount (NTD)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Executives	37	15	52	19	7	26	22,232	9,890	32,122
Middle manager	49	34	83	32	21	53	19,352	17,944	37,296
General employees	76	125	201	55	105	160	36,000	55,772	91,772
sum total	162	174	336	106	133	239	77,584	83,606	161,190

**Employee performance evaluation**

Through the usual observation and formal evaluation by supervisors, we can fully grasp the strengths and areas that need to be improved in the work performance of employees and further understand their personal development needs and the Company's expectations for them. The overall appraisal process emphasizes two-way communication between supervisors and employees, ensuring that the appraisal results truly reflect the performance and needs of employees through interviews and feedback. The performance appraisal results will not only serve as an important basis for personnel promotion, salary adjustment, and annual education and training planning, but will also be included in future successor evaluation and talent development strategies. In response to the individual needs raised in the assessment, the Company will also arrange non-annual individual education and training based on the recommendations of supervisors or employees to assist employees in supplementing the competencies required for specific responsibilities, further strengthening human resource effectiveness and overall competitiveness of the organization. In 2024, the Company conducted a total of 4 employee performance appraisals, covering all levels and departments, and all employees completed performance evaluations, with a participation rate of 100%.

▼ Number of people who will receive performance appraisals in 2024

Employee type	Male	Female	Total	Percentage
Executives	10	4	14	100%
Middle manager	15	9	24	100%
General employees	23	49	72	100%
Total	48	62	110	100%

**Transition Assistance Program**

The Company has established a Retirement Reserve Supervisory Committee, and the employee retirement system has established the "Labor Retirement Regulations" in accordance with the Labor Standards Act, and has set up a special account for the Labor Pension Fund, which is allocated to a special account at the rate of 2% of the total employee salary on a monthly basis and stored in the Central Trust Bureau. Since July 1, 2005, in line with the implementation of the new labor retirement system, the Company has asked employees whether to adopt the new system or continue to apply the old system. For employees who choose the new system, the Company allocates 6% of their salary to the employee's personal pension account on a monthly basis in accordance with the provisions of the Labor Pension Act to ensure the basic protection of employees after retirement.

In addition to implementing the retirement system in accordance with the law, the Company also demonstrates flexible manpower use and respect for senior talents, providing employees over the age of 65 with the opportunity to renew their employment after retirement, so that they can continue to contribute their professionalism and experience according to their wishes and company needs after receiving their pensions. In 2024, a total of 2 employees will be rehired and retained after retirement, and the rehired personnel will mainly serve as quality assurance specialists and R&D supervisors, continuing to contribute their professional experience and skills.

### 3.2 Occupational safety and health impact impact

If an occupational safety and health hazard occurs, it will lead to an increase in employee injury and illness rates, which will not only affect the health and quality of life of employees, but may also increase the Company's operating costs and damage the Company's reputation. However, through a comprehensive occupational safety and health system and continuous improvement measures, it can not only reduce the probability of risk but also enhance employees' trust and sense of security in the Company.

Policy commitments	Actions taken	Target	Evaluation mechanism and performance results
Good occupational health and safety management is the key foundation for sustainable business operations. The Company actively promotes a safety culture in which all employees participate to protect the health and safety of employees and create a safe and stable working environment.	The Company has clearly established the "Safety and Health Work Code" and has built a safe working environment to implement occupational accident prevention.	<u>Short-term goals:</u> There are no major occupational injuries and disability incidents, and the contractor is included in the management system in stages. <u>Medium- and long-term goals:</u> No major occupational injuries or disability incidents.	Evaluation Mechanism: Through the PDCA circular quality management process, continuous monitoring, evaluation, and improvement ensure that occupational safety goals are effectively achieved and continuous improvement is maintained. Performance results: 0 occupational injury incidents in 2024

#### Stakeholders negotiate peace

In 2024, a labor-management meeting will be held every quarter, and the revised version of the new employee work rules & work rule differences will be promoted at the meeting, as well as matters related to the attendance of employees due to natural disasters.

#### Occupational safety and health management

ACULA is committed to creating a healthy, safe, and equal working environment, establishing the "Safety and Health Code of Practice" and implementing the Work Equality Act to ensure that employees work in a non-discriminatory and harassment-free environment, while establishing a respectful and inclusive workplace culture. The Company strictly abides by occupational safety and health laws and requirements, actively identifies and eliminates potential hazards, continuously reduces occupational safety and health risks, and protects employees' physical and mental health and work safety.

According to the Occupational Safety and Health Act, the Company does not meet the standards for establishing a formal safety and health committee but has a safety and health management office. The Safety and Health Management Office are composed of a Class A labor safety and health business supervisor and a labor safety and health administrator, responsible for promoting the Company's safety and health matters.

#### hazard identification, risk assessment and accident investigation

In terms of environmental safety, in accordance with the Company's ISO 14001 "Environmental Management Plan Formulation and Control Procedures", the basis for the implementation of environmental goals and targets is applicable to all relevant departments and individuals of the Company related to the formulation, planning, implementation, and

modification of environmental management plans.

For the identification of environmental hazards, the "Regulatory Appraisal Form" is established to identify the list of hazardous substances, and to protect the health and safety of the Company's employees, the hazard factors at the work site are strictly monitored to minimize their impact on employees. In addition, the "Safety and Health Work Code" also clearly stipulates that when supervisors and labor safety and health management personnel conduct inspections and inspections, if they find that there is a risk of harm to workers, they should immediately report to their superiors, stop the operation immediately, and hand it over to the maintenance unit for inspection. The Company also quickly activated necessary response mechanisms such as first aid, notification, investigation, and follow-up improvement to ensure labor safety.

### **Occupational safety and health workers participate, consult and communicate**

Through labor-management meetings, departmental meetings, symposiums, and other communication channels, ACULA establishes a benign dialogue mechanism to ensure that employees' voices are fully listened to and valued, thereby promoting mutual trust and cooperation between labor and management.

Although the Company has not yet established a formal safety and health committee, the head of the management office is responsible for promoting relevant safety and health affairs to ensure the effective implementation and implementation of various policies and management measures. To strengthen the coordination and cooperation between labor and management on workplace safety issues, the Company has established a labor-management committee and holds quarterly labor-management meetings as an important platform for communication and negotiation between the two parties. During the meeting, employees can reflect on occupational safety and health-related issues and make suggestions for improvement to further optimize the working environment and operational safety. In 2024, ACULA held a quarterly labor-management meeting, four times a year, and promoted the revised version of the new employee work rules and the details of differences in work rules, as well as matters related to employee attendance due to natural disasters.

### **occupational safety and health education and training**

In 2024, daily verbal advocacy and advice were mainly conducted through production line supervisors to remind employees to pay attention to operational risks and safety rules. Although it has not yet implemented systematic health education and training courses, the Company has planned to gradually introduce regular and structured occupational safety and health education and training starting in 2024 to strengthen employees' risk identification and response capabilities and reduce the risk of occupational accidents.

### **Occupational health services and health promotion**

ACULA is committed to creating a safe, healthy, and continuous care working environment, and takes regular health management as one of the core measures of employee care. The Company regularly arranges health check-ups for all employees every two years, covering general labor health check-ups, providing screening content that exceeds the requirements of regulations, and obtaining preferential check-up prices for employees to choose to strengthen employee health protection. For employees aged 40 to 65, the Company also conducts health checkups every two years, which is better than the three-year requirement under current regulations, demonstrating the Company's great importance to the health of middle-aged and elderly employees.

In 2024, ACULA arranged for all employees to undergo health check-ups, with a total of 110 participants participating in the health check-up, and the actual number of participants was

95, with a health check-up participation rate of 86%. In the future, the Company also plans to organize health promotion activities to encourage employees to accumulate exercise through daily walking and improve their physical activity level.

### Statistics on occupational injuries and diseases

Common occupational injuries and occupational disease factors include prolonged repetitive movements, carrying heavy objects, standing or sitting for long periods of time, poor working posture, etc., which may lead to musculoskeletal diseases (such as carpal tunnel syndrome, lower back pain), cuts, pinchings, and other health problems. To reduce the risk of occupational accidents, the Company not only arranges regular employee health check-ups, but also strengthens employees' awareness of potential risks and prevention awareness through education and training and continuous publicity, establishing a safe and healthy work culture. In 2024, there were no occupational injuries or diseases in ACULA.

#### ▼ 2024 Occupational Injury and Occupational Disease Statistics

Factory/base		Taiwan
Total Experienced Working Hours (hours)		217,888
Occupational injuries	The number of general occupational injuries ( less than 180 days of loss of work).	0
	Number of serious occupational injuries ( more than 180 days of lost work).	0
	The number of occupational injuries that can be recorded	0
	Occupational injury deaths	0
	Number of days lost in work <sup>Note 1</sup>	0
	Serious occupational injury rate <sup>Note 2</sup>	0
	Recordable occupational injury rate <sup>Note 3</sup>	0
	Mortality rate caused by occupational injuries <sup>Note 4</sup>	0
Occupational diseases	Number of occupational diseases	0
	The number of deaths from occupational diseases	0
	Mortality rate caused by occupational diseases <sup>Note 5</sup>	0
	The number of occupational diseases that can be recorded	0

Note 1: The total number of days lost after all injuries in a single case are calculated from the date of injury or death. The number of days that the injured person is temporarily (or permanently) unable to resume work shall not include the day of injury and the day of resumption of work, but shall include the number of days elapsed in between (including Sundays, holidays, or days when the business unit is suspended) and any days of inability to work due to the disaster after resumption of work.

Note 2: Serious occupational injury ratio = [number of serious occupational injuries (excluding deaths)× 20 working hours] / total experienced working hours.

Note 3: Recordable occupational injury ratio = (number of recordable occupational injuries × 20 working hours) / total experienced working hours.

Note 4: Mortality rate caused by occupational injuries = (number of deaths caused by occupational injuries× 20 working hours) / total experienced working hours.

Note 5: Mortality rate caused by occupational diseases = (number of deaths caused by occupational diseases× 20 working hours) / total experienced working hours.

Note 6: Traffic accidents commuting to and from work are not included in the statistics.



### 3.3 Protection of human rights impact impact

ACULA Information knows that the operation of enterprises may have a positive and negative impact on human rights. On the positive side, the Company enhances employee well-being through stable employment, fair compensation, and affirmative action policies, and creates a safe and inclusive workplace culture through human rights education and training and grievance mechanisms. However, they remain cautious about potential negative risks, such as excessive working hours, discriminatory treatment, workplace harassment, or unfair labor conditions in the supply chain.

Policy commitments	Actions taken	Target	Evaluation mechanism and performance results
ACULA Information's philosophy on human rights is that all people should be treated equally regardless of race, gender, or age, and enjoy basic rights such as human rights and freedom, and we will eliminate any violations and violations of human rights.	Support and comply with international labor and human rights standards such as the United Nations Global Compact, the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the RBA Responsible Business Alliance, as well as the regulations of the countries in which it operates.	<b>Short-term goal:</b> There have been no incidents involving human rights violations, and various human rights-related publicity and education and training have been continuously promoted, with an average of 1.5 hours of training per employee. <b>Medium- and long-term goals:</b> There have been no incidents involving human rights violations, suppliers have strengthened management, and human rights risk audits have been conducted on key suppliers.	Evaluation mechanism: The management office formulates an annual human rights promotion or education and training plan, and regularly organizes publicity activities Results: No human rights violations were reported, and no complaints were received.

#### Stakeholder agreement

A total of 4 labor-management meetings were held in 2024, and the minutes of the meetings have been announced on the bulletin board.

#### Human Rights Protection Policy

ACULA Information's philosophy on human rights is that all people should be treated equally regardless of race, gender, or age, and enjoy basic rights such as human rights and freedoms. We support and comply with international labor and human rights standards such as the United Nations Global Compact, the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the RBA Responsible Business Alliance, as well as the regulations of the countries in which we operate, to eliminate any violations and violations of human rights.

##### I. diversity, inclusion, and equal opportunities

We are committed to creating a dignified, safe, equal, and free from discrimination and harassment in language, attitude, and behavior that do not discriminate based on gender, race, class, age, marriage, language, ideology, religion, political affiliation, place of origin, place of birth, appearance, facial features, physical or mental disabilities, etc.

##### II. Forced and compulsory labor is prohibited

Respect the wishes of employees and prohibit forced labor.

### III. Child labor is prohibited

Employment criteria align with local regulations minimum age limits.

### IV. Harmonious labor relations

Provide diverse and open communication channels, hold regular labor-management meetings, and strive to promote harmony between labor and management, create good labor-management relations, and effectively mediate differences of opinion.

#### Human rights due diligence

The Company abides by local labor laws and regulations, supports the basic spirit of international conventions such as the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labour Organization Tripartite Declaration of Principles on Multinational Business and Social Policy. The Company is committed to respecting human rights-related policies in the recruitment, management and development of employees.

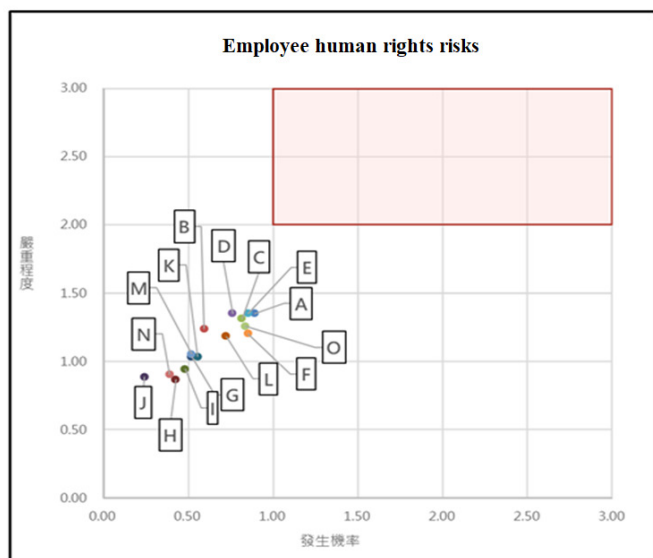
This year, ACULA conducted an online questionnaire survey on internal employees based on international human rights conventions, relevant guidelines, and human rights due diligence reports issued by benchmark companies.

The content of the questionnaire evaluates the "probability of occurrence" and "severity" of each human rights risk issue, which is divided into 0 points = no occurrence, 1 point = low probability (1%-30%), 2 points = certain probability (31%-60%), 3 points = high probability (higher than 61%), and the severity is divided into (0 points = not affected, 1 point = not serious, 3 points = very serious) and divides human rights risks into three levels according to the following criteria:

- High risk: The probability of occurrence is more than 1 point and the severity is more than 2 points
- Moderate risk: The probability of occurrence is more than 1 and the severity is less than 2
- Low risk: The probability of occurrence is less than 1 point

As a result of the 2024 employee human rights due diligence, a total of 54 questionnaires were collected, and no human rights issues with moderate risk or above have been identified.

The results of the assessment are as follows:



- A. Privacy Protection
- B. Personal Freedom and Safety
- C. Guarantee of Working and Labor Conditions
- D. Right to Health (1) - Occupational Safety and Health Education and Training
- E. Right to Health (2) - Measures to Guarantee Health
- F. Freedom of Speech and Expression (1) - Providing Channels for Speech and Expression
- G. Freedom of Speech and Expression (2) - Guaranteeing Freedom of Speech and Expression
- H. Freedom of Assembly and Association (1) - Establishing a Collective Bargaining Mechanism
- I. Freedom of Assembly and Association (2) - Guaranteeing Freedom of Assembly and Association
- J. Child Protection
- K. Non-Discrimination (1) - Recruitment
- L. Non-Discrimination (2) - Promotion
- M. Forced Labor
- N. Right to Family Life (1) - Providing Childcare Support and Welfare
- O. Right to Family Life (2) - Not Infringing on the Right to Family Life

## Human rights issue management

Human rights issues	Specific management measures/measures	Implementation in 2024
Diversity, inclusion, and equal opportunities	<ol style="list-style-type: none"> <li>1. Provide employees with a gender-equal and diverse working environment, uphold the principles of openness and fairness, and do not treat people differently based on personal gender, race, class, age, marriage, language, ideology, religion, political affiliation, place of origin, place of birth, appearance, facial features, physical or mental disabilities, etc., language, attitude and behavior, and work together to create a dignified, safe, equal, and free from discrimination and harassment.</li> <li>2. The Company has established the "Workplace Sexual Harassment Prevention Measures Complaint and Disciplinary Measures", to maintain a working environment free from sexual harassment for all employees, all employees sign the "Written Statement on Prohibition of Sexual Harassment in the Workplace" and comply with it.</li> </ol>	<ul style="list-style-type: none"> <li>● As of the end of December, female employees accounted for 58%; female supervisors accounted for 37%.</li> <li>● As of the end of December, the weighted proportion of employment of people with disabilities who are legally employed has reached 1% of the total number of employees.</li> <li>● We have held internal training courses on "Sexual Harassment Prevention and Publicity" and newcomer education and training on "Sexual Harassment Prevention and Publicity".</li> <li>● As of the end of December, all employees have signed a written statement prohibiting sexual harassment in the workplace.</li> <li>● As of the end of December, no complaints of discrimination have been received.</li> </ul>
Forced and compulsory labor is prohibited	Strictly abide by local government labor laws, international norms, and ACULA human rights policies, respect employees' wishes, prohibit forced labor, and set up complaint channels.	As of the end of December, there was no forced labor.
Child labor is prohibited	The Company only accepts applicants over the age of 18 and conducts inspections on hired employees to ensure that there are no omissions.	As of the end of December, the number of child workers was 0.
Reasonable salary and working conditions	<ol style="list-style-type: none"> <li>1. All employment must be fully compliant with applicable laws, and overseas subsidiaries must comply with local laws and regulations, including working hours, overtime hours, minimum wage, overtime pay, and other benefits required by law.</li> <li>2. Provide employees with reasonable salaries in accordance with laws and regulations, and handle group insurance in accordance with regulations.</li> </ol>	All employment and employee salaries comply with laws and regulations, and group insurance has been applied.

Human rights issues	Specific management measures/measures	Implementation in 2024
Harmonious labor relations	Provide diverse and open communication channels, hold regular labor-management meetings, and strive to promote harmony between labor and management, create good labor-management relations, and effectively mediate differences of opinion.	A total of four meetings were held, and the minutes of the meetings were announced on the bulletin board to ensure full communication of opinions.

### **Human rights education and training**

To strengthen employees' awareness and sensitivity to human rights issues in the workplace, ACULA continues to promote human rights-related education and training. From May 8 to 9, 2024, an internal training course on "Sexual Harassment Prevention and Publicity" was held, with a total of 111 participants and a total of 111 hours of training. In addition, from May to December 2024, "Sexual Harassment Prevention and Publicity" education and training will be conducted for new recruits, with a total of 13 trainees and a cumulative training time of 13 hours. The Company believes that education is the foundation of protecting human rights, and through continuous training and advocacy, it gradually shapes a workplace atmosphere of mutual respect and trust, moving towards an inclusive and sustainable work culture.

### **Channels for human rights complaints**

To protect the basic human rights and dignity of employees, ACULA has established a diverse and confidential complaint reporting mechanism for employees to file complaints about mistreatment, discrimination, sexual harassment, or other human rights-related issues. Complaint channels include dedicated emails, physical suggestion boxes, and dedicated human resources unit windows, and allow anonymous reflection. All complaints are accepted and investigated by the Human Resources Department, and the entire process is confidential to ensure that the complainant is not subject to any form of retaliation. In 2024, ACULA did not receive any employee complaints regarding mistreatment, discrimination, sexual harassment, or other human rights issues.

### 3.4 Social co-prosperity

#### Social participation and public welfare actions

Since 2016, the Company has been coordinating public welfare activities by the Human Resources Department and regularly cooperates with social welfare organizations to provide condolences and daily necessities to disadvantaged families and the elderly living alone in rural areas to help them improve their living conditions. We also actively encourage all employees to participate in volunteer activities, so that love is not limited to donations, but can also convey warmth and care through practical actions and contribute to society.

#### Local employment and community connections

ACULA prioritizes hiring local human resources. As of the end of 2024, 105 of the Company's employees were residents of the Taoyuan area, accounting for 95.5% of the total number of employees. We hope to enhance the local community's sense of identity with the Company, while adhering to the concept of sustainable management and jointly implementing corporate social responsibility.

#### Social Participation Achievements in 2024

The aging of Taiwan's population and the outflow of young people have been long-standing issues between urban and rural areas, and after evaluation, the Company has decided to invest resources in rural areas where resources are scarce, to fulfill its social responsibilities. In 2024, a total of 89,528 NT dollars were donated, living and furniture supplies, and first aid teaching aids.

#### ▼ 2024 Social Participation and Donation

Time	Social welfare activities	Participation situation	SDGs indicators
2024/7	(Taitung) Condolence money and daily necessities donations for disadvantaged families in rural areas	A total of 30,000 NT dollars was donated in condolences and daily necessities	1 消除貧窮 10 平等 2 消除飢餓
2024/11	(Taitung) Condolence money and daily necessities donations for disadvantaged families in rural areas to help them improve their living conditions	A total of 30,000 NT dollars was donated in condolences and daily necessities	1 消除貧窮 10 平等 2 消除飢餓
2024/12	(Pingtung) Hongdao Elderly Welfare Foundation - Furniture and material donation	1 batch of donated materials 6,958 NT dollars	3 健康與福祉 11 永續城市
2024/12	(Pingtung) Hongdao Elderly Welfare Foundation - Anne First Aid Teaching Aid	donated 22,570 NT dollars including cleaning pads, washing machines and 1 Annie first aid teaching aid	3 健康與福祉 4 優質教育

▼ Certificate of appreciation for sponsoring the poverty bursary for primary and secondary schools in rural areas



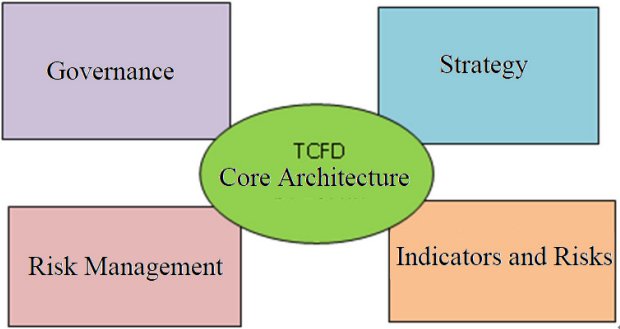


**CH4 Sustainable Environment**

**4.1 Climate change response**

In 2024, the global average temperature has risen by more than 1.5°C compared to pre-industrial levels, a record high, and climate change has become a major issue that needs to be addressed urgently. Since 2024, we have followed the framework of the Recommendation on Climate-related Financial Disclosures (TCFD) issued by the International Financial Stability Board (FSB) in 2015. Identify relevant risks and opportunities, and take adapt, mitigate, and manage measures to reduce the impact of climate change on company operations.

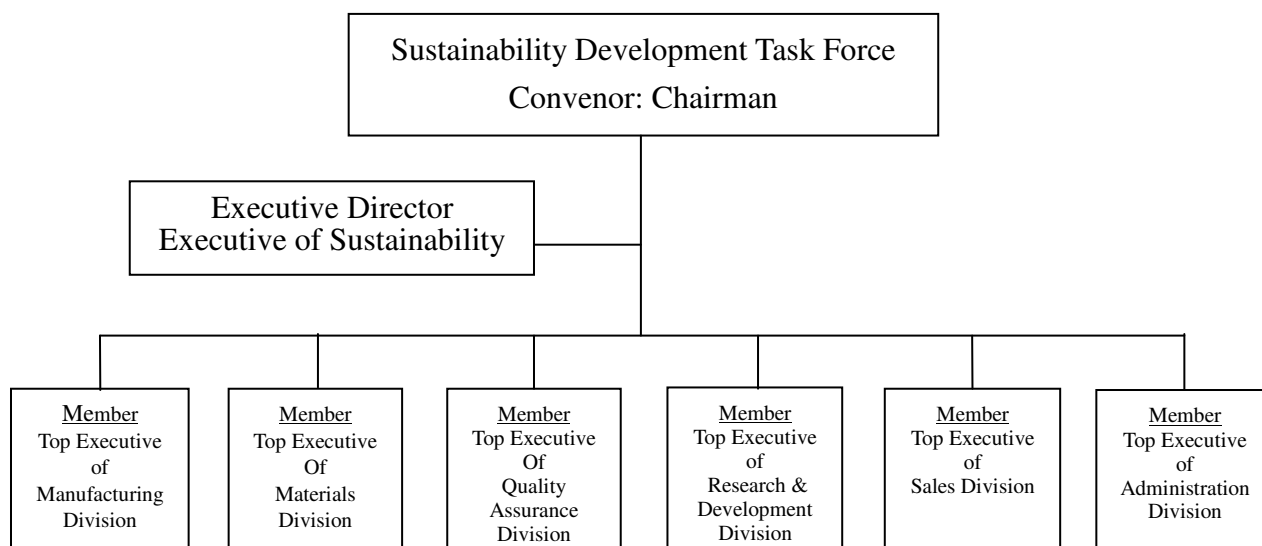
We incorporate climate change into our operational decisions to ensure our long-term competitiveness in the market, comply with regulatory requirements, and meet stakeholder expectations. With the frequent occurrence of extreme weather events in recent years, climate change has become a concern for all walks of life, so the Company has set up a dedicated sustainable development unit and promotion team to be responsible for implementing relevant operations and ensuring the effective implementation of various tasks.



**I. Governance**

ACULA has established a comprehensive climate governance framework to ensure the effective promotion and implementation of sustainable development strategies. To ensure that the sustainability goals are consistent with the Company's operational goals, the board of directors serves as the Company's highest supervisory and audit unit for sustainable development, responsible for overseeing sustainability management strategies, specific promotion plans, reviewing annual implementation results such as greenhouse gas inventory, and supervising the disclosure of sustainability reports. Under the Board of Directors, the Sustainability Promotion Team will assist in supervising and managing the Company's sustainability-related affairs, ensuring that strategies are implemented into corporate operations and that various plans are carried out in accordance with the set goals. The dedicated sustainable development unit is responsible for integrated operations such as planning, coordination, distribution, execution, and operation to ensure smooth and effective sustainability management processes.

The "Sustainability Promotion Team" is led by the chairman as the convener, the head of the sustainability department as the director-general, and the six top executives at the department level serve as team members, responsible for implementing sustainability goals and collecting relevant information. Each unit identifies potential climate-related issues based on their business scope, and invites relevant units and senior executives to discuss the scope and extent of their impact, and then develop countermeasures to reduce risks or mitigate impacts. The head of the Sustainable Development Department regularly reports the implementation results to the board of directors to strengthen the sustainable governance mechanism. Through strategies such as reducing energy and water resource losses, strengthening green product and circular economy research and development, we can reduce the impact of extreme weather on the Company's operations and expand green market opportunities.



▲ Climate governance structure diagram and responsibility description

## II. Strategy

### ● Transformation risk

Item	Risk events	Short, medium and long-term goals	Potential financial implications	Peak time of possible occurrence/impact	Action Plan
Policies and regulations	<ol style="list-style-type: none"> <li>1. Assess the impact of climate change on a company's environmental risks, including legal, regulatory risks, carbon emissions, energy consumption, and waste management.</li> <li>2. In line with the FSC and TPEX's promotion of the "Sustainable Development Roadmap for Listed and OTC Companies" to disclose greenhouse gas inventory and assurance information in stages, listed companies are required to disclose carbon inventory data from the previous year</li> </ol>	<p>Short-term (1-3 years): Conduct carbon inventory and formulate carbon reduction plans</p> <p>Medium-term (3-5 years): Evaluate the construction/investment of sustainable projects</p> <p>Long-term (more than 5 years): This assessment is conducted in the first year, and a long-term plan is formulated after the carbon inventory results are released</p>	<p>Increased Operational Costs:</p> <ol style="list-style-type: none"> <li>1. Increase the cost of energy-saving measures</li> <li>2. Increase inventory and verification costs</li> </ol>	<p>Probability of occurrence: High</p> <p>Degree of impact: Medium</p>	<p>Regularly update legal compliance audits to ensure compliance with climate change-related laws and regulations.</p> <p>Practical operation: The current management mechanism is that relevant departments will conduct regular regulatory audits and judgments</p> <p>Implement energy-saving and resource-saving measures and waste management, and conduct regular environmental footprint assessments and improvements.</p> <p>The current measures are:</p> <ol style="list-style-type: none"> <li>1. Announcement reminder of electricity conservation soft labeling</li> <li>2. Gradually replace with LED energy-saving lamps</li> <li>3. Turn off the lights completely during lunch break</li> <li>4. Air conditioning fixed temperature</li> </ol>

Item	Risk events	Short, medium and long-term goals	Potential financial implications	Peak time of possible occurrence/impact	Action Plan
	<p>every year starting from 2026.</p> <p>3. Client's requirements for carbon emission disclosure</p> <p>4. domestic and foreign requirements for carbon fees and carbon tax revenue increases</p>				<p>5. Promote computer shutdown after work</p> <p>Future plan: Conduct an inventory according to the ISO14064-1 greenhouse gas inventory management operation and disclose the company's greenhouse gas inventory data. It is expected to disclose the results of the 2025 inventory in 2026 and assist in setting carbon reduction targets through counseling consultants.</p>
Technology	Consumer demand for green products has increased, corresponding to the increase in market demand, and products have been replaced by low-carbon advanced technologies	<p>Short-term (1-3 years): Initiate feasibility assessments of energy-saving designs for major products and integrate them into existing R&amp;D processes.</p> <p>Medium-term (3-5 years): Invest in the development of energy-saving core technologies and establish an internal low-carbon product design and evaluation mechanism.</p> <p>Long-term (more than 5 years): Strengthen product life cycle carbon management, and gradually introduce low-carbon product labels and customer communication mechanisms.</p>	<p>Reduced Revenue/Increased Operating Costs:</p> <p>1. Customers prefer energy-saving products</p> <p>2. Increased R&amp;D and replacement costs</p>	Probability of occurrence: High Degree of impact: Medium	<p>1. Research and develop low-carbon products to avoid products being replaced by low-carbon advanced technologies.</p> <p>2. Use reusable raw materials and design energy-saving equipment.</p> <p>3. Find a supplier of low-carbon materials.</p> <p>4. Reduce environmental hazards and improve business performance from source management.</p>



Item	Risk events	Short, medium and long-term goals	Potential financial implications	Peak time of possible occurrence/impact	Action Plan
Market	Relevant international laws and regulations require: 1. EU Carbon Border Adjustment Mechanism (CBAM). 2. U.S. Carbon Tariff System (CCA)	Short-term (1-3 years): Evaluate key raw materials (e.g., aluminum, steel, electronic metals) that may involve CBAM/CCA in the product supply chain Medium term (3-5 years): 1. Continuously update inventory data annually and improve accuracy (import third-party assurance). 2. Conduct substitution studies and carbon emission intensity comparisons for high-carbon raw materials 3. Introduce low-carbon design principles and evaluate the possibility of product carbon footprint (PCF) disclosure Long-term (more than 5 years): 1. Incorporate carbon footprint into OEM/ODM customer delivery data standards 2. Evaluate the feasibility of setting carbon emission targets in line with SBTi, and lay out opportunities for international zero-carbon supply chains	Increased Operational Costs: Carbon taxes and fees lead to higher operating costs.	Probability of occurrence: High Degree of impact: Medium	Continue to pay attention to the dynamics of international carbon tariff regulations and plan corresponding measures simultaneously.
Reputation	Climate change has become a global concern, and failure to implement effective environmental protection measures or ignore climate issues will	Short-term (1-3 years): Continuously disclose and apply climate and sustainability information on official websites, reports, and customer windows to enhance the transparency and clarity of external communication. Medium-term (3-5 years):	Reduced Revenue: Influence customers' purchase or shareholders' willingness to invest	Probability of occurrence: High Degree of impact: medium	1. Implement relevant measures to promote environmental protection and sustainability 2. It is expected to disclose the 2025 greenhouse gas inventory in 2026 and set carbon

Item	Risk events	Short, medium and long-term goals	Potential financial implications	Peak time of possible occurrence/impact	Action Plan
	be resented by consumers, investors, and the public, leading to damage to corporate image and potentially loss of market share.	Establish a reference mechanism for responding to climate issues to assist departments in properly handling relevant inquiries and requests from customers or media. Long-term (5 years or more): Proactively develop corporate climate stance and communication strategies, participate in industry initiatives and open dialogue, and steadily accumulate external trust and brand recognition.			reduction targets 3. In addition to regularly reporting sustainability information, the company also discloses the company's sustainable development activities on the company's official website, annual sustainability reports, and annual reports.

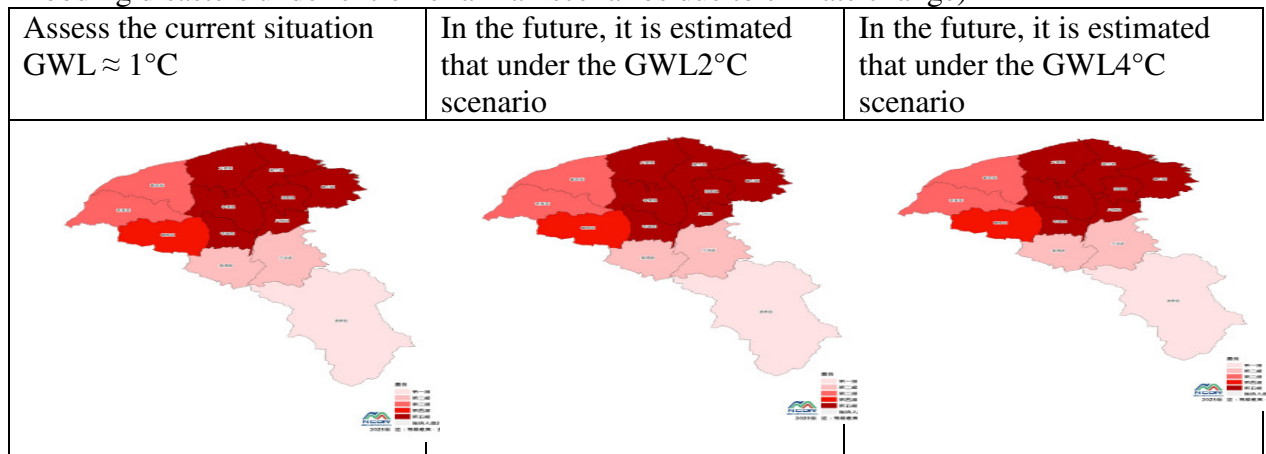
#### ● Scenario analysis

To comprehensively assess the potential impact of climate change on company operations, we refer to the climate change disaster risk map of the climate change risk adaptation platform and conduct risk analysis based on the assumption of warming scenarios. The analysis covers two main warming scenarios: 2°C and 4°C.

Under the 2°C warming scenario, the world will take aggressive emission reduction measures to try to limit the temperature rise to the Paris Agreement. Within the target range, this will bring more opportunities for policy and technological innovation, but may also increase the frequency and intensity of extreme weather events. In the scenario of 4°C warming, due to insufficient emission reduction measures, the impact of extreme weather events will be significantly intensified, bringing greater risks to the Company's infrastructure, supply chain, and employee health. By combining climate change disaster risk maps, we will be able to more clearly identify risk hot areas in different scenarios and formulate targeted response strategies to reduce the impact of extreme climate change on company operations.

According to the climate change disaster risk map, under different warming scenarios from the current situation and the future, the flood risk in Luzhu District, Taoyuan City, where ACULA's headquarters is located, is medium. Although the Company has not yet conducted a systematic analysis of flood risks, in response to the frequent typhoons in 2024, the "Sustainable Development Promotion Team" has initiated on-site response measures, such as moving low-lying goods to higher places and installing sandbags at entrances and exits to block rainwater, etc., to reduce the risk of operational disruption. In the future, the Company will further strengthen its response strategy for high-risk areas based on the results of climate scenario analysis and incorporate it into operational and facility management planning considerations.

▼ Taoyuan City Flood Risk Map (refers to the population risk level that may be affected by flooding disasters under extreme rainfall scenarios due to climate change)



Register:

1. Flood disaster risk level 5 indicates that the disaster risk in the area is the "relatively" highest, and flood risk level 1 indicates that the disaster risk is relatively low, not that there is no disaster risk or no disaster event.
2. Taoyuan City-Township and Urban Flood Disaster Risk Map, which is based on the townships and urban areas with flood potential in the county and city and compares their risk levels with each other.

#### ●Physical risk

Item	Risk events	Short, medium and long-term goals	Potential financial implications	Peak time of possible occurrence/impact	Action Plan
Immediacy: The severity of extreme weather events such as typhoons and floods has increased	Assess the impact of climate change on workplace facilities and equipment, including the need to strengthen infrastructure to withstand extreme weather events.	Short-term (1-3 years): Establish extreme weather shutdown and evacuation standards, complete pre-disaster checklists and employee evacuation drills. Medium-term (3-5 years): Introduce meteorological and water level monitoring systems and establish manpower backup and scheduling mechanisms. Long-term (more than 5 years): Continuously optimize the disaster prevention system, build resilient operation and maintenance management and	Increased Operating Costs/CapEx: 1. Expenditure on working environment , plant and equipment in response to extreme weather. 2. Investment in disaster prevention-related assets.  Revenue Decline: Extreme weather has led to operational disruptions	Probability of occurrence: High Degree of impact: medium	Regularly assess whether there is a need to strengthen facility construction and improve the working environment to ensure it can cope with extreme weather conditions Actual Operation: 1. Formulate emergency plans and conduct regular drills. 2. Purchase appropriate corporate disaster insurance to reduce financial risks. 3. Strengthen the disaster prevention capabilities of workplace buildings or facilities.

Item	Risk events	Short, medium and long-term goals	Potential financial implications	Peak time of possible occurrence/impact	Action Plan
		drill mechanisms, and enhance response maturity.			
Long-term: Rising temperatures, extreme rainfall and drought	Assess the impact of climate change on workplace health and safety, such as the risk of extreme weather to employee health.	Short-term (1-3 years): Regularly review workplace needs and strengthen health monitoring of outdoor workers Medium-term (3-5 years): Establish standard operating procedures (SOPs) for early warning and response to high temperature and heavy rainfall, and introduce shading and ventilation facilities to enhance work safety and resilience in extreme climates. Long-term (5 years or more): Incorporate climate risks into facility planning and operational strategies, and continuously optimize labor work systems (such as flexible working hours and outdoor working hour adjustments) to address the potential impact of climate change on human resources and operational efficiency.		Chance of occurrence: medium Degree of impact: low	Develop health and safety guidelines to provide protection measures and health support against extreme weather conditions. Actual Operation: 1. Implement regular legal compliance checks to ensure compliance with the latest health and safety legal requirements. 2. Establish a heat disease hazard prevention plan for outdoor work at high temperatures and take corresponding heat hazard prevention measures and include them in the labor health protection plan to ensure compliance with regulations. Outdoor construction sites have heat hazards, and tents or shady places have been set up to provide drinking water to prevent heat disease hazards, which has become a routine operation content. 3. Measuring blood pressure, heartbeat, and health disease interviews before operation, and providing care and emergency assistance during operation have become routine operations.
	The potential impact of extreme weather events on product delivery time and quality. RCP2.6 :	Short-term (1-3 years): Evaluate local procurement possibilities and key inventory stockpiles Medium-term (3-5 years): Gradually expand alternative	Reduced product revenue: Transportation and energy costs increase		Critical materials are already available from spare vendors, and contingency plans are also discussed, including alternative suppliers and reserved resources. Actual Operation: 1. Assess and manage the

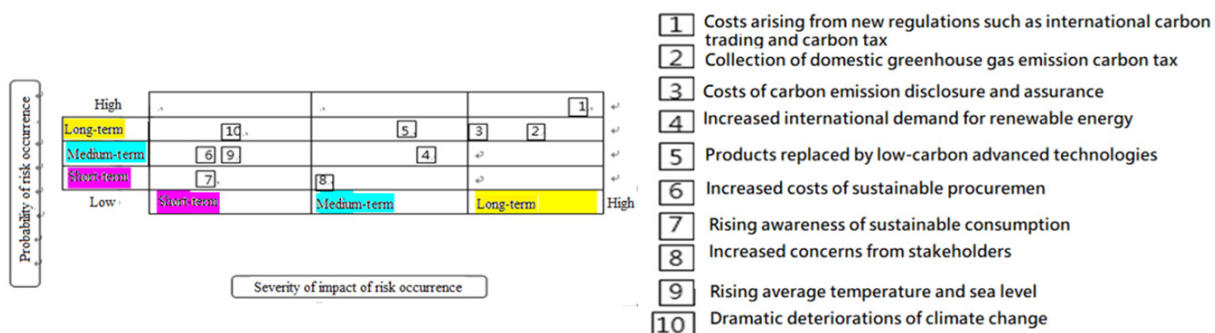
Item	Risk events	Short, medium and long-term goals	Potential financial implications	Peak time of possible occurrence/impact	Action Plan
	<p>1. Carbon taxes lead to increased costs.</p> <p>2. Climate-related impacts have led to an increase in insurance claims and liability.</p> <p>RCP4.5-6.0 :</p> <p>1. Carbon taxes lead to increased operating costs.</p> <p>2. Reduced revenue due to reduced productivity (such as supplier insufficient supply).</p> <p>RCP8.5 :</p> <p>1. Extreme weather causes damage to plant equipment and disruption of operations.</p> <p>2. Extreme weather causes supply chain disruptions.</p>	<p>supply sources, establish flexible procurement and cooperative partnership mechanisms for high-risk items.</p> <p>Long-term (5 years or more): Strengthen collaboration with major suppliers, incorporate climate risk response principles, and promote the improvement of supply chain post-disaster recovery capabilities.</p>			<p>supply chain risk every year to ensure that manufacturing, production and shipment are safe.</p> <p>2. According to the Company's business order receipt, the material will discuss the materials that need to be prepared in advance and the delivery schedule with the responsible unit, confirm the delivery time and construction period of the raw materials, and then confirm the delivery time of the goods.</p>

● Opportunity

Item	Risk events	Short, medium and long-term goals	Potential financial implications	Peak time of possible occurrence/impact	Action Plan
Products and services	Collect and analyze feedback from customers on climate change impacts and incorporate them into quality management systems.	Short-term (1-3 years): Systematically collect customer feedback on climate issues and green product demand, and initially assess market acceptance and application scenarios. Medium-term (3-5 years): Invest in the research and development of green products and circular economy equipment, and gradually introduce design-stage evaluation to respond to market demand.	Increase product revenue/reduce operating costs: ♦ Develop products or services that meet the needs of the market and customers to improve market competitiveness and sales ♦ Research and development of green products and circular economy equipment to improve production efficiency.	Probability of occurrence: High degree of impact: High	Through the customer feedback mechanism, we regularly collect and analyze customer opinions related to climate change. Evaluate the research and development direction and market acceptance of green products and circular economy.

**Risk and opportunity matrix diagram**

In accordance with the TCFD report and the sustainability reporting standards stipulated by the competent authority, the risks and opportunities that have the greatest impact on the Company are assessed based on the likelihood and impact of short, medium, and long-term risks, and the risks and opportunities that have the greatest impact on the Company are assessed, and displayed in a matrix chart.



### III. Risk management

To strengthen stable operation and sustainable development, ACULA has formulated internal risk management policies and procedures in accordance with Article 44 of the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" to establish a sound risk management mechanism and ensure the implementation of the Company's strategic objectives. The Board of Directors is the highest governance unit for risk management, establishing a Risk Management Committee, and establishing a Risk Management Executive Team under the Risk Management Committee, with the head of the Sustainable Development Department as the executive secretary and the top executives of the six divisions as members, responsible for promoting and implementing various management work related to natural climate risks, and regularly reporting to the Board of Directors, as well as the "Sustainable Development Promotion Team". In addition to referring to public information from peers and benchmark companies based on the Company's business characteristics, and continuously paying attention to regulatory trends in the regions where it operates, it also proactively collects potential climate-related risks and issues according to various business areas, invites relevant units and senior executives to jointly study and analyze the extent and scope of its impact, and formulate corresponding adaptation strategies and mitigation measures. Relevant practices will also be regularly reviewed and revised according to actual conditions to ensure the timeliness and effectiveness of risk response strategies.

#### Identification of climate-related risks and opportunities

STEP 1. Collect climate risks and opportunities	STEP 2. Identify physical and transformational risks and opportunities	STEP 3. Analyze financial impacts	STEP 4. Develop countermeasures
First, delve into global climate change trends and important issues related to the Company's industry, and fully grasp the potential impact of climate change on operations. The scope of the collection includes: past and predicted climate change, policy and regulatory updates, market trends, and technological developments, etc., to assess the potential impact	Through interviews with various units, we summarize all climate risks and opportunities that may affect operations, and further evaluate their specific impact on the Company's business. The scope of identification includes: potential risks posed by physical assets, supply chains, operations, and market position, as well as possible transformation	In accordance with the TCFD guidelines, the Company will make corresponding financial disclosures to explain the identification and response practices of climate change-related risks and opportunities. The Company is committed to providing greater transparency to stakeholders and providing a clear picture of how climate-related	In response to the key risks and opportunities identified, the Company will propose corresponding countermeasures to effectively respond to potential risks and make good use of opportunities to advance business objectives. At the same time, we will regularly review and evaluate the effectiveness of



<b>STEP 1. Collect climate risks and opportunities</b>	<b>STEP 2. Identify physical and transformational risks and opportunities</b>	<b>STEP 3. Analyze financial impacts</b>	<b>STEP 4. Develop countermeasures</b>
of these changes on the Company's business and finances.	opportunities, as the basis for subsequent risk classification and management strategies.	risks are managed.	management, track the implementation and specific results of response measures, and make rolling adjustments based on actual conditions to ensure continuous improvement and strategic appropriateness.

#### IV. Indicators and goals

In accordance with the Climate-related Financial Disclosures (TCFD) framework, the Company assesses and manages the risks and opportunities brought about by climate change through strategies and risk management processes, with the following key indicators and management methods:

- **Energy and greenhouse gas emissions management**

- The Company's main energy sources are Taiwan Electric Power Company (Taipower) and Taiwan Water Supply Company (Taiwan Water), and have set reduction targets. However, due to the large growth rate of operations in the past two years, the reduction target has not been achieved in the short term.
- The Company expects to officially launch the ISO 14064 greenhouse gas inventory in 2025, initially focusing on the parent company's Scope 1 (direct emissions) and Scope 2 (indirect energy emissions) to grasp the emissions status of its main operating activities. Scope 3 (other indirect emissions) are currently not included in the scope of the inventory and will be adjusted in the future according to regulatory requirements, market trends or customer needs. In 2026, it is expected to gradually expand the scope of carbon inventory to subsidiaries and continue to strengthen the transparency of greenhouse gas information. The Company will also appropriately review and optimize energy use efficiency and carbon emission management practices based on the results of the inventory.
- The Company plans to conduct carbon inventory by an internal team in 2025, establish relevant data processes and management systems, and expect to evaluate and entrust a third party to conduct inspections (assurance) from 2026 to enhance the credibility and integrity of carbon emission information.

- **Climate risk and opportunity assessment**

- During the risk assessment meeting, each unit proposes climate-related risks and opportunities that may affect the Company's operations, and classifies and responds according to the degree of impact:
  - **Primary Improvement Goal:** Prioritize mitigation measures to reduce negative impacts on the environment and society for environmental pollution and health impacts that may be caused by operations.



- **Market and customer needs:** Incorporate market changes and customer needs brought about by climate change into R&D strategies to develop products and services that align with low-carbon or sustainable development trends.
- **Compensation is linked to climate goals**
  - The Company has not yet incorporated climate-related indicators into the design of the compensation system and will evaluate its feasibility based on overall management development and practical needs in the future to further strengthen the internal climate governance mechanism. The Company will also continue to dynamically adjust its carbon reduction strategy through annual carbon inventory and internal review mechanisms to ensure that climate risk management and operational goals are coordinated.

## 4.2 Energy management

### Energy Management Policy

ACULA's energy sources include electricity and diesel, with purchased electricity being the main energy source. The details of various energy usage in 2024 are listed in the table below. In the face of the challenges posed by sustainable development to energy management in the future, the Company actively promotes intelligent energy management strategies. In addition to continuously implementing daily energy conservation promotion, we have also established a comprehensive energy management and energy-saving system in stages to improve overall energy efficiency and achieve the goal of energy conservation and carbon reduction.

Additionally, the Company has obtained ISO 14001:2015 environmental management system certification, demonstrating its unwavering commitment to environmental and energy sustainability issues. By integrating environmental management mechanisms into daily operations and decision-making processes and continuously promoting employee participation in energy conservation and carbon reduction education and practices, we are committed to strengthening the Company's overall sustainable development capabilities.

### Energy usage and intensity

▼Energy consumption over the years

Unit: GJ; GJ/million

Energy type	In 2023	In 2024
Diesel Consumption (GJ)	0.3163	0.3866
Purchased Electricity Usage (GJ)	1115.1216	1125.9487
Total Energy Usage (GJ)	1115.4379	1126.3353
Revenue (million)	627.712	728.046
Diesel Intensity (GJ/Million)	0.0005	0.0005
Purchased electricity intensity (GJ/million)	1.7765	1.5465
Total energy intensity (GJ/million)	1.7770	1.5471

### Energy conservation measures

In order to implement the goal of energy conservation and carbon reduction, the Company has established the "Energy Conservation and Carbon Reduction Implementation Measures", and the General Affairs Department of the Management Office is responsible for implementing relevant energy conservation management operations. This method adjusts the timing and temperature settings of the air conditioner according to climatic conditions (such as temperature changes) to ensure that the operating efficiency of the air conditioning system and energy use efficiency are taken into account. In terms of electricity management, the Company actively adopts a number of energy-saving measures, including:

- Energy-saving Upgrades of Equipment: Fully introduce equipment with environmental labels and energy-saving labels, such as inverter air conditioners, LED lighting facilities, and high-efficiency energy-saving office equipment, to reduce the overall electricity load.
- Behavioral Advocacy: Encourage employees to develop energy-saving habits, such as turning off lights, turning off standby equipment, and reducing the use of unnecessary electrical appliances, to strengthen the culture of energy conservation.

Through institutional regulations and practices, we will implement dual-track promotion, with a specific goal of saving 2% of electricity per year, and continue to strengthen energy management and usage efficiency. In the future, we will also conduct rolling reviews and optimizations based on actual results, actively moving towards the long-term goals of low-carbon operations and environmental sustainability.

### 4.3 Water Resources Management

#### Water Resources Overview

Adhering to the concept of environmental sustainability, ACULA has taken the initiative to conduct independent water use inventory, grasp the current status of water use, and take several specific actions, including replacing water-saving equipment and promoting daily water-saving behaviors to practice sustainable use of water resources.

According to the assessment results of the WWF Global Water Risk Filter, ACULA's operations are in areas with low to medium risk of water stress. However, the Company still pays close attention to changes in global water resource risks, continues to optimize water conservation management strategies, and is committed to ensuring the stable supply and sustainable use of water resources, moving towards the goal of sustainable environmental development.

#### Water Use

The Company's water sources are supplied by water companies, and there is no groundwater, rainwater or other water sources, nor industrial water. Water resources are mainly used for daily life purposes in office areas, such as toilets, pantries and cleaning. In 2023, water withdrawals were 1,827 kWh, which decreased to 1,737 kWh in 2024 due to effective implementation of water conservation measures. The Company will continue to promote the daily water conservation behavior of employees and strengthen the awareness of water resources among all employees to implement the goal of sustainable water use.

Currently, the Company does not have a wastewater recycling or recycling system, and all post-use wastewater is discharged into sewage treatment in accordance with regulations, and continues to pay attention to compliance with relevant environmental protection regulations.

#### ▼Water resource use

Unit: million liters

Year	Total water withdrawal	Total displacement	Total water consumption
2023	1.816	1.816	0
2024	1.737	1.737	0

Note: Total water consumption = total water withdrawal - total discharge

#### Water conservation measures

In order to effectively control water resource use and reduce carbon emissions, ACULA has completed the replacement of faucets in all office areas in 2022 and fully introduced water-saving equipment. In addition, the Company continues to promote the concept of water conservation through internal announcements and educational promotions, promoting the implementation of water-saving behaviors by all employees in their daily work. In the future, the Company will continue to evaluate the water consumption situation and adopt more water-saving solutions as needed to make good use of every drop of water resources.

## **4.4 Waste management**

### **Causes of waste**

ACULA Information Technology focuses on the R&D and manufacturing of video processing equipment and electronic displays, and the waste generated during operation mainly comes from product assembly, electronic circuit processing, testing and maintenance, and packaging operations. In the production process, electronic component welding and system assembly will produce defective products, scraps, and scrapped components, forming waste in the category of "waste electronic components, foot products, and defective products"; In the process of printed circuit board processing, drilling, cutting, and grinding processes generate a large amount of metal-containing dust and offcuts, which are classified as "metal-containing printed circuit board waste and its debris"; In addition, some defective circuit boards with parts will also form "waste printed circuit boards with components". The above types of waste are stored according to their nature, disposed of by qualified cleaning units, and continuously monitored and reduced in accordance with the ISO 14001 environmental management system.

In addition, the Company also generates general business waste such as carton packaging materials, pallets, and paper in logistics and daily operations. The above-mentioned wastes are properly classified and stored according to their nature and entrusted to qualified cleaning and treatment units for follow-up treatment in accordance with environmental regulations, reducing environmental impact through institutionalized management and implementing the goals of waste reduction and resource recycling.

### **Waste management**

Since 2024, ACULA has officially launched waste management operations and began systematically conducting waste classification and data statistics. The data is mainly obtained through the compilation of the weight data after regular reporting by the person in charge of each district and is statistically and tracked on a monthly basis. The general domestic waste generated in the office area is collected by the building after classification and handed over to the contract cleaning unit for disposal. Domestic waste in the factory area and waste derived from business activities shall be handed over to qualified cleaning and treatment companies, and the amount of waste generated shall be regularly reported in accordance with laws and regulations.

### **Waste reduction**

The Company continues to promote waste reduction activities and implements resource recycling and classification from source management, and the Company is moving forward with the goal of "resource management resource classification, resource recovery and waste reduction", in line with the perspective of resource sustainability and continuous operation with the Company's colleagues, in order to reduce waste reduction year by year.

In addition, the raw materials used in the finished and semi-finished products produced by the Company comply with the requirements of international environmental policies, such as EU RoHS/REACH regulations. Identify hazardous substance management requirements to understand in real time, and the raw materials provided by suppliers comply with environmental protection policy requirements. At the same time, to ensure the effective use of resources, packaging materials should be made of environmentally friendly materials as much as possible, and the packaging materials can be recycled or reused after discarding, and the reusable parts can be recycled for resource recycling. The Company will continue to review the use of packaging materials and assess whether there is excessive packaging or alternative materials, as the direction of future reduction strategy development.

#### **4.5 Green Products and Circular Economy**

ACULA is committed to developing high-quality video processing equipment and display products, which are widely used in security surveillance, industry, and medical fields. In response to the global trend of sustainable development, the Company actively introduces green design concepts, considering environmental impact from the early stage of product development to maximize environmental benefits throughout the product life cycle.

During the product design stage, ACULA adopts modular design to improve product serviceability and upgradeability, extend product lifespan, and reduce resource waste. In addition, the Company chooses a single material that is easy to recycle and prioritizes the use of recycled materials to reduce the environmental burden of products during the disposal stage. To implement the concept of circular economy, ACULA strives to establish a complete recycling mechanism, try to recycle and reuse the reusable components and materials in the recycled products, and cooperate with compliant cleaning and transportation companies to scrap and declare when they cannot be recycled or reused, so as to realize the spirit of resource recycling. Secondly, to ensure the effective use of resources, ACULA prioritizes the use of environmentally friendly packaging materials when selecting packaging materials and ensures that packaging materials can be recycled or reused after being discarded. The Company also collaborates with suppliers to promote green supply chain management to ensure the environmental protection and traceability of raw materials.

#### **Green Product Challenges and Response Strategies**

With the increasingly stringent international sustainability regulations, including the upcoming implementation of the "Eco-Design Sustainable Product Specification (ESPR)" and "Product Digital Passport (DPP)" systems in the European Union, higher requirements for product recyclability, material sources, and carbon footprint transparency have been put forward, posing substantial challenges to ACULA Information Technology in the process of promoting green products. Key challenges include balancing product environmental performance and cost control, the difficulty of tracing material sources in complex supply chains, and the uncertainty of disclosure caused by the lack of unified environmental information standards.

In the face of these challenges, ACULA will continue to develop strategies to address these challenges, strengthen sustainable practices in integrated design, procurement, and manufacturing, and gradually build a green product system with international standards using environmentally friendly materials and transparency of product information to cope with rapidly changing policies and market challenges.

## appendix

### GRI criteria comparison table

<b>Statement of Use</b>	ACULA TECHNOLOGY CORP. has reported content for the period from January 1, 2024 to December 31, 2024 in accordance with the GRI standards.
<b>GRI 1 used</b>	GRI 1: Fundamentals 2021
<b>Applicable GRI industry guidelines</b>	No applicable GRI industry standards

GRI Standards	Disclosure of the project	Disclosure Chapter/Notes	Page
GRI 2: General Disclosure 2021			
Organizing and reporting practices			
GRI 2: General Disclosure 2021	2-1 Organization details	1.1 Company Profile	P4
	2-2 Entities included in the organization's sustainability report	About this report	P1
	2-3 Reporting period, frequency, and contact person		
	2-4 Information reorganization		
	2-5 External assurances/assurances	1.2 Sustainable governance	P6
Activities and workers			
GRI 2: General Disclosure 2021	2-6 Activities, value chains, and other business relationships	1.1 Company Profile	P4
		2.7 Supply chain management	P28
	2-7 employees	3.1 Happy workplace	P34
	2-8 Non-employee workers		
Governance			
GRI 2: General Disclosure 2021	2-9 Governance structure and composition	2.1Corporate governance structure	P12
	2-10 Nomination and selection of the highest governance unit		
	2-11 The chairman of the highest governing unit		
	2-12 The role of the highest governance unit in overseeing impact management	1.2Sustainable governance	P6
	2-13 Responsible for impact management		
	2-14 The role of the highest governance unit in sustainability reporting		
	2-15 Conflicts of Interest	2.1Corporate governance structure	P12
	2-16 Communicate key major events	1.2Sustainable governance	P6

GRI Standards	Disclosure of the project	Disclosure Chapter/Notes	Page
	2-17 The collective intelligence of the highest governance unit	2.1Corporate governance structure	P12
	2-18 Performance evaluation of the highest governance unit		P14
	2-19 Salary Policy		P16
	2-20 Compensation Determination Process		P16
	2-21 Total Compensation Ratio	3.1 Happy workplace	P37
Strategy, Policy and Practice			
GRI 2: General Disclosure 2021	2-22 Statement of Sustainable Development Strategy	Chairman's Words	P3
	2-23 Policy Commitments	3.3 Protection of human rights	P47
	2-24 Incorporate policy commitments		
	2-25 Procedures for remedying negative shocks	1.3 Stakeholder identification and agreement	P9
	2-26 Mechanisms for seeking advice and raising concerns		
	2-27 Compliance	2.3 Legal compliance and integrity management	P20
	2-28 Membership in public associations	1.1 Company Profile	P5
Stakeholder agreement			
GRI 2: General Disclosure 2021	2-29 Stakeholder Consultation Policy	1.3 Stakeholder identification and agreement	P7
	2-30 Collective Agreement	3.1.1 Manpower attraction and retention	P40
GRI 3: Material Topics 2021			
GRI 3: Material Topics 2021	3-1 Process for deciding on major topics	1.4 Identification of major sustainability themes	P10
	3-2 List of major topics		P11
Customer relationship management			
GRI 3: Material Topics 2021	3-3 Management of major topics	2.4 Customer Relationship Management	P22
GRI 418: Customer Privacy 2016	418-1 Complaints of proven invasion of customer privacy or loss of customer data		P23
Product responsibility and safety			
GRI 3: Material Topics 2021	3-3 Management of major topics	2.5Product responsibility and safety	P24

GRI Standards	Disclosure of the project	Disclosure Chapter/Notes	Page
GRI 416: Customer Health and Safety 2016	416-1 Assess the health and safety impacts of product and service categories		
	416-2 Violations of health and safety regulations related to products and services		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for Product and Service Information and Labeling		
	417-2 Incidents of non-compliance with regulations related to product and service information and labeling		
	417-3 Incidents that do not comply with marketing communications-related regulations		
Innovation and R&D			
GRI 3: Material Topics 2021	3-3 Management of major topics	2.6 Innovation and R&D	P25
Supply chain management			
GRI 3: Material Topics 2021	3-3 Management of major topics	2.7 Supply chain management	P28
GRI 204: Procurement Practices 2016	204-1 Procurement expenditure ratio from local suppliers		P30
GRI 308: Supplier Social Assessment 2016	308-1 Screening new suppliers using environmental criteria		P29
	308-2 Negative environmental impacts in the supply chain and actions taken		
GRI 414: Supplier Social Assessment 2016	414-1 Use social criteria to screen new suppliers		
	414-2 Negative social impacts in the supply chain and actions taken		
Information security management			
GRI 3: Material Topics 2021	3-3 Management of major topics	2.8 Information security management	P32
GRI 418: Customer Privacy 2016	418-1 Complaints of proven invasion of customer privacy or loss of customer data		P33
Happy workplace			
GRI 3: Material Topics 2021	3-3 Management of major topics	3.1 Happy workplace	P34 P40
GRI 401: Employment Relations 2016	401-1 New and Departure Employees		P36
	401-2 benefits provided to full-time employees (excluding temporary or part-time employees).		P38



GRI Standards	Disclosure of the project	Disclosure Chapter/Notes	Page
	401-3 Parental leave		P39
GRI 402: Industrial Relations 2016	402-1 Minimum notice period for changes in operations		P39
	404-1 The average number of hours each employee receives training per year		P42
GRI 404: Training and Education 2016	404-2 Employee Functional Enhancement and Transition Assistance Program		P43
	404-3 Percentage of employees who receive regular performance and career development reviews		P42
GRI 405: Employee Diversity and Equal Opportunity 2016	405-1 Diversity of governance units and employees		P36
	405-2 Ratio of women to men's base salary plus compensation		P38
<b>Occupational Safety and Health</b>			
GRI 3: Material Topics 2021	3-3 Management of major topics		P44
	403-1 Occupational Safety and Health Management System		P44
	403-2 Hazard Identification, Risk Assessment, and Incident Investigation		
	403-3 Occupational Health Services		
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication related to occupational safety and health	3.2 Occupational safety and health	P44
	403-5 Worker training related to occupational safety and health		
	403-6 Worker Health Promotion		
	403-7 Prevent and mitigate the impact of occupational safety and health directly related to business relationships		
	403-9 Occupational Damage		
	403-10 Occupational Diseases		P46
<b>Human rights protection</b>			
GRI 3: Material Topics 2021	3-3 Management of major topics	3.3Protection of Human Rights	P47
<b>Climate change response</b>			

GRI Standards	Disclosure of the project	Disclosure Chapter/Notes	Page
GRI 3: Material Topics 2021	3-3 Management of major topics	4.1 Climate change response	P52
GRI 201: <b>Economic Performance</b> 2016	201-2 Financial Impacts and Other Risks and Opportunities Arising from Climate Change	4.1 Climate change response	
General topics			
Energy management			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	4.2 Energy management	P64
	302-3 Energy intensity		
	302-4 Reduce energy consumption		
	302-5 Reduce the energy requirements of products and services		
Water Resources Management			
GRI 303: Water and effluent 2018	303-1 Mutual Influence of Shared Water Resources	4.3 Water resources management	P65
	303-2 Management of drainage-related impacts		
	303-3 Water withdrawal		
	303-4 Displacement		
	303-5 Water consumption		
Waste management			
GRI 306: Waste 2020	306-1 Waste generation is associated with significant impacts associated with waste	4.4 Waste management	P66
	306-2 Management of significant waste-related impacts		
	306-3 Waste generation		
	306-4 Waste disposal and transfer		
	306-5 Direct disposal of waste		

## SASB indicator comparison table

### Industry: Hardware

Uncover the topic	Code	Corresponding indicators	Response/Mapping section	Page
Product safety	TC-HW-230a.1	A description of the practices for identifying and responding to product data security risks	2.5 Product quality and responsibility	P24
Employee diversity and inclusion	TC-HW-330a.1	For (a) senior management, (b) non-senior management, (c) technical employees, and (d) all other employees, (1) gender and (2) diverse group representation percentages	3.1 Happy workplace	P35
Product life  Cycle management	TC-HW-410a.1	percentage of product revenue containing IEC 62474 declarable substances	It has not yet been investigated and is expected to be explained after the inventory in 2025	N/A
	TC-HW-410a.2	Percentage of revenue from eligible products that meet the requirements of the Electronic Product Environmental Assessment Tool (EPEAT) registration or equivalent	It has not yet been investigated and is expected to be explained after the inventory in 2025	N/A
	TC-HW-410a.3	The percentage of revenue from eligible products that have obtained energy efficiency certification	It has not yet obtained energy efficiency certification, and will be presented in the year after obtaining it	N/A
	TC-HW-410a.4	the weight of end-of-life products and e-waste recycled; percentage of recirculation	It has not yet been investigated and is expected to be explained after the inventory in 2025	N/A
Supply chain management	TC-HW-430a.1	The percentage of Tier 1 supplier premises audited in the Responsible Business Alliance (RBA) Effectiveness Check Procedure (VAP) or equivalent process is calculated as (a) all sites and (b) high-risk sites	The verification of VAP statistics has not yet been completed, and it is expected to be explained after the statistics are completed in 2025	N/A
Material acquisition	TC-HW-440a.1	A description of risk management related to the use of critical materials	2.5 Product responsibility and safety	P24

### Activity metrics

Code	Activity metrics	Activity data
TC-HW-000. A	Number of production units, divided by product category	Security monitoring product series: 43,043 units
		Industrial Application Product Series: 1,204 units
		Health and medical product series: 734 units
		Other: 5,675 PCS
TC-HW-000. B	The area of the manufacturing site	2,023.05 square meters
TC-HW-000.C	percentage of the output of the own premises	100%

## climate-related information of TPEX listed companies

Item		Execution status (chapter).
1	Describe the oversight and governance of the board of directors and management on climate-related risks and opportunities.	4.1 Climate change response
2	Describe how the identified climate risks and opportunities affect the Company's business, strategy, and finances (short, medium, and long term).	
3	Describe the financial impact of extreme climate events and transition actions.	
4	Describe how the identification, assessment, and management processes of climate risks are integrated into the overall risk management system.	
5	If scenario analysis is used to assess resilience to climate change risks, it should describe the scenarios, parameters, assumptions, analysis factors, and key financial impacts used.	
6	If there is a transition plan to manage climate-related risks, explain the content of the plan, and the indicators and goals used to identify and manage physical risks and transition risks.	
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be explained.	
8	If climate-related goals are set, information such as the activities covered, greenhouse gas emissions scope, planning schedule, and annual progress should be described. If carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the source and quantity of carbon reduction credits or the number of renewable energy certificates (RECs) should be explained.	
9	Greenhouse gas inventory and conviction status and reduction targets, strategies and specific action plans (fill in 1-1 and 1-2 separately).	

### Climate-related information implementation

#### 1-1 The Company's greenhouse gas inventory and assurance status in the most recent two years

##### 1-1-1 Greenhouse gas inventory information

Item	Implementation status (chapter).
Describe the greenhouse gas emissions (metric tons of CO <sub>2</sub> e), intensity (metric tons of CO <sub>2</sub> e/million dollars), and the scope of data coverage for the last two years.	See the table below

ISO 14064-1 emission category	In 2023	In 2024
Category 1	25.5320	16.2172
Category 2	143.9720	154.5052
Total annual emissions (metric tons of CO <sub>2</sub> e)	169.504	170.7224
Revenue (NT\$million)	627.712	728.046
Greenhouse gas emission intensity (metric ton CO <sub>2</sub> e/million NT dollars)	0.270	0.234

Note 1: The greenhouse gas inventory boundary covers the parent company: ACULA TECHNOLOGY CORP. (address: No. 11, Lane 21, Lane 20, Daxing Road, Luzhu District, Taoyuan City), excluding subsidiaries. The source of turnover is the annual report consolidated income statement - consolidated.

#### 1-1-2 Greenhouse gas assurance information

Item	Implementation status (chapter).
Describe the conviction status for the most recent two years, including the scope of conviction, the conviction body, the conviction criteria, and the conviction opinion.	According to the regulations of the competent authority, the Company expects to complete the parent company's individual greenhouse gas assurance in 117.

#### 1-2 Greenhouse gas reduction goals, strategies, and specific action plans

Item	Implementation status (chapter).
Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans, and achievement of reduction targets.	The Company is a company with less than 5 billion NT dollars, and according to the regulations of the competent authority, it shall complete the greenhouse gas inventory of the Company within the scope of the 115-year consolidated statement in 116, and use 115 as the greenhouse gas base year for the consolidated statement.