



APEC

Advanced Power Electronics Corp.



2024

Sustainability Report

富鼎先進電子股份有限公司

Advanced Power Electronics Corp.



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About this Report

Report Summary

This report marks the first non-financial information disclosure by Advanced Power Electronics Co., Ltd. (hereinafter referred to as “APEC” or “the Company”), aiming to present the Company’s efforts and future vision in the field of sustainable development. The report discloses APEC’s practical actions and achievements in areas such as sustainability governance, environmental sustainability, employee well-being workplace, and social care. It incorporates a wide range of significant economic, environmental, and social issues from both domestic and international perspectives, integrates investors’ concerns, and reflects the expectations and suggestions of stakeholders through a materiality analysis. This process strengthens our sustainability governance framework and aligns our practices with international standards.

Looking ahead, APEC will continue to enhance the report’s completeness, credibility, and transparency. Through open communication and information disclosure, the Company seeks to strengthen mutual trust and collaboration with stakeholders, working together toward a sustainable and promising future. This report is available for viewing and download on the Company’s official website at :

<https://www.a-power.com.tw/tw/en/csr-report>

Reporting Boundaries and Scope

This report discloses the sustainability

performance of APEC and its subsidiaries across all operational sites from January 1 to December 31, 2024. This report discloses the implementation results and performance of various corporate sustainability strategies of APEC in 2024, and covers material topics that stakeholders cared, as well as APEC’s specific performance in economic, environmental, social and governance aspects.

Reporting Guidelines

In addition, this report is also prepared in accordance with the “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies” and the “Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” both issued by the Taiwan Stock Exchange, so as to provide stakeholders with a concrete disclosure of the Company’s actions and performance in corporate social responsibility. This report also provides a GRI Standards Content Index in the appendix to facilitate stakeholders’ quick reference to the disclosed information and its corresponding standards.

Internal management

The content of this report was compiled and prepared jointly by relevant departments of APEC. It was reviewed by responsible supervisors of the

Sustainability Task Force to verify the consistency, completeness, and accuracy of the information, and was ultimately approved for publication by the Board of Directors.

Frequency of Publication

This report is published on an annual basis. As the Company’s first edition, it discloses financial and non-financial information for the year 2024 (from January 1 to December 31, 2024), covering management approaches, material topics, performance results, supply chain management, and actions related to environmental and social aspects. The report is issued in electronic format and made publicly available on the Company’s official website for readers to view and download.

Reporting Period for This Edition : January 1, 2024, to December 31, 2024.

Release Date for This Edition : Released in August 2025.

Publication Frequency : Once a year

Next Edition: The 2025 Sustainability Report, scheduled for release in August 2026.

Contact Information

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

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Management Commitment

Over the past 27 years since its founding, Advanced Power Electronics Corp. (APEC) has grown into a leading MOSFET manufacturer in Taiwan, supported by robust R&D capabilities and extensive local operational experience. In 2024, we achieved an outstanding after-tax net profit of NT\$560 million and earnings per share (EPS) of NT\$4.8. Guided by our operational strategy of “Rooted in Taiwan, Vision for the World,” we actively develop high-specification products and invest in applications for automotive and artificial intelligence (AI) markets. Amid recent global political and economic shifts—as well as challenges such as extreme weather and geopolitical tensions that continue to disrupt industries and supply chains—we remain committed to innovation and resilience, driving comprehensive upgrades in technology, sustainability, and talent development.

Empowering Industry Advancement

With the rapid evolution of frontier technologies such as AI, 5G, quantum computing, and automotive electronics, and the rise of applications including high-speed communications, autonomous driving, smart cockpits, and advanced manufacturing, the demand for greater power efficiency and density is accelerating. As an industry leader in MOSFETs, APEC continues to refine our manufacturing processes, packaging technologies, and energy-efficient designs, enhancing both our product portfolio and service excellence. Simultaneously, we are expanding into low-carbon technology applications—including solar, wind, and electric vehicles—and are committed to developing core components for smart city infrastructure. Through continuous innovation, we strive to drive the next wave of transformation in the global electronics industry.

Cultivating Sustainable Talent

At APEC, we regard our employees as our most valuable asset and believe that talent is the cornerstone of sustainable growth and innovative transformation. Through ongoing education and training programs, we enhance employee awareness of sustainability trends, the United Nations Sustainable Development Goals (SDGs), and pathways to net-zero emissions. We also encourage R&D personnel to explore interdisciplinary areas such as energy, materials, and environmental science, strengthening capabilities in green design and low-carbon innovation. To foster a diverse and inclusive workplace, we have implemented anti-discrimination and human rights policies. We also promote DEI (Diversity, Equity, and Inclusion) through training programs and internal communications such as digital bulletins, cultivating a respectful and equitable organizational culture. In alignment with global sustainability trends, we actively collaborate with industry peers to realize green values through technological innovation—positioning APEC as a key contributor to a net-zero future in the electronics sector.

Advancing Toward Excellence in Governance

As part of our sustainability journey, APEC introduced its Sustainable Development Governance Framework in 2022. That same year, we adopted the ISO 14001 environmental management system. In 2024, we achieved ISO 14064 certification and completed third-party verification of greenhouse gas inventories across all office locations. These milestones enabled us to establish emission baselines and develop a clear carbon reduction roadmap. In recognition of our efforts, we received a “Commitment Badge” from the international sustainable supply chain platform EcoVadis. We firmly believe that business operations and sustainable development can go hand in hand. Looking forward, we will continue to engage with global stakeholders, actively participating in ESG assessments and initiatives both domestically and internationally. Together with our customers and suppliers, we are committed to building a low-carbon future and advancing our net-zero strategy.



President



About Advanced Power

Company Profile

Established in 1988, Advanced Power Electronics Corp. APEC has long focused on the design and manufacturing of power semiconductor devices. Its main products include MOSFETs, IGBTs, and power management ICs, which are widely applied across diverse sectors such as automotive, consumer electronics, and industrial automation. Key applications cover personal computers, switching power supplies, cooling fans, motor drives, and battery management systems. Headquartered in Zhubei City, Hsinchu County, Taiwan, APEC is the first component design company in Taiwan to successfully integrate 6-inch DMOS process technology.

Adhering to the business strategy of “Rooted in Taiwan, Expanding Globally,” APEC leverages its scalable production, stable revenue growth, and strong technological foundation to continuously enhance product economies of scale. The Company has established a leading position in Taiwan’s MOSFET component supply market and possesses core competitive advantages as a strategic partner. Looking ahead, APEC remains committed to delivering power solutions that balance performance and sustainability, embodying its core values of corporate sustainability and creating long-term value for stakeholders.

Company Operating Locations

Headquarters	12F.-1 & 12F.-2, No. 5, Taiyuan 1st Street, Zhubei City, Hsinchu County
Taipei Office	17F.-8, No.95, Sec1, Xintai 5th Road, Xizhi District, New Taipei City
Shenzhen Office	Rooms 903-905, Meilan Business Center, Intersection of Xixiang Avenue and Qianjin Second Road, Bao'an District, Shenzhen
Wuxi Office	Room 208, 2nd Floor, Building A10, No. 777 Jianshe West Road, Wuxi City

Company Information

Company Name	Advanced Power Electronics Co., Ltd.
Company Type	Listed Company (TWSE)
Stock Code	8261
Chairman	Tie-Min Chen
President	Chia-Shuai Chang
Date of Establishment	July 17, 1998
Headquarters Location	Zhubei City, Hsinchu County
Industry	Semiconductor
Main Products and Services	Low-voltage, Medium-voltage and High-voltage Power Metal-Oxide-Semiconductor Field-Effect Transistors (MOSFET), Insulated Gate Bipolar Transistors (IGBT) and Others
Paid-in capital	NT\$ 1,188,324 thousand
Net Sales	NT\$ 2,918,407 thousand
Number of Employees	138
Operating Countries	Republic of China
Headquarters Location	12F.-1 & 12F.-2, No. 5, Taiyuan 1st Street, Zhubei City, Hsinchu County



Vaule Chain Overview

APEC is a professional component design Company focused on product research, development, and sales. Its supply chain structure can be broadly divided into three main segments: Upstream, Midstream, and Downstream:

Vaule Chain	Type	2023	2024
Upstream Suppliers	Raw Material and Foundry Suppliers	15	15
Midstream Suppliers	Wafer Testing and Packaging & Testing Suppliers	21	22
Downstream Customers and Distribution Channels	Distributors and Direct Customers	92	85
Other Business Relationships	Business Partners	20	20

Company Philosophy

APEC, adhering to the core business strategy of “Rooted in Taiwan, Expanding Globally,” focuses on the research and development of high-specification products and actively expands technological and market opportunities in the automotive and AI application sectors. The Company strives to balance economic performance with environmental responsibility. Through product innovation and value chain collaboration, it is committed to building a business model that integrates both competitiveness and sustainable value, aiming to become a trusted long-term partner in the power semiconductor industry.

Sustainability Vision

APEC is committed to becoming a global leading brand in the power semiconductor industry, integrating innovation, quality, environmental responsibility, and enjoyable workplace Well-Being Workplace. The Company promotes the development of green technology and fosters a supportive and inclusive workplace culture, aiming to enable a sustainable and intelligent lifestyle for future generations ° APEC also enhances employees’ awareness of DEI (Diversity, Equity, and Inclusion) through education and training, fostering a workplace culture grounded in respect and equality °

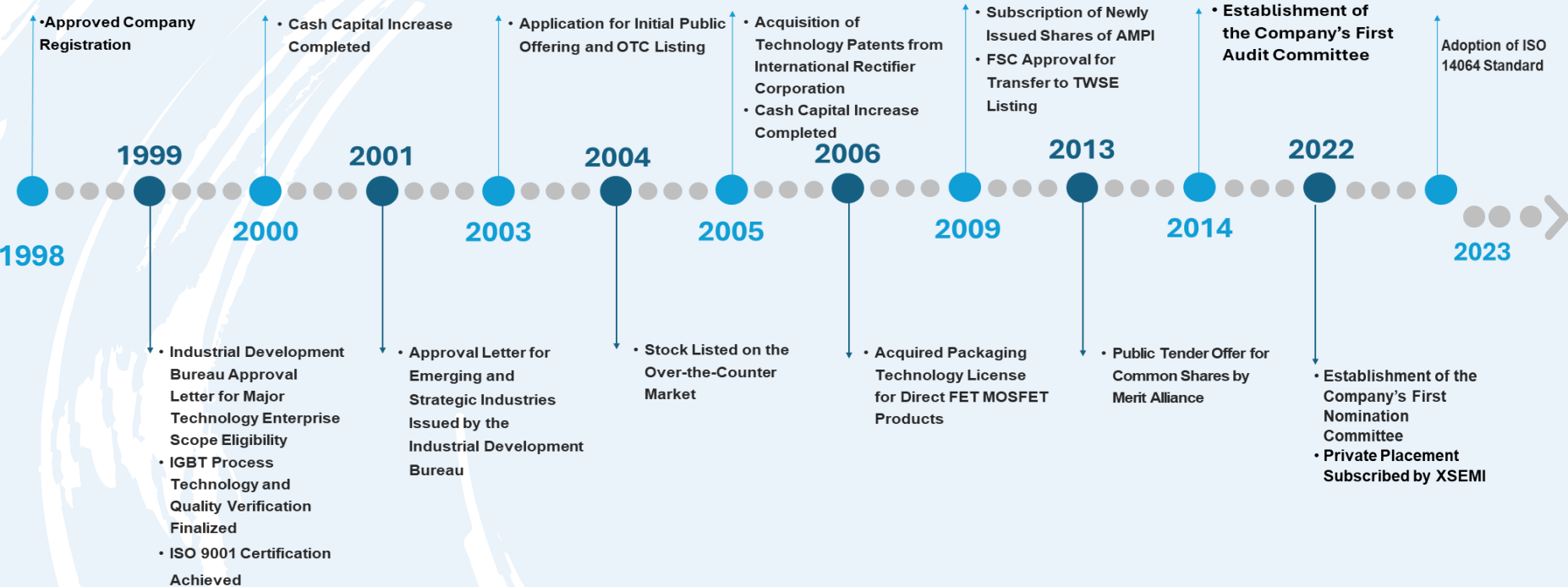
Sustainability Mission

APEC is dedicated to developing high-efficiency, low-power-consumption power semiconductor products, while continuously enhancing product quality and customer service, as well as optimizing processes and cost management. The Company also collaborates with industry partners to realize green value through technological innovation and to improve supply chain efficiency.

At the same time, we align our sustainability practices with the United Nations Sustainable Development Goals (SDGs) as a guiding framework and actively fulfill our corporate social responsibilities. We respect internationally recognized human rights, promote fair labor conditions and employee rights, and strengthen corporate governance. We also deepen partnerships across the supply chain and actively engage in environmental protection initiatives, aiming to realize social inclusion and environmental sustainability as core values of corporate sustainability.



Company History





External Initiatives and Association Participation

APEC is headquartered in the Taiyuan Technology Industrial Park in Hsinchu County, a key hub for the semiconductor IC design industry. As a member of the Hsinchu County Industrial Association and part of a high-tech sector that strongly emphasizes sustainability, APEC recognizes the importance of environmental responsibility, supply chain governance, and energy conservation and carbon reduction to long-term business development. In 2024, APEC joined the EcoVadis global sustainability assessment platform and obtained the Commitment Badge. Based on ISO 26000 and aligned with the principles of the Global Reporting Initiative (GRI), the assessment covers key aspects of corporate social responsibility, including environmental protection, labor and human rights, business ethics, and sustainable procurement. The EcoVadis certification is recognized by leading multinational corporations worldwide.

To strengthen sustainability governance and respond to international trends, APEC has established a Sustainability Task Force led by the President. The Investor Relations Department serves as the part-time responsible unit for promoting sustainability. The task force regularly reviews global and domestic sustainability initiatives and relevant industry standards to progressively build the foundation for APEC’s sustainability management.

In the future, the Company will evaluate the feasibility of participating in representative sustainability initiatives or industry associations based on its business strategy and resource allocation, to enhance disclosure transparency, expand external communication, and strengthen alignment with international sustainability standards.

Accredited Certifications

APEC adheres to the business philosophy of “Quality First, Customer Foremost” and is committed to continuously improving the quality of its products and services. To ensure the effectiveness and consistency of its management system, APEC has implemented and obtained certification for the international ISO 9001 Quality Management System. Through standardized processes, quality control is strengthened and every stage of operation is ensured to meet high standards.

To strengthen environmental management mechanisms and implement climate action, APEC obtained ISO 14001:2015 Environmental Management System certification in 2022 and has continued to promote systematic environmental management processes. Meanwhile, in accordance with the ISO 14064-1:2018 standard, APEC completed its 2024 greenhouse gas (GHG) inventory. The inventory covers Direct Emissions (Category 1), Energy Indirect Emissions (Category 2), and Other Indirect Emissions selected (Category 3), including upstream transportation and distribution, business travel, employee commuting, and downstream transportation and distribution. A third-party verification body was engaged to ensure the accuracy and credibility of the GHG data.

In the future, APEC will gradually expand the boundary of its GHG inventory to respond to international net-zero emission trends and growing sustainability expectations from customers.

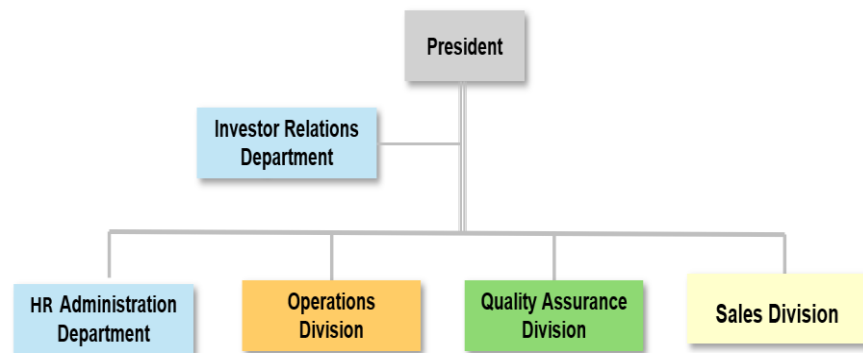


Sustainable Management Operations

Sustainable Development

APEC believes that sustainable development and corporate social responsibility are core elements of long-term business growth and fully recognizes the importance of listening and responding to stakeholder concerns. To strengthen sustainability governance and promote a systematic management mechanism, APEC established a Sustainability Task Force on January 1, 2022, following a report to the first meeting of the 9th Board of Directors in 2022. The Task Force is led by the President as Chief Convener, with the Investor Relations Department serving as the part-time unit responsible for promoting sustainability initiatives.

Governance Structure for Promoting Sustainable Development



Departmental Responsibilities for Promoting Sustainable Development

Department	Departmental Responsibilities
Investor Relations Department	Responsible for aligning with corporate governance trends, enhancing the effectiveness of the Board of Directors, and ensuring legal compliance. The Investor Relations Department is designated as the coordinating unit, tasked with integrating cross-departmental resources and implementing sustainability-related strategies and projects.
HR Administration Department	Responsible for the implementation of labor relations, occupational health and safety, greenhouse gas emissions management, and waste management.
Operations Division	Responsible for fulfilling supply chain management responsibilities, assessing raw material procurement, and evaluating the physical impacts of climate change.
Quality Assurance Division	Enhancing product quality, safety and managing the product life cycle.
Sales Division	Responsible for safeguarding customer privacy, ensuring customer welfare, and managing the product life cycle.



Stakeholder Engagement

Implementation Status Reported to the Board

Since 2022, APEC has been reporting on the implementation of sustainability-related matters to the Board of Directors at least twice a year, in accordance with relevant regulations. In 2024, reports were submitted to the Board on February 29, April 18, and October 29, covering sustainability governance topics and key implementation outcomes. These included the results of Greenhouse Gas (GHG) Inventories, Stakeholder Engagement Activities, and the identification of Material Topics. The purpose of these reports is to ensure that sustainability issues are integrated into APEC's governance framework and to enhance the Company's capabilities for sustainable operations.

Stakeholder Engagement

APEC values stakeholder feedback and, under the promotion of the Sustainability Task Force, actively seeks and consults the views and expectations of stakeholders through multiple communication channels. The Company identifies its seven key stakeholder groups and their material concerns in accordance with the five principles of the 《AA1000 Stakeholder Engagement Standard》 (Dependency, Responsibility, Tension, Influence, and Diverse Perspectives). These principles form the core basis for the Company's stakeholder communication and sustainability management strategies.

No	Stakeholders	Description
1	Customers	APEC's Customers
2	Employees	All Employees
3	Suppliers	Focus on Raw Materials, Machinery, and Outsourced Manufacturers
4	Shareholders and Investors	Including retail shareholders, investors, and The Taiwan Stock Exchange
5	Government Agencies	Hsinchu Science Park Bureau, Ministry of Environment, local Environmental Protection Bureaus, Local Governments, and Ministry of Labor
6	Banks or other relevant stakeholders	Banking Partners
7	Environmental NGOs and NPOs	Local Communities and Charitable Organizations



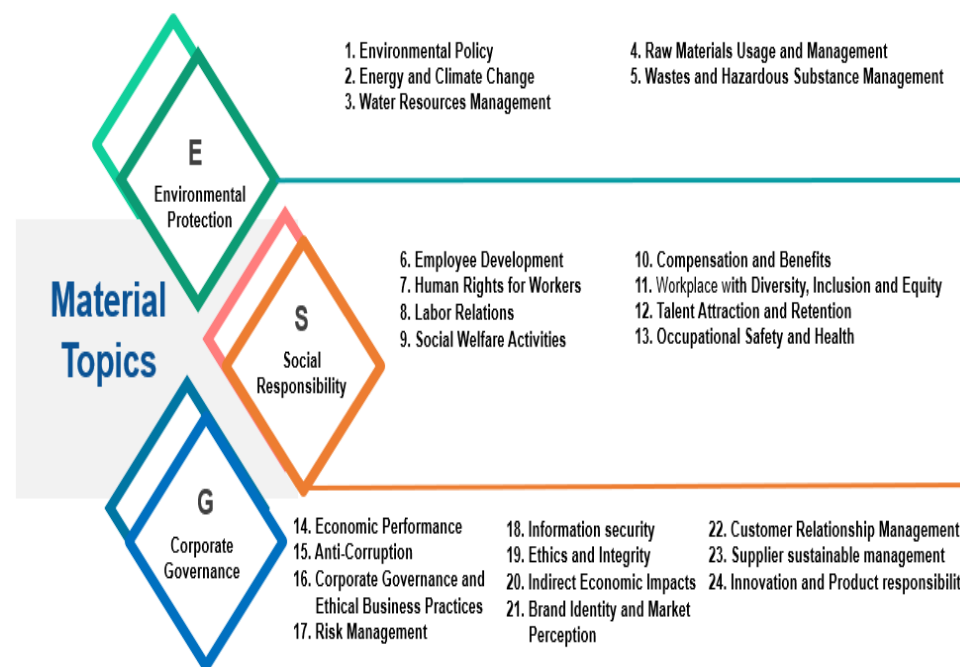
Stakeholder Communication and Response

APEC engages with stakeholders through various channels, either on a regular schedule or as needed, taking into account the nature of each stakeholder, their concerns, and the purpose of engagement. These interactions help the Company understand stakeholder priorities and expectations. The Company conducted 117 stakeholder surveys and achieved a response rate of 85.47%. A quantitative assessment was carried out to evaluate the level of stakeholder concern on various sustainability issues using a 1-to-5 rating scale, where 5 represents “high concern,” 3 represents “moderate concern,” 2 represents “slight concern,” and 1 represents “no concern.” At the same time, a questionnaire was distributed to department heads to evaluate the potential impact of each sustainability issue on the company’s operations and value chain. By combining the results of external stakeholder concern and internal impact assessments, APEC prioritized the issues and conducted a materiality analysis to identify key sustainability topics and formulate corresponding sustainability strategies.

APEC identifies material topics for sustainable development by collecting relevant sustainability issues and referencing international standards and emerging sustainability trends. These references include the United Nations Sustainable Development Goals (SDGs), the Global Reporting Initiative (GRI) Standards, the Sustainability Accounting Standards Board (SASB) Standards for the Semiconductor Industry, the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, and the Corporate Governance Evaluation Indicators set by the Financial Supervisory Commission (FSC) for listed companies in Taiwan.




At the same time, The Company integrates its future development strategies and business direction into the process. Sustainability issues are categorized under three key dimensions Environmental Protection, Corporate Governance, and Social Responsibility to serve as the foundation for communication with stakeholders.

Furthermore, through stakeholder surveys, APEC collected feedback on the level of concern regarding various sustainability issues. Based on the Sustainable Development Goals (SDGs), industry-specific standards and regulations, the organization’s annual objectives, and the potential environmental and social impacts of its operations, a total of 24 stakeholder-relevant sustainability issues were identified, as detailed in the figure to the right.









Stakeholder Engagement and Performance

Stakeholders	Concern	Communication Channels and Methods	Frequency	2024 Implemented Actions
Customers 	Customer Relationship Management (Customer Service Quality, Customer Data Privacy, Customer Satisfaction)	Visit clients as needed	As Needed	<ul style="list-style-type: none"> ❖ Addressed Customer Pain Points Through Virtual Meetings and On-Site Visits ❖ Completed Annual Audit ❖ Completed Customer Satisfaction Survey
		Questionnaire	As Needed	
		Annual Customer Satisfaction Survey	Annually	
Employees 	Employee Development	Internal and external training programs	As Needed	<ul style="list-style-type: none"> ❖ In 2024, the Internal Training Management System Provided 5.1 Hours of Self-Learning Opportunities per Employee ❖ Held Four Labor-Management Meetings and Convened Occupational Safety and Health Committee Quarterly ❖ No Reported Cases of Forced Labor, Discrimination, or Sexual Harassment ❖ In 2024, Female Employees Accounted for 56% of the Total Workforce, 14% of Senior Management (Grade 9 and Above), and 7% of Entry-Level Positions (Grade 8) ❖ Ethnic Minority Employees Represented 8% of the Total Workforce, with 11% of Them Holding Managerial Positions ❖ No Occupational Injuries Reported in the Past Five Years ❖ Designated Physicians and Nurses Provided Occupational Health Services ❖ Conducted Workplace Environment Monitoring Semiannually ❖ In 2024, Occupational Safety and Disaster Prevention Training Reached 236 Trainees, with a Total of 385 Training Hours
	Human Rights for Workers	Grievance Channels	As Needed	
	Labor-Management Relationship	Labor-Management Meetings	Quarterly	
	Compensation and Benefits	Performance evaluation process	Quarterly	
	Workplace with Diversity, Inclusion and Equity	Employee communication mailbox	As Needed	
	Talent Attraction and Retention	Performance evaluation process	Quarterly	
	Occupational Health and Safety	Awareness and training	As Needed	
Shareholders and Investors 	Economic Performance	Investor Conference	As Needed	<ul style="list-style-type: none"> ❖ Conducted Two Investor Conferences ❖ Filed Monthly Revenue and Regulatory Announcements in Accordance with Applicable Regulations ❖ Disclosed Environmental Sustainability Policies via the Company Website, Annual Report, and Sustainability Report ❖ Communicated New Market Image and Brand Value Through the Company Website ❖ In 2024, 48 Hours of Insider Training Were Provided
	Indirect Economic Impacts	Monthly Revenue	Monthly	
	Environmental Policy	Company Website / Annual Report / Sustainability Report	Annually	
	Risk Management	Company Website / Annual Report / Sustainability Report	Annually	
	Innovation and Product responsibility	Company Website / Annual Report / Financial Report	As Needed	
	Brand Identity and Market Perception	Company Website	As Needed	
	Anti-Corruption	Awareness and training	As Needed	



Stakeholders	Concern	Communication Channels and Methods	Frequency	2024 Implemented Actions
Suppliers 	Supplier sustainable management	Inbound and Outbound Supplier Visits	Monthly	<ul style="list-style-type: none"> ❖ Conducted Routine Supplier Visits ❖ Conducted Supplier Quality Audits ❖ Completed Q1 and Q3 Surveys on EU Substances of Very High Concern ❖ Completed Conflict Minerals Declarations for Q1, Q2, and Q3
		Environmental, Health and Safety Management Questionnaire	Every two years	
	Raw Materials Usage and Management	Assessment and Audit Activities	Monthly	
	Wastes and Hazardous Substance Management	International Regulatory Updates / Survey Results Submitted by Suppliers	As Needed	
		Update of Declaration of Non-use of Environmentally Hazardous Substances/ Survey Results Submitted by Suppliers	As Needed	
Government Agencies 	Energy and Climate Change	The Sustainability Task Force continues to assess the financial impacts of climate-related risks and opportunities on the company	Quarterly	<ul style="list-style-type: none"> ❖ Reported Sustainability Implementation Progress to the Board of Directors Three Times in 2024 ❖ Filed All Required Reports in Accordance with Regulations ❖ Information Security Training in 2024 Involved 404 Participants, Totaling 411 Hours ❖ Zero Information Security Incidents Reported in 2024 ❖ No Whistleblower Reports Filed in 2024
	Water Resources Management	The Sustainability Task Force continues to assess the financial impacts of climate-related risks and opportunities on the company	Quarterly	
	Corporate Governance and Ethical Business Practices	Company Website / Announcements on the Market Observation Post System	As Needed	
	Information security Management	Education and Training	As Needed	
	Ethics and Integrity	Whistleblower Mailbox	As Needed	
Banks or other relevant stakeholders 	Economic Performance	Via phone, email, or onsite visit	As Needed	<ul style="list-style-type: none"> ❖ Responded to Bank Inquiries on Financial Performance in a Timely Manner
Environmental NGOs and NPOs 	Social Welfare Activities	Sponsorship in Support of APEC's Philanthropic Mission	As Needed	<ul style="list-style-type: none"> ❖ In 2024, APEC and Its Employees Contributed a Total of NT\$3,560,300 to Social Welfare Initiatives



Materiality Management

Material Topics Determination Process

We referred to the GRI 2021 Universal Standards to conduct the materiality assessment process, evaluating the actual or potential impacts that APEC may have on environmental protection, corporate governance, and social responsibility, and managing them based on the severity of the impacts.

Impact Definition and Management Mechanism

In managing the impacts of material topics, the Board of Directors serves as the highest governance body, responsible for the oversight and decision-making of material issues. The Investor Relations Department is responsible for consolidating sustainability topics and, through questionnaires combined with the professional judgment of department heads, conducts the assessment and prioritization of issue impacts. For potential or existing risks, corresponding preventive and corrective measures are planned to enhance overall sustainability management effectiveness.

Definition of Major Impacts

According to GRI 2021, significant impacts refer to the actual or potential positive or negative effects that APEC may have on the environmental protection, corporate governance, and social responsibility, through its operations or business relationships. All such impacts, whether actual or potential, are included in the materiality assessment.






Process for Determining Material Topics

We refer to the GRI 2021 Universal Standards requirements and take the following steps to identify material topics and assess their impacts:

	Step 1	Step 2	Step 3	Step 4
Content	Understand Organizational Context	Identify Actual and Potential Impacts	Assess the Significance of Impacts	Determine Material Topics for Reporting
Purpose	Internal and External Analysis and Confirmation of Impact Sources.	Management Completes Impact Assessment of Material Topics	Confirm Material Topics	Identify Management Indicators and Corresponding SDGs for Material Topics
Step	① Stakeholder Identification ② Create a List of Issues of Concern	③ Impact Assessment and the Concerns of Stakeholder	④ Confirm Material Topics	⑤ Confirm Management Indicators and Goals
Executive Summary	<ul style="list-style-type: none"> ❖ The Company analyzed the disclosure practices of industry benchmark peers and coordinated across internal departments to consolidate relevant information. The materiality identification process and materiality matrix were developed in accordance with the GRI Standards, resulting in the identification of 24 sustainability topics related to the Company's operations as the basis for material topic determination. ❖ In accordance with the five principles of the 《AA1000 Stakeholder Engagement Standard》, APEC identified seven key stakeholder groups and their material concerns. A total of 117 stakeholder questionnaires were distributed, achieving a response rate of 85.47%. The results were used to quantitatively assess the level of stakeholder concern for each sustainability topic, serving as a basis for the materiality analysis. 	<ul style="list-style-type: none"> ❖ The management team and the Sustainability Promotion Task Force evaluated the potential impacts of the 24 identified sustainability topics on economic, environmental, and human rights aspects, based on the level of stakeholder concern. ❖ Through quantitative analysis of the direct and indirect impacts of each topic, the Company assessed their level of influence and developed a preliminary materiality matrix. 	<ul style="list-style-type: none"> ❖ To ensure alignment with the GRI principles of completeness and stakeholder inclusiveness, and to strengthen the connection between annual material topics and the Company's core competencies, APEC ultimately selected eight material topics as the scope for material disclosures in this report. The Company mapped each material topic to the corresponding GRI disclosure items and addressed them accordingly throughout the report. 	<ul style="list-style-type: none"> ❖ In this step, APEC further reviewed the management indicators and specific Goals corresponding to the identified material topics, assessing their measurability and implementability. To strengthen sustainability governance and align with international trends, the Company also mapped each topic to the United Nations Sustainable Development Goals (SDGs), ensuring that the promotion of each issue is both strategic and action-oriented.

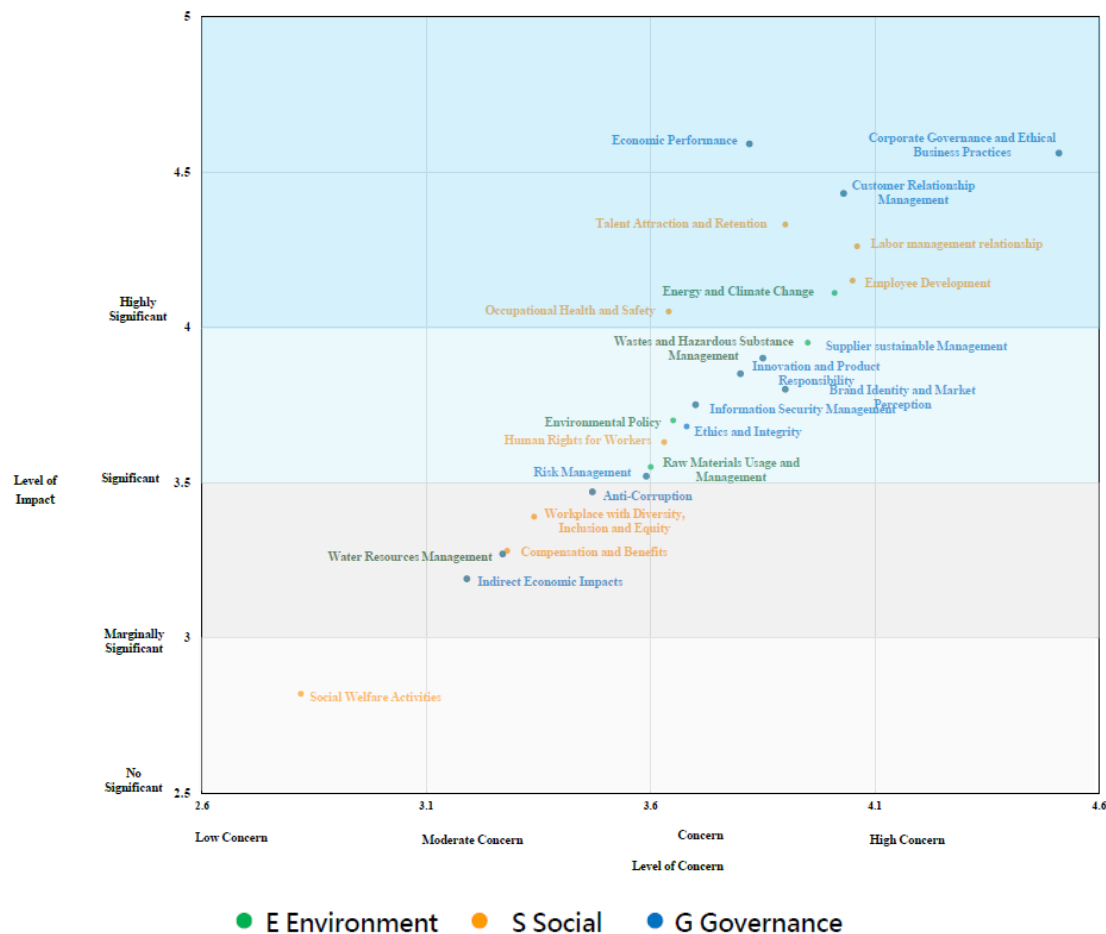


Year 2024 Material Issues

Environmental Aspects : 5 Topics	Social Aspects: 8 Topics	Governance Aspects: 11Topics
<ul style="list-style-type: none"> ● Environmental Policy ★ ● Energy and Climate Change ● Water Resources Management Raw Materials Usage and Management ● Wastes and Hazardous Substance Management 	<ul style="list-style-type: none"> ★ Employee Development Human Rights for Workers ★ Labor management Relationship Social Welfare Activities Compensation and Benefits ● Workplace with Diversity, Inclusion and Equity ★ Talent Attraction and Retention ★ ● Occupational Health and Safety 	<ul style="list-style-type: none"> ★ Economic Performance ● Anti-Corruption ★ ● Corporate Governance and Ethical Business Practices Risk Management Information Security Management Ethics and Integrity Indirect Economic Impacts Brand Identity and Market Perception ★ Customer Relationship Management Supplier sustainable Management ● Innovation and Product Responsibility
 Management Policy (P45)	 Management Policy (P55)	 Management Policy (P21)
★ : Topics with a dual "significant-or-higher impact" on operations and sustainability ● : Disclosure under SASB Guidelines and "FSC Corporate Governance 3.0"		



Matrix Diagram for Material Issues



Material Issues Ranking

No	Material Issues	Category	Level of Concern	Operational Impact Severity
1	Economic Performance	G	●●●●	●●●●
2	Corporate Governance and Ethical Business Practices	G	●●●●	●●●●
3	Customer Relationship Management	G	●●●●	●●●●
4	Talent Attraction and Retention	S	●●●●	●●●●
5	Labor management relationship	S	●●●●	●●●●
6	Employee Development	S	●●●●	●●●●
7	Energy and Climate Change	E	●●●●	●●●●
8	Occupational Health and Safety	S	●●●●	●●●●
9	Supplier sustainable Management	G	●●●	●●●
10	Wastes and Hazardous Substance Management	E	●●●	●●●
11	Innovation and Product Responsibility	G	●●●	●●●
12	Brand Identity and Market Perception	G	●●●	●●●
13	Information Security Management	G	●●●	●●●
14	Ethics and Integrity	G	●●	●●
15	Environmental Policy	E	●●	●●
16	Human Rights for Workers	S	●●	●●
17	Raw Materials Usage and Management	E	●●	●●
18	Risk Management	G	●●	●●
19	Anti-Corruption	G	●	●
20	Workplace with Diversity, Inclusion and Equity	S	●	●
21	Compensation and Benefits	S	●	●
22	Water Resources Management	E	●	●
23	Indirect Economic Impacts	G	●	●
24	Social Welfare Activities	S	●	●



Sustainability Management Goals

Environmental

Goals	Material Topics	ESG Indicators	2025 Goals	2024 Performance Status
Environmental Protection	Energy and Climate Change	Greenhouse Gas Emissions Annual Energy Savings (kWh)	<ul style="list-style-type: none">❖ Based on the Year 2023 inventory results, further promote voluntary reduction programs to achieve a 10% reduction in Scope 1 and Scope 2 Greenhouse Gas Emissions by Year 2030.❖ Starting from the Year 2025, the Company plans to gradually replace the old split type air conditioner outdoor units in the laboratories with energy efficient equipment rated at Level 1, achieving the sustainable goal of energy-saving and carbon reduction alongside equipment upgrades.	<ul style="list-style-type: none">❖ Water-saving facilities have been fully implemented across office premises, including sensor-activated faucets and water-efficient toilets. These measures have effectively reduced daily water consumption and support the sustainable management of water resources❖ Starting from the Year 2024, the Company has implemented a one-hour daily power-off activity during lunch breaks as an energy-saving and carbon-reduction initiative. By reducing lighting electricity consumption, the company practice green operations and raise energy-saving awareness among all employees❖ In the Year 2024, a total of approximately 1,800 kWh of electricity was saved, effectively achieving the annual energy-saving Goals



Social

Goals	Material Topics	ESG Indicators	2025 Goals	2024 Performance Status
Social Responsibility	Talent Attraction and Retention	Turnover Rate of High Performing Employees < 10%	❖ Turnover Rate of High Performing Employees < 10%	❖ Turnover Rate of High Performing Employees 2.9%
	Labor-management relationship	No Significant Labor Complaints	❖ No Significant Labor Complaints	❖ No Significant Labor Complaints
	Employee Development	Total Training Hours Increased by 10% Compared to 2024	❖ Total Training Hours Increased by 10% Compared to 2024	❖ Total Learning Hours Reached 1,748.3 (Hours)
	Occupational Health and Safety	Disabling Injury Frequency Rate	❖ Regular inspections of the fire protection system are conducted, and fire drills are carried out in coordination with the building management center. Emphasis is placed on both management practices and hardware improvements	❖ Occupational safety and health personnel have been appointed to promote safety and health management, along with the implementation of self inspections. ❖ Access control measures are in place, and entry without authorization is prohibited to ensure the personal safety of employees ❖ The Company regularly conducts training programs related to ethical business practices. The training content, delivered through an online learning platform, covers topics such as global and domestic trends in information security, prevention of insider trading, and occupational safety and health. In 2024, a total of 1,009 participants received training, with a cumulative total of 849.2 training hours



Corporate Governance

Goals	Material Topics	ESG Indicators	2025 Goals	2024 Performance Status
Corporate Governance	Economic Performance	Sustained Growth in Operating Performance	❖ Sustained Growth in Operating Performance	❖ In 2024, consolidated net revenue amounted to NT\$2.918 billion, representing a 2.36% increase compared to the previous year, driving earnings per share to NT\$4.80
	Customer Relationship Management	Enhancing Customer Satisfaction	❖ Enhancing Customer Satisfaction	❖ Customer Satisfaction Reached 91%
	Corporate Governance and Ethical Business Practices	Zero Violations of the Company Act, Securities Act, and Ethical Business Regulations	❖ Regular Quarterly Investor Conferences	<ul style="list-style-type: none">❖ Achieved Compliance with the One-Third Limit on Directors Also Serving as Managers❖ Achieved Compliance with the Rule Limiting Independent Directors to No More Than Three Consecutive Terms❖ Achieved Compliance with the Rule Requiring a Majority of Directors to Have No Spousal or Second-Degree Kinship Relationships❖ Ranked Within the Top 36%–50% in Corporate Governance Evaluation Among All Listed Companies❖ Conducted Two Investor Conferences in 2024



Implementing the United Nations Sustainable Development Goals (SDGs)

Management Indicators	Corresponding SDGs	Practical Approach	Reference Section
<ul style="list-style-type: none"> ❖ Energy Savings (kWh) ❖ Major Environmental Pollution Incidents 		SDG 6 Clean Water and Sanitation <ul style="list-style-type: none"> ❖ The Company is committed to improving water use efficiency by implementing water-saving facilities across all office premises. These include sensor-activated faucets, low-flow toilets, and other water-efficient devices, effectively reducing daily water consumption and promoting sustainable water resource management. 	<ul style="list-style-type: none"> ❖ Water Resource Management ❖ Energy Resource Management
		SDG 7 Affordable and Clean Energy <ul style="list-style-type: none"> ❖ To achieve energy-saving goals and enhance energy efficiency, the Company has fully implemented LED energy-saving lighting systems, complemented by electricity management measures, to gradually reduce the intensity of energy consumption per unit. 	
<ul style="list-style-type: none"> ❖ Water Intensity ❖ Waste Management ❖ Greenhouse Gas Emissions Volume 		SDG 12 Responsible Consumption and Production <ul style="list-style-type: none"> ❖ All raw materials used by the Company comply with environmental regulations such as the EU RoHS, REACH, and halogen-free standards. Priority is given to recyclable materials and products manufactured using renewable energy to reduce pollution and resource consumption. This approach reflects the Company's active commitment to minimizing environmental impact, promoting a green supply chain, and fulfilling sustainable production responsibilities. ❖ The Company implements source reduction and recycling initiatives for general waste in office areas through ongoing awareness campaigns and management practices. These efforts aim to continuously improve the waste reduction rate and the resource recycling and reuse rate. ❖ Greenhouse Gas (GHG) emissions are inventoried annually in accordance with the ISO 14064-1 standard. 	<ul style="list-style-type: none"> ❖ Water Resource Management ❖ Waste Management ❖ Greenhouse Gas (GHG) Management
<ul style="list-style-type: none"> ❖ Employee Retention Rate ❖ Employee Training Hours ❖ Disabling Injury Frequency Rate 		SDG 3 Good Health and Well-Being <ul style="list-style-type: none"> ❖ The Company has designated personnel responsible for occupational health services, including physicians, nurses, and first aid responders, to safeguard the physical and mental Well-Being Workplace of employees. ❖ In compliance with and exceeding regulatory requirements, the Company provides employees with annual physical examinations, general health check-ups, and specialized health examinations for operations involving specific health hazards. Abnormal results are subject to follow-up and management to ensure employee Well-Being Workplace. ❖ The Company regularly evaluates employee health check-up results and organizes health promotion activities to support employee Well-Being Workplace. 	<ul style="list-style-type: none"> ❖ Well-Being Workplace



Management Indicators	Corresponding SDGs	Practical Approach	Reference Section
		SDG 4 Quality Education <ul style="list-style-type: none"> ❖ Effective training programs are developed and supported with sufficient training resources to enhance learning outcomes, ensuring that employees are well-prepared and competent for their respective roles. ❖ Training blueprints are established based on the requirements of each position and job category. All departments are required to develop annual training plans, identify training needs related to new product or technology developments, comply with regulatory requirements, and address customer expectations. These efforts aim to enhance employees' knowledge and technical capabilities. 	
		SDG 8 Decent Work and Economic Growth <ul style="list-style-type: none"> ❖ The Company's compensation packages exceed regulatory standards. Annual industry salary benchmarking is conducted to evaluate and determine appropriate salary adjustment ranges. ❖ Upholding the principle of equality, the Company ensures that starting salaries are not influenced by factors such as gender, race, or nationality. ❖ In accordance with legal requirements, the Company conducts workplace environment monitoring to ensure the health and safety of employees in their working conditions. 	
❖ Corporate Social Responsibility		SDG 17 Partnerships for the Goals <ul style="list-style-type: none"> ❖ To fulfill its corporate social responsibility, the Company and all employees actively participate in public welfare initiatives. In the current year, the total amount of charitable donations reached NT\$3,560,310, of which NT\$3,000,000 was dedicated to supporting education, cultural development, and social welfare programs, demonstrating the Company's commitment to CSR. 	❖ Social Care
<ul style="list-style-type: none"> ❖ Information Security ❖ Anti-Corruption ❖ Anti-Competitive Behavior 		SDG 16 Peace, Justice and Strong Institutions <ul style="list-style-type: none"> ❖ In compliance with the ISO 27001 Information Security Management System, the Company has established an information security management framework, including the organizational structure, incident severity classification, response procedures, and internal audit processes. ❖ The Company has established internal and external whistleblowing channels and handling procedures, along with comprehensive codes of ethical conduct and integrity management practices to ensure effective implementation. Whistleblower reports are handled confidentially to protect the privacy and safety of the whistleblower, while safeguarding the legal rights of all parties involved. ❖ In 2024, the Company conducted training sessions on the prevention of insider trading, with a total attendance of 115 participants. ❖ In 2024, there were no incidents of corruption, anti-competitive behavior, antitrust, or monopoly practices. ❖ In 2024, the information security training courses were attended by 404 employees, with a total of 411 training hours completed. 	<ul style="list-style-type: none"> ❖ Information and Communication Security Management ❖ Ethical Business Practices ❖ Regulatory Compliance



Sustainable Governance

Material Topics and Management Strategy in Corporate Governance Dimension

Material Topic	2025 Goals	2024 Achievements	Management Policies
Economic Performance	<ul style="list-style-type: none"> To Achieve Sustained Growth in Operating Performance 	<ul style="list-style-type: none"> In 2024, consolidated net operating revenue reached NT\$2.918 billion, representing a 2.36% increase from the previous year and driving earnings per share (EPS) to NT\$4.80. 	<ul style="list-style-type: none"> To Drive R&D and Product Innovation To Expand Regional Market Share To Optimize Cost Structure and Adjust Product Portfolio
Corporate Governance and Ethical Business Practices	<ul style="list-style-type: none"> To Ensure Zero Violations of the Company Act, Securities Act, and Ethical Conduct Regulations in 2025 To Improve Corporate Governance Evaluation Ranking to the Top 21%–35% of All Listed Companies 	<ul style="list-style-type: none"> Achieved Compliance with the One-Third Limit on Directors Also Serving as Managers Achieved Compliance with the Rule Limiting Independent Directors to No More Than Three Consecutive Terms Achieved Compliance with the Rule Requiring a Majority of Directors to Have No Spousal or Second-Degree Kinship Relationships Ranked Within the Top 36%–50% in Corporate Governance Evaluation Among All Listed Companies Conducted Two Investor Conferences in 2024 Zero Violations of the Company Act, Securities and Exchange Act, and Ethical Corporate Management Regulations Zero Cases of Corruption, Antitrust, or Anti-Competitive Behavior in 2024 	<ul style="list-style-type: none"> To Submit Monthly Revenue and Related Announcements in Compliance with Applicable Laws Regular Quarterly Investor Conferences To Enhance Gender Diversity on the Board of Directors
Customer Relationship Management	<ul style="list-style-type: none"> To Achieve Customer Satisfaction of Over 91% To achieve zero violations of product information, labeling, and marketing communication regulations. To ensure zero violations related to trade secrets or information security incidents 	<ul style="list-style-type: none"> Achieved Customer Satisfaction Rate of 91% In 2024, there were no violations of regulations related to product information, labeling, or marketing communications. In 2024, there were no incidents of corruption, anti-competitive behavior, antitrust, or monopolistic practices. 	<ul style="list-style-type: none"> To Regularly Review Customer Satisfaction To Conduct Customer Visits as Needed To Complete Annual Audits



Corporate Governance

APEC complies with 《the Company Act》, 《Securities and Exchange Act》, and relevant regulations for listed companies issued by the Financial Supervisory Commission and the Taiwan Stock Exchange. In response to external changes, the Company has identified key sustainability issues—such as Corporate Governance, Information Security, and Regulatory Compliance—and has established corresponding short-term and mid-term management indicators as outlined below:

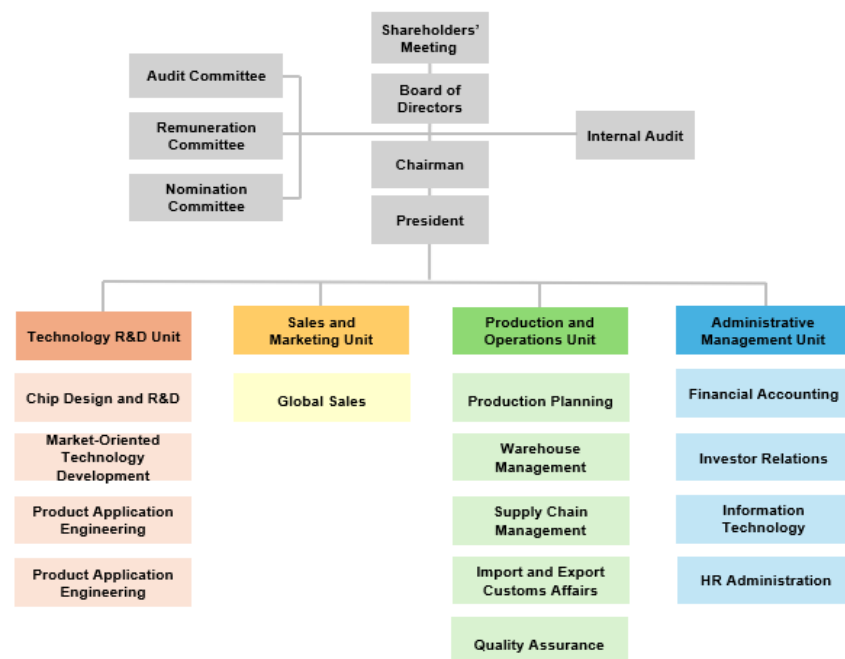
Sustainability Governance Issues	2024 Achievements	Short-Term Indicators	Mid -Term Indicators
Corporate Governance	<ul style="list-style-type: none">● Ranked Within the Top 36%–50% in Corporate Governance Evaluation Among All Listed Companies	<ul style="list-style-type: none">● To Enhance Gender Diversity on the Board of Directors	<ul style="list-style-type: none">● To Improve Corporate Governance Evaluation Ranking to the Top 21%–35% of All Listed Companies
Information Security	<ul style="list-style-type: none">● No Major Information Security Incidents Reported	<ul style="list-style-type: none">● To Maintain Zero Major Information Security Incidents	<ul style="list-style-type: none">● To Maintain Zero Major Information Security Incidents● Obtained ISO 27001 Information Security System Management Certification
Regulatory Compliance	<ul style="list-style-type: none">● Zero Violations of the Company Act, Securities and Exchange Act, and Ethical Corporate Management Regulations	<ul style="list-style-type: none">● Targeting Zero Violations of the Company Act, Securities and Exchange Act, and Ethical Conduct Rules	<ul style="list-style-type: none">● To Maintain Zero Violations of the Company Act, Securities and Exchange Act, and Ethical Business Conduct Regulations



Corporate Governance Structure

APEC's highest governance body is the Board of Directors, which is supported by the Audit Committee, the Compensation Committee, and the Nomination Committee. In 2022, APEC established a dedicated unit for sustainability to drive the implementation of various sustainability initiatives. In addition, the Company has appointed a spokesperson and deputy spokesperson to effectively handle shareholder suggestions, inquiries, disputes, and litigation matters, as well as to respond to the concerns of stakeholders.

Organizational Structure of the Decision-Making and Governance Structure



Key Responsibilities of Each Department

Department	Key Responsibilities Summary
Internal Audit	<ul style="list-style-type: none"> ● Audit and assess the adequacy and effectiveness of internal control systems across departments. ● Provide audit reports and recommendations to ensure that company policies and procedures comply with applicable laws and regulations.
Chip Design and R&D	<ul style="list-style-type: none"> ● Research and experimentation on new product technologies. ● Product Planning Process Control. ● Component Development and Improvement. ● Process Development and Enhancement of Engineering Control.
Market-Oriented Technology Development	<ul style="list-style-type: none"> ● Formulation of Corporate Product Strategies, Product Marketing, and Customer Communication. ● Industry Trend Analysis and Marketing Resource Integration. ● Technology Development for Emerging Markets.
Product Application Engineering	<ul style="list-style-type: none"> ● Formulate Product Sales Strategies. ● Develop New Markets and Evaluate Product Applications. ● Provide Technical Support and Troubleshooting for Customer Product Applications. ● Handle and Resolve Customer Complaints and Service Requests
Product Application Engineering	<ul style="list-style-type: none"> ● Verification and Measurement of Product Specifications. ● Yield Control of Product Packaging at Outsourced Facilities ● Technical Support and Troubleshooting for Product Specifications. ● Implementation of Product Reliability Testing and Evaluation.
Global Sales	<ul style="list-style-type: none"> ● Product Sales and Customer Service. ● Development of New Customers and Markets. ● Establishment and Maintenance of Customer Relationships. ● Product Shipment Scheduling and Accounts Receivable Management.
Production Planning	<ul style="list-style-type: none"> ● Formulate Company Production Plans. ● Develop Production Scheduling Operations.
Warehouse Management	<ul style="list-style-type: none"> ● Warehouse and Inbound/Outbound Logistics Control.
Supply Chain Management	<ul style="list-style-type: none"> ● Supply Chain Evaluation and Due Diligence. ● Procurement Operations.
Import and Export Customs Affairs	<ul style="list-style-type: none"> ● Handling of Import and Export Operations.
Quality Assurance	<ul style="list-style-type: none"> ● Product Quality Inspection. ● Quality Assessment and Periodic Audits of Outsourced Suppliers. ● Propose Corrective Actions and Track Effectiveness in Response to Customer Complaints. ● Preventive and Corrective Measures for Product Quality and Quality Systems.
Financial Accounting	<ul style="list-style-type: none"> ● Accounting, Budget Management, Cost Accounting, and Tax Filing. ● Corporate Financing, Investment, and Fund Utilization.
Investor Relations	<ul style="list-style-type: none"> ● Maintenance and Development of Investor and Institutional Relations. ● Dedicated Unit for Corporate Sustainability Development.
Information Technology	<ul style="list-style-type: none"> ● Management of Hardware, Software, and Network Infrastructure. ● Information Security Control and Enhancement.
HR Administration	<ul style="list-style-type: none"> ● Recruitment, Training, Performance Appraisal, Rewards and Disciplinary Actions, and Promotion of Employee Welfare. ● Stock Affairs, General Administration, and Occupational Safety and Health Management.



Board Diversity and Independence

The Company's Board of Directors is composed of seven members, including three independent directors. Directors who also hold employee positions account for 29% of the Board, while independent directors represent 43%. The tenure of the independent directors is less than three years.

Among the directors, three are under the age of 60, and four are between the ages of 61 and 70. All directors meet the qualification requirements for independent directors as stipulated by law and possess a sound understanding of the Company's financial and operational affairs.

Specific Management Objectives and Achievement Status of Board Diversity Policy

Management Goals	Execution Status
The director who is also an employee should not exceed one-third of the number of directors	Achieved
Independent directors shall serve no more than three consecutive terms	Achieved
More than half of the directors are not a spouse or relative within second degree by affinity to other directors.	Achieved
If either gender holds less than one-third of the board seats	The Company will increase the proportion of female directors in the 2026 shareholders' meeting election

Board Members

In accordance with the Company's Articles of Incorporation, the Board of Directors is composed of seven members, including three independent directors, to strengthen the Board's professionalism and independence. The current board is the tenth board, with a term from May 18, 2023 to May 17, 2026.

Title	Name	Finance	Electronic technology	Manufacturing	Business	Accounting	Information Technology	Marketing	Risk Management	Employees
Chairman	Tie-Min Chen	✓	✓	✓	✓		✓	✓	✓	
Vice Chairman	Fu-Chi Teng Future Technology Consulting, Inc. Representative:	✓	✓	✓	✓		✓	✓	✓	✓
Director	Chia-Shuai Chang XSemi Corporation Representative		✓	✓	✓		✓	✓	✓	✓
Director	Ying-Shi Huang	✓			✓	✓			✓	
Independent Director	Pao-Shi Sheng	✓			✓				✓	
Independent Director	Nai-Jen Yeh		✓	✓	✓				✓	
Independent Director	Chien-Wei Chen		✓		✓				✓	



Board Operations

In 2024, the Board of Directors convened five meetings, with an attendance rate of 94.28%. For the meeting dates and key resolutions, please refer to pages 53–54 of the Annual Report.

In 2024, the 10th Board of Directors convened 5 times. The following is the attendance of the directors

Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)
Chairman	Tie-Min Chen	5	0	100
Vice Chairman	Fu-Chi Teng Future Technology Consulting, Inc. Representative:	5	0	100
Director	Chia-Shuai Chang XSemi Corporation Representative	5	0	100
Director	Ying-Shi Huang	5	0	100
Independent Director	Pao-Shi Sheng	3	2	60
Independent Director	Nai-Jen Yeh	5	0	100
Independent Director	Chien-Wei Chen	5	0	100

Leader of each Functional Committee

Name	Audit Committee	Compensation Committee	Nomination Committee
Pao-Shi Sheng	✓ Chairperson	✓	✓
Nai-Jen Yeh	✓	✓ Chairperson	✓
Chien-Wei Chen	✓	✓	✓ Chairperson

Audit Committee

Composed of three independent directors and chaired by Independent Director Mr. Pao-His Sheng, the Audit Committee is responsible for reviewing the following:

- (1). Review and discuss the adoption or amendment for the internal control system.
- (2). The assessment of the effectiveness of the internal control system.
- (3). Review and discuss the adoption or amendment, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
- (4). Any matter that has a bearing on the personal interest of director.
- (5). Material asset or derivatives transactions.
- (6). Material monetary loans, endorsements or guarantees.
- (7). Offering, issuance or private placement of any equity-type securities.
- (8). Hiring or dismissal of an attesting CPA, or the compensation given thereto and performance, qualification and independence of CPAs.
- (9). Appointment or discharge of financial, accounting or internal auditing officers.
- (10). Financial reports.
- (11). Review and discuss the matters related to the annual profit distributions.
- (12). Review and discuss other material matters required by the Company or the competent authorities.

Compensation Committee

Composed of three independent directors and chaired by Independent Director Mr. Nai-Jeni Yeh, the committee serves in a professional and objective capacity to evaluate the Company's compensation policies and systems for directors and managerial officers. The committee convenes at least twice a year and may hold additional meetings as needed to provide recommendations to the Board of Directors.



Nomination Committee

Composed of three independent directors and chaired by Independent Director Mr. Chien-Wei Chen, the Nomination Committee, under the authorization of the Board of Directors, shall faithfully perform the following duties with the care of a good administrator and submit its recommendations to the Board for discussion, primary responsibilities:

- Establish criteria for the professional knowledge, skills, experience, gender, and other aspects of diversity and independence required of board members and senior managerial officers, and use such criteria to identify, review, and nominate candidates for directors and senior managerial positions.
- Establish and develop the organizational structure of the Board of Directors and its functional committees; conduct performance evaluations of the Board, each committee, individual directors, and senior managerial officers; and assess the independence of independent directors.
- Formulate and periodically review the continuing education plans for directors and the succession plans for directors and senior managerial officers.
- Review the Company's Corporate Governance Best-Practice Principles.

Board Conflict of Interest Avoidance

Article 15 of APEC's "Rules of Procedure for Board Meetings" stipulates that if a director, or the legal entity they represent, has a conflict of interest in any agenda item, the director shall disclose the material content of the conflict at the board meeting. If such interest may be detrimental to the Company's interests, the director shall neither participate in the discussion or voting nor act on behalf of other directors in exercising their voting rights, and shall recuse themselves during the discussion and voting process.

In 2024, Reasons for directors' recusal from conflict-of-interest motions and their voting participation:

Date	Name of Directors	Proposal	Reasons for Recusal	Participation in Deliberation
The 2 th meeting of the 10 th Board of Directors in 2024 April 18, 2024	Chia-Shuai Chang Directors	The appointment for the change of the Spokesperson	Personal interest	Were excluded from the deliberations

Board Performance Evaluation

In accordance with the Company's "Regulations for Board Performance Evaluation," annual performance evaluations are conducted for the Board of Directors, individual board members, and functional committees. The evaluation results serve as a reference for review and improvement, as well as for the selection or nomination of directors. The assessment is conducted through self-evaluation questionnaires. Additionally, an external evaluation by an independent professional institution or a team of external experts and scholars is required at least once every three years.

The measurement items and dimensions for the performance evaluation

Board Performance Evaluation	Individual Director Performance Evaluation	Audit Committee Performance Evaluation	Functional Committee Performance Evaluation
1. Involvement in the Company's operation 2. Enhancement of the quality of the board's decision-making 3. Makeup and structure of the board. 4. Election of board members and continuing knowledge development 5. Internal controls	1. Understanding of the Company's goals and mission. 2. Awareness of director's duties. 3. Involvement in the Company's operations. 4. Internal relationship and communication. 5. Director's professionalism and continuing knowledge development. 6. Internal controls.	1. Involvement in the Company's operation. 2. Awareness of the compensation committee and the audit committee's duties. 3. Enhancement of the quality of the compensation committee and the audit committee's decision-making. 4. Makeup of the compensation committee and the audit committee and election of its members. 5. Internal controls.	1. Involvement in the Company's operation. 2. Awareness of the compensation committee and the audit committee's duties. 3. Enhancement of the quality of the compensation committee and the audit committee's decision-making. 4. Makeup of the compensation committee and the audit committee and election of its members.

Performance Evaluation Implementation

External Evaluation

The Company commissioned the Taiwan Investor Relations Institute to conduct its Board of Directors performance evaluation for the year 2024. The institution and its engaged experts have no business relationship with the Company and maintain full independence.



The Taiwan Investor Relations Institute conducted the 2024 Board Performance Evaluation by first reviewing the Company's self-assessment results in writing, followed by an on-site visit, and subsequently issued a Board Performance Evaluation Report. The five dimensions of the external evaluation are as follows:

1.	Board Composition and Professional Development
2.	Quality of Board Decision-Making
3.	Effectiveness of Board Operations
4.	Internal Control and Risk Management
5.	Board Engagement in Corporate Social Responsibility

The result of the external evaluation was rated as satisfactory. The evaluation outcome has been reported to the first Board meeting in Year 2025 and disclosed on the Company's website.

Internal Evaluation:



The overall average score of the Board's self-evaluation was **4.95** (full score : 5).

The overall average score of the individual directors' self-evaluations was **4.90** (full score : 5).

The overall average score of the Audit Committee's self-evaluation was **4.97** (full score : 5).

The overall average score of the Remuneration Committee's self-evaluation was **4.97** (full score: 5).

The overall average score of the Nomination Committee's self-evaluation was **5.00** (full score: 5).

The Company has reported the results of the Year 2024 Board performance self-evaluation to the first Board meeting of the Year 2025 and disclosed the evaluation results on the Company's website.

Evaluation of Current and Recent Annual Goals and Implementation Status for Strengthening Board Functions

- Among the Company's seven directors, three are independent directors, accounting for more than one-third of the total Board seats. The Audit Committee and Remuneration Committee are both composed entirely of independent directors, assisting the Board in fulfilling its supervisory responsibilities and regularly reporting their operations to the Board. To enhance Board functions and strengthen management mechanisms, the Company has also established a Nomination Committee, which is composed of the same three independent directors, thereby promoting corporate sustainability.
- To enhance information transparency, the Company's website features dedicated sections such as "Investor Relations" and "Corporate Social Responsibility," covering topics including finance, corporate governance, risk management, ESG sustainability, supplier management, and stakeholder engagement. These sections are available in Traditional Chinese, English, and Simplified Chinese. Important information related to the Board of Directors is also promptly disclosed on the Market Observation Post System (MOPS) and the Company's website. In addition, the Company holds regular investor conferences.
- To ensure that the risks borne by directors and managers in the course of performing their duties are properly covered, the Company annually purchases Directors and Officers Liability Insurance (D&O Insurance) for its directors and managers. The policy contents are reviewed regularly to ensure that the coverage amount and insured scope align with actual needs.
- All directors of the Company completed at least 6 hours of continuing education during the year, in compliance with the Guidelines for the Continuing Education of Directors.
- The Company conducts performance evaluations of the Board of Directors and its functional committees in accordance with the established 「Regulations Governing the Performance Evaluation of the Board of Directors」. Evaluations are conducted regularly on an annual basis, with external professional evaluations carried out at least once every three years. The results of the 2024 Board performance evaluation have been reported to the first Board meeting of 2025.



Director Continuing Education

To enhance the professional knowledge and capabilities of the directors, relevant training courses are arranged annually. In 2024, the total training hours for re-elected directors amounted to 48 hours. The table below shows the training details for the directors in 2024

Name	Date	Organizing Institution	Course Name	Course Hours
Chairman Tie-Min Chen	2024.10.29	Accounting Research and Development Foundation	Analysis of Legal Responsibilities and Case Studies in Corporate Control Dispute	3
	2024.10.29	Accounting Research and Development Foundation	Corporate ESG Practices: Legal Responsibilities and Case Studies on Gender Equality and Human Rights	3
Vice Chairman Fu-Chi Teng	2024.07.03	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	6
	2024.11.22	Securities and Futures Institute	2024 Insider Equity Trading Legal Compliance Awareness Seminar	3
Director Chia-Shuai Chang	2024.10.29	Accounting Research and Development Foundation	Analysis of Legal Responsibilities and Case Studies in Corporate Control Dispute	3
	2024.10.29	Accounting Research and Development Foundation	Corporate ESG Practices: Legal Responsibilities and Case Studies on Gender Equality and Human Rights	3
Director Ying-Shi Huang	2024.01.24	Taiwan Securities Association	Introduction to Corporate Governance Disputes and Commercial Matters	3
	2024.11.22	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulations -Executives of the listed companies with the understanding of supervision from governmental authority	3
	2024.11.22	Corporate Operating and Sustainable Development Association	Discussion of Taiwanese Firms' operating and M&A strategy form the perspective of global political and economic situation	3
Independent Director Pao-Shi Sheng	2024.02.27	Securities and Futures Institute	2024 Economic Trends and Global Insights	3
	2024.05.02	Securities and Futures Institute	Introduction to the Latest Tax Laws and Equity Tax-Saving Strategies for Major Shareholders	3
Independent Director Nai-Jen Yeh	2024.10.29	Accounting Research and Development Foundation	Analysis of Legal Responsibilities and Case Studies in Corporate Control Dispute	3
	2024.10.29	Accounting Research and Development Foundation	Corporate ESG Practices: Legal Responsibilities and Case Studies on Gender Equality and Human Rights	3
Independent Director Chien-Wei Chen	2024.07.03	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	6



Remuneration Policies

- Directors' Remuneration:** In accordance with Article 22 of the Company's Articles of Incorporation, if the Company has earnings, no less than 5% shall be allocated as employee compensation and no more than 3% as director compensation. However, if the Company has accumulated losses, the amount to offset such losses shall be retained in advance before allocating employee and director compensation as stated above. Furthermore, the proposed allocation must be submitted to the Remuneration Committee for review and approved by the Board of Directors before implementation.
- Managers' Remuneration:** The compensation structure for senior management consists of fixed and variable components. Fixed compensation refers to monthly salaries, while variable compensation includes employee remuneration, year-end bonuses, and performance-based incentives. The evaluation of variable compensation is based on the individual's contribution to the Company's operations, assessed in accordance with the Company's performance management guidelines. The performance rating for the year serves as the basis for determining the amount to be granted. Recommendations are made by the Remuneration Committee and are subject to approval by the Board of Directors prior to disbursement.
- Employee Remuneration:** The Company designs its compensation system based on individual performance, market salary levels, overall business performance, and sustainability goals. The compensation package includes year-end bonuses, performance achievement bonuses, and employee profit-sharing, all of which are closely tied to individual performance and departmental contributions, in order to balance incentive effectiveness

Evaluation of Management Changes Based on the Following Dimensions and Related Indicators

Dimension Classification	Description of Evaluation Indicators
Financial Dimension	Including financial performance indicators such as revenue growth, gross profit margin, expense ratio, and return on equity
Non-Financial Dimension	Covering operational management performance indicators such as market and customer management, product development, and internal process optimization.
Sustainability Dimension	Including sustainability-related indicators such as carbon inventory, energy-saving performance, employee education, and well-being Workplace.

The average, median, and changes in salaries of full-time employees who are not in managerial positions

Description	2024	2023	Change
Average	1,365	1,414	3.47%
Median	1,074	1,130	4.96%

Earnings per share (EPS) for the year 2024 increased compared to 2023. However, the average annual salary of full-time employees not holding managerial positions slightly declined from the previous year, primarily due to a reduction in the number of full-time employees and the departure of senior staff. The change is considered reasonable.



Management Policy

To enhance its sustainable management capabilities, APEC adheres to relevant regulations set by competent authorities and has established clear Environmental, Social, and Governance (ESG) management policies as core guiding principles for promoting sustainable development. Upholding the spirit of corporate social responsibility, the Company is committed to establishing a high-quality management system to prevent environmental pollution, occupational hazards, and quality anomalies, thereby achieving coexistence and mutual prosperity with the external environment and advancing toward the goal of sustainable development.

Environmental Policy	Ethical Policy	Corporate Governance Policy
<p>Committed to reducing the environmental impact of operations by implementing energy conservation and carbon reduction, efficient resource utilization, and pollution prevention measures.</p> <ul style="list-style-type: none"> ● Efficient Resource Utilization ● Avoidance of Environmentally Harmful Substances ● Establishment of ISO 14001 Environmental Management System ● Greenhouse Gas Inventory and Promotion of Energy Conservation and Carbon Reduction ● Implementation of Waste Management 	<p>APEC values the rights and interests of stakeholders, is committed to fostering a safe and healthy working environment, and actively promotes social inclusion and public welfare participation.</p> <ul style="list-style-type: none"> ● Establishment of Human Rights Policy ● Establish Occupational Health and Safety Management System ● Implementation of Diversity and Equal Employment Policies, and Enhancement of Employee Training and Development ● Regular Stakeholder Engagement and Material Topic Analysis ● Provision of Employee Care Mechanisms and Health Support 	<p>Uphold business ethics and integrity, strengthen the functions of the Board of Directors and the internal control system, safeguard shareholders' rights, and enhance operational transparency.</p> <ul style="list-style-type: none"> ● Establishment of Code of Ethical Conduct and Internal Audit Mechanism ● Regular Board Meetings and Implementation of Performance Evaluations ● Strengthening of Risk Management and Legal Compliance Framework ● Enhancement of Information Security and Data Protection Measures ● Protection of Intellectual Property Rights ● Integrity in All Business Interactions ● Strict Prohibition of Activities that Conflict with Company Interests ● Strict Prohibition of Bribery, Corruption, Extortion, and Embezzlement



Ethical Business Practices



Policies and Commitments

APEC upholds the principles of integrity, transparency, and accountability, regarding business ethics as a core value of sustainable development. We have established and implemented relevant policies such as the Code of Ethical Conduct, Code of Moral Behavior, and Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct to ensure that all business activities comply with ethical standards and legal regulations. These policies are regularly reviewed to strengthen the organization's commitment to and practice of a culture of integrity.



Management System

To effectively implement ethical business practices, APEC follows the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and has established the following management systems :

- ❑ Integrity Governance Framework : The Human Resources Department is responsible for overseeing and implementing corporate integrity matters.
- ❑ Employee Training and Education : Courses are provided to employees on the Trade Secrets Act, prevention of insider trading, and the Personal Data Protection Act, among others.
- ❑ Whistleblowing Mechanism : A reporting mailbox is established to protect whistleblower rights and ensure proper incident follow-up and improvement.



Actions and Performance

- ☑ No major incidents of violations of business ethics or regulations.
- ☑ A total of 0 whistleblowing cases were received.
- ☑ The completion rate of integrity training for new employees reached 100%.

Mechanism for Investigating Unethical Conduct

Receipt of Whistleblower Reports

A dedicated task force is established to verify the completeness of the whistleblower report and immediately initiate a preliminary assessment.

Investigation Initiated

An investigation team is established to collect evidence, interview relevant personnel, and ensure the confidentiality of the investigation process.

Investigation Report

Upon completion of the investigation, a report is prepared outlining the findings and recommended actions.

Follow-up Actions

Based on the investigation report, disciplinary actions, legal measures, or corrective actions are determined.

Whistleblower Protection

Ensure that whistleblowers are protected from retaliation and provided with necessary confidentiality and legal safeguards.



Ethical Business Practices

To comply with listing regulations, foster a corporate culture of ethical business practices, and promote a sound and robust business operation model, APEC adopted the Code of Ethical Conduct by resolution of the Board of Directors in 2015. The Company requires that directors, managers, employees, appointees, and individuals with substantial control shall not engage in unethical conduct for the purpose of obtaining or maintaining benefits during the course of business operations.

The term “unethical conduct” refers to the direct or indirect offering, acceptance, promise, or solicitation of any improper benefits, or the engagement in other acts that violate integrity, are unlawful, or breach fiduciary duties.

The Company has also established preventive measures covering the following conduct

1	Offering and acceptance of bribes
2	Illegal political donations
3	Improper charitable donations or sponsorship
4	Offering or acceptance of unreasonable presents or hospitality, or other improper benefits
5	Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights
6	Engaging in unfair competitive practices
7	Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services

Conflict of Interest Management Measures

The Company has established an Ethical Corporate Management Best Practice Principles and, through the Code of Ethical Conduct, clearly stipulates the guidelines that directors, managers, employees, appointees, and individuals with substantial control must follow in the execution of their duties. The Code includes procedures for preventing unethical conduct, behavioral guidelines, and training requirements. It also incorporates mechanisms for managing conflicts of interest, thereby strengthening the Company’s integrity governance framework.

Insider Trading Prevention Measures

To prevent the improper disclosure of information and to ensure the consistency and accuracy of the Company’s external disclosures, APEC adopted the Procedures for 《Handling Material Inside Information by resolution》 of the Board of Directors in 2009. This measure aims to prevent internal personnel from inadvertently violating relevant laws and regulations due to access to undisclosed material information.

These procedures apply to all directors, managers, and employees, and clearly stipulate that individuals who become aware of material information must not disclose it externally, nor inquire about or collect unpublished information unrelated to their duties. This is to ensure the implementation of an effective information confidentiality and insider trading prevention mechanism.

Annual training sessions on 「the prevention of insider trading」 are conducted to communicate the Company's commitment to ethical business practices and its related policies to all employees. These sessions explain preventive measures and the consequences of violations, thereby strengthening employees' awareness of legal compliance and workplace ethics.



Responsible Unit

Spokesperson	Hearing of reports by stockholders, investors and other stakeholders.
Internal Audit Chief Officer	Hearing of reports by this Company's internal staff, consumers, suppliers and contractors.

No incidents of Corruption, Anti-Competitive Behavior, Antitrust, or Monopolistic Practices

The Company has completed a comprehensive evaluation of its internal control systems with respect to corruption-related risks. The assessment results indicated that no corruption risks were identified across all operational activities.

In 2024, no incidents of corruption, anti-competitive behavior, antitrust, or monopolistic conduct occurred.

Whistleblowing and Complaint Channels

In accordance with the 《Measures for the Report on Illegal, Unethical, and Dishonest Conducts》, APEC adopts the following procedures to address the potential impacts arising from received whistleblower reports or complaints:

1	When the report involves general employees, it shall be directly submitted to department supervisors. When the report involves directors or senior managers, it shall be submitted to independent directors.
2	The designated units shall immediately ascertain the relevant facts, and the relevant departments shall provide assistance when necessary.
3	If any illegal act or violation of this Company's policies or rules regarding ethical management is confirmed, designated units shall immediately demand such adverse parties to cease relevant conducts and adopt appropriate measures; where necessary, cases shall also be reported to the competent authority or referred to the judicial authority for investigation, and that damage awards are to be claimed through legal resolutions to ensure this Company's goodwill and legitimate rights.
4	Written records of hearings of reports, investigation processes and investigation results shall be kept for five years; the foregoing record-keeping may be conducted by electronic means. If relevant litigations are to be raised prior to the expiration date of record-keeping, such records shall be continuously kept until such litigations come to an end.
5	For reported cases found to be true, designated units shall report to independent directors regarding reported cases, handling measures being adopted, and subsequent review and improvement measures.
6	Designated units shall report to board of directors regarding reported cases, handling measures being adopted, and subsequent review and improvement measures.
7	For reported cases found to be true which constitute a major offense, aside from handling pursuant to laws, regulations or this Company's relevant rules, proper rewards may be granted to whistleblowers depending on the significance of such cases.



The Company establishes and announces an independent mailbox for internal and external personnel to use

Email address	audit@a-power.com.tw
<ul style="list-style-type: none"> The designated mailbox is available for employees, suppliers, or other stakeholders to anonymously report any suspected violations of ethical business conduct by others. It may also be used to raise inquiries regarding ethical business conduct policies. Upon receiving a report or complaint, the Company will assign dedicated personnel or units to handle the case. The identity of the whistleblower will be strictly protected, and anti-retaliation policies will be enforced. After the case is concluded, the result will be communicated to the whistleblower. The Company is committed to ensuring that whistleblowers are not subjected to any improper treatment due to their report and that their identity remains confidential. If employees experience unlawful harm in the workplace, they may report or file a complaint with the Human Resources Department. Upon receiving the report, the Company will establish an incident response team to conduct investigation and take appropriate actions. The Company's workplace grievance mailbox : HR@a-power.com.tw. If the investigation reveals any material violations or potential significant damage to the Company, a report shall be prepared immediately and submitted in writing to the independent directors to ensure the objectivity and fairness of the investigation. 	

Training and communication

The Company discloses information related to ethical business conduct on its corporate website to demonstrate its commitment to integrity and the prevention of insider trading. In addition, the Company conducts employee training and awareness programs to help managers, employees, and actual controllers fully understand the Company's determination to uphold ethical business practices, relevant policies, preventive mechanisms, and the potential consequences of violations.

- In 2024, the Company conducted training sessions on the prevention of insider trading, with a total attendance of 115 participants.
- In 2024, the Company conducted a total of 82 hours of human rights policy education and awareness courses on "Prevention of Workplace Sexual Harassment".

2024 Implementation Results of Ethical Business Practices

- In addition to the annual continuing education completed by the Board of Directors, the Company has provided insider trading prevention training to its managers and employees, with a total of 115 participants attending the sessions.
- In 2024, there were no incidents of corruption, anti-competitive behavior, antitrust, or monopolistic practices.



Risk Governance

Risk Management

APEC adopts a preventive approach to risk management. In addition to establishing a robust internal control system in accordance with applicable laws and regulations, the Company ensures effective implementation and regulatory compliance through regular and ad-hoc audits conducted by the Internal Audit Department. Furthermore, APEC has established several functional committees including the Remuneration Committee, the Audit Committee, and the Nomination Committee which assist the Board of Directors in identifying and overseeing risks related to compensation policies, financial and internal control systems, and director nominations, thereby enhancing overall governance effectiveness.

Risk Identification and Assessment

The Corporate Governance unit conducts annual risk identification and assessment based on the principle of materiality, covering operational, financial, legal compliance, and Environmental, Social, and Governance (ESG) aspects. Risks are evaluated according to their potential impact and likelihood of occurrence, and corresponding response policies and management mechanisms are formulated to effectively mitigate the potential impact on the Company's operations.

Risk Categories and Definitions

Risk Categories	Definition Scope
Market Risk	Fluctuations in market demand and competitive pressure may affect APEC's operational performance.
Political Risk	Changes in international geopolitical dynamics or trade policies may affect APEC's supply chain stability and overseas market deployment.
Environmental Risk	External risks such as natural disasters, infectious diseases, and climate change may impact APEC's operations and supply chain stability.
Legal Risk	Non-compliance with applicable regulations in business operations or reputational damage and financial loss resulting from external litigation may adversely affect the Company.
Financial Risk	Financial activities may incur losses due to market fluctuations or management errors, including factors such as exchange rate volatility.
Operational Risk	Deficiencies in internal control systems or internal management may result in personal safety incidents, asset losses, or impaired operational performance, including risks related to information security and intellectual property.
Human Rights Risk	Non-compliance with labor regulations or international human rights conventions may lead to labor disputes or reputational damage.
Other Risks	Although not falling under the aforementioned categories, certain potential risks may still pose significant threats to the Company.



Management Policy

Risk Categories	Management Policy
Environmental Risk E	<ul style="list-style-type: none"> The Company conducts annual reviews of international environmental trends and formulates environmental protection strategies based on operational needs, including energy conservation and carbon reduction, resource recycling, and pollution prevention measures. The Company also conducts environmental education and awareness training for employees to enhance their understanding of climate change and strengthen their engagement, thereby supporting the implementation of the annual environmental initiatives.
Social Risk S	<ul style="list-style-type: none"> The Company regularly conducts human rights risk assessments for employees to prevent violations of labor regulations and deterioration of labor-management relations. The Company ensures that its labor policies comply with international human rights conventions and local legal requirements. Through labor-management meetings, it communicates with employees on matters such as labor rights, working conditions, and compensation policies, thereby enhancing transparency and promoting harmonious labor relations.
Governance Risk G	<ul style="list-style-type: none"> The Board of Directors plans continuing education and governance training based on operational developments and regulatory changes, and provides relevant policy and regulatory information accordingly. The Company continuously strengthens its internal control system to ensure compliance with laws and internal regulations by all personnel. Through various communication mechanisms, it engages in transparent dialogue with stakeholders to foster trust and enhance stakeholder relationships.

Material Risks in 2024

The rise of trade protectionism driven by geopolitical tensions, along with extreme weather events caused by climate change, continues to create uncertainty in global supply chain stability and market demand, posing potential medium to long term risks.

Mitigation Measures

In response to the aforementioned risks, APEC continues to mitigate external impacts by diversifying its supply chain, strengthening partnerships with customers and suppliers, and regularly reviewing its operational footprint and shipment allocation. These efforts enable the Company to flexibly adjust its business strategies and ensure stable and sustainable development.

Information Security Management

Information Security Risk Management Framework

The Company is progressively enhancing its information security risk management framework. In addition to establishing relevant management procedures for information security controls, the Company has developed the following cybersecurity risk management structure:



Information Security Policy

To ensure the smooth operation of the Company's business and to prevent information or information and communication systems from unauthorized access, use, control, disclosure, damage, alteration, destruction, or other forms of compromise, the Company has established this Information Security Policy as a guiding framework. The purpose is to safeguard the confidentiality, integrity, and availability of all business information, and to effectively and reasonably reduce operational risks.

Information Security Objectives

To obtain ISO 27001 Information Security Management System certification and establish security boundaries through supporting information security control infrastructure, supplemented by appropriate classification of confidential information and company-wide training, in order to ensure operational continuity and proper protection of sensitive information, and to prevent unauthorized access, tampering, destruction, improper disclosure, or cyberattacks. To achieve the goal of zero major information security incidents.

Specific Information Security Management Measures

By implementing firewalls and segmenting the information network, internal systems, external interfaces, and office areas are divided into secure zones to strengthen information security defense. Specific management measures include the following:

- Continuously introducing advanced information security solutions to effectively protect and manage systems, hosts, and network activities.
- Conducting regular employee training sessions to promote information security awareness and share updates on cybersecurity knowledge, thereby enhancing employees' overall security consciousness.
- System and Network Security : Implementation of gateway firewalls, Intrusion Detection Systems (IDS), Intrusion Prevention Systems (IPS), and Zero Trust Architecture to prevent unauthorized access and cyberattacks.



- Identity and Access Management :Implementation of Multi-Factor Authentication (MFA) and fine-grained access controls to ensure that only authorized personnel can access critical information assets. Mobile Device Management (MDM) systems are also in place to safeguard access control and the security of confidential company information in the era of cloud-based services.
- Threat Intelligence Monitoring and Response : Through monitoring platforms, the Company continuously monitors and analyzes internal and external threat intelligence to proactively detect and respond to potential attacks in a timely manner.
- An annual social engineering simulation is conducted for all employees with corporate email accounts. In 2024, the simulation involved 142 employees. A total of 30 employees opened the email, and 7 clicked on the embedded link, resulting in a phishing susceptibility rate of 5%. As a corrective measure, mandatory training on phishing email identification was implemented for those who interacted with the simulated threat.

Information Security Education and Training

The information security training program covers all employees and provides tiered and topic-specific training as needed. The total training hours are customized based on job responsibilities and information security risk assessments to ensure that employees acquire sufficient cybersecurity knowledge and skills.

In 2024, the information security training courses were attended by **404** employees, with a total of **411** training hours completed.

2024 Cybersecurity General Awareness Training Course

Course Title	Course Date	Total Number of Participants	Total Training Hours
Introduction to Email-Based Social Engineering and Protective Measures	2024.06.28	142	142
How to Use a Computer Safely	2024.08.12	138	207
Emerging Cybersecurity Threats and Defensive Mindsets	2024.12.03	124	62



Regulatory Compliance

Management System

In accordance with the “Regulations Governing the Establishment of Internal Control Systems by Public Companies” promulgated by the Financial Supervisory Commission (FSC) of the Executive Yuan and other applicable laws and regulations, APEC has established its internal control system, which has been approved by the Board of Directors and is implemented across all operations. The internal control system is designed to promote sound corporate management and ensure the effective execution of the Company’s policies and procedures. It aims to achieve three primary objectives: operational effectiveness and efficiency; the reliability, timeliness, and transparency of reporting; and compliance with applicable regulations and legal requirements. The scope of the internal control system covers all daily operational activities, including transaction cycles, information management, and other management controls. It is integrated into the Company’s routine processes in alignment with international standards such as ISO 9001 and ISO 14001.

- Regular legal and regulatory reviews are conducted to compile and maintain a list of key applicable laws and regulations. When updates occur, relevant internal control policies and procedures are revised accordingly to ensure compliance. This mechanism enables personnel to adhere to current requirements and ensures that all operational activities are conducted in accordance with applicable laws and regulations.
- An Audit Office has been established under the Board of Directors and reports directly to the Chairperson. It assists the Chairperson and management in examining and reviewing the Company’s internal systems and procedures, and provides timely recommendations for improvement to ensure the continued effectiveness of the internal control system.

Implementation of Fair Trade Practices

Competition among enterprises promotes improvements in product quality and offers customers greater product diversity. It enhances operational efficiency and drives cost reduction, thereby creating profitability. In contrast, anti-competitive behavior undermines market efficiency and fairness, limits customer choice, restricts access to reasonable services, and diminishes external competitive pressure — ultimately eroding a company’s core values. In 2024, APEC was not involved in any violations of fair trade or sales-related regulations.

Compliance with Labor Laws

APEC complies with the labor laws and regulations of the competent authorities in its operating locations to protect workers’ rights and maintain harmonious labor relations. Legally compliant labor contracts are established with employees, clearly stating all necessary terms and prohibiting any provisions that violate laws or infringe upon labor rights. In 2024, the Company had no record of labor law violations or fines imposed by regulators. Going forward, APEC will continue to uphold the highest standards of compliance, aiming for zero violations and zero penalties.



Financial Performance

APEC's revenue for 2024 was NT\$2.918 billion, with both revenue and profit increasing compared to 2023. The growth was mainly driven by rising market demand for MOSFET products and improved operational performance.

Operating Revenue and Earnings Per Share of the Last Two Fiscal Years

Unit: NT\$'000

Item	2023	2024
Operating revenue	2,851,162	2,918,407
Gross profit from operations	745,015	833,932
Profit before income tax	394,390	679,767
Earnings Per Share	2.83	4.80

Note: This figure is sourced from the financial statements. Please refer to the Investor Relations section on the Company's website for more information. <https://www.a-power.com.tw/tw/>

Sales Amount and Proportion of Major Products of the Last Two Fiscal Years

Unit: NT\$'000

Products	2023		2024	
	Amount	%	Amount	%
Low Voltage MOSFET	893,104	31.32%	1,217,456	41.72%
Medium Voltage MOSFET	1,039,830	36.47%	945,235	32.39%
High Voltage MOSFET	877,439	30.77%	692,400	23.72%
Others	40,789	1.44%	63,316	2.17%
Total	2,851,162	100.00%	2,918,407	100.00%

Sales Amount and Proportion by Region for Major Products of the Last Two Fiscal Years

Unit: NT\$'000

Year Region	2023		2024	
	Amount	%	Amount	%
Taiwan	394,145	13.82%	728,179	24.95%
Asia	2,456,009	86.14%	2,186,408	74.92%
Others	1,008	0.04%	3,820	0.13%
Total	2,851,162	100.00%	2,918,407	100.00%

Customers and Markets

APEC primarily sells its products in Mainland China and Japan. Within its product portfolio, medium and low voltage MOSFETs represent its most significant product categories.

Production Volume of Major Products of the Last Two Fiscal Years

Unit: thousand Piece

Products	2023		2024	
	Production Volume	%	Production Volume	%
Low Voltage MOSFET	553,316	63.62%	698,717	66.92%
Medium Voltage MOSFET	206,638	23.76%	247,799	23.73%
High Voltage MOSFET	104,068	11.97%	89,179	8.54%
Others	5,655	0.65%	8,346	0.81%
Total	869,677	100.00%	1,044,041	100.00%



Investor Relations

Shareholder Services

APEC places great importance on investor feedback. In addition to appointing a professional shareholder services agent to handle shareholder-related matters, the Company has established a spokesperson system to ensure the timely disclosure of information for stakeholders' reference. Beyond engaging with shareholders through the annual general meeting, APEC is also invited to participate in corporate investor conferences hosted by external investment institutions, allowing the investing public to better understand the Company's operations and industry developments, as well as to communicate its corporate philosophy and business strategies. These efforts facilitate open two-way communication between investors and the Company's management, highlighting corporate value and safeguarding shareholders' rights. Furthermore, APEC has established an Investor Relations section on its corporate website to provide timely updates on operational performance and financial information.

Spokesperson System
Spokesperson Name : Chia-Shuai Chang Title : President
Acting Spokesperson Name : Mei-Ying Tan Title : Vice President of Finance & HR Administration Division
Tel : (02)2697-1299 Email : investinfo@a-power.com.tw



APEC held two investor conferences in 2024.

Dividend Policy

According to APEC's Articles of Incorporation, the Company's dividend policy takes into account its current stage of operational growth. In order to meet future capital requirements and long-term financial planning, while also addressing shareholders' need for cash flow, distributable earnings may be allocated for shareholder dividends. Of the total dividends distributed, the cash dividend shall not be less than 10% of the total dividend amount. However, the type and ratio of such distributions may be adjusted based on the Company's actual profitability and financial condition for the year, subject to a resolution of the shareholders' meeting.

In the past five fiscal years, APEC has distributed shareholder dividends at no less than 40% of the net income after tax each year, and such dividends have been paid entirely in cash.

Earnings Year	Cash Dividend
2024	3.2
2023	2.48833407
2022	4.97667326
2021	6
2020	1



Quality Management

To implement effective quality management and ensure that products comply with customer and regulatory requirements, the Company has established a Quality Assurance Policy: **“Total Participation, Technological Leadership, Quality First, Customer Satisfaction.”** Through strengthening internal quality awareness, continuous technological innovation, and rigorous process control, APEC is committed to delivering high-quality and competitive products while enhancing customer satisfaction.

Compliance with Hazardous Substance Management Regulations

To meet customer expectations and comply with regulations related to environmentally hazardous restricted substances, APEC conforms to the EU RoHS Directive (2011/65/EU), the EU REACH Regulation, Substances of Very High Concern (SVHC), and PFAS-related requirements. At the same time, we are committed to adhering to chemical substance regulations in various countries and from our customers, and we also require our suppliers to comply with restrictions or prohibitions on regulated hazardous substances.

Green Product Commitment

All products comply with RoHS and are halogen-free. We hereby declare and guarantee that all finished products supplied to customers conform to the RoHS Directive and the EU REACH Regulation established by the European Chemicals Agency (ECHA), including disclosure of substances contained in the products and communication of relevant information throughout the supply chain.

To strengthen supply chain risk management, APEC conducted due diligence on 16 suppliers in 2024. All were evaluated to be in accordance with the relevant requirements of the Company’s supplier management system.

Responsible Mineral Sourcing

APEC promotes responsible mineral sourcing across its supply chain by conducting due diligence in accordance with the standards of the Responsible Business Alliance (RBA) and the Responsible Minerals Initiative (RMI). The Company adheres to requirements such as the Conflict-Free Smelter Program (CFSP) and utilizes the RMI’s Conflict Minerals Reporting Template (CMRT) to trace the origin of minerals within its supply chain. Through this process, APEC fulfills its responsibility to disclose the sources of materials used in its products, and issues due diligence results to ensure that neither its products nor its supply chain are linked to conflict-affected or high-risk areas.

To strengthen supply chain risk management, APEC completed RMI conflict-free mineral surveys for 16 suppliers in 2024. Upon evaluation, all suppliers were found to be in accordance with the standards of the Responsible Business Alliance (RBA) and the Responsible Minerals Initiative (RMI).

Customer Relationship

Customer Relationship Management

As a professional supplier of MOSFET components, the Company adheres to a customer-centric service philosophy. Through a systematic Customer Relationship Management system, we actively enhance service communication and partnership with our clients, striving to establish long-term, mutually beneficial, and prosperous collaborations. In an era where sustainable development is increasingly emphasized, customer relationship management has become one of the essential issues for corporate operations. The Company is committed not only to meeting customers’ stringent requirements for product performance, quality, and delivery, but also to advancing sustainability across the industry value chain. We foster open and friendly communication channels to strengthen mutual trust and collaboration with our clients. By continuously offering high-performance, high-quality products that comply with environmental regulations and international standards, we fulfill our responsibilities to society, the environment, and our customers working together to promote sustainable development in the industry.

Concrete Actions

- Conduct regular customer satisfaction surveys**
 An annual, comprehensive customer satisfaction survey is conducted based on key performance indicators such as product quality, on-time delivery, technical support, and sales service. The survey results are statistically analyzed and integrated into internal quality and process improvement efforts, enabling relevant departments to gain deeper insights into customer needs and pain points. These efforts help drive service optimization and product enhancement, effectively increasing customer loyalty and market competitiveness, while reinforcing the foundation for the Company’s sustainable operations.
- Establish a feedback and complaint handling mechanism**
 To provide timely and diverse feedback channels, APEC offers multiple communication methods, including designated sales contacts, customer service email, and surveys, to ensure that customer feedback and suggestions are received promptly. For customer complaints, quality issues, or technical problems, a customer grievance handling process is immediately activated. Relevant departments work collaboratively to conduct root cause analysis, implement corrective actions, and follow up on responses. This closed-loop improvement process effectively enhances the speed and accuracy of issue resolution, while also strengthening customer trust and satisfaction with the Company’s product quality and services.

Through these concrete actions, the Company not only continues to strengthen its partnerships with existing customers, but also enhances overall brand credibility and international market competitiveness, thereby laying a solid foundation for long-term sustainable operations.

Customer Satisfaction Survey

In accordance with the annual quality objectives of the ISO 9001 Quality Management System, the Customer Satisfaction Survey is conducted at the end of the fourth quarter each year. The survey is distributed to customers via email and covers the following evaluation categories:product quality, delivery performance, and service.

Customer Satisfaction Survey Results for the Past Three Years

Survey Items	2022	2023	2024
Quality (54%)	49%	50%	49%
Delivery Time (9%)	8%	8%	8%
Service (36%)	33%	33%	34%
Total Satisfaction Score (99%)	90%	91%	91%
Survey Response Rate	95%	92%	91%

Product Information, Labeling, and Marketing Communications

In 2024, there were no violations of regulations related to product information, labeling, or marketing communications. communications.

Trade Secret or Information Security Incidents

In 2024, there were no incidents of corruption, anti-competitive behavior, antitrust, or monopolistic practices.



Intellectual Property Management

APEC places great importance on the protection and management of intellectual property (IP), regarding it as a core asset for innovation and corporate competitiveness. To safeguard R&D achievements and protect the rights and interests of the Company and its stakeholders, a comprehensive IP management system has been established. This system covers the application, maintenance, licensing, and supervision of various types of intellectual property rights, including patents, trademarks, copyrights, and trade secrets. In addition, the Company has formulated a dedicated patent policy to ensure proper procedures for patent application, utilization, protection, licensing, transfer, and training. These efforts are designed to encourage employees to actively engage in technological development and patent filings, thereby enhancing the Company's overall competitiveness.

Management Policies and Systems

The Company has established the "Intellectual Property Management Guidelines" to clearly define the procedures for intellectual property application, the ownership and responsibility framework, and the mechanisms for ongoing maintenance.

Regular intellectual property training is provided to employees to enhance overall legal compliance awareness and confidentiality practices.

The Company has implemented a mechanism for R&D results registration and patent evaluation to strengthen its technology deployment strategy.

A dedicated department is responsible for monitoring potential infringement risks and taking appropriate legal actions to safeguard the Company's rights and interests.

Intellectual Property Achievements

As of the end of 2024, APEC had obtained a total of 90 valid domestic and international patents, (of which 52% are invention patents). These patents are incorporated into trade secret management and cover critical technologies, manufacturing processes, customer information, and technical data. The Company enforces control through formal confidentiality agreements and internal control measures. In addition, all product development projects undergo intellectual property risk assessments to ensure non-infringement of third-party rights and to enhance the differentiated competitiveness of its products. The Company has also included confidentiality clauses in its employment contracts to ensure that employees are obligated to maintain confidentiality both during and after their employment. Looking ahead, the Company will continue to strengthen its intellectual property strategy in alignment with corporate transformation and global market development. By deepening R&D innovation and enhancing technology protection, and through the integration of internal and external resources, APEC aims to maximize the value of its intellectual assets to support sustainable operations and reinforce its brand value.

APEC Patent Statistics

	Taiwan	Overseas	Total
Utility Model (Granted)	17	22	39
Invention Patent (Granted)	40	7	47
Design (New Design)	2	2	4
Total	59	31	90



Sustainable Environment

Material Topics and Management Strategy in the Environmental Dimension

Material Topics	2025 Goals	2024 Achievements	Management Policies
Energy and Climate Change	Target: 5,000 kWh electricity savings	2024 Achievement: 1,800 kWh electricity savings	<ul style="list-style-type: none">❖ Adopt high-efficiency energy-saving technologies to optimize production processes and equipment operation, reducing energy waste.❖ Regularly review and update energy management strategies to stay aligned with international trends and enhance market competitiveness.
	Target: Annual greenhouse gas emissions reduced by 1.5% compared to the baseline year (2023)	2024 Achievement: Greenhouse gas emissions reduced by 4.07% compared to the baseline year	<ul style="list-style-type: none">❖ Conduct regular greenhouse gas inventories to monitor emission data.❖ Establish internal carbon management mechanisms and annual carbon reduction targets, with continuous tracking and evaluation of emission reduction results.❖ Strictly comply with national and local regulations and standards related to greenhouse gas emissions to ensure transparent and compliant management measures.



Greenhouse Gas Management

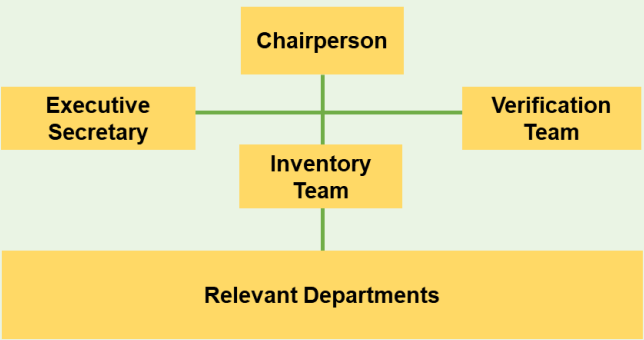


Global climate and the environment are currently under severe threat due to greenhouse gas emissions. In order to fulfill its corporate social responsibility and respond to international frameworks such as the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol, APEC has adopted the ISO/CNS 14064-1:2018 standard to conduct greenhouse gas (GHG) inventories. By establishing a GHG Inventory Committee and implementing a cross-departmental collaboration mechanism, the company monitors and manages emissions from all operating sites to ensure data completeness and accuracy. Based on the results of the inventory, voluntary reduction initiatives are further promoted as practical actions toward energy conservation, carbon reduction, and environmental protection.

This year, the organizational boundary for the GHG inventory is defined using the operational control approach, meaning emissions sources are included based on the company’s substantive control over operations. The main greenhouse gases accounted for in the inventory are carbon dioxide (CO₂), methane (CH₄), and hydrofluorocarbons (HFCs).

In 2024, the company’s GHG inventory underwent third-party verification by Bureau Veritas Certification (Taiwan) on June 27, 2025. To establish a net-zero emissions target, APEC designated 2023 as the baseline year, with total GHG emissions for that year measured at 900.5112 metric tons of CO₂ equivalent. The baseline year was selected based on the company’s first full GHG inventory conducted in accordance with ISO/CNS 14064-1:2018, covering Categories 1 to 6 and verified by a third-party auditor.

Greenhouse Gas Inventory Committee



- ◆ **Designated Contacts and Clear Responsibilities**
Each department assigns a liaison responsible for compiling data related to energy usage, equipment operation, and business activities, and submitting the information within the specified deadline.
- ◆ **Explanation and Training on Inventory Scope**
Training sessions are provided on greenhouse gas inventory topics, including the types of data required (e.g., fuel consumption, electricity bills, water usage, attendance records) and estimation principles, to improve the accuracy and efficiency of data collection.
- ◆ **Regular Communication and Progress Tracking**
Inventory meetings or progress notifications are conducted regularly to help departments understand their progress, identify areas needing improvement, and resolve issues encountered during the inventory process in a timely manner.
- ◆ **Feedback and Performance Integration**
After the inventory is completed, each department’s contributions are consolidated and incorporated into sustainability performance indicators or internal recognition programs, encouraging ongoing support for carbon reduction initiatives.

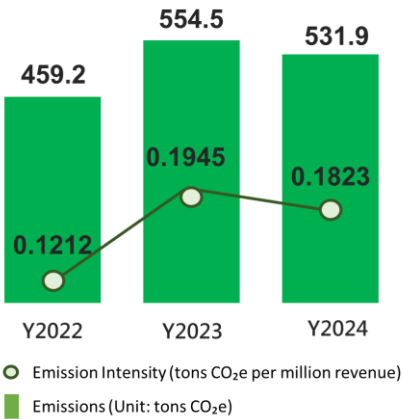


- In 2024, APEC’s total greenhouse gas emissions amounted to 940.6336 metric tons of CO₂ equivalent (CO₂e). The inventory covers the following major categories:
- ❖ Category 1: Direct emissions from sources owned or controlled by APEC, including fugitive emissions. As the company does not operate any factories, there are no process emissions, stationary sources, or mobile sources. Emissions in this category totaled 33.5747 metric tons CO₂e, accounting for 3.57% of the company’s total emissions.
 - ❖ Category 2: Indirect emissions from the consumption of purchased electricity from external providers. This category had the highest emissions, totaling 498.3744 metric tons CO₂e, representing 52.98% of total emissions.
 - ❖ Category 3: In 2024, employee commuting was newly included in the GHG inventory under this category. Emissions from commuting totaled 408.6845 metric tons CO₂e, accounting for 43.45% of total emissions.

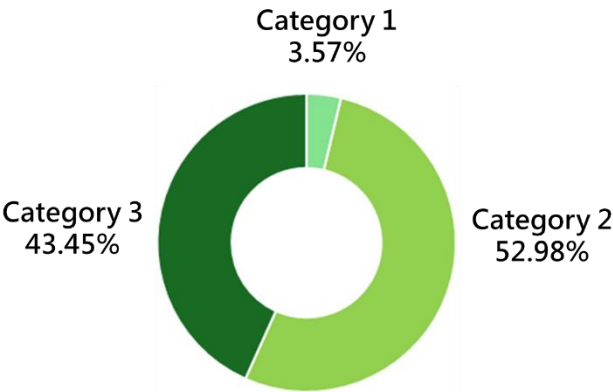
Total Greenhouse Gas Emissions for the Entire Facility (CO₂e)

Items	CO ₂	CH ₄	N ₂ O	HFC _s	PFC _s	NF ₃	SF ₆	Total
CO ₂ e	907.0589	11.1812	0.0000	22.3935	0.0000	0.0000	0.0000	940.6336
(%)	96.43%	1.19%	0.00%	2.38%	0.00%	0.00%	0.00%	100.00%

Greenhouse Gas Emission Trends
from 2022 to 2024
(Sum of Category 1 and Category 2)



Emission Category Proportion



Proportion of Major Emitted Greenhouse Gases



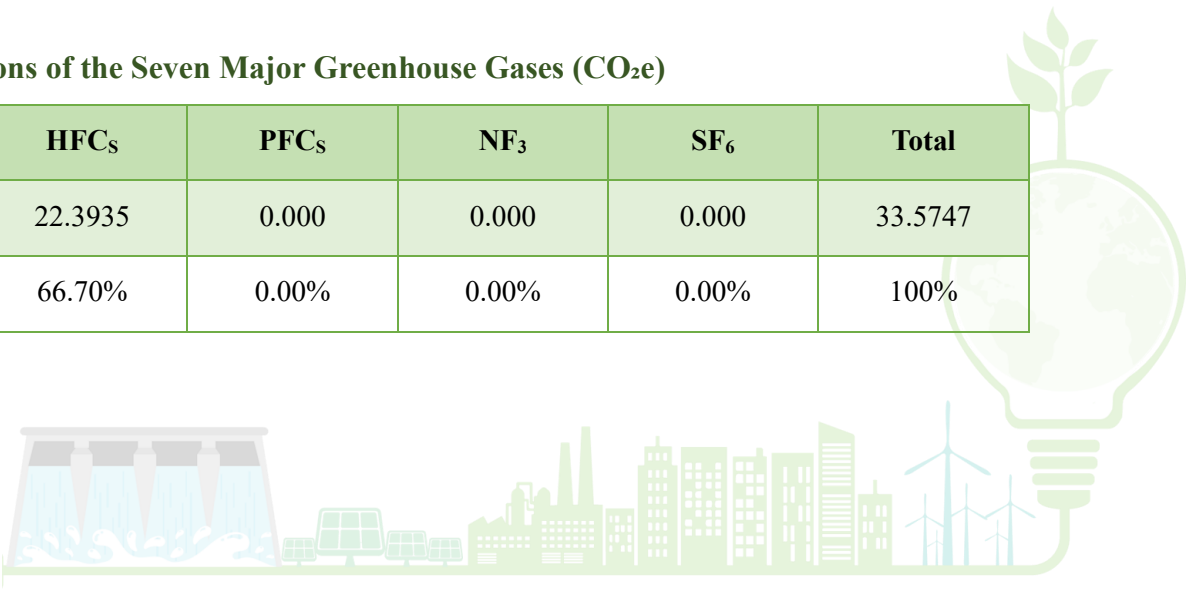


Greenhouse Gas Emissions by Category – Summary Table of the Seven Major GHGs (CO₂e)

Items	CO ₂	CH ₄	N ₂ O	HFC _s	PFC _s	NF ₃	SF ₆	Total	(%)
Category 1	0.000	11.1812	0.000	22.3935	0.000	0.000	0.000	33.5747	3.57%
Category 2	498.3744	0.000	0.000	0.000	0.000	0.000	0.000	498.3744	52.98%
Category 3	408.6845	0.000	0.000	0.000	0.000	0.000	0.000	408.6845	43.45%
Category 4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Category 5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Category 6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	907.0589	11.1812	0.000	22.3935	0.000	0.000	0.000	940.6336	100.00%

Summary Table of Direct Emissions of the Seven Major Greenhouse Gases (CO₂e)

Items	CO ₂	CH ₄	N ₂ O	HFC _s	PFC _s	NF ₃	SF ₆	Total
CO ₂ e	0.000	11.1812	0.000	22.3935	0.000	0.000	0.000	33.5747
(%)	0.00%	33.30%	0.00%	66.70%	0.00%	0.00%	0.00%	100%





Energy Management

All the energy used by APEC is purchased electricity, supplied by Taiwan Power Company. In terms of energy management, the company uses “electricity savings (kWh)” as its primary performance indicator. In 2024, total electricity consumption was 1,037,878 kWh, a reduction of 1,808 kWh compared to 2023, indicating initial success in energy-saving efforts.

Additionally, the company has optimized energy use management and equipment maintenance. Energy-saving measures include setting air conditioning temperatures no lower than 26°C and regularly cleaning air conditioner filters to maintain operational efficiency. In 2023, LED energy-saving lighting was fully implemented, and in 2024, the company launched a “1-Hour Lights-Off During Lunch Break” campaign to reduce lighting electricity consumption, promote green operations, and strengthen energy-saving and carbon-reduction awareness among employees.

Looking ahead, APEC will continue to adopt both electricity savings rate and absolute reduction as key performance metrics. To achieve year-over-year reductions in electricity use, we plan to actively phase out outdated equipment, procure high-efficiency alternatives, promote energy conservation awareness, and gradually build a circular economy model to enhance overall energy efficiency. The company also plans to introduce renewable energy sources and gradually increase their share in the energy mix, moving toward a low-carbon, sustainable energy transformation.

Total Annual Electricity Consumption and Energy Intensity from 2022 to 2024

Energy Items	Year 2022	Year 2023	Year 2024
Natural Gas (GJ)	0	0	0
Liquefied Petroleum Gas (GJ)	0	0	0
Gasoline (GJ)	0	0	0
Diesel (GJ)	0	0	0
Purchased Electricity (GJ)	3,248	3,788	3,782
Renewable Energy (GJ) (Renewable Energy Certificates)	0	0	0
Total (GJ)	0	0	0
Energy Intensity (GJ/Employee)	25.2	28.1	29.5
Electricity as a Percentage of Total Energy Consumption (%)	100.00%	100.00%	100.00%
Percentage of Renewable Energy Usage (%)	0.00%	0.00%	0.00%



Water Resource Management

APEC places great importance on the efficient use and management of water resources and is committed to minimizing the environmental impact of its operations on water systems. As a fabless component design company, APEC does not require large volumes of water. Water use is primarily for office purposes and some equipment, including cooling towers, with no involvement in high water-consuming production processes.

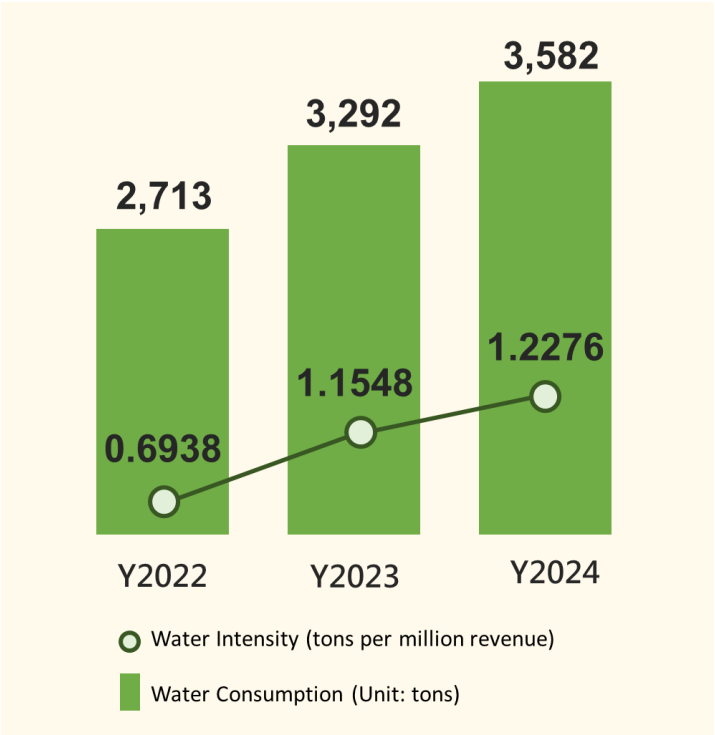
To enhance water efficiency, the company has implemented various conservation measures, including the installation of water-saving devices such as sensor-activated faucets and low-flow toilets, regular inspection of pipelines to prevent leaks, and water conservation awareness campaigns to encourage employees to adopt water-saving habits. In addition, water usage data is collected and water quality is regularly monitored to support water resource protection goals.

Furthermore, based on the World Resources Institute’s Water Risk Assessment Tool, the company assessed water stress levels at its operational sites. Results show that even under the most pessimistic climate scenarios, the regions where APEC’s facilities are located in Taiwan face low to medium water stress (Low-Medium Risk: 1–2). The company’s sites do not extract water from ecologically protected areas or regions of high biodiversity value, nor from protected or restored habitats. Internal expert evaluations have confirmed that APEC’s water use does not pose significant risks to nearby communities or ecosystems.

Recycled Water Volume Across All Facilities (2023–2024)

Year	2023	2024
Total Water Withdrawal (tons)	3,292	3,582

Water Consumption Trends from 2022 to 2024



Water Source Risk Level Assessment

Facility	Water Source	Risk Level
Hsinchu Office	Touqian River	Low to Medium (Low-Medium risk (1–2))
Taipei Office	Keelung River	Low to Medium (Low-Medium risk (1–2))



Waste Management

To minimize the environmental impact and risks associated with waste generated during production, APEC classifies all waste in accordance with regulations into hazardous and non-hazardous categories and implements a recycling management mechanism in collaboration with licensed contractors. The company places great importance on the potential environmental impact of its products and is committed to eco-friendly product design and waste reduction throughout the entire product life cycle. For waste generated during the disposal phase—such as electronic waste (e-waste), packaging materials, and other accessories—APEC complies with e-waste recycling regulations in various countries and actively seeks recycling partners to convert non-reusable waste into reusable resources. This approach supports sustainable resource use, promotes circular economy practices, strengthens product sustainability, improves resource efficiency, and adds value to waste materials. In 2024, the total weight of recycled waste reached 7,521 kilograms, and 612 wafer carriers were reused, demonstrating continued progress toward circular economy and waste reduction goals.

In terms of waste management, the company has also established a quality policy to ensure product safety and environmental protection. APEC actively promotes a hazardous substance management system, complying with domestic and international regulations and customer requirements (e.g., RoHS, REACH, TSCA). The company controls hazardous chemicals used in processes or potentially present in products to minimize health and environmental impacts.

Looking ahead, APEC plans to enhance the positive environmental and social impact of its products by evaluating the implementation of Product Lifecycle Management (PLM). This will involve integrating sustainability concepts and management mechanisms throughout the product lifecycle—from R&D and manufacturing to transportation, usage, and final disposal. Through optimized product design, the company aims to reduce components that are difficult to decompose or contain hazardous substances, while increasing the recyclability of materials.

2024 Recycled Waste Classification Statistics

Recycling Categories	Quantity	Unit
Waste Plastic	441	Kilograms
Plastic Pallets	1,160	Kilograms
Waste Cardboard Boxes	4,910	Kilograms
Waste Packaging Materials	1,010	Kilograms
Wafer Carriers	612	Pieces



Supplier Management

APEC requires its suppliers to fulfill their corporate social responsibilities and to avoid causing any negative environmental or social impacts. Through the implementation of the “Supplier Management Procedure,” suppliers are expected to uphold ethical standards and principles of integrity, ensuring that their practices do not harm fundamental rights in areas such as environmental protection, human rights, safety, and sustainable development. Together with our suppliers, we are committed to complying with local laws in all aspects of operations, including labor rights, health and safety, environmental protection, business ethics, and management systems. By starting with environmental protection, we aim to promote sustainable development across all three ESG dimensions—Environmental, Social, and Governance.

Supplier Management Aspects







Supplier Evaluation	Supplier Audits	Supplier Recognition
<ul style="list-style-type: none">❖ Suppliers must pass the supplier assessment and comply with APEC's environmental policy.❖ Suppliers must adhere to local government regulations related to air pollution control, water pollution prevention, and waste and resource management.❖ Suppliers are required to complete the Environmental, Health, and Safety (EHS) management questionnaire, with a 100% response rate achieved in 2024.	<ul style="list-style-type: none">❖ Supplier evaluations are conducted every six months.❖ An annual off-site audit and assessment is carried out to review suppliers' quality and environmental performance.	<ul style="list-style-type: none">❖ Communicate sustainability concepts and goals to suppliers annually.❖ Strengthen partnerships with well-performing suppliers—those excelling in areas such as quality improvement, cost reduction, on-time delivery, and sustainability performance.





Supplier Risk Assessment

APEC's supplier audits and risk assessments cover the following aspects:

					
Investigation of Supplier Manufacturing Locations / Main Raw Material Source Countries	Transportation Methods and Frequency of Unexpected Delays	Impact from Pandemics / Geopolitical Factors	Stability and Compliance of Incoming Material Quality with Agreed Inspection Standards	On-Time Delivery Performance	Conflict Minerals Due Diligence, etc.

In response to the results of risk assessments, the company adopts various risk mitigation measures. These include internally verifying inventory levels to assess the risk of material shortages, evaluating the potential impact of the risk on different areas of the company, and assessing the supplier's capacity for material provision and transportation. Based on these evaluations, the company initiates appropriate avoidance actions.

Supplier Category Statistics

APEC is a professional IC design company, and its key procurement items include epitaxial silicon wafers, services from specialized wafer foundries, and packaging and testing. To diversify its supply sources, the company selects qualified suppliers both domestically and internationally, ensuring reliable collaboration for diverse product development technologies and stable production capacity.

Primary Material	Supplier Country	Supply Status
Epitaxial Silicon Wafers	Taiwan	Stable
Wafer Foundry Services	Taiwan	Stable
Packaging Services	China	Stable



Local Procurement Ratio

The company defines local procurement based on the supplier's production location. In 2023, the local procurement ratio was 46.23%, and in 2024, it increased to 47.57%.

Key Raw Materials	Source	Year 2023	Year 2024
Epitaxial Silicon Wafers	Local Procurement	41.38%	61.43%
	Non-Local Procurement	58.62%	38.57%
Wafer Foundry Services	Local Procurement	62.78%	70.10%
	Non-Local Procurement	37.22%	29.90%
Packaging Services	Local Procurement	5.01%	3.92%
	Non-Local Procurement	94.99%	96.08%
Others	Local Procurement	97.23%	98.08%
	Non-Local Procurement	2.77%	1.92%





Friendly Workplace

Material Topics and Management Strategy in the Social Dimension

Material Topics	2025 Goals	2024 Achievements	Management Policies
Labor Management Relations	❖ No major labor management dispute cases	❖ No major labor management dispute cases	<ul style="list-style-type: none">❖ Regular labor-management meetings are held to facilitate communication and exchange of opinions with employees.❖ An employee grievance mailbox is established to ensure concerns can be raised in a safe and secure manner.❖ Managerial communication training is reinforced through regular sessions on legal compliance and management practices.❖ A respectful and equitable workplace is promoted, with strengthened advocacy on workplace equality, anti-discrimination, and anti-harassment.
Talent Attraction and Retention	❖ Turnover rate of key talents below 10%	❖ Turnover rate of key talents: 2.9%	<ul style="list-style-type: none">❖ Compensation systems are regularly reviewed to ensure market competitiveness.❖ An open, inclusive, and trustworthy working environment is fostered.
Talent Development	❖ Total training hours increased by 10% compared to 2024	<ul style="list-style-type: none">❖ Total training hours: 1,748.3 hours❖ Average training hours per employee: 12.85 hours	<ul style="list-style-type: none">❖ Employees are encouraged to freely express their opinions.❖ Flexible working hours and employee benefits are offered to enhance employee Well-Being Workplace.❖ Talents with forward-looking vision and innovative capabilities are nurtured through targeted development programs.



Human Rights Protection

APEC adheres to the spirit and fundamental principles of human rights protection as set forth in international conventions, including the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the UN Global Compact, and the ILO Declaration on Fundamental Principles and Rights at Work. The company is committed to ensuring that the fundamental human rights of all employees, job applicants, and supplier personnel are respected, upheld, and treated with dignity, without infringement.

APEC Human Rights Policy

01

Establishing Principles of Equal Treatment

APEC upholds openness and fairness, ensuring that no individual is subjected to discriminatory language, attitudes, or behavior based on gender, race, social class, age, marital status, language, ideology, religion, political affiliation, place of origin, birthplace, appearance, physical features, or disabilities.

02

Ensuring Equal Pay for Equal Work

We provide employees with fair and reasonable compensation in accordance with legal regulations and fulfill obligations related to social insurance. To promote employee well-being and enhance work efficiency, we also offer a variety of welfare programs.

03

Providing a Healthy and Safe Work Environment

We aim for zero accidents as our safety management goal. Annual health check-ups are provided to employees, and results are categorized and tracked to manage and prevent potential health risks.

04

Prohibiting Forced Labor

APEC strictly complies with local labor laws, international standards, and the APEC Human Rights Policy. We respect employees' free will and strictly prohibit any form of forced labor.

05

Prohibition of Child Labor

Hiring standards strictly comply with local legal minimum age requirements. As of 2024, the number of child laborers employed is zero.

06

Creating a Diverse, Inclusive, Non-Discriminatory, Harassment-Free, and Humane Work Environment

Our Employee Code of Conduct prohibits all forms of gender discrimination, verbal or physical harassment, and bullying. We have established complaint channels and confidentiality mechanisms, and we conduct regular training on gender equality, anti-discrimination, and anti-harassment to strengthen awareness and accountability among all staff.

07

Protecting Employees' Freedom of Association

We foster harmonious labor relations through open communication platforms for labor-management dialogue. With people-centered management, employees are free to form and participate in clubs and associations.

08

Protecting the Human Rights of Diverse Groups

We encourage the employment of disadvantaged groups by providing tailored training and employment support. For international or foreign employees, we assist in workplace integration. APEC also supports gender diversity and is committed to creating a safe, non-discriminatory, and inclusive work environment.



APEC provides a gender-equal and diverse working environment. The Human Resources department is responsible for promoting and overseeing human rights-related matters. Human rights risks are integrated into the company’s overall risk management framework, and regular reviews are conducted to assess the implementation of human rights policies. This ensures that the company’s human rights commitments are embedded across all operational activities, enabling early identification, prevention, and mitigation of potential human rights impacts.

We also monitor the human rights conditions of our supply chain and outsourced partners, ensuring they adhere to the same standards through meetings, site visits, and ongoing communication.

Human Rights Risk Management Procedures



APEC Human Rights-Related Regulations	Concrete Actions
<ul style="list-style-type: none">❖ APEC Human Rights Policy❖ Employee Handbook❖ Work Rules❖ Recruitment and Employment Guidelines❖ Sexual Harassment Prevention Policy❖ Guidelines for the Prevention of Unlawful Infringement During the Execution of Duties	<ul style="list-style-type: none">❖ Complied with legal requirements to employ one person with disabilities for every 100 employees, ensuring equal employment opportunities for disadvantaged groups.❖ Implemented an equal pay mechanism and daily working hour reminders to prevent excessive and forced labor.❖ Established internal policies and posted announcements on the internal bulletin system to promote a safe and healthy work environment and prevent sexual harassment.❖ Conducted a total of 82 hours of human rights education and awareness training on “Prevention of Workplace Sexual Harassment.”❖ Provided communication channels and established procedures for employee grievance and whistleblowing, ensuring the rights and obligations of both complainants and respondents are protected. No human rights violations were reported in 2024.



Well-being Workplace

To build an attractive and sustainable workplace, APEC focuses on four key aspects: talent attraction, a friendly work environment, diversified compensation and benefits, and talent development. We value employees’ physical and mental Well-Being Workplace, as well as their work-life balance. Through comprehensive systems, open communication, and a supportive workplace culture, we aim to enhance overall employee Well-Being Workplace, job satisfaction, and organizational cohesion. In 2024, APEC had a total of 136 employees, with women accounting for 55.9% of the workforce and 42.0% of managerial positions—an outstanding performance within the industry. Looking ahead, APEC remains committed to fostering a gender-friendly, diverse, and inclusive work environment, actively cultivating various talents, promoting equal opportunities, and shaping a workplace that is both attractive and built for long-term sustainability.



Diverse Compensation System

A competitive compensation and performance system supports employees in caring for their families and promotes a healthy work-life balance.

Talent Attraction and Retention

Two-way communication is encouraged to foster a culture of non-discrimination, zero harassment, and DEI (Diversity, Equity, and Inclusion).

Friendly Work Environment

Flexible working hours and a multifunctional office environment boost productivity and promote holistic well-being.

Talent Development and Growth

Employee skill development is a priority, with tailored training based on job roles and a strong emphasis on continuous learning and personal growth.

APEC Workforce Composition

	Total Employees	136	Local Employees 125 (91.9%) Foreign Employees 11 (8.1%)
	Female Employees	76	(55.9% of total workforce)
	Male Employees	60	(44.1% of total workforce)

	Average Employee Age	43.4	years
	Average Length of Service	9.0	years
	New Hires	11	employees (8.1% of total workforce)
	Employee Turnover	24	employees (17.6% of total workforce)

	Bachelor's Degree	77.3%
	Master's Degree or Above	18.9%
	Female Management Ratio	42.0%



In 2024, APEC recorded an overall employee turnover rate of 16.7%. In recent years, the company has been driving organizational transformation and actively cultivating R&D talent. To align with its business goals, APEC has developed a talent development roadmap aimed at fostering a high-performance and competitive culture. In parallel, retention targets were set for key talents, resulting in a significantly reduced turnover rate of 2.9% for high-performing employees in 2024.

Employee Composition by Age and Gender

Year 2024	Category	Male		Female		Headcount Subtotal	Share of Total Employees (%)
		Headcount	Percentage	Headcount	Percentage		
Employment Type	Full-time Employees	60	44.1%	76	55.9%	136	100.0%
	Part-time Employees	0	0.0%	0	0.0%	0	0.0%
Age Group	Under 29	3	2.2%	4	2.9%	7	5.2%
	Age 30–49	39	28.7%	60	44.1%	99	72.8%
	50 and Above	18	13.2%	12	8.8%	30	22.1%
Work Location	Taiwan	55	40.4%	71	52.2%	126	92.7%
	China	5	3.7%	5	3.7%	10	7.4%

Employee Distribution by Employment Type, Gender, and Age

Category		Items	Male	Female	Under 29	Age 30–49	50 and Above
Total Employees		Total Employees	44.1%	55.9%	5.2%	72.8%	22.1%
Management	Level	Entry Level	52.6%	47.4%	0.0%	84.2%	15.8%
		Mid Level	51.7%	48.3%	0.0%	69.0%	31.0%
		Senior Level	71.4%	28.6%	0.0%	28.6%	71.4%
	Overall	Managerial Positions	58.0%	42.0%	0.0%	60.9%	39.1%
Employee Category		Indirect Employees	44.1%	55.9%	5.2%	72.8%	22.1%
		Direct Employees	0.0%	0.0%	0.0%	0.0%	0.0%
		R&D	66.7%	33.3%	0.0%	69.4%	30.6%

New Hire Distribution

Gender	Age	Taiwan		China		Subtotal	
		Headcount	%	Headcount	%	Headcount	%
Female	Under 29	0	0.0%	0	0.0%	0	0.0%
	Age 30–49	4	36.4%	0	0.0%	4	36.4%
	50 and Above	0	0.0%	0	0.0%	0	0.0%
	All Age	4	36.4%	0	0.0%	4	36.4%
Male	Under 29	1	9.1%	0	0.0%	1	9.1%
	Age 30–49	5	45.5%	0	0.0%	5	45.5%
	50 and Above	1	9.1%	0	0.0%	1	9.1%
	All Age	7	63.4%	0	0.0%	7	63.4%
Total		11	100%	0	0.0%	11	100%

Employee Turnover Rate Statistics

Gender	Age	Taiwan		China		Subtotal	
		Headcount	%	Headcount	%	Headcount	%
Female	Under 29	1	1.2%	1	1.2%	2	2.4%
	Age 30–49	7	8.6%	2	2.5%	9	11.1%
	50 and Above	2	2.5%	0	0.0%	2	2.5%
	All Age	10	12.3%	3	3.7%	13	16.0%
Male	Under 29	1	1.6%	0	0.0%	1	1.6%
	Age 30–49	6	9.6%	1	1.6%	7	11.2%
	50 and Above	3	4.8%	0	0.0%	3	4.8%
	All Age	10	16.0%	1	1.6%	11	17.6%
Total		20	13.9%	1	2.8%	24	16.7%



Diverse Compensation and Benefits

APEC regularly reviews its compensation levels and has established a diversified compensation system, including employee bonuses, employee stock ownership trusts, and incentive reward schemes. Salaries are determined based on job responsibilities, educational and professional background, and technical expertise, without discrimination based on gender, age, race, nationality, religion, or other personal factors. In compliance with labor laws and retirement regulations in each location of operation, APEC has implemented retirement policies for employees. The company contributes 6% of employees’ monthly wages to the labor pension fund, and employees may also choose to make voluntary contributions of up to an additional 6%. In 2024, the company recognized NT\$7.347 million in expenses for its defined contribution retirement plan.

To support employees in building families and raising children, APEC provides 7 days of fully paid paternity leave in accordance with legal requirements. Employees who have worked for at least six months may apply for unpaid parental leave before their child reaches the age of three. The parental leave period may continue until the youngest child turns three. After the leave period ends, employees are reinstated to their original positions, with return-to-work training provided to ensure a smooth transition and safeguard their employment rights. In addition, employees with children under the age of three are entitled to one hour of paid flexible childcare leave per day. This allows them to care for their children while maintaining a healthy work-life balance.

To foster talent development, APEC has implemented a systematic performance management system. Each year, key performance indicators (KPIs) are set at both team and individual levels in alignment with corporate strategies and business priorities. A performance management cycle is in place, integrating real-time feedback, regular performance reviews, and multi-faceted evaluation methods. This creates a transparent and trust-based environment for two-way communication, and performance results serve as the basis for bonuses and profit-sharing. In 2024, the performance management cycle completion rate for all global full-time employees reached 100%, demonstrating APEC’s strong commitment to performance and talent development mechanisms.

Ratio of standard entry-level wage by gender to local minimum wage

Year 2024	Salary Ratio (Male)	Salary Ratio (Female)
Taiwan	4.14	2.50
Shenzhen	6.82	5.26
Wuxi	-	4.58

Number of employees taking parental leave

Application Statistics	Male	Female
Total Number of Employees Eligible for Parental Leave	3	9
Total Number of Employees Who Took Parental Leave	1	2
Parental Leave Application Rate	33%	22%
Expected Number of Employees Returning from Parental Leave (This Year)	-	2
Total Number of Employees Who Returned After Parental Leave	-	2
Return-to-Work Rate After Parental Leave	-	100%



Talent Attraction and Retention

APEC regards talent as the core driving force for sustainable growth and is committed to building a diverse and inclusive workplace culture to attract, motivate, and retain outstanding employees. From the recruitment stage, APEC adheres to the principles of fairness, impartiality, and non-discrimination, implementing a diversified talent acquisition policy that respects differences in age, gender, ethnicity, and background, while fostering equal employment opportunities.

In addition, the company encourages open-minded communication and teamwork. Multiple communication channels are available to facilitate two-way dialogue with employees. Quarterly labor-management meetings are held to jointly discuss labor-related issues, enhance mutual understanding and cooperation, and deliver important company updates, including safety reminders and upcoming events.

Beyond regular salary compensation, APEC also provides employees with various benefits, such as Dragon Boat Festival, Mid-Autumn Festival, and year-end holiday bonuses, as well as group insurance and travel accident insurance. The Employee Welfare Committee offers additional support, including birthday gifts, holiday bonuses, and subsidies for weddings, funerals, and other family events. Domestic and international employee trips are organized to strengthen team spirit and recognize long-serving employees.

Communication Channel Usage Statistics

Category	Year 2024
Labor-Management Meeting	4 times
Employee Welfare Committee Meeting	4 times
Internal Communication Mailbox	0 cases

Employee Welfare Subsidies

Items	Amount (NT\$)
Subsidies for Childbirth, Childcare, Funeral, Marriage, and Injury/Illness	63,500
Group Insurance	579,179
Holiday Gift Allowances	381,000
Birthday Gift Allowance	129,000
Travel Subsidy	2,128,494

Encourage employees to join company trips with their families



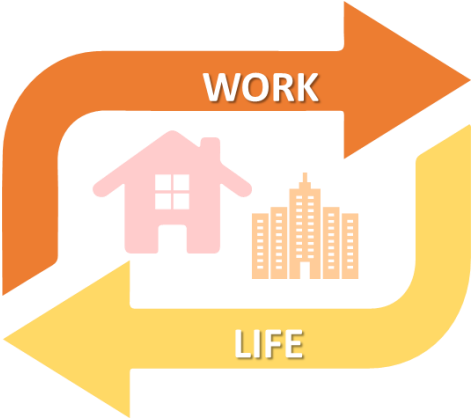
Fun and relaxing Sports Day



Appreciation Spring Banquet for employees



Friendly Work Environment



To enhance employee Well-Being Workplace and work efficiency, APEC has implemented a flexible working hours policy, allowing employees to arrange their start and end times within a designated time window. This flexibility enables staff to adjust their work schedules based on personal or family needs, supporting better work-life balance, reducing commuting stress, and avoiding peak-hour traffic—all of which contribute to improved mental and physical health.

To create a workplace atmosphere as comfortable and welcoming as home, APEC continues to invest in optimizing workplace facilities, aiming to build a safe, healthy, and friendly work environment that enhances the overall employee experience and Well-Being Workplace. Both the Hsinchu and Taipei offices are equipped with bright, well-ventilated workspaces and ergonomic office equipment to reduce the risk of occupational injuries. Open collaboration areas have been designed to encourage cross-departmental communication and innovative teamwork. Additionally, the offices feature nursing/mother-friendly rooms, multifunctional rest areas, and fitness centers to support employees at different life stages.

Employee Lounge and Collaboration Areas

Equipped with a coffee bar, relaxation zones, and team interaction spaces to promote communication and stress relief among employees.



Health and Fitness Facilities

Features in-house fitness equipment or partnerships with fitness centers to encourage regular physical activity among staff.



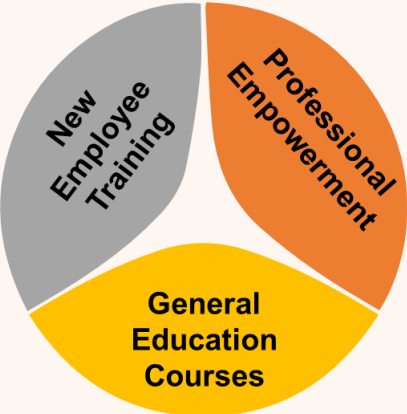
Bright and Comfortable Workspaces

Incorporates natural lighting to create a bright and relaxing work environment.





Talent Development and Training

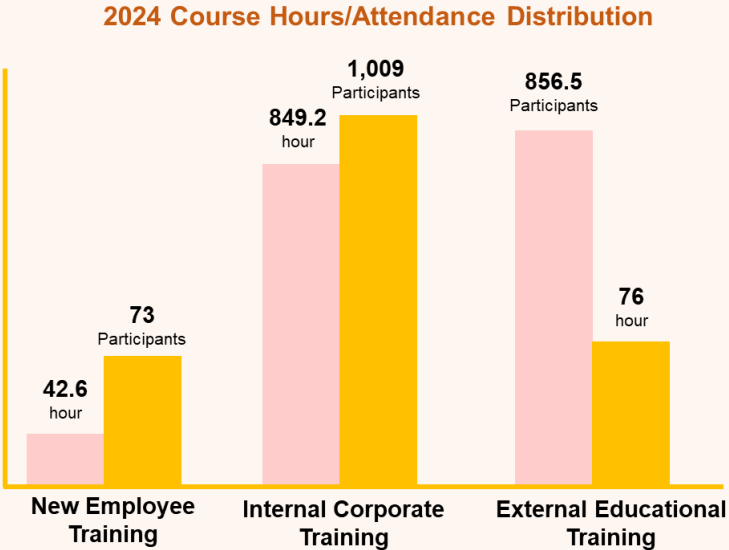


APEC places great importance on employee growth and development. Our training programs are categorized into new employee orientation, professional training, and general education courses. From the moment a new hire joins, we provide a series of training sessions to ensure smooth integration into the company culture and compliance with regulatory requirements. Additionally, we tailor professional courses based on the specific needs of each department and job category to enhance job-related skills. General education courses are also arranged in alignment with organizational strategies and external trends, encouraging continuous learning and equipping employees with the competencies necessary for APEC's growth.

Operating in the highly competitive IC design industry, we value research and innovation capabilities. We actively encourage employees to engage in technological R&D and innovation by offering incentives for patents and technical breakthroughs. APEC also participates in government-sponsored tax credit programs for R&D expenditures, reinforcing our commitment to technical independence and innovation. Through cutting-edge R&D, we support the company's ESG and sustainable development goals.



Total Courses	50
Total Training Hours	1,748.3 hours
Training Expenses	NT\$880,975
Total Participants	1,158





Occupational Safety and Health

APEC spares no effort in promoting a culture of workplace safety, aiming to establish an inherently safe working environment through risk control and full employee participation:

- ❖ In accordance with labor safety and health regulations set by the competent authorities, the company has established the "Occupational Safety and Health Work Guidelines" to ensure that employees follow proper safety and health practices. To oversee, coordinate, and implement occupational safety and health affairs, APEC has appointed occupational safety and health personnel in line with the Ministry of Labor's "Occupational Safety and Health Management Regulations." These personnel are responsible for promoting safety and health management and conducting routine inspections.
- ❖ By adopting the Plan-Do-Check-Act (PDCA) management approach, the company aims to prevent accidents, promote employee safety and health, and protect company assets. In addition to accident prevention, APEC and its subsidiaries have developed emergency response procedures to ensure the safety of employees in the event of a disaster, while also minimizing the social and environmental impact. Workplace improvements are also made based on the specific conditions of each site to provide a safe and comfortable environment.
- ❖ To proactively prevent occupational injuries and illnesses, APEC is committed to building a safe work environment that safeguards employees' physical and mental Well-Being Workplace. The company also promotes environmental protection, safety, and health awareness, encouraging responsibility and fostering a strong safety culture among all employees. Regular health checkups are provided to ensure employee health and safety.
- ❖ Regular fire safety system inspections are carried out, and fire drills are conducted in coordination with building management. In addition to hardware improvements and safety management, access control measures are in place to prevent unauthorized entry, ensuring the personal safety of all employees.

- Implement corrective and preventive measures based on inspection results.
- Revise relevant systems, procedures, and training materials.
- Reward outstanding performance and address violations to foster a culture of safety.
- Enhance the effectiveness of occupational safety and health management and ensure regulatory compliance.

- Conduct regular occupational safety and health audits and inspections.
- Review operational site compliance and identify abnormalities.
- Analyze the causes and frequency of accidents or near-miss incidents.
- Evaluate the achievement of KPI targets and the implementation of policies.



- Establish occupational safety and health policies and management guidelines.
- Identify potential workplace hazards and risks (e.g., noise, high temperatures, chemicals).
- Conduct risk assessments and develop control measures and performance indicators.
- Formulate an annual occupational safety and health work plan.
- Conduct occupational safety and health training.
- Establish standard operating procedures and safety operation guidelines.
- Implement risk control measures through engineering, administrative, and personal protective equipment (PPE).
- Carry out emergency response drills, health examinations, and workplace monitoring.



2024 Occupational Injury Statistics

Types of Disabling Injuries	Number of Cases	Lost Workdays
Fatalities / Permanent Total Disabilities / Permanent Partial Disabilities	0	0
Temporary Total Disability	0	0

Accidents occurring during employee commutes are excluded.

Item / Year	Gender	Year 2022	Year 2023	Year 2024
Disabling Injury Frequency Rate (FR)	Male	0	0	0.00
	Female	7.02	0	7.44
Total		4.17	0	4.36
Occupational Disease Rate (ODR)	Male	0	0	0
	Female	0	0	0
Total		0	0	0
Disabling Injury Severity Rate (SR)	Male	0	0	0
	Female	35	0	141
Total		20	0	82
Absentee Rate (AR)	Male	0.01667	0.00491	0.00127
	Female	0.03046	0.00724	0.00409
Total		0.02488	0.00628	0.00292

2024 Occupational Safety and Health
Achievements



Health Care

To implement the United Nations Sustainable Development Goal (SDG) of “Good Health and Well-Being Workplace,” APEC continuously enhances its workplace health policies. It not only focuses on physical health but also places great importance on mental Well-Being Workplace and work-life balance, striving to create a holistic and caring work environment.

- ❖ The employee health care program goes beyond regulatory requirements by offering all employees an annual health check-up, with a budget exceeding NT\$10,000 per person.
- ❖ In collaboration with health management centers, the company provides on-site occupational health and medical services to ensure comprehensive care for employees’ physical, mental, and spiritual Well-Being Workplace.
- ❖ To help employees maintain a healthy work-life balance and pay attention to their physical health, a well-equipped and comfortable fitness center is available for employees to exercise during their free time.
- ❖ Sports days and other wellness activities are held periodically. Through robust health care initiatives and resource investment, the company demonstrates its strong commitment to the health and Well-Being Workplace of its employees.

On-site occupational health services review employees' health data



2024 On-site Occupational Health Consultations

97 employees
(71% of total staff)

2024 Budgeted Health Check-ups

124 employees
(NT\$1,314,000)

2024 Utilized Health Check-ups

25 employees
(NT\$267,850)

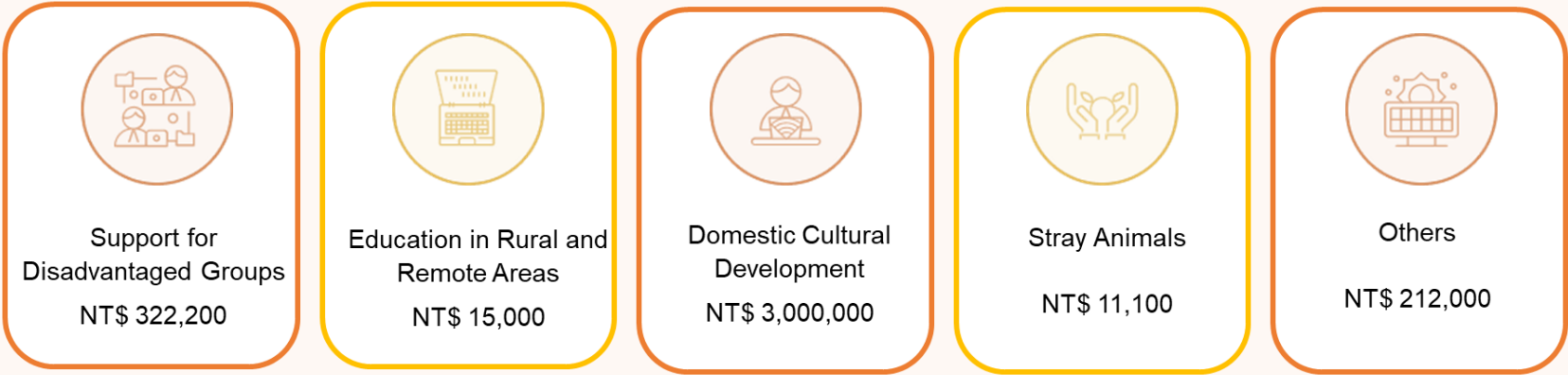


Social Care

APEC upholds its responsibility as a corporate citizen by actively engaging in social care and public welfare initiatives. We encourage employees to participate in volunteer services and allow them to apply for donations to certified charitable organizations. The company matches employee donations on a 1:1 basis, amplifying the impact of good deeds and fulfilling our corporate social responsibility. In 2024, APEC and its employees collectively donated NT\$3,560,300 to 27 organizations, supporting various social welfare projects. In addition, APEC places great importance on the preservation and transmission of cultural heritage. We actively support local cultural organizations, aiming to promote cultural diversity and sustainable development through corporate involvement. Our efforts include sponsoring arts and cultural performances, making charitable donations, facilitating resource matching, and creating collaborative platforms to support the growth of art professionals and the cultural and creative industries.

In 2024, APEC donated NT\$3 million to the Yageo Foundation to support its regular collaboration with major art museums worldwide in organizing large-scale cultural events. This donation also aids the foundation's collection of works by important Taiwanese artists, including early Western-style painter Chang Wan-Chuan, the spiritually inspired Kuo Po-Chuan, contemporary artist Huang Chia-Ning, the painter of Taiwanese working women's beauty Lee Shu-Mei, and artist Yang Mao-Lin. In addition, the Yageo Foundation held the exhibition “Moments—A Journey Through Painting and Photography” at the Kaohsiung Museum of Fine Arts, and presented “Walkers, Sea Monsters, Gunfire and Them: Zeelandia 400” featuring Yang Mao-Lin’s works at the Tainan Art Museum, further showcasing Taiwan’s culture to the world.

2024 Public Welfare Donation Statistics





Appendix

GRI Standards Index

Statement of Use	APEC Industries Ltd. has prepared the report with reference to the GRI Standards for the period from January 1, 2024, to December 31, 2024
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI Standard Disclosure	Chapter	Page
General Disclosures		
2-1 Organizational details	Foreword : About Advanced Power	3
2-2 Entities included in the organization's sustainability reporting	Foreword : About Advanced Power	3
2-3 Reporting period, frequency and contact point	Foreword : About this Report	1
2-4 Restatements of information	Foreword : About this Report	1
2-5 External assurance	Appendix	78
2-6 Activities, value chain and other business relationships	Foreword : About Advanced Power	4
2-7 Employees	Friendly Workplace : Well-Being Workplace	58
2-8 Workers who are not employees	Friendly Workplace : Well-Being Workplace	59
2-9 Governance structure and composition	Sustainable Governance : Corporate Governance	23
2-10 Nomination and selection of the highest governance body	Sustainable Governance : Corporate Governance	24
2-11 Chair of the highest governance body	Sustainable Governance : Corporate Governance	24
2-12 Role of the highest governance body in overseeing the management of impacts	Sustainable Development : Sustainable Management Operations	7
2-13 Delegation of responsibility for managing impacts	Sustainable Development : Materiality Management	12
2-14 Role of the highest governance body in sustainability reporting	Sustainable Development : Sustainable Management Operations	7
2-15 Conflicts of interest	Sustainable Governance : Corporate Governance	26



GRI Standard Disclosure	Chapter	Page
General Disclosures		
2-16 Communication of Critical concerns	Sustainable Development : Stakeholder Engagement	8-11
2-17 Collective knowledge of the highest governance body	Sustainable Governance : Corporate Governance	24
2-18 Evaluation of the performance of the highest governance body	Sustainable Governance : Corporate Governance	26
2-19 Remuneration policies	Sustainable Governance : Corporate Governance	29
2-20 Process to determine remuneration	Sustainable Governance : Corporate Governance	29
2-21 Annual total compensation ratio	Sustainable Governance : Corporate Governance	Please Refer to Annual Report Page17
2-22 Statement on sustainable development strategy	Foreword : Management Commitment	2
2-23 Policy commitments	Sustainable Governance : Material Topics and Management Strategy in Corporate Governance Dimension	21
	Sustainable Environment : Material Topics and Management Strategy in the Environmental Dimension	45
	Friendly Workplace : Material Topics and Management Strategy in the Social Dimension	55
2-24 Embedding policy commitments	Friendly Workplace : Human Rights Protection	56
2-25 Processes to remediate negative impacts	Sustainable Governance : Ethical Business Practices	31-34
	Sustainable Governance : Regulatory Compliance	39
2-26 Mechanisms for seeking advice and raising concerns	Sustainable Governance : Ethical Business Practices	31-34
	Sustainable Governance : Regulatory Compliance	39
2-27 Compliance with laws and regulations	Sustainable Governance : Ethical Business Practices	31-34
	Sustainable Governance : Regulatory Compliance	39
2-28 Membership associations	Foreword : About Advanced Power	6
2-29 Approach to stakeholder engagement	Sustainable Development : Stakeholder Engagement	8
2-30 Collective bargaining agreements	Foreword : About Advanced Power	6



Material Topics Page Index

GRI Standard	Disclosure	Chapter	Page
Material Topics			
GRI 3 : Material Topics 2021	3-1 Process to determine material topics	Sustainable Development : Materiality Management	12-13
	3-2 List of material topics	Sustainable Development : Materiality Management	14-15
1. Economic Performance			
G3 : Material Topics 2021	3-3 Management of material topics		14-15, 21
GRI 201 Economic Performance	201-1 Direct economic value generated and distributed	Sustainable Governance : Financial Performance	40
	202-2 Financial implications and other risks and opportunities due to climate change	Sustainable Environment : Material Topics and Management Strategy in the Environmental Dimension	45
	202-3 Defined benefit plan obligations and other retirement plans	Friendly Workplace : Diverse Compensation and Benefits	60
2. Corporate Governance and Ethical Business Practices			
G3 : Material Topics 2021	3-3 Management of material topics		14-15, 21
GRI 205 Anti-Corruption	205-3 Confirmed incidents of corruption and actions taken	Sustainable Governance : Ethical Business Practices	31-34
GRI 206 Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Sustainable Governance : Ethical Business Practices	31-34
3. Customer Relationship Managemen			
G3 : Material Topics 2021	3-3 Management of material topics		14-15, 21
GRI 417 Marketing and Labeling	417-2 Incidents of non-compliance concerning product and service information and labeling	Sustainable Governance : Quality Management	42
	417-3 Incidents of non-compliance concerning marketing communications	Sustainable Governance : Customer Relationship	43



GRI Standard	Disclosure	Chapter	Page
4. Talent Attraction and Retention			
G3 : Material Topics 2021	3-3 Management of material topics		14-15, 55
GRI 401 Employment	401-1 New Employee Hires and Employee Turnover	Friendly Workplace : Well-Being Workplace	58
	401-2 Benefits Provided to Full-Time Employees That are Not Provided to Temporary or Part-Time Employees	Friendly Workplace : Diverse Compensation and Benefits	60
	401-3 Parental Leave	Friendly Workplace : Diverse Compensation and Benefits	60
5. Labor Management Relations			
G3 : Material Topics 2021	3-3 Management of material topics		14-15, 55
GRI 402 Labor Management Relations	402-1 Minimum notice periods regarding operational changes	Friendly Workplace : Material Topics and Management Strategy in the Social Dimension	55-57
6. Employee Development			
G3 : Material Topics 2021	3-3 Management of material topics		14-15, 55
GRI 404 Training and Education	404-1 Average Hours of Training Per Year Per Employee	Friendly Workplace : Talent Development and Training	63
	404-2 Programs for upgrading employee skills and transition assistance programs	Friendly Workplace : Talent Development and Training	63
7. Climate-Related Risks and Opportunities Financial Impact Assessment			
G3 : Material Topics 2021	3-3 Management of material topics		14-15, 45
GRI 302 Energy	302-1 Energy consumption within the organization	Sustainable Environment : Material Topics and Management Strategy in the Environmental Dimension	45
	302-3 Energy intensity	Sustainable Environment : Energy Management	49
GRI 305 Emissions	305-1 Direct (Scope 1) GHG Emissions	Sustainable Environment : Greenhouse Gas Management	47-49
	305-2 Energy Indirect (Scope 2) GHG Emissions	Sustainable Environment : Greenhouse Gas Management	47-49
	305-3 Other Indirect (Scope 3) GHG Emissions	Sustainable Environment : Greenhouse Gas Management	47-49
	305-4 GHG Emissions Intensity	Sustainable Environment : Greenhouse Gas Management	47-49
	305-5 Reduction of GHG Emissions	Sustainable Environment : Greenhouse Gas Management	45



GRI Standard	Disclosure	Chapter	Page
8. Occupational Health and Safety			
G3 : Material Topics 2021	3-3 Management of material topics		14-15, 55
GRI 403 Occupational Health and Safety	403-1 Occupational Health and Safety Management System	Friendly Workplace : Occupational Health and Safety	64
	403-2 Hazard Identification, Risk Assessment, and Incident Investigation	Friendly Workplace : Occupational Health and Safety	65
	403-3 Occupational Health Services	Friendly Workplace : Health Care	66
	403-4 Worker Participation, Consultation, and Communication on Occupational Health and Safety	Friendly Workplace : Occupational Health and Safety	65
	403-5 Worker Training on Occupational Health and Safety	Friendly Workplace : Occupational Health and Safety	64
	403-6 Promotion of Worker Health	Friendly Workplace : Health Care	66
	403-7 Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked to Business Operations	Friendly Workplace : Health Care	66
	403-8 Workers covered by an occupational health and safety management system	Friendly Workplace : Occupational Health and Safety	64
	403-9 Work-Related Injuries	Friendly Workplace : Occupational Health and Safety	65
	403-10 Work-related Illnesses	Friendly Workplace : Occupational Health and Safety	65



SASB Index : Semiconductors

Disclosure Topic	Code	Category	Disclosure	Chapter / Page	Content
GHG Emission	TC-SC-110a.1	Quantified	Gross global Scope 1 emissions	Sustainable Environment : Greenhouse Gas Management (Page 47)	33.5747 (tCO ₂ e)
			Number of total emissions from perfluorinated compounds		0
	TC-SC-110a.2	Qualitative	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Sustainable Environment : Greenhouse Gas Management (Page 45)	Based on the 2023 baseline year, Scope 1 and Scope 2 Greenhouse Gas emissions will be reduced by 10% by 2030.
Energy Management in Manufacturing	TC-SC-130a.1	Quantified	Total energy consumed	Sustainable Environment : Energy Management (Page 49)	3.782GJ
			Percentage grid electricity		100%
			Percentage of energy consumed that is renewable energy		0
Water Management	TC-SC-140a.1	Quantified	Total water withdrawn	Sustainable Environment : Water Resource Mangement (Page 50)	In areas with water stress, the level of water risk is classified as low to medium (Low–Medium risk, score(1–2)).
			Total water consumed; percentage of each in regions with high or extremely high baseline water stress		
Waste Management	TC-SC-150a.1	Quantified	Amount of hazardous waste from manufacturing and percentage recycled	Sustainable Environment : Waste Management (Page 51)	No hazardous waste was generated. A total of 7,521 kilograms of non-hazardous waste was reused, including 612 wafer shipping boxes.
Employee Health & Safety	TC-SC-320a.1	Qualitative	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards	Friendly Workplace : Occupational Health and Safety (Page 64)	The Company did not experience any material violations in the area of employee health and safety.
	TC-SC-320a.2	Quantified	Total amount of monetary losses as a result of legal proceedings		



Disclosure Topic	Code	Category	Disclosure	Chapter / Page	Content
			associated with employee health and safety violations		
Recruiting & Managing a Global & Skilled Workforce	TC-SC-330a.1	Quantified	Percentage of employees that are (1) Foreign nationals (2) Located offshore	Friendly Workplace : Well-Being Workplace (Page 58)	Overseas employees account for 7% of the total workforce.
Product Lifecycle Management	TC-SC-410a.1	Quantified	Percentage of products by revenue that contain IEC 62474 declarable substances	Sustainable Governance : Quality Policy (Page 42)	The Company's products do not contain any substances listed in the IEC 62474 material declaration standard.
	TC-SC-410a.2	Quantified	Processor energy efficiency at a system-level for: (1) servers, (2) desktops, and (3) laptops	Sustainable Governance : Quality Policy	Not Applicable to the Company's Products
Materials Sourcing	TC-SC-440a.1	Qualitative	Description of the management of risks associated with the use of critical materials	Sustainable Environment : Supply Management (Page 52-54)	The raw materials currently used by the Company are sufficiently available.
Intellectual Property Protection and Competitive Behavior	TC-SC-520a.1	Quantified	Total monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Sustainable Governance : Ethical Business Practices (Page 31-34)	In 2024, the Company did not incur any financial losses resulting from legal proceedings related to anti-competitive behavior.
Activity Indicators	TC-SC-000A	Quantified	The total production output of the company's own production facilities and production service contracts should be disclosed.	Sustainable Governance : Financial Performance (Page 40)	In 2024, the Company's main product output totaled 1,044,041 thousand units.
	TC-SC-000B		The proportion of products produced by own equipment	Not Applicable	As a fabless component design company, all manufacturing processes are outsourced.

**FSC Requirements for Sustainability Disclosure Index : Semiconductor Industry**

No	Indicator	Indicator Type	Unit	Implementation Status
1	Total energy consumption, percentage of purchased electricity, and renewable energy usage rate	Quantified	Gigajoules (GJ), Percentage (%)	Total Energy Consumption: 3,782 GJ Percentage of Purchased Electricity: 100% Renewable Energy Usage Rate: 0%
2	Total water withdrawal and total water consumption	Quantified	Cubic meters (m ³)	Total Water Withdrawal: 3.582 m ³ Total Water Consumption: 0 m ³
3	Weight of hazardous waste generated and recycling percentage	Quantified	Metric tons (t), Percentage (%)	7.521 metric tons (t), 0%
4	Description of occupational injuries, number of cases, and rates	Quantified	Rate (%), Quantity	0%, 0
5	Product Life Cycle Management Disclosure, including weights of scraps and electronic waste and percentage of those recycled (The sale of scraps and the recycling and processing of waste are also included.)	Quantified	Metric tons (t), Percentage (%)	0 metric tons, 0%
6	Description of risk management related to the use of key materials	Qualitative	Not Applicable	Not Applicable
7	Total monetary loss due to legal proceedings related to anti-competitive behavior regulations	Quantified	Reporting Currency	Sustainable Governance : Page 31-34
8	Main product output by product category	Quantified	Varies by product category	Sustainable Governance : Page 40
9	Greenhouse Gas Inventory	Quantified	Tonne CO ₂ e	Category 1 : 33.5747 Category 2 : 498.3744 Category 3 : 408.6845

**FSC Climate-Related Information Disclosure**

Item	Implementation Status
1. Describe the board and management's oversight and governance of climate-related risks and opportunities.	The Board of Directors is the highest governing body for climate-related issues at APEC. It provides strategic oversight and direction on the Company's response to climate change, including the identification and management of climate-related risks and opportunities. The Board also monitors the execution of relevant actions to ensure that effective adaptation and mitigation measures are in place.
2. Describe how the identified climate risks and opportunities impact the company's business, strategy and finances (short-term, medium-term, long-term).	To be implemented.
3. Description of the financial impact arising from extreme weather events and transitional actions.	To be implemented.
4. Description of how the climate risk identification, assessment, and management processes are integrated into the overall risk management system.	To be implemented.
5. Description of the used scenarios, parameters, assumptions, analysis factors, and main financial impacts if scenario analysis is used to analyze or assess the resilience against climate change risks	To be implemented.
6. Description of the content as well as the metrics and targets used for any transition plan to identify and manage physical risks and transition risks for any transition plan to respond or manage climate-related risks	To be implemented.
7. Description of the basis for pricing if an internal carbon price is used	To be implemented.
8. Description of the activities covered, scope of greenhouse gas emissions, timeframes planned, annual progress and so on if climate-related targets are set; description of the sources and quantity of carbon credits or the quantity of renewable energy certificates (Recs) for offset if carbon offset or(RECs) are employed to achieve relevant targets.	To be implemented.
9. GHG inventory and assurance status, reduction targets, strategies and specific action plans.	Sustainable Environment : Greenhouse Gas Management.



1-1 Greenhouse Gas Inventory and Assurance in the Most Recent Two Years

1-1-1 Greenhouse Gas Inventory Information

State the greenhouse gas emissions (in metric tons of CO₂e), intensity (metric tons of CO₂e per million dollars), and the data coverage scope for the most recent two years.

Year	Emissions (Metric Tons CO ₂ e)	Production Value (NT\$ Thousand)	Intensity (Metric Tons CO ₂ e/Million NTD)	Data Coverage Scope
2023	1,221.5773	2,851,162	0.4285	APE and Subsidiaries included in the Consolidated Financial Statements
2024	940.6336	2,918,407	0.3249	APE and Subsidiaries included in the Consolidated Financial Statements

1-1-2 GHG Assurance Information

State the assurance details for the most recent two years, including the scope of assurance, the assurance organization, the assurance standards, and the assurance opinions.

Year	Scope of Assurance	Assurance Organization	Assurance Standard	Assurance Opinion
2023	APE and Subsidiaries included in the Consolidated Financial Statements	Bureau Veritas Certification (Taiwan) Co., Ltd.	ISO 14064-1	Category 1 : Reasonable assurance Category 2 : Reasonable assurance Category 3 : Limited assurance
2024	APE and Subsidiaries included in the Consolidated Financial Statements	Bureau Veritas Certification (Taiwan) Co., Ltd.	ISO 14064-1	Category 1 : Reasonable assurance Category 2 : Reasonable assurance Category 3 : Limited assurance

1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

State the baseline year for greenhouse gas reduction, its data, reduction targets, strategies, specific action plans, and the status of target achievement.

- The base year of absolute reduction of greenhouse gas emissions: 2023.
- Climate change and Energy Management Target :
Based on the 2023 inventory results, further promote voluntary reduction programs to achieve a 10% reduction in Scope 1 and Scope 2 Greenhouse Gas Emissions by 2030.
- GHG Reduction Strategies : Promote Energy efficiency improvements to reduce Greenhouse Gas Emissions.
- Reduction Actions :
 - (1) Starting from Year 2024, the Company has implemented a one-hour daily power-off activity during lunch breaks as an energy-saving and carbon-reduction initiative. By reducing lighting electricity consumption, the Company practice green operations and raise energy-saving awareness among all employees.
 - (2) Starting from Year 2025, the Company plans to gradually replace the old split-type air conditioner outdoor units in the laboratories with energy-efficient equipment rated at Level 1, achieving the sustainable goal of energy-saving and carbon reduction alongside equipment upgrades.
- Climate-related targets : In the Year 2024, a total of approximately 1,800 kWh of electricity was saved, effectively achieving the annual energy-saving target.



External Assurance Statement/Certificates

ASSURANCE OPINION
GREENHOUSE GAS EMISSIONS

This is to verify that

ADVANCED POWER ELECTRONICS CORP.

12F.-1&2,NO.5,Taiyuan 1st St, Zhubei City, Hsinchu County 302, Taiwan, R.O.C.

Holds Statement No: TWN25471232GT Rev.1

Bureau Veritas Certification (Taiwan) Co., Ltd. was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by ADVANCED POWER ELECTRONICS CORP. for the period stated below. This Verification Statement applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of ADVANCED POWER ELECTRONICS CORP. BVC's sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyze and review the information.

Boundaries of the reporting company GHG emissions covered by the verification:

- ADVANCED POWER ELECTRONICS CORP. at 12F.-1&2,NO.5,Taiyuan 1st St, Zhubei City, Hsinchu County 302, Taiwan, R.O.C./ 18F.-2~3&17F.-7~9,NO.95,Sec.1,Xinsh 5th Rd., Xinti Dist., New Taipei City 221, Taiwan, R.O.C. and sites under operational control; detail is as following page.
- Period covered by GHG emissions verification: January 1, 2024 to December 31, 2024

Emissions data verified:

- Category 1 - Direct GHG emissions and removals: 33,5747 tCO₂e
- Category 2 - Indirect GHG emissions from imported energy: 498,3744 tCO₂e
- Category 3 - Indirect GHG emissions from transportation: 408,6845 tCO₂e

Assurance Opinion:

Based on the process and procedures conducted, we conclude that the GHG statement for Category 1 and 2 is materially correct and is a fair representation of the GHG data and information, and is prepared in accordance with the ISO 14064-1:2018, Levels of Reasonable Assurance in Compliance Verification Agreements.

There is no evidence that the GHG statement for Category 3 is not materially correct and is not a fair representation of GHG data and information and has not been prepared in accordance with the ISO 14064-1:2018 Levels of Limited Assurance in Compliance Verification Agreements.

It is our opinion that ADVANCED POWER ELECTRONICS CORP. has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

Ava Liu, Technical Reviewer
Originally Issue: 11/07/2025

Pei Hsu, CER Manager
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Bureau Veritas Certification (Taiwan) Co., Ltd.
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Greenhouse Gas Statement:

- ADVANCED POWER ELECTRONICS CORP.: 12F.-1&2,NO.5,Taiyuan 1st St, Zhubei City, Hsinchu County 302, Taiwan, R.O.C./ 18F.-2~3&17F.-7~9,NO.95,Sec.1,Xinti Dist., New Taipei City 221, Taiwan, R.O.C.
- SHENZHEN FU CHENG ELECTRONICS Co.,Ltd.: Room. 903-905,Mai-Lan Business Center, Crossing of Xi-Xiang Avenue and Qian-Jin Second Road, Bao-An District, Shenzhen City, Guangdong Province, China
- WUXI OPC MICROELECTRONICS Co.,Ltd.: Room. 208, 2F, Building A10, No. 777 Jianshe West Road, Binhu District, Wuxi City, Jiangsu Province, China

Categories	Subcategories	Remark	tCO ₂ e	
Category 1: Direct GHG emissions and removals	1.1 Direct emissions from stationary combustion	—	0.0000	33,5747
	1.2 Direct emissions from mobile combustion	—	0.0000	
	1.3 Direct process emissions and removals arise from industrial processes	—	0.0000	
	1.4 Direct fugitive emissions arise from the release of greenhouse gases in anthropogenic systems	—	33,5747	
	1.5 Direct emissions and removals from Land Use, Land Use Change and Forestry	—	0.0000	
	Direct biogenic CO ₂ emissions and removals	—	0.0000	
Category 2: Indirect GHG emissions from imported energy	2.1 Indirect emissions from imported electricity	Location based approach*	498,3744	498,3744*
	2.2 Indirect emissions from imported energy	Market based approach	N.A.	
Category 3: Indirect GHG emissions from transportation	3.1 Emissions from Upstream transport and distribution for goods	Qualified the emissions from land, sea and air transportation of raw materials	191,9160	408,6845
	3.2 Emissions from Downstream transport and distribution for goods	Qualified the emissions from land, sea and air transportation of product	128,5537	
	3.3 Emissions from Employee commuting includes emissions	Emission from employee commuting in Taiwan	71,6609	
	3.4 Emissions from Client and visitor transport	N.S.	N.A.	
	3.5 Emissions from Business travel	Employee business travel by air	18,5503	
Category 4: Indirect GHG emissions from products used by organization	4.1 Emissions from Purchased goods	N.S.	N.A.	N.A.
	4.2 Emissions from Capital goods	N.S.	N.A.	
	4.3 Emissions from the disposal of solid and liquid waste	N.S.	N.A.	
	4.4 Emissions from the use of assets	N.S.	N.A.	
	4.5 Emissions from the use of services that are not described in the above subcategories	N.S.	N.A.	

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Category 5: Indirect GHG emissions associated with the use of products from the organization	5.1 Emissions or removals from the use stage of the product	N.S.	N.A.	N.A.
	5.2 Emissions from downstream travels 895655	N.S.	N.A.	
	5.3 Emissions from end of life stage of the product	N.S.	N.A.	
	5.4 Emissions from investments	N.S.	N.A.	
Category 6: Indirect GHG emissions from other sources		N.S.	N.A.	N.A.

N.S.: Non-significant ; N.A.: Not available

GHG Verification Protocols used to conduct the verification:

- ISO 14084-1:2018, ISO 14064-3:2019
- Period covered by GHG emissions verification: January 1, 2024 to December 31, 2024
- GHG covered: Carbon dioxide (CO₂), Methane (CH₄), Nitrous oxide (N₂O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulfur hexafluoride (SF₆) and Nitrogen trifluoride (NF₃)
- Global warming potential (GWP): 2021 IPCC Sixth Assessment Report (AR6)
- Electricity Emission Factor: 2024 Electricity Retailing Utility Enterprise Electricity Carbon Emission Factor (0.474 kgCO₂e/kWh) published by Bureau of Energy Administration, Ministry of Economic Affairs, R.O.C. & 2022 Baseline Emission Factors (Jiangsu 0.5978 tCO₂/MWh - Guangdong 0.4403 tCO₂/MWh) of China's Regional Electricity Network for Emission Reduction Projects
- Approach for consolidating GHG emissions: Operational Control
- GHG Inventory: 06/30/2025
- GHG Report: 06/30/2025

GHG Verification Methodology:

- Interviews with relevant personnel of ADVANCED POWER ELECTRONICS CORP.;
- Review of documentary evidence produced by ADVANCED POWER ELECTRONICS CORP.;
- Review of ADVANCED POWER ELECTRONICS CORP. data and information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions at ADVANCED POWER ELECTRONICS CORP. Headquarters and during site visits to ADVANCED POWER ELECTRONICS CORP. ; and off site work to SHENZHEN FU CHENG ELECTRONICS Co.,Ltd. / WUXI OPC MICROELECTRONICS Co.,Ltd.
- Audit of sample of data used by ADVANCED POWER ELECTRONICS CORP. to determine GHG emissions.

Verification Date:

- 06/23/2025 – 06/27/2025

Verification Team:

- Lead Verifier: Tain Shih
- Verifier: Andy Hsieh

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Statement of independence, impartiality and competence

The Bureau Veritas Group is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 180 years history in providing independent assurance services.

No member of the verification team has a business relationship with ADVANCED POWER ELECTRONICS CORP., its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest. The Bureau Veritas Group has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of The Bureau Veritas Group standard methodology for the verification of greenhouse gas emissions data.

This verification statement, including the opinion expressed herein, is provided to ADVANCED POWER ELECTRONICS CORP. and is solely for the benefit of ADVANCED POWER ELECTRONICS CORP. in accordance with the terms of our agreement. We consent to the release of this statement to you to others interest party in order to satisfy the terms of disclosure requirements but without accepting or asserting any responsibility or liability on our part to any other party who may have access to this statement.

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