



CORPORATE SUSTAINABILITY REPORT

SUNON_R 建 準 電 機 工 業 股 份 有 限 公 司
SUNONWEALTH Electric Machine Industry Co., Ltd

2025

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About This Report

Dear stakeholders,

We extend a warm welcome to you to review the Sustainability Report issued by Sunonwealth Electric Machine Industry Co., Ltd. (hereinafter referred to as "Sunon," the "Company," or "we"). Since 2022, Sunon has published a sustainability report on an annual basis. In June 2026, Sunon published its 2025 Sustainability Report (hereinafter referred to as the "Report"), presenting the Company's performance in environmental (E), social (S), and governance (G) aspects during the period from 2025/01/01 to 2025/12/31. Through this Report, all stakeholders who care about Sunon can better understand the efforts we have made on various topics. We will also continue to demonstrate to all stakeholders Sunon's commitment and determination to implement sustainability.

This Report is published in both Chinese and English versions and is available on Sunon's ESG website for browsing and download. Sustainability reports from previous years are also available for download in the dedicated section of Sunon's ESG website. The previous edition was issued in June 2024. Through more transparent disclosure of information, we hope to enable stakeholders from all sectors who care about us to gain a better understanding of our performance and achievements in advancing corporate sustainability.

Principles for Report Preparation

This Report has been prepared in accordance with the GRI Standards issued by the Global Reporting Initiative (GRI) in 2021. The content also references the Task Force on Climate-related Financial Disclosures (TCFD), the Sustainable Development Goals (SDGs), the Sustainability Accounting Standards Board (SASB), and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies as reporting principles. This Report was compiled and prepared jointly by the operating units of each plant, functional teams, and the Sustainability Committee. It was reviewed by management, subject to assurance by an external independent third party, and submitted to the Board of Directors on May 25, 2026.

Reporting Period Covered

We publish the sustainability report for the previous year in the current year, on an annual basis. The primary scope of information disclosed in this Report covers Sunon's performance, management policies, and targets in 2025 (from January 1, 2025 to December 31, 2025) across five major aspects: governance, products, supply chain, environment, and society.

The reporting period of this Report is aligned with the consolidated financial statements and annual report. To ensure the completeness and comparability of the Report, certain sections may include information from before January 1, 2025 and after December 31, 2025, with explanatory notes provided in the relevant sections.

Report Scope and Boundary

The scope of information disclosed in this Report includes the following operating sites in Taiwan, China, and the Philippines.

Taiwan

Kaohsiung Headquarters and Plant
(hereinafter "Kaohsiung Headquarters")
Offices, laboratories, manufacturing plant (Yuntong Plant)
Taipei Office and Plant
(hereinafter "Taipei Office")
Offices, laboratories, manufacturing plant (Wugu Plant)

China

Kunshan Guangxing Electronics Co., Ltd
(hereinafter "Kunshan Guangxing Plant")
Beihai Sunon Electronics Co., Ltd.
(hereinafter "Beihai Sunon Plant")
Manufacturing plant

Beihai Lijun Electronics Co., Ltd.
(hereinafter "Beihai LiZhun Plant")
Huizhou Sunon Cooling Technology Co., Ltd. (hereinafter "Huizhou Sunon Plant")

Philippines

Sunon Electronics Philippines Corp.
(hereinafter "Philippines Sunon Plant")
Manufacturing plant

Note 1: "Important operating sites" referred to in this Report mean all of the above sites; "production sites" exclude sites that are office-only in nature.

Note 2: The sustainability performance of certain entities included in the consolidated financial statements is not included in this Report, primarily because some subsidiaries have not yet started compiling sustainability data or are holding companies only. For a complete list of entities in the consolidated financial statements, please refer to https://www.sunon.com/inv2_2.aspx.

The data on energy consumption, GHG emissions, and water withdrawal disclosed in this Report additionally cover overseas sites, including Sunon Inc. (hereinafter referred to as the "U.S. subsidiary"), Sunon SAS (hereinafter referred to as the "European subsidiary"), and Sunon Electronics India Private Limited (hereinafter referred to as the "Indian subsidiary"). If the disclosure scope of other sections differs from the above, supplementary explanations will be provided in the respective sections.

Report Verification and Assurance

After being finalized through internal management review, this Report was examined by an external independent third-party verification institution. For this reporting year, we engaged Crowe (TW) CPAs to perform a limited assurance engagement in accordance with the Republic of China Standard on Assurance Engagements No. 3000 (TWSAE 3000), "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" (established with reference to ISAE 3000, International Standard on Assurance Engagements 3000). Please refer to the appendix for the relevant assurance approach and results in the Independent Third-Party Assurance Report.

The financial data disclosed under the economic dimension are also based on the publicly disclosed consolidated financial statements audited and certified by Crowe (TW) CPAs.

In terms of international standards, the Company has implemented ISO 9001:2015 (Quality Management System), IECQ QC080000:2017 (Hazardous Substance Process Management System), ISO 14001:2015 (Environmental Management System), ISO 45001:2018 (Occupational Health and Safety Management System), ISO 50001:2018 (Energy Management System), ISO 27001:2022 (Information Security Management System), and IATF 16949 (Automotive Quality Management System), all of which have been certified by external third-party verification institutions.

Restatement of Information

The major restatements for this reporting year are as follows:

Restated Information	Reason for Restatement	Impact of Restatement	Report Section
Current term of the Board of Directors	Incorrectly stated Board term	Corrected the term of the Board of Directors	2.2.2 Board Operations
Product energy-saving and carbon reduction performance	Redefined energy-saving product models	Corrected data for 2022 to 2024	3.4 Product Quality Management
GHG emissions	Adopted the GHG inventory standard under the GHG Protocol	Corrected data for 2022 to 2024	5.2.2 GHG Emissions Profile
Number and rate of newly hired and departed employees	Redefined the calculation method	Corrected 2024 figures	6.1.2 Talent Recruitment and Retention

Contact Information

If you have any questions, suggestions, or comments regarding this Report or Sunon's sustainability efforts, please feel free to contact us.

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Message from Management



Dear esteemed shareholders, business partners, colleagues, and members of the public,

Greetings!

As we officially enter a new year, 2026, this is the ideal time to thoroughly review the achievements of the past year and prudently plan for the future. On behalf of Sunon, I would like to express my sincere gratitude to every colleague, customer, supplier, investor, and stakeholder who has stood alongside us. In this era of both challenges and opportunities, enterprises are not only part of the economy, but also an important force for driving social progress. Amid volatile international economic and geopolitical conditions, intensifying climate change, and increasing pressure on water and electricity resources, we are fully aware of the responsibilities we bear. We also believe that your strong support and trust will continue to be transformed into powerful momentum for the Company to move forward steadily and deepen its commitment to sustainability.

Over the past year, we proactively engaged an independent third party to verify the carbon footprint data of our key cooling fans, which are widely used in AI computing, server cooling, and related communications products, and successfully obtained ISO 14067 product carbon footprint verification certificates. This demonstrates Sunon's carbon management capabilities across the full product life cycle, from product design and manufacturing to transportation. We also officially obtained validation from the internationally recognized Science Based Targets initiative (SBTi). With an open and responsible approach, we reviewed our decarbonization performance and successfully achieved our short-term target of a 38% annual reduction, while continuing to advance toward our ultimate medium- to long-term goal of a 90% absolute reduction in carbon emissions. In addition, we further strengthened the preparation of the Company's Task Force on Climate-related Financial Disclosures (TCFD) reporting by using climate scenarios and simulation tools to identify and quantify the physical risks, transition risks, and transition opportunities arising from climate change, thereby providing an important basis for short-, medium-, and long-term strategic planning. To achieve our long-term goal of net zero emissions by 2050, we have adopted a series of innovative green strategies, shared our successful experience with upstream supply chain partners, and provided transparent and credible decarbonization results to end customers, in line with our corporate governance policy of promoting shared sustainability value across the value chain.

Our green technologies and product innovations have also expanded across a wide range of fields. At a time when AI opportunities are rapidly emerging, the growth of computing power remains constrained by electricity supply and thermal management technologies. In response, we provide customers with more comprehensive and integrated thermal solutions, ranging from air-cooling modules and cold plate solutions for high-speed chip heat transfer and thermal conduction, to pumps and coolant distribution units (CDUs) that drive the flow and circulation of liquid cooling systems, as well as large liquid-to-air cooling cabinets, large EC axial fans widely used in the building HVAC industry, various blowers and centrifugal fans, and large ceiling fans and pedestal fans for efficient ventilation in factory and warehouse environments. These products have already been recognized and adopted by many international customers. We also actively participate in international exhibitions and summits, such as the OCP 2025 Global Summit, so that more customers facing thermal management challenges can promptly find suitable solutions through these high-efficiency, energy-saving, and decarbonization-oriented cooling product portfolios.

To date, all of our efforts in environmental, social, and corporate governance aspects are presented in this Report. Looking ahead, we will continue to deepen our ESG strategy and move forward with greater determination toward the goal of net zero emissions. We believe that only by working together with all stakeholders can we achieve truly shared and sustainable prosperity. Our goal is not only to create returns for shareholders, but also to serve as a driver of social progress and to help create a green and prosperous planet for future generations.

Finally, I would like to once again express my sincerest gratitude to every shareholder, business partner, and employee who supports us. Let us move forward together, with responsibility as our foundation and innovation as our wings, to embrace a bright future.

Thank you all.

Chairman and Group President / Ching-Sheng Hung

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Sustainability Performance Highlights

Governance

- Net profit after tax amounted to **NT\$2.165 billion**, an increase of **45.2%** compared with 2024
- 0 corruption incidents
- 15,902 participations in integrity management training
- Passed ISO 27001 Information Security Management System certification

Products

- Recipient of the Taiwan Excellence Award, and has also received multiple international recognitions, including the Golden Pin Design Award and the German iF Product Design Award
- Product energy-saving performance from R&D reached a total electricity saving of **792 million kWh**, reducing approximately **375 thousand** metric tons of carbon dioxide equivalent
- Achieved a 100% pass rate in hazardous substance testing for products for **14 consecutive years** from 2011 to 2025
- Cumulative number of granted patents reached **3,483**

Supply Chain

- Completed 2 online supplier carbon emissions meetings, with a total of 368 participations
- 100% pass rate for new supplier evaluations**
- 100% annual supplier audit pass rate**
- 68%** local procurement and **87%** local delivery

Environment

- In April 2025, the SBTi approved the Company's science-based decarbonization targets
- Received Management Level ratings in both CDP Climate Change and Water Security questionnaires
- Continued to carry out **GHG inventory across the Company, with external third-party assurance**
- The proportion of renewable electricity used across the Company reached **43.94%**, totaling **21.05 million kWh**
- Compared with the 2022 base year, the Company's water withdrawal decreased by **22.29 million liters**, representing an approximately **27%** reduction
- Compared with the 2022 base year, the Company's Scope 1 and Scope 2 GHG emissions decreased by **9,872 tCO₂e**, representing a **40%** reduction
- Continued to pass **IECQ QC 080000** verification, and all production sites in Taiwan and globally passed ISO 14001 and ISO 45001 certification

Social

- Conducted the employee satisfaction survey for the first time in 2025, with a result of **82%**
- Employees participated in an average of **47 hours** of training per year
- The "Inspirational Care Program" reached a cumulative total of **13,750 households** from 2018 to 2025

Brand Honors and International Award Achievements



Sustainability Strategy and Performance



Highlight Case 1

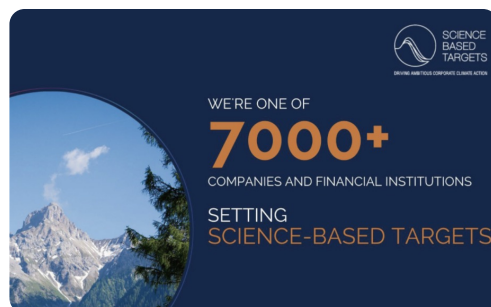
Sunon's climate reduction targets validated by SBTi, affirming its net-zero commitment and fostering a sustainable future across the value chain

In support of the Paris Agreement goal of limiting global warming to 1.5 ° C, Sunon officially obtained validation from the internationally authoritative Science Based Targets initiative (SBTi) on April 21, 2025, confirming that its submitted GHG reduction targets are aligned with the SBTi Corporate Net-Zero Standard and Guidance. This validation signifies that Sunon's carbon reduction commitment and sustainability transition efforts have gained international recognition, demonstrating the Company's determination and concrete actions to address climate change.

SBTi has clearly defined that the Scope 1 and Scope 2 GHG emissions reduction targets established by Sunon comply with its rigorous standards and guidance. Using 2022 as the base year, Sunon has committed to achieving net zero GHG emissions across its entire value chain by 2050 as its long-term target. For its near-term targets, Sunon has set a goal of reducing its absolute Scope 1 and Scope 2 GHG emissions by 42.2% by 2030 from the 2022 base year. Over the same period, it has also committed to reducing absolute Scope 3 emissions from purchased goods and services and the use of sold products by 25%.

For its long-term target, Sunon further commits to reducing its absolute Scope 1, Scope 2, and Scope 3 emissions by 90% by 2050, fully advancing toward science-based net zero emissions.

Obtaining SBTi validation marks an important milestone in Sunon's sustainability transition. Sunon will continue to strengthen supply chain collaboration, identify and use low-carbon raw materials, improve product energy efficiency and further reduce power consumption through product design, introduce renewable energy into electricity use, and continue to promote green manufacturing, GHG inventory, and reduction mechanisms. Through these efforts, the Company seeks to ensure that its carbon reduction results are transparent and credible, while replicating this experience upstream in the supply chain and sharing carbon reduction achievements with downstream customers to create shared sustainability across the value chain.



Near-term Target

by 2030

Reduction
42.2%

Scope 1 and Scope 2
Absolute emissions

Reduction
25%

Scope 3
Absolute emissions

Long-term Target

by 2050

Reduction
90%

Scope 1, Scope 2, and Scope 3
Absolute emissions

Highlight Case 2

Three High-Performance Cooling Fans Pass ISO 14067 Product Carbon Footprint Verification, Underscoring Commitment to Green Transition

As part of its ongoing commitment to corporate sustainability and low-carbon manufacturing, three of its high-performance cooling fans—PF4028, PF8038, and PFC038—officially passed product carbon footprint verification conducted by DNV in accordance with the ISO 14067 international standard and obtained the corresponding certificates. This demonstrates Sunon's carbon management capabilities across the full product life cycle, from product design and production to transportation.

The three verified fan models are primarily used in high-performance end-use applications such as servers, AI computing, and communications equipment, providing stable and reliable thermal management solutions for the global information technology industry. Through its internal carbon inventory team, Sunon has established a real-time, transparent, and objective product carbon footprint calculation framework by integrating ERP-based data connections with a product carbon footprint inventory system jointly developed with Syscom Computer Engineering Co., Ltd., thereby effectively enhancing the accuracy and traceability of carbon data.

As international markets impose increasingly stringent requirements for carbon emissions transparency, product carbon footprint management has become an important communication tool with supply chain partners. Going forward, the Company will continue expanding the scope of products covered, broaden its low-carbon product design strategies, and work together with customers and suppliers toward net zero emissions.



Highlight Case 3

Supporting Earth Hour 2025: Switching Off for a Sustainable Planet While Upholding a Green R&D Philosophy

Every March, Sunon joins more than 190 countries, regions, and landmarks around the world in supporting Earth Hour by turning off lights for one hour and taking action in support of this global voluntary public-interest carbon reduction initiative. In the face of increasingly severe global climate change, people of all races, beliefs, and ages have both the ability and the responsibility to change the world. By standing together, we can drive change. Starting with small actions—such as taking public transportation, choosing environmentally friendly and energy-efficient appliances, using renewable energy, and turning off unnecessary power—represents a sustainable way of life. Let us all do our part for the planet and move together toward a sustainable and mutually beneficial vision to ultimately achieve net zero emissions.

To date, 192 countries and regions and more than 18,000 landmarks worldwide have joined in "switching off" to support the initiative through concrete action. Earth Hour 2024 in Taiwan set a new record, achieving electricity savings of 289,000 kW. On March 22, 2025, for Earth Hour, employees and family members at Sunon's Kaohsiung headquarters and its global subsidiaries, offices, and factories will turn off all unnecessary power from 20:30 to 21:30 to participate in this meaningful event. Sunon also invites everyone to join Earth Hour and become a driver of change for the future.



Highlight Case 4

Sunon 2025 Family Day: Parents and Children Enjoying Time Together and Demonstrating Team Cohesion

Sunon's major annual event, Sunon 2025 Family Day, was held simultaneously on August 2 at E-DA Theme Park in Kaohsiung and the National Taiwan Science Education Center in Taipei, inviting employees and their families to enjoy a joyful day together. The Kaohsiung headquarters event was grandly hosted at the E-DA Royal Theater. To reduce long-distance travel for colleagues in northern Taiwan, the northern venue was arranged at the National Taiwan Science Education Center in Taipei. Through educational and entertaining spaces and fun competition games, the event strengthened cohesion among employees and families while demonstrating the Company's care for and commitment to all employees.

On the day of the event, the program began in the morning with an energetic mascot opening and exciting prize draws, bringing plenty of surprise and laughter to the venue. This year's Family Day featured a variety of fun activities, including parent-child teamwork challenges and ball-keep-up contests, allowing both adults and children to participate fully and experience the joy of teamwork through competition. In addition to laughter and games, Sunon also held a scholarship award ceremony for the children of long-serving employees, encouraging colleagues not only to work hard but also to value their families, actively nurture the next generation, and pass on positive values for growth. The event concluded with a dazzling fantasy visual show finale, whose spectacular lighting effects added excitement and surprise to the day, captivating both adults and children. After the performance, everyone happily toured the park with colleagues and family members, creating unforgettable memories and recharging with laughter.

Sunon continues to uphold its people-oriented philosophy. Through the annual Family Day event, it conveys care for and gratitude to employees and their families, strengthens organizational cohesion, and moves forward together toward a more visionary future.

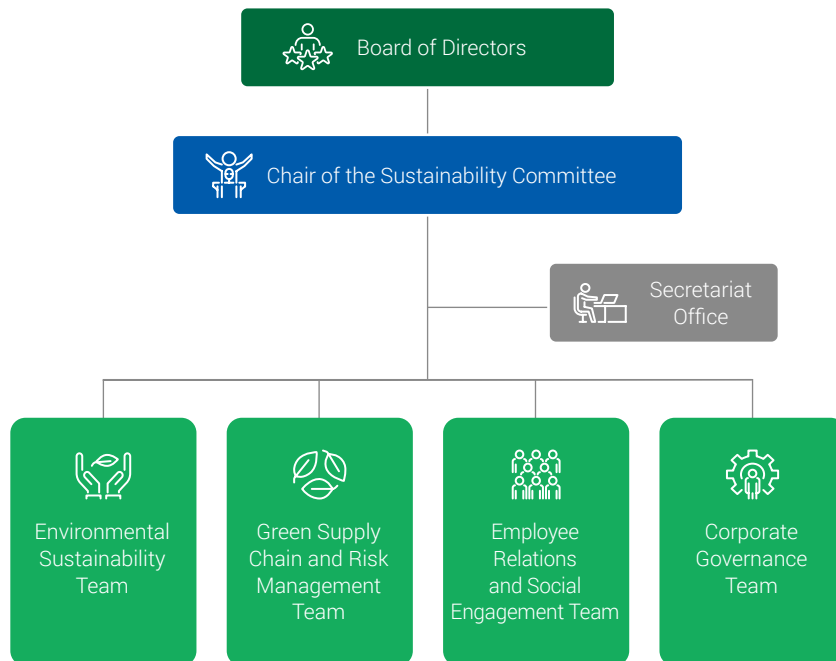


1.1 Sustainability Governance Structure

To strengthen the Company's sustainability governance structure and implement its sustainable management philosophy, Sunon established a Board-level Sustainability Committee in 2022 and adopted the Organizational Rules of the Sustainability Committee in 2024. The Committee shall consist of no fewer than three members, appointed by the Chairman as authorized by the Board of Directors. Committee members shall possess professional knowledge and capabilities in corporate sustainability, and at least one director shall participate in its supervision. The Committee serves as the Company's highest decision-making and supervisory body for promoting sustainability and corporate social responsibility, overseeing sustainability strategy planning, policy formulation, target setting, and the promotion and execution of action plans.

The Sustainability Committee is responsible for reviewing the Company's material sustainability issues, supervising the effectiveness of related policies and measures and the achievement of targets, and regularly reporting progress and outcomes to the Board of Directors to ensure effective integration of sustainability strategy with the Company's operations and governance decisions. The Committee holds regular meetings to collect internal and external sustainability-related information, conduct stakeholder surveys on material topics, screen and analyze key sustainability issues relevant to the Company's sustainable operations, and formulate short-, medium-, and long-term targets and management indicators. It also continuously reviews the progress and achievement of these targets as the basis for the ongoing enhancement of sustainability strategies and management mechanisms.

Sustainability Committee Organizational Chart



Responsibilities of the Sustainability Committee



Board of Directors

Supervises the Company's sustainability development efforts, reviews the impacts of material sustainability risks and opportunities on operations, and makes decisions on and oversees sustainability-related policies, strategies, and resource allocation.



Sustainability Committee

The Committee consists of five members, with the Chairman serving as Chair and the Corporate Governance Officer serving as Executive Committee Member.

Key responsibilities include:

- Reviewing sustainability strategies and annual implementation plans
- Supervising the management of material sustainability topics, implementation performance, and stakeholder communication and response
- Overseeing the governance of climate-related risks and opportunities and the quality of related disclosures
- Regularly reviewing implementation results and reporting to the Board of Directors to ensure effective execution of strategies

Secretariat Office

Coordinates the Company's cross-departmental sustainability initiatives.

Key responsibilities include:

- In accordance with the general disclosure requirements of IFRS S1 and the climate-related disclosure requirements of IFRS S2, identifying and assessing the financial effects of potential climate-related risks and opportunities, establishing a governance structure and division of responsibilities, and discussing the implementation timeline and response strategies, including clause-by-clause alignment, a review of current governance, risk management, data sources, internal control processes, and disclosure content
- Based on the principle of materiality, integrating the identification, assessment, management, and disclosure of environmental, social, and governance topics, and establishing mechanisms with functional units for data collection, internal control review, and improvement tracking
- Coordinating the Company's cross-departmental sustainability initiatives and GHG inventory and reduction strategy planning
- Serving as a cross-departmental coordination window to integrate resources, advance sustainability projects, track implementation progress and performance, and regularly consolidate and report results

Task Forces

Four teams have been established by function, including the Environmental Sustainability Team, Green Supply Chain and Risk Management Team, Employee Relations and Social Engagement Team, and Corporate Governance Team.

Key responsibilities include:

- Identifying material sustainability topics related to operations, formulating management strategies and annual targets, and advancing specific action plans
- Implementing environmental management, supply chain sustainability, employee care, and corporate governance measures in accordance with their respective functions
- Continuously tracking implementation performance, providing regular feedback, and reporting to the Sustainability Committee for review and improvement

Implementation of the Sustainability Committee

The Sustainability Committee regularly reports to the Board of Directors. In 2025, it reported four times, with the key matters reported as follows:

March 6, 2025

- Key report items from the annual Sustainability Committee meeting.
- Annual project timeline planning.
- Progress report on the first-phase review and subsidy disbursement under the Industrial Development Administration, Ministry of Economic Affairs "large enterprises leading small enterprises" subsidy program.

May 8, 2025

- Representative products obtained ISO 14067 Product Carbon Footprint certificates.
- SBTi Science Based Targets initiative review approved.
- The supplier carbon management system was launched, and two supplier training sessions were held with a total of 368 participants.

August 7, 2025

- The 2024 Sustainability Report was assured by Crowe Taiwan and published on the official website.
- The 2024 GHG inventory was verified by DNV.
- Annual carbon reduction performance and target achievement rate.
- 2024 CDP Supplier Engagement Assessment performance report.
- The Kunshan Guangxing Plant introduced the ISO 50001 Energy Management System and passed external verification.

November 6, 2025

- The Kaohsiung headquarters and plant continued to pass external verification for the ISO 50001 Energy Management System.
- Progress report on the second-phase review and subsidy disbursement under the Industrial Development Administration, Ministry of Economic Affairs "large enterprises leading small enterprises" subsidy program.
- Key report items from the annual Sustainability Committee meeting.

1.2 Stakeholder Engagement

Sunon firmly believes that effective and constructive engagement with stakeholders is key to promoting communication and strengthening trust. By identifying the stakeholders with the greatest influence, the Company is able to focus communication priorities and improve engagement efficiency. The Company has established relevant provisions in its Sustainable Development Best Practice Principles, put in place regular communication and feedback mechanisms, and reports stakeholder engagement results to the Board of Directors annually. The communication status with various stakeholder groups in 2025 was reported to the Board of Directors on January 28, 2026.

1.2.1 Identification of Stakeholders

Taking into account the Company's industry characteristics and operating model, the Sustainability Committee referred to the five principles of the AA1000 Stakeholder Engagement Standard (2015) (AA1000 SES 2015)—Dependency, Responsibility, Tension, Influence, and Diverse Perspectives—to identify six major stakeholder groups: employees, investors (shareholders), customers, suppliers (contractors), government agencies, and other stakeholders (community residents, non-profit organizations, and academic institutions).

1.2.2 Stakeholder Communication

To understand and respond to stakeholder concerns, we provide various communication channels for different stakeholder groups, including shareholders' meetings, the Company's official website, Company email, social media, dedicated internal contact windows, and customer satisfaction surveys, so that stakeholders may raise opinions at any time. This helps us understand the sustainability topics of concern to different stakeholders and formulate responses or corresponding strategies. The communication channels, communication frequency, topics of concern, and communication results for each stakeholder group in 2025 are presented in the table below.



Sunon Stakeholder Communication Mechanism and Management Procedures



Stakeholder	Communication Frequency / Channels	Key Topics of Concern	2025 Communication Results
Employees Employees have always been Sunon's most important asset since its founding. The Company invests substantial resources in talent development, regularly holds meetings to hear the voices of employees and employee representative assemblies, and provides timely feedback to ensure the sustainable continuation of the Sunon family spirit.	Annual Employee welfare activities, Sustainability Report, Sunon Elite Magazine Quarterly Occupational Safety and Health Committee, labor-management meetings, performance evaluations Monthly Employee Welfare Committee, employee representative assembly Standing Company website, internal website, employee grievance mailbox, employee grievance hotline, and email As needed Employee satisfaction surveys, training programs, new hire forums, release of rules and regulations, Labor Pension Reserve Supervisory Committee, Sexual Harassment Complaint Committee	- Employee welfare and compensation - Occupational safety and health - Career development and training - Talent recruitment and retention - Employee rights in the workplace	- Employee satisfaction: 4.94 points (out of 6) - Average employee training hours: 47.96 hours - A total of 46 employee welfare meetings were held - A total of 4 labor-management meetings were held
Investors / Shareholders Recognition and support from external investors and shareholders are key drivers of the Company's sustainable operations. Sunon maintains sound communication with them and, through the Board's governance philosophy of responsible self-governance, sustains steady growth momentum.	Annual Shareholders' meeting, annual report, Sustainability Report Quarterly Board meetings, financial reports, investor conferences Standing Company website, investor relations mailbox, dedicated contact window As needed Market Observation Post System, in-person visits or phone interviews with institutional investors, participation in investor forums	- Operational and financial performance - Corporate governance and integrity in business - Risk management - Climate and ESG topics - Net zero commitment and carbon management - Product quality and technology R&D	- One shareholders' meeting was held - Ten investor conferences were held - A total of 40 in-person visits or phone interviews with institutional investors were conducted - Revenue increased by 27.7% year-on-year in 2025 - Annual consolidated revenue, profit, EPS, gross margin, operating margin, and net profit margin all reached record highs - CDP Climate Change received a Management level score of B - CDP Supplier Engagement Rating received an A-
Customers Sunon uses multiple channels to understand market trends and customer needs. Guided by a customer-oriented approach, it proactively meets customer expectations and strives to maximize customer value.	Annual Industry technical seminars and exhibitions, distributor conferences, customer satisfaction surveys, Sustainability Report Standing Company website, social media, product catalogs, customer service hotline, dedicated contact window As needed Customer visits, customer audits, sales meetings	- Product quality and technology R&D - Raw material management - Customer relationship management - Information security management - Human rights and labor relations - Corporate ESG development plans - Net zero commitment and carbon management	- Customer satisfaction in 2025 was 6.1 points, up 0.2 points from 2024 - A total of 187 customer ESG-related requests were addressed

Stakeholder	Communication Frequency / Channels	Key Topics of Concern	2025 Communication Results
Suppliers / Contractors Suppliers and contractors are the strong backbone of Sunon's product lines. Through a model of mutual trust and cooperation, they support one another's growth, work together to fulfill customer expectations, and create higher value across the industry value chain.	Annual Supplier self-assessment questionnaires, supplier audit evaluations, supplier conferences, Sustainability Report Standing Company website, social media, supplier management system, dedicated contact window As needed Public tendering/bid opening activities, release of contract terms and related regulations, supplier meetings, on-site guidance audits, training programs	- Raw material management - Hazardous substances management - Conflict minerals management - Human rights and labor relations - Occupational safety and health - Sustainable supply chain management	- A supply chain carbon management system was established to guide suppliers in introducing carbon inventory - Two training sessions were held with a total of 368 participants - A total of 194 suppliers completed RBA audits, with a 100% pass rate 100% of suppliers signed the Social Responsibility Policy and Commitment Statement 100% of suppliers signed Conflict-Free Minerals Declarations 100% of suppliers signed Integrity Commitments 100% of suppliers signed Quality Commitments
Government Agencies Sunon complies with government laws and regulations, strictly adheres to legal requirements, and actively cooperates with government initiatives to fulfill its civic responsibilities.	Annual ESG evaluations, financial reports, annual report, Sustainability Report, information filings, tax payments Standing Company website, social media As needed Market Observation Post System, policy briefings, regulatory briefings, training programs, official correspondence, competent authority inspections	- Regulatory compliance - Tax policy - Information security management - Energy management - GHG emissions - Air pollutant control - Water resources and wastewater management - Waste management and recycling - Occupational safety and health - Labor relations	- No material violations occurred in 2025 - Relevant filings were completed regularly in accordance with government and regulatory requirements - Actively participated in subsidy programs of the Industrial Development Administration - Joined the Taiwan Climate Partnership as a member
Community Residents / Non-profit Organizations / Academic Institutions To fulfill its corporate social responsibility, Sunon gives back to local communities and cares for society through its core business, assisting those in need and spreading care throughout society. The Company also takes into consideration the needs and suggestions of non-profit organizations and academic institutions as directions for future operational improvement.	Annual Inspirational care activities, blood donation drives, Sustainability Report Monthly Community management committee Standing Company website, social media, dedicated contact window As needed Press releases, recruitment activities, employment briefings, project cooperation and visits	- Public welfare promotion - Community participation - Industry-academia collaboration - Air pollutant control - Water resources and wastewater management - Waste management and recycling	- Participated in 18 campus recruitment events - Cumulative volunteer service hours reached 1,004 hours - More than NT\$2.99 million was invested in social welfare and disability care resources, benefiting 1,993 people - More than NT\$4.27 million was cumulatively invested in character education, educational assistance, and scholarship programs, benefiting 6,631 people

Note: This table provides only a brief summary of stakeholder topics of concern. For detailed response measures, please refer to the relevant chapters of this Report.

1.3 Management of Material Topics

Materiality analysis forms the foundation of the Sustainability Report. In accordance with the GRI 2021 Standards, the Company adopts a systematic methodology and analysis process to identify material sustainability topics and formulate management approaches accordingly, thereby establishing the basis for advancing sustainability. Through the process of assessing material sustainability topics, the Company also builds internal consensus, enhances competitiveness and resilience, and realizes its vision for corporate sustainability.

1.3.1 Material Topic Assessment Process

In accordance with GRI 3: Material Topics 2021 and applying the concept of "Double Materiality" introduced by the European Union's Corporate Sustainability Report Directive (CSRD) and European Sustainability Reporting Standards (ESRS), the Company simultaneously assesses both "the impact of sustainability topics on the Company's operations" and "the Company's impacts on the external economy, environment, and society." It also evaluates the severity and likelihood of sustainability-related impacts and focuses on 11 material topics as the objectives of its sustainable operations and the basis of this report. The Executive Secretary of the Sustainability Committee determines the corresponding international standards for each material topic, reviews the management policies and targets for those topics, and collects annual data to ensure that all important sustainability information is fully disclosed in this report, thereby comprehensively responding to stakeholder concerns. After the annual Sustainability Report is completed, the Chair of the Sustainability Committee reviews the report content and final draft again to ensure that the disclosed information does not contain inappropriate or misleading statements.

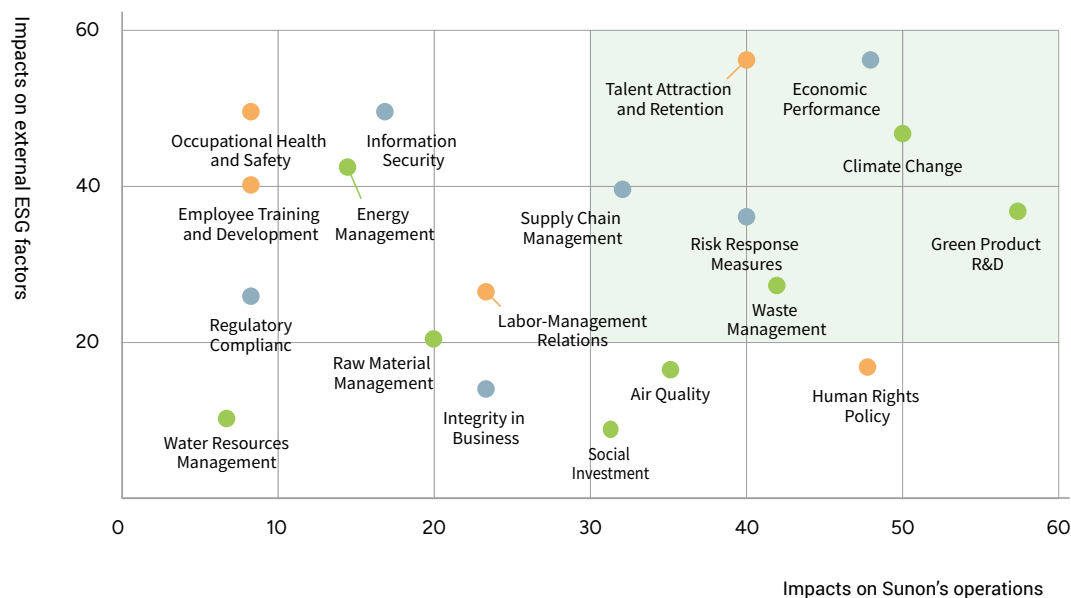
Every two years, based on the impacts arising from the Company's operating activities, industry characteristics, and value chain, Sunon identifies current key sustainability issues through stakeholder engagement and consultation with expert advisors, with final decisions made by the Chair of the Sustainability Committee. The results of the material topic identification are then reported to the Board of Directors. The detailed assessment process is as follows:

1 Collection of Material Topics	The Company referred to international sustainability standards such as GRI, SASB, and the SDGs, and reviewed its business items, business model, types of products or services, industry characteristics, and workforce types to analyze all industry attributes relevant to the Company.	27 potential sustainability topics
2 Assessment of Stakeholder Impacts	The Company assessed the extent to which its sustainability actions affect stakeholders. A total of 309 responses were collected, including 133 from employees, 8 from shareholders/investors, 32 from customers, 103 from suppliers, 6 from community residents and groups, 16 from contractors, 3 from public sector and non-profit organizations, 3 from electronics industry peers, and 5 from others.	309 stakeholder impact assessment questionnaires
3 Assessment of Positive and Negative Impacts	Questionnaires were used to assess the positive and negative impacts that the Company has on the economy, environment, and society (including human rights). (1) Assessment of impact severity: evaluated from three dimensions—degree of impact, scope of impact, and reversibility of negative impacts (2) Assessment of likelihood: evaluated based on the probability of occurrence of the impact	53 impact assessment questionnaires
4 Assessment of Operational Impacts	Senior executives used questionnaires to assess the operational impacts of sustainability topics on the Company, measuring impacts across five dimensions: revenue, cost, customer satisfaction, employee cohesion, and corporate reputation. The above results were then consolidated to develop and analyze a double materiality matrix.	38 impact assessment questionnaires
5 Determination of Material Topics	Based on analysis and discussion of the questionnaire results and external professional advice, the Sustainability Promotion Task Force approved and identified 11 high-impact topics as material topics.	11 material topics

List of Material Topics

The Company regularly reviews the implementation of material topic policies and target achievement rates each year in order to optimize its internal management approaches and qualitative and quantitative targets. After the next cycle of material topic identification, it also compares differences between the current and previous periods, investigates the reasons for such differences, and reports them in the Sustainability Report. In 2025, six material topics remained the same as in the previous year. The differences are explained as follows:

Sunon Material Topics Matrix



Note: Degree of impact refers to the extent of the impact event on Sunon and on stakeholders; circle size represents the degree of impact on stakeholders.

Aspect	Material Topic	2025	2024
Governance	Economic performance	●	●
Governance	Risk response measures	●	●
Governance	Supply chain management	●	
Governance	Integrity in business		● (Note 1)
Governance	Regulatory compliance		● (Note 1)
Environment	Climate change	●	
Environment	Green product R&D	●	
Environment	GHG management	●	●
Environment	Waste management	●	
Environment	Energy management	●	●
Environment	Raw material management	●	●
Social	Talent attraction and retention	●	
Social	Product quality and safety	●	●

Note 1: Referred to as "Ethical Standards" in 2024.

Note 2: The material topics "Integrity in Business" and "Regulatory Compliance" identified in 2024 were not included as 2025 material topics, as the Company has already established relevant procedures and internal control measures and will continue to respond through ongoing compliance management.

1.3.2 Impact Boundaries of Material Topics

The following describes the impacts of material topics on internal operations as well as on external stakeholders and the value chain, and addresses the corresponding impact management approaches and performance in the relevant chapters.

● Direct impact ○ Indirect impact

Aspect	Material Topic	Type of Impact	Significance to the Organization	Corresponding GRI	Value Chain Impact Boundary and Degree			Corresponding Section
					Suppliers	Sunon	Customers	
G Governance	Economic performance	Positive	Achieving continued growth in revenue and profit, creating long-term value for shareholders, and providing the funding needed for green transition.	GRI 201: Economic Performance	●	●	●	2.1 About Sunon
		Negative	Global economic fluctuations or inflationary pressure may lead to slower end-market demand.					
	Risk response measures	Negative	If risk identification fails, the Company may be unable to respond effectively to geopolitical, cybersecurity, or emerging risks.	Custom topic	○	●	○	2.4 Risk Management
	Supply chain management	Positive	Promoting supplier ESG audits and green procurement to ensure a low-carbon and resilient supply network amid raw material shortages or regulatory changes.	GRI 204: Procurement Practices GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment	●	●		4.3 Supply Chain Management Policy
		Negative	Environmental violations or human rights breaches by suppliers may trigger joint legal liabilities and supply disruption risks.					
E Environment	Climate change	Positive	Surging global demand for decarbonization and thermal management drives rigid demand in the green economy and strengthens climate-related market opportunities.	GRI 201: Economic Performance	●	●	●	5.1 Climate Change Management
		Negative	Carbon pricing mechanisms, such as carbon fees and CBAM, may increase operating costs; more frequent extreme weather events may also cause physical damage to production sites and logistics nodes.					
	Green product R&D	Positive	Focusing on high-efficiency and low-power-consumption technologies to reduce product life cycle carbon footprints and support customers in achieving decarbonization goals.	GRI 302: Energy	○	●	●	3.2 Innovation and R&D 3.3 Product Energy-Saving Performance
	GHG management	Positive	Quantitatively managing value chain emissions to directly meet brand customers' requirements for supply chain carbon transparency and gain priority in green supply chain competition.	GRI 305: Emissions	●	●		5.2 GHG Management
		Negative	If supply chain decarbonization progress falls short of expectations, the Company's net zero emissions commitment may be affected.					

Aspect	Material Topic	Type of Impact	Significance to the Organization	Corresponding GRI	Value Chain Impact Boundary and Degree			Corresponding Section
					Suppliers	Sunon	Customers	
E Environment	Waste management	Negative	Improper disposal of process waste may result in severe penalties from environmental authorities and environmental remediation liabilities, negatively affecting operating permits and corporate social reputation.	GRI 306: Waste		●		5.5 Waste Management
	Energy management	Positive	Introducing ISO 50001 and increasing the share of renewable electricity use can effectively buffer against rising electricity prices, reduce energy dependency risks, and fulfill the Company's sustainable commitment to low-carbon manufacturing.	GRI 302: Energy		●		5.3 Energy Management
		Negative	Supply stability and price premiums in the renewable electricity market may increase short-term operating expenditures; if energy-saving retrofit efficiency falls short, it may be difficult to support significant carbon reduction targets.				○	
	Raw material management	Positive	Optimizing design to reduce material use and adopting recycled or non-toxic materials to lower the risk of resource shortages.	GRI 301: Materials				4.2 Raw Material Management
		Negative	Sharp fluctuations in global raw material markets, or slow progress in raw material traceability management or alternative material development, may directly affect production scheduling and weaken profitability due to rising costs.		●	●	○	
S Social	Talent attraction and retention	Positive	Attracting top R&D talent through training systems and an inclusive workplace to sustain core innovation momentum.	GRI 401: Employment GRI 404: Training and Education		●		6.1 Talent Attraction and Retention
		Negative	If compensation, benefits, or workplace development lack competitiveness, key technical talent may be lost, creating R&D capability gaps.					
	Product quality and safety	Positive	Rigorous quality control reduces failure rates, builds a market reputation of "zero defects," and helps secure long-term stable contracts.	GRI 416: Customer Health and Safety		●		3.4 Product Quality Management
		Negative	Product quality defects or safety incidents may trigger large-scale recalls and significant compensation costs, damaging corporate reputation and customer relationships.				●	

1.3.3 Management of Impacts from Material Topics

The Company's Board of Directors serves as the highest decision-making and supervisory body for the management of Sunon's material topics and has designated the Sustainability Committee to take overall responsibility for managing material sustainability topics. This includes identifying and reviewing management approaches for material topics and proposing optimization and improvement recommendations; establishing diversified stakeholder communication channels; regularly consolidating stakeholder feedback; determining the type and significance of such feedback; and formulating corresponding response measures or approaches for reporting to the Board of Directors. The Board of Directors and the Sustainability Committee hold at least one meeting each year to jointly discuss the management of material topics and formulate the sustainability direction and strategic targets for the coming year.

■ Short-, Medium-, and Long-term Targets (2025–2030) and Achievement Status of Material Topics

	Material Topic	Management Strategy	Management Item	Achievement Status	Short-term Target	Medium-term Target	Long-term Target
				2025	2026	2028	2030
E	Climate change	Using TCFD and IFRS S2 Climate-related Disclosures as the framework, the Company is reshaping a comprehensive climate change management structure to identify risks and opportunities and disclose them regularly.	Climate-related financial disclosures	(New)	Publish the first TCFD report	Disclose IFRS Sustainability Disclosure Standards information in the 2029 annual report	Conduct regular reviews and adjustments and submit them to the Board of Directors for review
	GHG management	Set carbon reduction targets in accordance with international standards and actively introduce energy-saving and carbon reduction initiatives to reduce overall carbon emissions and enhance operational competitiveness.	GHG emissions reduction (Scope 1&2)	Target ≥ 18.75 %  Actual: 40%	≥ 25 %	≥ 37.5 %	≥ 50 %
			GHG emissions reduction (Scope 3)	Target ≥ 9.375 %  Actual: 11%	≥ 12.5 %	≥ 18.75 %	≥ 25 %
	Waste management	Actively promote waste reduction and circular utilization to reduce waste generation.	Reduce waste generation index	Target ≥ 0.5 %  Actual: 29.7 %	≥ 0.8 %	≥ 1.3 %	≥ 1.9 %
	Energy management	Strengthen electricity use management at plant sites, increase the proportion of renewable energy use year by year, and actively promote related energy-saving initiatives.	Increase the proportion of renewable energy use	Target ≥ 14.4 %  Actual: 44.0%	≥ 21.6 %	≥ 36 %	≥ 50.4 %
	Green product R&D	Through product design, verification, and life cycle management, optimize energy-saving efficiency, select non-hazardous and renewable raw materials, plan for easy disassembly and recyclability, reduce the product's environmental impacts, and comply with relevant regulations to ensure product health and safety.	Increase the shipment ratio of energy-saving models and low-carbon products	Target ≥ 30 %  Actual: 35.3 %	≥ 35 %	≥ 38 %	≥ 40 %
	Raw material management	To reduce resource waste, independently recover reusable raw material packaging materials and return them to suppliers for reuse in raw material packaging.	Raw material packaging recovery rate	Target ≥ 70 %  Actual: 91.4 %	≥ 70 %	≥ 75 %	≥ 80 %

	Material Topic	Management Strategy	Management Item	Achievement Status	Short-term Target	Medium-term Target	Long-term Target
				2025	2026	2028	2030
S	Talent attraction and retention	Establish competitive compensation and benefits and key talent retention strategies to create a career development environment with strong growth potential.	Offer acceptance rate (onboarding rate)	Target ≥ 75 % Actual: 88.4 %	≥ 75 %	≥ 75 %	≥ 75 %
			Retention rate of key talent (Note)	Target ≥ 85 % Actual: 95.7 %	≥ 85 %	≥ 85 %	≥ 90 %
	Product quality and safety	Commit to implementing quality policies and measures with the goal of providing customers with superior service and quality; comply with international product design regulations to meet safety and health-hazard-free requirements.	Customer satisfaction	Target ≥ 4.9 points Actual: 6.1 points	≥ 4.9 points	≥ 4.9 points	≥ 4.9 points
G	Economic performance	Achieve economic benefits in corporate operations while also maximizing social equity, environmental protection, and corporate ethics.	Consolidated revenue amount	Target: NT\$15.3 billion Actual: NT\$18.678 billion	Set annual revenue targets in accordance with domestic and international trends.		
	Risk response measures	Establish a risk management mechanism and implement risk control and adaptation measures to enhance operational resilience.	Regularly review and revise risk mitigation measures to reduce losses arising when risks occur	(New)	Establish a risk management policy, complete risk identification, and formulate control and mitigation measures	Regularly track changes in risks and disclose material risks and response measures in the Sustainability Report	
	Supply chain management	Implement supplier audits and performance evaluations, and provide training as well as related tools and resources to gradually guide suppliers in conducting carbon inventory.	Supplier commitment letter signing rate	100 %	100 %	100 %	100 %
			Supplier audit pass rate	100 %	100 %	100 %	100 %
			Supplier organizational carbon inventory implementation rate	(New)	≥ 40 %	≥ 45 %	≥ 50 %

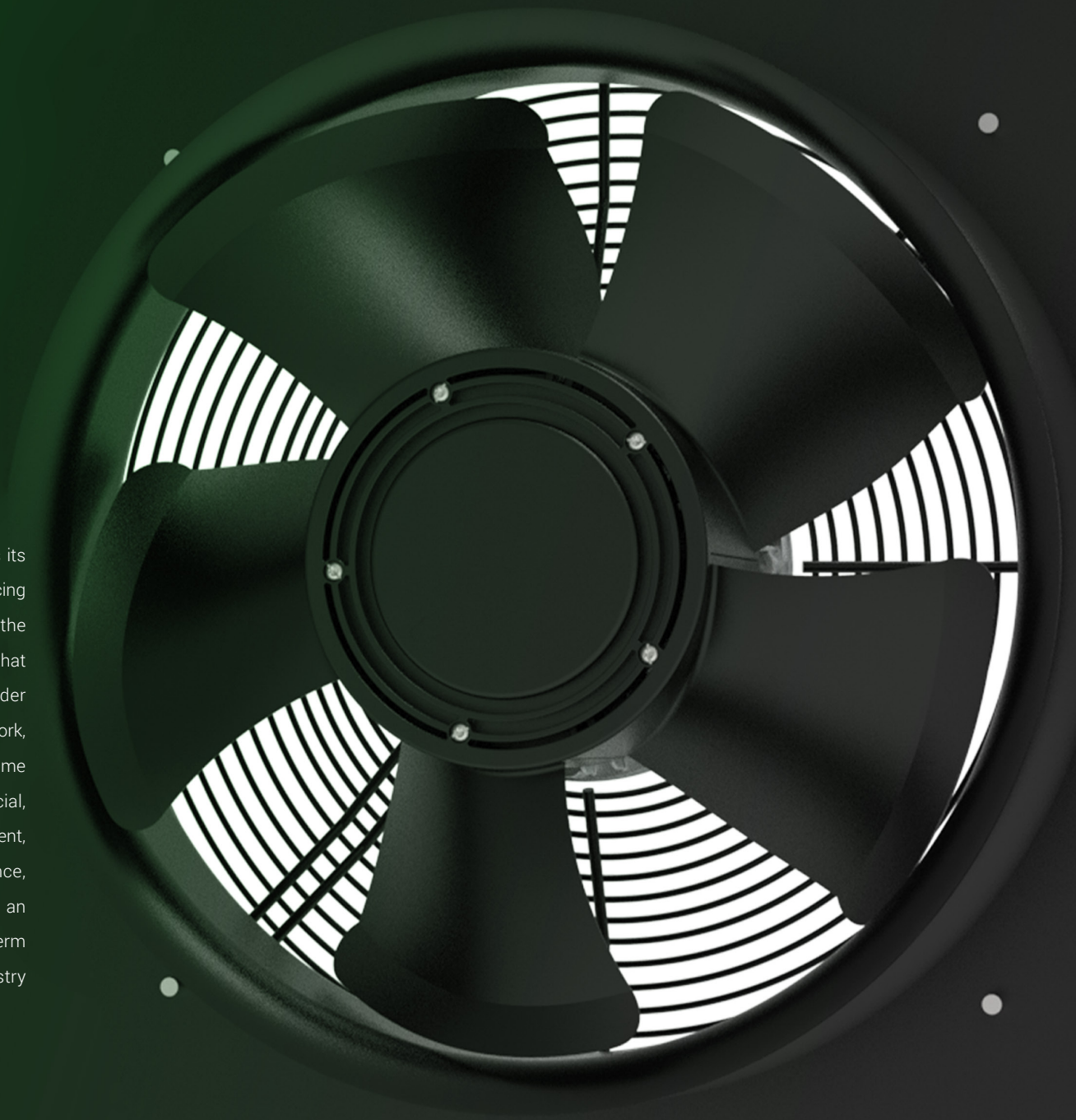
Note: Key talent refers to core technical talent or other priority talent.

Note: The base year for GHG emissions reduction is 2022.

Note: The base year for GHG emissions reduction is 2022. For Scope 3, the disclosed reduction amount is calculated only based on the committed reduction categories under SBTi target categories, and the disclosed actual performance represents the cumulative achievement rate.

Sustainable Governance Management

The Company upholds integrity, transparency, and responsible management as its core values, and regards corporate governance as a key cornerstone for advancing sustainable development. In response to the rapidly evolving challenges of the global economy and environmental and social issues, the Company ensures that its business decisions take into account shareholders' interests, stakeholder expectations, and long-term value creation through a sound governance framework, robust internal control systems, and risk management mechanisms. At the same time, the Board of Directors and management incorporate environmental, social, and governance (ESG) issues into strategic planning and operational management, continuously strengthening governance effectiveness and corporate resilience, enhancing regulatory compliance and information disclosure, and establishing an important foundation for promoting sustainable competitiveness and long-term value creation, while responding to the expectations of the electronics industry supply chain and society for sustainable development.



2.1 About Sunon

Founded in 1980, Sunon has focused on inventions and innovation in core energy-efficient motor technologies for more than 40 years. Through continuous innovation and by leading industry product development trends in motors, fans, thermal modules, ventilation, and air purification solutions, Sunon has leveraged its extensive core motor technologies accumulated over the years to develop products such as the world's first MagLev magnetic levitation motor fan and the world's smallest and thinnest millimeter micro fan. These products have not only earned wide recognition in the industry, but have also been widely applied in 5G equipment, AIoT, servers, data centers, healthcare, home appliances, e-sports, automotive, industrial applications, refrigeration equipment, monitoring services, portable products, and green building ventilation. Sunon has therefore become a designated supplier to many leading international brands and a preferred partner in thermal design solutions.

Sunon's corporate operations headquarters is located in Kaohsiung, Taiwan. Together with subsidiaries and representative offices in Europe, the United States, China, India, and other regions, more than 130 distributors and agents worldwide, and over 1,000 sales and service locations,

the Company has established a customer service and technical support network spanning five continents, enabling it to respond to customer needs promptly and efficiently.

To meet the needs of large-scale mass production, Sunon has established six fully equipped professional manufacturing plants in Kaohsiung, Taiwan; Kunshan, Jiangsu; Beihai, Guangxi; Huizhou, Guangdong, China; and Bataan, the Philippines. These facilities manufacture a full range of fans, motors, thermal modules, ventilation fans, and ceiling fans. Through ERP and MES system management, Sunon is able to meet customers' real-time and flexible requirements while maintaining outstanding strengths in quality control and mass production capability. To protect investors' rights and interests, the Company has established an investor relations communication platform on its website, regularly updates business information, and discloses Sunon's operating status in an open and transparent manner, thereby fostering a long-term, stable, and harmonious relationship with investors.

Company Name

Sunonwealth Electric Machine Industry Co., Ltd.

Date of Establishment

Listed company limited by shares

Headquarters Location

October 25, 1980

Industry Category

No. 30, Lane 296, Xinya Road, Cianjhen District, Kaohsiung City

Main Products or Services

Manufacture of electronic components and products

Main Products or Services

Cooling fans, air-cooling modules, liquid-cooling modules, motors, water pumps, ventilation fans, fresh air systems, and ceiling fans

Paid-in Capital

NT\$ 27 billion

Net Sales

NT\$ 18,677,810 thousand

Number of Employees

8,123

Production Volume of Major Products



DC Fan

149,805,009 units



Thermal modules

6,196,595 units

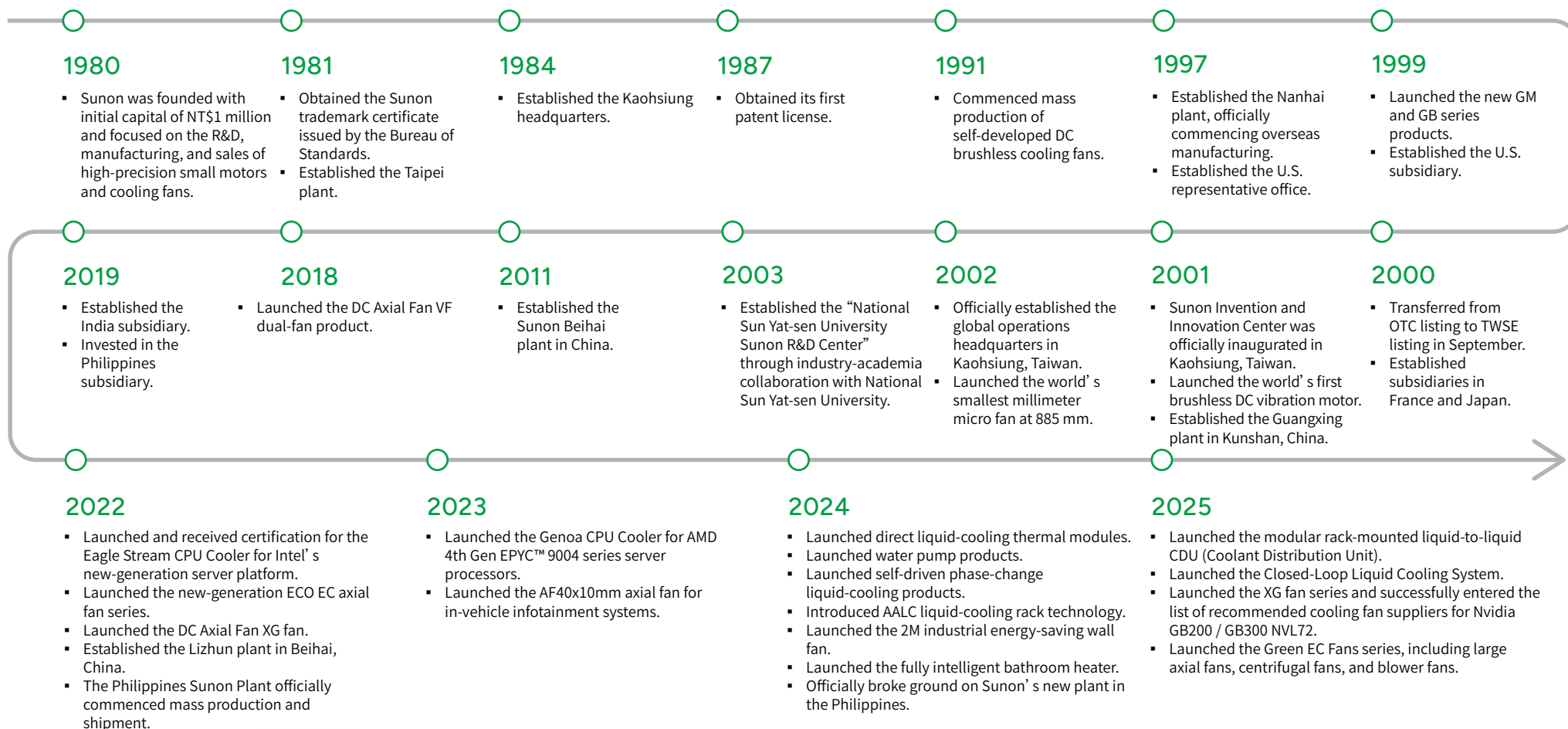


Other products

652,804 units



Major Development Milestones



For more information on Sunon's development history, please visit: <https://www.sunon.com/about.aspx>

2.1.1 Business Philosophy -----



Brand

Sunon is committed to upholding its brand through quality. The Sunon brand stands for premium products that are high-quality, high-tech, and forward-looking in the market.



Innovation

Sunon was built on invention and innovation, and regards them as the only path to maintaining its industry-leading position.



Value

Sunon's value lies in the R&D expertise and achievements it has accumulated beyond the products themselves.

To meet customer needs with optimal design flexibility, Sunon is supported by a strong R&D team and integrates its service and marketing business units with its production and logistics business units to work alongside customers in advancing innovation for next-generation products. Through its services, Sunon aims to enable customers to truly experience the meaning of its business philosophy of "Brand, Innovation, and Value," with the aspiration that "Because of Sunon, customers can use products with peace of mind," "Because of Sunon, systems become smaller and more user-friendly," and "Because of Sunon, society is filled with hope and a future."

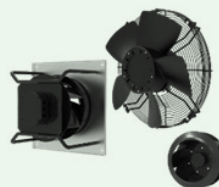
2.1.2 Products and Services -----

■ Introduction to New Products Launched in 2025



Industrial Portable Fan

The Industrial Portable Fan combines high energy efficiency with user-friendly design. Equipped with a high-efficiency BLDC motor, it features low energy consumption, low noise, and powerful airflow, capable of generating an instant airflow reach of 36 meters to quickly improve stuffy indoor environments. In terms of design, the Industrial Portable Fan integrates engineering and aesthetics, with a panel inspired by a honeycomb structure and a fan frame that is durable, stable, and reliable in operation. The entire unit complies with IEC 60335-1 safety standards and is rated IP55 for water and dust resistance, with multiple electrical safety protections to ensure safe use.



Green EC Fan Series

The Green EC Fan Series combines high-efficiency, energy-saving motors with built-in AC-to-DC drive circuitry, delivering low energy consumption, low noise, and powerful airflow, while also offering water and dust resistance. It is designed to fully meet a wide range of large-scale indoor and outdoor ventilation, cooling, and heat dissipation needs. The fan sizes range from 190 mm to 910 mm, and the products comply with regional safety standards such as UL / TUV / CE. In addition, certain sizes have achieved technical breakthroughs that enable direct high-voltage drive at HVDC (High Voltage Direct Current) 800VDC for the latest AI data centers, thereby reducing energy conversion losses and unnecessary power converter costs in end products.



Advanced CPU chipset air-cooling and liquid-cooling

In response to customer needs, Sunon also provides air-cooling thermal modules for customer-specific chipsets (paired with high-performance fans), which rapidly dissipate chip heat through high-efficiency thermal conduction design and fin arrangement design. Alternatively, through specially designed flow channels, coolant is directed to a cold plate in close contact with the heat-generating chip, allowing heat to be absorbed quickly and evenly before being transferred to an external heat exchanger for dissipation. This enables low-noise, high-efficiency, and low-PUE cooling performance beyond traditional air cooling, meeting the thermal management needs of high-power chips in AI-era data centers.

Major Product Categories and Applications

Air Cooling



Cooling Fans

Product Description

Leveraging its core energy-efficient motor technologies, Sunon has developed a series of micro fan products ranging in size from 8 mm to 250 mm. Through continuous technological innovation, the Company has long provided the industry with cooling fan products that are more energy-efficient, quieter, smarter, and longer-lasting.

Applicable Industries

Applications in industries such as 5G equipment, IoT, servers, automotive electronics, energy, industrial, healthcare, home appliances, and portable devices.

Thermal Modules



Product Description

Sunon's thermal modules flexibly integrate active and passive thermal management components, including fans, heat sinks, vapor chambers, 3D VC, high-power heat pipes, and heat plates, to deliver optimized thermal management systems tailored to customers' systems.

Applicable Industries

Applications in industries such as NB, PC, servers, industrial computers, automotive electronics, and energy.

Liquid Cooling



Liquid-Cooling Modules

Product Description

Sunon provides the industry with a wide range of direct liquid-cooling and immersion liquid-cooling components, including cold plates, water pumps, boiling plates, and self-driven phase-change liquid-cooling heat sinks. These products combine high-efficiency cooling with energy savings to help enterprises achieve their sustainability goals.

Applicable Industries

High-performance computing applications such as servers, AI edge computing, HPC, workstations, and IPC.



Liquid-Cooling Racks

Product Description

Sunon's air-assisted liquid-cooling cabinets integrate both air-cooling and liquid-cooling designs, including Direct Cooling, heat recovery units (HRU), fan walls, and rack distribution units (RPU), to create low-energy-consumption cooling systems for next-generation data centers.

Applicable Industries

Data centers and AI servers.

Building Ventilation



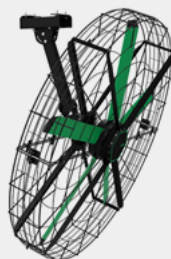
Industrial Ventilation and Cooling Fans

Product Description

Sunon's industrial ventilation and cooling products provide customers with one-stop ventilation solutions. The full range of fan products is driven by high-efficiency BLDC motors, and the blades incorporate patented winglet designs to effectively reduce wind resistance and eliminate noise, achieving low-speed, high-airflow performance. These products provide high-quality ventilation options with minimal energy consumption for large industrial and commercial spaces. To meet the needs of different application scenarios, Sunon offers a diversified product portfolio and integrated planning services, including industrial energy-saving HVLS ceiling fans, portable fans, wall fans, and exhaust fans.

Applicable Industries

Applicable to settings such as factories, farms, greenhouses, hangars, gymnasiums, logistics warehouses, hypermarkets, supermarkets, and exhibition halls.



Sunon 2M Industrial Energy-Saving Wall Fan

Product Description

Sunon's industrial energy-saving wall fan is a directional fan specifically designed for factory ventilation in spaces with crowded floor areas and insufficient ceiling height. Its flexible installation modes allow it to be mounted wherever needed to provide precise ventilation and cooling for specific areas. Equipped with extra-large 2M blades, it can deliver airflow up to 36 meters (approximately one-third of the length of a football field). Powered by an energy-saving BLDC motor, it offers excellent energy-saving performance, strong airflow, and steady, low-noise operation, making it an optimal ventilation choice for workspaces with congested traffic flow.

Residential Ventilation



Ventilation Fans and Fresh Air Systems

Product Description

Residential ventilation products include bathroom ventilation fans, heaters, and dual-flow fresh air systems. All of these products adopt Sunon's latest energy-saving motor technologies and acoustic quality engineering to create a new generation of green building ventilation products that are energy-saving, quiet, fresh, and comfortable for consumers. These products also embody the German design pursuit of craftsmanship and minimalist aesthetics, creating a new experience that combines good indoor air quality with aesthetics in residential spaces.

Applicable Industries

Applicable to settings such as residences, hotels, restaurants, office buildings, postpartum care centers, nursing homes, hospitals, and daycare centers.



Smart Bathroom Heater

Product Description

Sunon's Smart Bathroom Heater carries forward the Company's sophisticated engineering technologies and minimalist design style, integrating warm air and LCD display functions to provide good air quality in modern residential bathrooms while also delivering warm and comfortable temperatures in cold winter conditions, bringing a new bathing experience.

Industry Overview

As the computing and connectivity functions of electronics, communications, and portable products continue to improve, temperatures generated during use have also continued to rise. At the same time, influenced by market trends, products are becoming increasingly lighter, thinner, shorter, and smaller, while demand for image processing capabilities continues to grow. These consumer demands and product development trends have become important drivers for the continued expansion of the thermal management industry.

Over the past two years, the popularity of the chatbot ChatGPT has driven market attention toward generative AI. According to TrendForce, strong demand for AI infrastructure deployment in 2024 is expected to drive global AI server growth to 42% year on year. In 2025, driven by demand from cloud service providers and sovereign clouds, AI server shipments are expected to continue growing at an annual rate of approximately 28%, increasing the share of AI servers in the overall server market to nearly 15%. As the computing power of AI chips continues to increase and thermal design power (TDP) continues to rise, this is expected to create significant business opportunities for the thermal management market while accelerating the rapid development of liquid-cooling technologies.

The hardware components of thermal management solutions mainly include cooling fans, heat sinks, heat pipes, thermal plates, cold plates, pumps, and highly integrated rack-level liquid-cooling solutions, as well as related pipe fittings and flow control valves. These components are widely used across computers, servers, communications, consumer electronics, automotive electronics, industrial equipment, and the optoelectronics industry. Among these sectors, the computer industry accounts for the largest demand for thermal management solutions. Taiwanese manufacturers, which hold a large share of global OEM orders for computers and electronic equipment, enjoy a competitive advantage in the development of the thermal management industry and have become major users and suppliers of thermal management components.

As electronic products continue to evolve, the growth momentum of thermal management products extends beyond traditional 3C industries such as computers, communications, servers, and consumer electronics to emerging applications including automotive electronics, handheld electronic products, virtual reality, the Internet of Things, artificial intelligence, and high-performance computing. This has prompted thermal component manufacturers to actively expand production capacity to increase market share. At the same time, improvements in the speed and performance of electronic products have further increased thermal management demand, driving manufacturers to continuously strengthen their R&D capabilities, launch high-end thermal management products to meet new application needs, and develop niche products to enhance profitability.

Industry Development Trends

1. Continued Expansion of Application Areas

In the early stages, the thermal management industry primarily served personal computers (desktop and notebook computers) and networking equipment. With rapid technological advancement and continuous innovation in electronic products, application areas have expanded to consumer electronics (such as tablet computers, virtual reality devices, and handheld projectors), automotive electronics (including in-vehicle infotainment systems, cockpits, power systems, headlamps, wireless charging pads, as well as ADAS and autonomous driving control systems), industrial equipment, communications equipment, and renewable energy fields. In addition, as building regulations are updated and air quality issues receive increasing attention, thermal management and ventilation technologies are also being widely applied in green buildings and air purification-related products.

In recent years, the rapid development of generative AI and high-performance computing has accelerated the adoption of AI technologies in manufacturing, retail, healthcare, and other sectors, driving strong demand from data centers and AI servers for high-computing-power, high-reliability thermal management solutions. This has become a key growth driver for the thermal management industry.

2. Enhanced Performance and High Heat Dissipation Efficiency

As processor and chip generations continue to evolve rapidly, thermal design power (TDP) continues to rise, and thermal management solutions are developing toward higher heat dissipation capacity, higher efficiency, faster heat conduction, longer service life, lower noise, lower vibration, lower energy consumption, and higher reliability. Through design optimization and material innovation, manufacturers continue to develop thermal management components that deliver both high performance and stability to meet the cooling needs of high-density, high-computing-power equipment.

In data center and AI server applications, power consumption per rack often reaches several hundred watts or more, making high-static-pressure, high-reliability, and smart-control fans standard configurations. At the same time, this is driving the rapid development of liquid-cooling technologies, such as cold plates, cooling distribution units (CDU), and rack-level liquid-cooling systems, forming a parallel and complementary cooling architecture that combines air cooling and liquid cooling.

3. Lightweight, Thin Form Factors and Highly Integrated Design

As end products continue to follow the design trend of becoming lighter, thinner, shorter, and smaller, thermal management components are also evolving toward thinner profiles, higher density, and greater integration. For example, the thickness of notebook computer cooling fans has been reduced from approximately 10 mm in the past to below 5 mm, with some new models even requiring thicknesses of around 3 mm. At the same time, modular design and system-level integration, such as multi-fan arrays and rack-level liquid-cooling solutions, are gradually becoming mainstream, enabling thermal performance, reliability, and system stability to be achieved within limited space.

4. Environmental Protection, Energy Efficiency, and Sustainable Development Trends

Under global net zero emissions policies and increasingly stringent environmental regulations, thermal management product design is placing greater emphasis on energy efficiency, carbon reduction, and environmental friendliness. Relevant products are required to comply with international environmental regulations and chemical substance management requirements, such as EU RoHS, EU REACH, and California Proposition 65, and are gradually incorporating recycled and renewable materials to extend material life, reduce e-waste, and promote the development of a circular economy.

At the same time, fan technology is gradually shifting from traditional AC motors to EC (electronically commutated) technology. EC fans offer advantages such as stepless speed control, smart control, and high energy efficiency, which can significantly reduce energy consumption and carbon emissions, and have become the mainstream solution in the HVAC and industrial ventilation markets. The introduction of IoT, AI, and cloud connectivity technologies, as well as digital twin and predictive maintenance applications, also helps improve equipment operating efficiency, extend product life, and support corporate sustainability transition.

In addition, the energy-saving retrofit market is gradually taking shape. Replacing outdated ventilation equipment with high-efficiency EC fans can not only extend system service life, but also effectively reduce energy consumption and carbon emissions, creating new growth momentum for the industry.

5. Key Demand Priorities Across Different Industry Applications



Data Centers / AI Servers

Fan products focus on high static pressure, high reliability, and smart control capabilities to overcome airflow resistance caused by high component density, while also providing networked monitoring and redundancy mechanisms. Liquid-cooling solutions, on the other hand, emphasize high performance, high quality, and system integration capabilities, and must pass customer-specific durability, weather resistance, and network operation tests to ensure rapid deployment and long-term stable operation.



Automotive Electronics

Fan products must meet automotive-grade requirements, pass certifications such as AEC-Q and EMC CISPR25, and offer high dustproof and waterproof ratings (such as IP55 and IP65) to withstand high engine compartment temperatures and harsh environments. Liquid-cooling systems emphasize high reliability, flexible configuration, and integration capabilities with automotive systems.



Residential / Commercial Ventilation

Product design focuses on quiet operation, energy savings, and user comfort, while integrating smart features such as humidity sensing, human motion sensing, and night lighting. It also emphasizes easy-to-clean structures and long-life filter designs to enhance user convenience and product longevity.



Industrial Applications / Renewable Energy / Outdoor Communications / HVAC

Products emphasize corrosion resistance, high protection ratings, and long service life. For coastal or highly corrosive environments, enhanced anti-corrosion coatings are required, while in extreme climates such as low-temperature icing conditions, functions such as motor preheating and smart de-icing are provided to ensure stable equipment operation.

Product Competition

Competition in the thermal management industry is becoming increasingly intense, with the market dominated by large international manufacturers with scale and technological advantages, as well as specialized suppliers with system integration capabilities. As end applications develop toward higher performance, higher density, and higher reliability, customers no longer base procurement decisions solely on price, but place greater emphasis on product performance, quality stability, delivery reliability, regulatory compliance, and long-term technical support capabilities.

In terms of product type, thermal management products can be divided into standard products and project-based products. Competition in standard products primarily depends on reliability, price, and channel penetration. Because performance differences among standard products are limited, customers typically select suitable products based on price and brand trust. As a result, manufacturers with a strong brand image, product stability, and a global sales channel network generally achieve higher market recognition and market share.

For project-based products, the core of competition centers on collaborative design capability, depth of technical expertise, and customer satisfaction. Manufacturers must participate in the design stage at the early phase of customers' product development and help address unprecedented or highly customized thermal management requirements. As such, R&D strength and technical depth become the most critical competitive advantages. Once products pass customer validation, competitive success further depends on production planning capability, mass production scale, cost control capability, and the ability to provide continuous customer service.

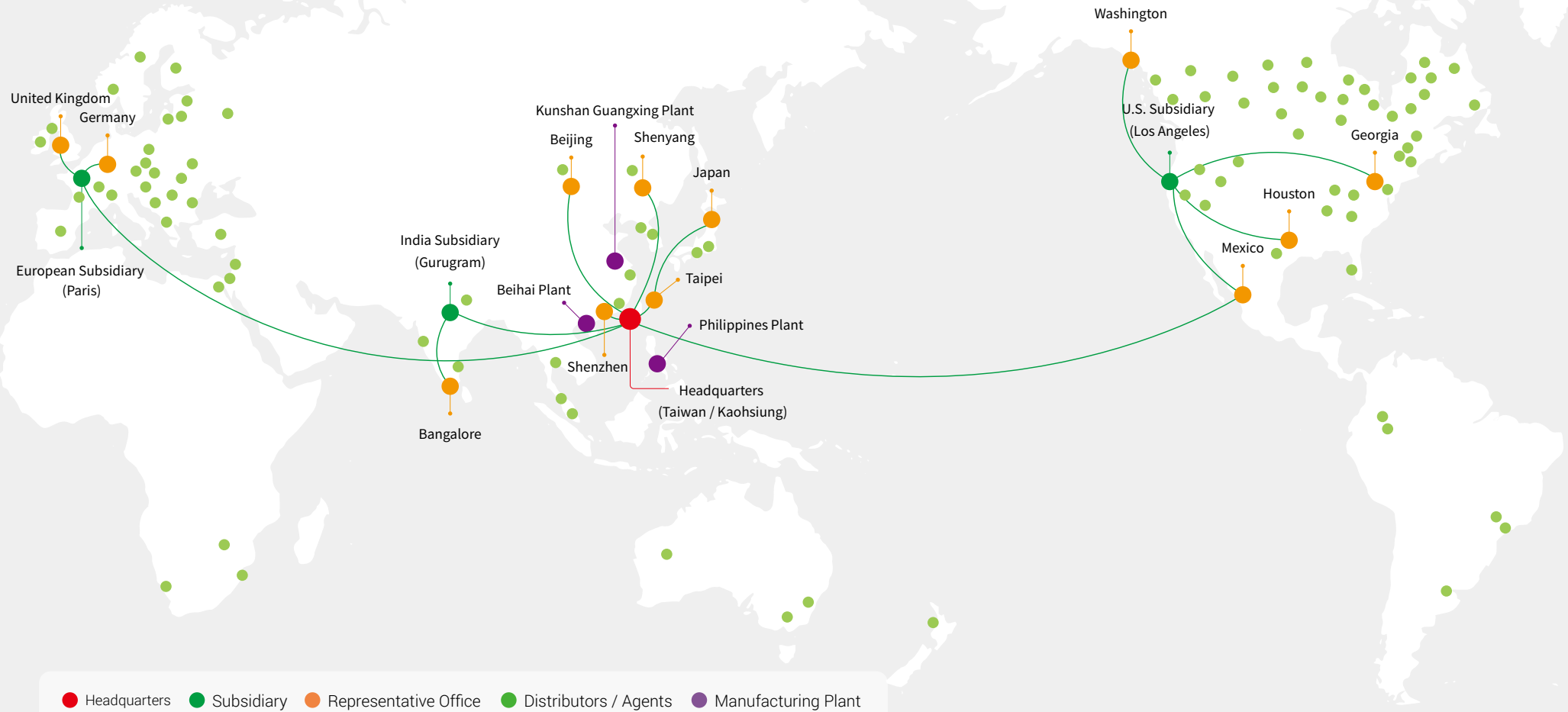
From the perspective of market competition, in high-end application markets such as high-performance computing, data centers, and AI servers, the competitive focus is gradually shifting toward overall thermal management solution capabilities, including the integration of air-cooling and liquid-cooling technologies, system-level design capability, speed of customized development, and cross-product-line integration capability. Manufacturers with strong R&D capabilities, manufacturing scale, quality management systems, and global supply chain deployment are better able to meet customer needs for high reliability, high consistency, and rapid mass production ramp-up, thereby gaining competitive advantages.

In markets such as consumer electronics, automotive electronics, and industrial applications, competition focuses on thinner and lighter products, low noise, high efficiency, environmental durability, and regulatory certification capability (such as automotive regulations, safety standards, and environmental requirements). At the same time, as environmental regulations become more stringent and corporate sustainability requirements increase, suppliers that can provide solutions featuring energy savings, lower power consumption, lower carbon footprints, and the use of recyclable materials are gradually becoming customers' preferred partners.

Overall, competition in thermal management products has shifted from a primarily cost-driven model to a multidimensional competitive landscape centered on technology, quality, system integration, and sustainability value. This is driving companies to continuously strengthen their R&D capabilities, process management, and sustainable operations in order to maintain market competitiveness and long-term growth momentum.



2.1.3 Global Operational Footprint

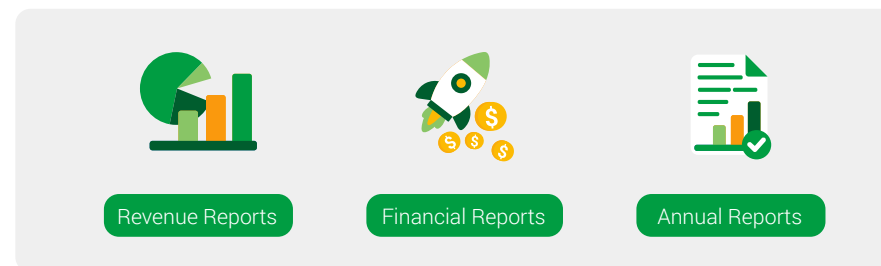


2.1.4 Economic Performance

In 2025, Sunon's total revenue reached NT\$18.677 billion, and net profit after tax amounted to NT\$2.165 billion. Overall profitability improved compared with the previous year, and net profit after tax reached a record high.

In response to changes in the global industrial environment and market demand, the Company has continued to strengthen its core competitive advantages through technology R&D, product innovation, and improvements in operational efficiency, while proactively capturing opportunities arising from industry development. Going forward, Sunon will further deepen its market presence, optimize its operating model, and integrate sustainable development concepts into its business strategy to steadily drive corporate growth and create long-term value for shareholders, customers, and society.

Sunon's quarterly consolidated financial reports, annual consolidated financial reports, and parent company only financial reports are all published on the Company's official website.



Sunon's Revenue, Net Profit, and Earnings in Recent Years

Item / Year	2022	2023	2024	2025
Net Operating Revenue	14,063,308	12,914,685	14,623,817	18,677,810
Net Profit Before Tax (NT\$ thousand)	1,425,877	1,751,588	1,981,734	2,796,880
Net Profit After Tax (NT\$ thousand)	1,089,095	1,333,934	1,492,093	2,165,699
Earnings Per Share (NT\$)	4.34	5.16	5.46	7.94
Cash Dividend (NT\$)	2.6	3.50	3.70	5.5

Note: Cash dividends refer to the approved distribution amounts under the earnings appropriation proposal for each reporting year. The 2025 distribution amount was approved by the Board of Directors on March 5, 2026.

Sunon's Economic Value Distribution in Recent Years

(Unit: NT\$ thousand)

Economic Value	Item / Account	2022	2023	2024	2025
Direct Economic Revenue	Net Operating Revenue	14,063,308	12,914,685	14,623,817	18,677,810
	Income from Financial Investments	19,075	107,784	147,183	-59,961
	Income from Asset Sales	114	67	0	0
	Government Grants Received	34,063	36,834	15,103	64,438
	Other Income	298,737	172,928	235,012	363,793
Direct Economic Value Generated		14,415,297	13,232,298	15,021,115	19,046,080

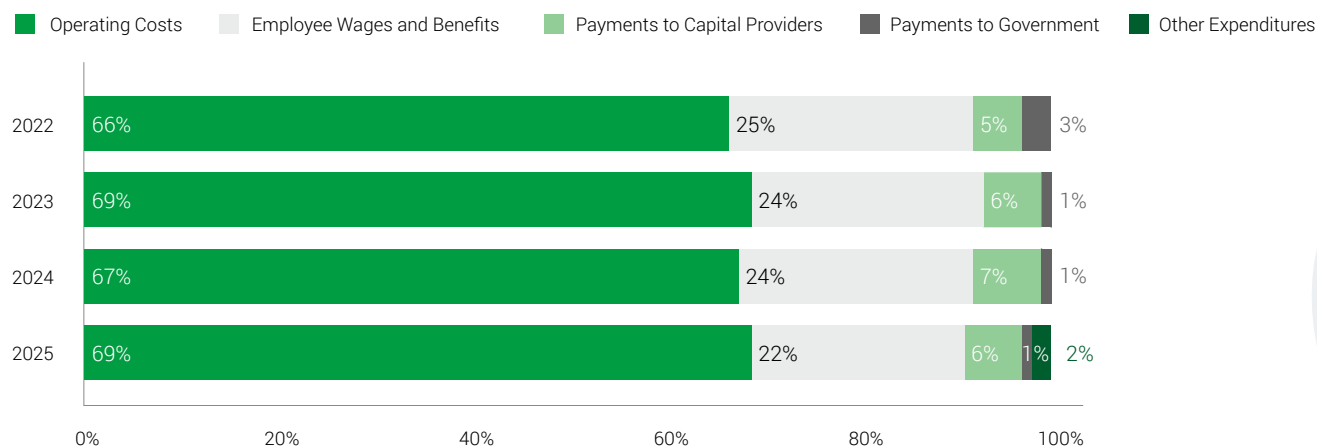
Economic Value	Item / Account	2022	2023	2024	2025
Economic Value Distributed	Operating Costs	9,292,834	8,318,941	9,444,848	11,911,339
	Employee Wages and Benefits	3,560,055	2,911,814	3,310,755	3,804,609
	Payments to Capital Providers ^(Note 1)	696,817	699,412	994,370	1,052,399
	Payments to Government ^(Note 2)	425,248	153,555	191,543	152,625
	Community Investment	69	0	0	0
	Other Expenditures	3,596	49,405	54,918	339,970
Economic Value Distributed		13,978,619	12,133,127	13,996,434	17,260,942
Economic Value Retained ^(Note 3)		436,678	1,099,171	1,024,681	1,785,138

Note 1: Includes finance costs and cash dividends approved under the earnings appropriation proposal for the year.

Note 2: Includes taxes and various fees paid to the government, including current income tax expense.

Note 3: Economic value retained = Direct economic value generated – Economic value distributed.

Proportion of Economic Distribution Items by Year



2.1.5 Participation in Industry Associations -----

Sunon continues to maintain strong cooperative relationships with industry organizations such as the Taiwan Electrical and Electronic Manufacturers' Association, the Taipei Computer Association, and the Taiwan Excellence Brand Association, and also assigns personnel to participate in relevant professional groups such as thermal management associations. Through these industry-academia-research exchange platforms, Sunon maintains close interaction with industry partners and professional institutions, keeps abreast of development trends and forward-looking technology trends in the electronics industry, promotes knowledge exchange and technical sharing across the industry, and further enhances potential collaboration opportunities and industry competitiveness.

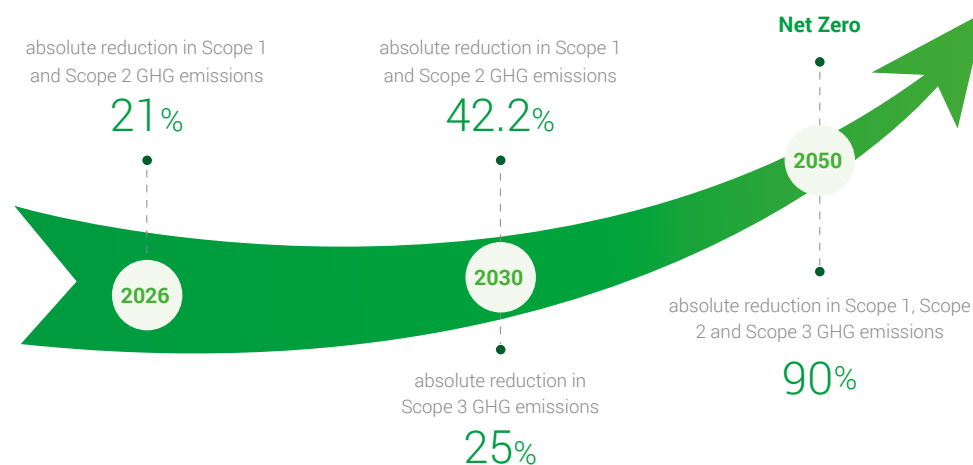
At the same time, through exchanges and collaboration with industry associations and professional organizations, Sunon maintains information sharing and experience exchange with stakeholders from all sectors, monitors changes in industry policies, regulatory developments, and sustainability issues, and formulates appropriate response strategies in a timely manner. By actively participating in relevant organizations and activities, Sunon seeks to create shared value with all sectors in the course of promoting industry development and sustainable operations, thereby supporting sound industry development and achieving mutual benefit and prosperity.

In 2025, the Company participated in 10 industry and professional associations, as listed below:

Industry / Professional Association	Membership Status
Taiwan Cold Chain Association	Member
Taiwan Tribology Technology Society	Member
Taiwan Climate Partnership	Member
Taipei Computer Association	Member
Taiwan Excellence Brand Association	Member
Taiwan Thermal Management Association	Member
Kaohsiung City Industrial Association	Executive Director / Member
Taiwan Electrical and Electronic Manufacturers' Association	Member
TWCERT Cybersecurity Alliance	Member
ASHRAE Taiwan Chapter	Member

2.1.6 Responding to International Initiatives -----

Sunon closely monitors global sustainable development trends and continues to assess and respond to various international sustainability- and climate-related initiatives. Through participation in relevant initiatives and information disclosure mechanisms, the Company strengthens its management practices across environmental, social, and governance (ESG) dimensions. By engaging and collaborating with international organizations and industry partners, Sunon stays abreast of international policy trends and industry developments, and progressively incorporates relevant principles and action frameworks into its operations and management. Going forward, Sunon will continue to monitor the development of international sustainability issues and respond through concrete participation and actions, further strengthening its sustainability governance mechanisms and working with stakeholders to advance the industry toward a more resilient and sustainable future.



Near-term target

Using 2022 as the base year, reduce absolute GHG emissions from Scope 1 and Scope 2 by 42.2% by 2030, and reduce absolute GHG emissions from Scope 3 (purchased goods and services, and use of sold products) by 25%.

Long-term target

Using 2022 as the base year, reduce absolute GHG emissions from Scope 1, Scope 2, and Scope 3 by 90% by 2050.



Science-based targets, SBT

In April 2025, Sunon's science-based targets (SBT) were validated by the Science Based Targets initiative (SBTi), in support of the Paris Agreement goal of limiting global warming to no more than 1.5° C above pre-industrial levels. In accordance with the SBTi methodology, Sunon has committed to using 2022 as the base year and achieving a 42% reduction in GHG emissions by 2030. The Company also adopts net zero emissions by 2050 as its long-term vision, and will continue to progressively fulfill its climate commitments through energy-saving, carbon reduction, and low-carbon transition actions.



Carbon Disclosure Project, CDP

Recognizing that the potential risks arising from climate change may have a significant impact on corporate operations and investment decisions, international organizations established the Carbon Disclosure Project (CDP) to encourage companies to disclose climate change-related information and incorporate it into business and investment decision-making, thereby accelerating climate response and solutions. Sunon has long focused on climate-related issues and proactively participates in CDP questionnaire disclosure every year. Through transparent disclosure, the Company continues to strengthen climate governance and risk management. In 2025, Sunon received a Management Level rating in both the Climate Change and Water Security questionnaires.



Responsible Business Alliance, RBA

Sunon joined the Responsible Business Alliance (RBA) in 2021 and has promoted responsible supply chain management in accordance with the RBA Code of Conduct. The Company requires supplier partners to jointly comply with requirements across five key dimensions: labor, health and safety, environment, ethics, and management systems. Through the signing of commitment letters to comply with the RBA Code of Conduct, Sunon ensures that suppliers understand and implement the relevant requirements. By working together with suppliers to promote RBA standards, Sunon continues to strengthen supply chain management and practices in social responsibility and sustainable development.



Sustainable Development Goals, SDGs

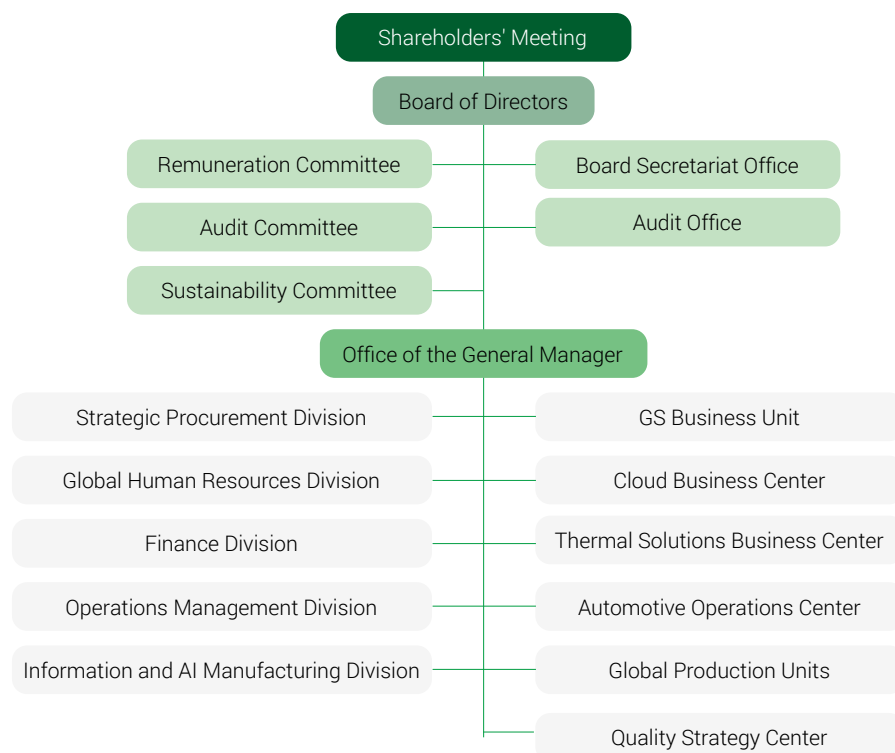
In 2015, the United Nations published Transforming our world: the 2030 Agenda for Sustainable Development. Centered on advancing human well-being, equality, and human rights, the agenda sets out 17 Sustainable Development Goals (SDGs) and 169 specific targets as important action guidelines for countries to promote sustainable development by 2030. Sunon recognizes the sustainability principles advocated by the SDGs and continues to integrate relevant goals into its corporate operating strategy. By leveraging its core capabilities and values, the Company promotes sustainability actions in areas such as environmental protection, social responsibility, and corporate governance. Through these efforts, Sunon seeks to support corporate development while reducing its environmental impact and creating a more sustainable future for society and future generations.

2.2 Corporate Governance

To ensure sustainable operations and maintain stakeholder trust, Sunon takes sound corporate governance and accountable governance as the foundation of its management approach and is committed to enhancing operational transparency and governance quality. Through a clearly defined organizational structure, the Company allocates responsibilities across all units and, in accordance with the Company Act, the Securities and Exchange Act, and other applicable laws and regulations, has established an effective corporate governance framework. Guided by its principles of integrity in business operations, Sunon has formulated various policies and procedures to put the spirit of corporate governance into practice, improve operating performance, and advance sustainable corporate development.

The Board of Directors and its functional committees operate independently in accordance with the law, and incorporate sustainable development, risk management, internal control systems, and major decision-making into the governance framework to ensure that strategic direction is aligned with long-term value creation. At the same time, through clear allocation of authority and responsibilities, performance evaluation, and information disclosure mechanisms, Sunon strengthens management accountability and oversight effectiveness, continuously enhances governance quality, and responds to the expectations of investors, employees, and the public regarding corporate integrity, transparency, and sustainable development.

2.2.1 Governance Structure



2.2.2 Board Operations

The Board of Directors is the Company's highest governance body and is primarily responsible for making overall business and operational decisions, preventing company value from being impaired by inappropriate policies, establishing sound ethical standards and integrity, and fulfilling corporate responsibility in order to achieve sustainable operations and safeguard shareholders' rights and interests. In addition, Board members are responsible for supervising the management team's compliance with laws and regulations and enhancing information transparency. The management team also regularly reports to the Board on the Company's operating conditions, development strategies, and sustainability-related matters, thereby maintaining smooth and effective communication with the Board.

To strengthen the Board's supervisory function and enhance management effectiveness, the Company has established functional committees under the Board, including the Remuneration Committee, Audit Committee, and Sustainability Committee. These committees are responsible for formulating and reviewing relevant policies and systems, as well as promoting and implementing them, thereby strengthening Board operations and enabling the Board to fulfill its oversight responsibilities. In addition, an Internal Audit Office has been established to monitor the effectiveness of the Company's internal control system. Each functional committee is required to regularly report its implementation results and resolutions to the Board in order to safeguard the rights and interests of the Company and its stakeholders.

Board Operations

The Company adopts a candidate nomination system for the election of directors. Nine directors are elected by the shareholders' meeting from the list of candidates. Directors serve a term of three years and may be re-elected. The nomination and selection of directors place emphasis on diversity and professional background. The current Board consists of 9 directors, including 4 independent directors, with a gender ratio of 7:2, and all directors are over 50 years of age. The current term of office runs from June 14, 2024 to June 13, 2027.

In principle, Sunon convenes one Board meeting per quarter. In 2025, the Company held a total of seven regular Board meetings and three special Board meetings, with an average attendance rate of 95.6%.

Composition of the Board of Directors and Functional Committees

Title	Name	Gender	Employee Concurrent Status	Board of Directors	Functional Committees		
					Remuneration Committee	Audit Committee	Sustainability Committee
Chairman	Ching-Sheng Hung	♂	√	√			√ (Convener)
Director	Li-Ru Chen	♀	√	√			√
Director	Ling-Wen Huang	♀	√	√			
Director	Fu-Sheng Huang	♂		√			
Director	Ching-Liang Chen	♂		√			
Independent Director	Chi-Shan Hung	♂		√	√	√ (Convener)	
Independent Director	Chin-Cheng Kao	♂		√	√ (Convener)	√	
Independent Director	Kuang-Chih Huang	♂		√		√	
Independent Director	Te-Tsai Lu	♂		√		√	
Corporate Governance Officer	Wei-Jen Li	♂	√				√
Member	Yen-Wen Feng	♂	√				√
Member	Shih-Feng Chen	♂	√				√
Member	Chih-Ming Chen	♂			√		

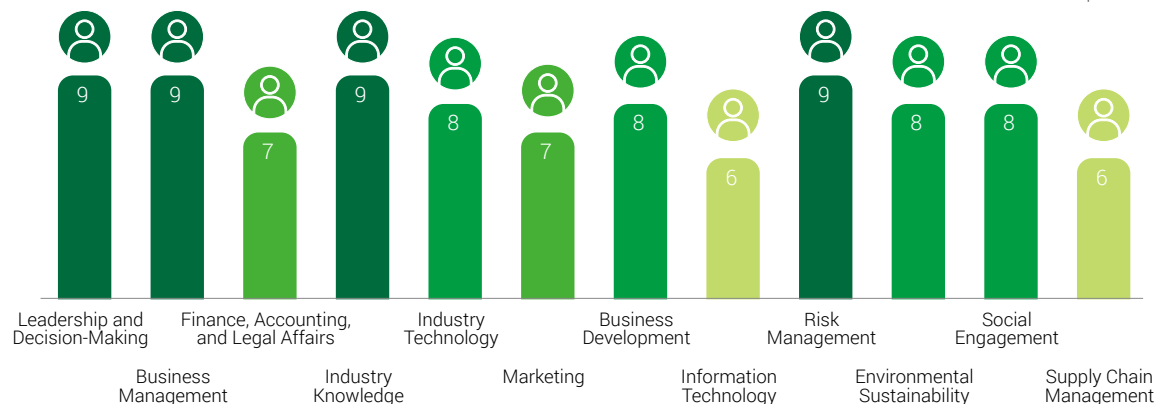
Note 1: The current Board term runs from June 14, 2024 to June 13, 2027.

Note 2: For detailed information on the education, professional experience, positions concurrently held in other companies, and background of the Company's Board members, please refer to the Company's annual report.

Note 3: Although the Chairman and General Manager of the Company are the same person, the Company's operations are carried out in accordance with relevant laws, regulations, and internal systems, and the authority and responsibilities of the Chairman and General Manager are clearly defined. The Company has established an Audit Committee and an Internal Audit Office to perform financial oversight, internal control supervision, independent audit oversight, and risk management for Company operations. In addition, where a conflict of interest arises in matters submitted to the Board for resolution, recusal procedures are applied and the relevant party does not participate in the vote.

Distribution of Directors' Professional Competencies and Experience

Unit: person



Directors' Continuing Education

In accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies, the Company arranges for directors to participate in continuing education courses and forum meetings each year in order to strengthen their knowledge and capabilities in legal, economic, environmental, social, and risk management matters. In 2025, the total continuing education hours completed by directors amounted to 69 hours.



Compensation Structure for Directors and Senior Management

Sunon's director compensation includes remuneration (A), severance and pension payments (B), directors' compensation (C), business execution expenses (D), and the ratio of the combined total of A, B, C, and D to net profit after tax. The Remuneration Committee takes into account industry benchmarks and individual director performance as the basis for adjusting individual compensation. In addition to fixed remuneration and severance or pension payments, performance bonuses are calculated based on the achievement of various performance indicators.

The compensation system for Sunon's senior management is proposed by the Remuneration Committee to the Board of Directors and approved by the Board. In addition to fixed salary and severance or pension payments, performance bonuses are calculated based on the achievement of various performance indicators. The retirement system for senior management is the same as that for other employees.

Resignation and Retirement Policy for Directors and Senior Management

The notice period for the resignation of Sunon's directors and senior management is determined in accordance with local government regulations. The number of notice days and the method for calculating severance payments are the same as those applicable to other employees. Apart from severance payments, no other payments or benefits in kind are provided to departing directors or senior management.

Linkage Between Compensation of Directors and Senior Management and Sustainability Performance

The compensation of the Company's directors and senior management is not yet linked to sustainability performance. Going forward, the Company will establish relevant mechanisms and progressively introduce sustainability performance indicators, linking compensation to factors such as individuals' participation in sustainability issues and achievement of sustainability goals, thereby strengthening the accountability of directors and senior management for the Company's sustainability vision.

Clawback Mechanism

To ensure corporate sustainability and integrity in business operations, where a major risk event that is sufficient to affect the Company's reputation or a major internal management failure occurs, Sunon will handle the matter in accordance with its Business Ethics Management Procedures. If any director or employee is subject to disciplinary action due to misconduct, the originally approved remuneration or incentives shall be revoked, and any bonuses already received shall be recovered in accordance with relevant regulations.

Board Performance Evaluation

To strengthen corporate governance and enhance the effectiveness of Board operations, the Company has established the Board Performance Evaluation Procedures, which require the Board of Directors and functional committees to conduct a self-performance evaluation once each year. The evaluation covers the following six dimensions:



2025 Performance Evaluation Results

Sunon achieved excellent results in its internal evaluation for the year, with an average score of 4.98 out of 5.00. The result was rated "Excellent" (with "Outstanding" being the highest rating), indicating that Board operations were well established and in line with corporate governance requirements. The results of the 2025 Board performance evaluation were reported to the Board on March 5, 2026.

Implementation of Board Performance Evaluation

Evaluation Cycle	Evaluation Period	Evaluation Method	Scope of Evaluation	Evaluation Result
Once a year	January 1, 2025 to December 31, 2025	Internal self-evaluation	Individual directors	Average score: 4.98; Rated Excellent (Full score: 5.00; highest rating: Outstanding)

Conflict of Interest Management

The Company's organizational rules for the Board of Directors and each functional committee expressly provide for conflict of interest and recusal mechanisms. If a Board proposal involves the director personally, the director's spouse, relatives by blood within the second degree of kinship, or a company having a controlling or subordinate relationship with the director, the matter must be disclosed during the meeting, and the director must recuse himself or herself from discussion and voting in accordance with relevant requirements, and may not exercise voting rights on behalf of another director. All such recusals are fully recorded in the meeting minutes. Directors and managers are also required to complete annual related-party transaction declarations and submit them to the Audit Committee for review. In addition, the Company has established relevant principles governing integrity and ethical conduct, and the corporate governance unit is responsible for supervising their implementation and regularly reporting implementation results to the Board.

Information regarding directors' recusals from agenda items involving conflicts of interest, Board members' appointments to other boards, and stakeholder groups and their relationships is disclosed in the Company's annual report in accordance with applicable requirements. As of the end of 2025, the Company had not experienced any material conflict of interest incidents.

2.2.3 Functional Committees

Under its corporate governance framework, in addition to establishing the Sustainability Committee to strengthen the promotion and oversight of sustainability strategies, Sunon has also established the Remuneration Committee and the Audit Committee in accordance with applicable regulations to separately conduct dedicated review and oversight of senior executive compensation systems and the Company's financial and internal control mechanisms. Through the professional division of responsibilities and independent operation of these functional committees, the Board of Directors is supported in enhancing decision-making quality and governance transparency, ensuring that Company operations take into account risk control, performance orientation, and the protection of shareholders' rights and interests, thereby strengthening overall corporate governance effectiveness.

Remuneration Committee

To ensure the fairness, reasonableness, and transparency of the compensation system for directors and managers, the Company has established the Remuneration Committee in accordance with the law. Its members are appointed by Board resolution, and their term of office is the same as that of the Board of Directors. The current Remuneration Committee consists of three members, more than half of whom are independent directors, in compliance with applicable legal requirements regarding independence.

The Remuneration Committee is responsible for formulating and regularly reviewing the performance evaluation and compensation policies, systems, standards, and structure for directors and managers, and for periodically evaluating and determining their compensation levels. This ensures that the compensation system is closely linked to individual performance and the Company's operating results, while also taking into account compensation reasonableness and market competitiveness in order to attract, motivate, and retain outstanding talent. In 2025, the Remuneration Committee held a total of four meetings, with a 100% attendance rate by its members.

Responsibilities of the Remuneration Committee

- Formulate and regularly review the performance evaluation and compensation policies, systems, standards, and structure for directors and managers.
- Periodically evaluate and determine the compensation of directors and managers.
- Review the annual distribution of employee compensation and directors' remuneration and submit it to the Board for resolution, with an annual report to be made at the shareholders' meeting. The distribution of employee compensation and directors' remuneration for 2025 was reported at the Company's shareholders' meeting on May 25, 2026.



Implementation of
the Remuneration
Committee

Audit Committee

To strengthen its financial oversight mechanism, the Company has established the Audit Committee in accordance with the law. The Committee consists of four independent directors, whose term of office is the same as that of the current Board of Directors. With its professionalism and independence, the Audit Committee assists the Board in fulfilling its oversight responsibilities.

The main responsibilities of the Audit Committee include reviewing the Company's financial statements, supervising the appointment and independence of the attesting CPAs, establishing or amending the internal control system, and overseeing the Company's internal regulations and legal compliance to ensure soundness and transparency in Company operations. In principle, the Audit Committee should convene four meetings each year and may, when necessary, invite department heads, internal auditors, accountants, legal advisors, and others to attend discussions. In 2025, the Audit Committee held a total of six meetings, with a 100% attendance rate by its members.

Responsibilities of the Audit Committee

- Review and supervise the establishment, amendment, and effectiveness evaluation of the internal control system.
- Review the Company's significant financial and business activities, including asset disposals, derivatives transactions, loans of funds, and endorsements and guarantees.
- Review financial statements and annual financial reports to ensure the accuracy and completeness of financial information.
- Supervise the appointment, dismissal, independence, and remuneration of the attesting CPAs, and review the appointment and dismissal of the heads of finance, accounting, and internal audit.
- Review matters involving directors' interests and other significant matters as required by laws, regulations, or competent authorities.



Implementation
of the Audit
Committee

2.3 Responsible Business Conduct

Within the Company's sustainability governance framework, "Responsible Business Conduct" represents a core value reflecting our commitment to stakeholders and society. Guided by the business principles of integrity, fairness, and transparency, we have established a clear ethics and compliance framework and embedded integrity in business operations as the foundation of our corporate culture. Through the oversight and governance of the Board of Directors and senior management, we regularly review and strengthen relevant systems to ensure that all business activities comply with domestic and international laws, regulations, and internationally recognized standards. These standards of conduct also extend to the supply chain, requiring business partners to commit to compliance and ethical standards in order to fulfill corporate social responsibility and risk management.

2.3.1 Integrity in Business Operations

In accordance with the Responsible Business Alliance (RBA) requirements, the Company has established its policy on integrity in business operations, identified potential adverse impacts on different stakeholders arising from its business relationships, and formulated relevant preventive measures and post-incident remediation mechanisms for specific risks. The Company has also established an independent oversight unit to follow up on subsequent case handling and continuously improve and optimize its responsible business conduct commitments, thereby ensuring compliance with the requirements and objectives of integrity in business operations.

To implement integrity in business operations, the Company has established the [Code of Integrity in Business Operations](#), [Procedures for Integrity Management and Guidelines for Conduct](#), and [Code of Ethical Conduct](#), among other relevant regulations. These documents cover requirements relating to anti-corruption and anti-bribery, competitive conduct, conflicts of interest, and whistleblowing mechanisms. They apply to all Company personnel and extend to suppliers, business partners, and other parties with whom the Company has business dealings, all of whom are required to comply with the relevant standards of conduct. The Company reports annually to the Board of Directors on the implementation of integrity in business operations. The implementation status for 2025 was reported to the Board on January 28, 2026.

Commitment to Signing the Codes of Conduct

To ensure that business ethics and the principles of integrity in business operations are fully implemented throughout the organization and value chain, the Company requires 100% of Board members and all employees to sign commitments to the relevant codes of conduct, thereby strengthening professional ethics and accountability. Board members are required to receive orientation on the relevant codes of conduct and complete the signing of declarations before assuming office. For new employees, the codes of conduct are incorporated into employment contracts and must be read and signed upon onboarding. Incumbent employees are also required to sign relevant commitment documents where necessary, depending on the nature of their duties or project requirements.

In terms of business partner management, the Company requires suppliers to comprehensively sign relevant commitment documents, including the Supplier Due Diligence Questionnaire, Statement of Social Responsibility Policy and Commitment, Conflict Minerals Declaration, Integrity Commitment Letter, and Quality Commitment Letter. Where special procurement or cooperation needs arise, a Non-Disclosure Agreement (NDA) must also be signed as appropriate. Through the above institutionalized management mechanisms, the Company ensures that the principles of integrity and responsible business conduct are embedded across all levels and throughout the supply chain as an important foundation for sustainable operations.

Category		Timing	Required Signed Document	Signing Rate
Workers	New Employees	Upon onboarding	Employment Contract	100%
	Incumbent Employees	When undertaking specific projects	Project Confidentiality Clause	100%
		When special job requirements arise	Personal Data Confidentiality Undertaking Commitment Letter	100% 100%
Business Partners	New Suppliers	Before contract signing	Supplier Due Diligence Questionnaire	100%
	Existing Suppliers	At contract signing	Statement of Social Responsibility Policy and Commitment	100%
			Conflict Minerals Declaration	100%
			Integrity Commitment Letter	100%
			Quality Commitment Letter	100%
		When special procurement needs arise	Non-Disclosure Agreement (NDA)	100%

Note: The Project Confidentiality Clause, Personal Data Confidentiality Undertaking, and Commitment Letter apply only to specific personnel, and all such designated personnel have completed the required signing.

Training and Awareness Promotion

The Company has incorporated integrity in business operations into new employee training, which all new employees are required to attend, thereby achieving 100% implementation of awareness promotion. For incumbent employees, we also continue to conduct training courses on integrity in business operations and anti-corruption. These courses explain prohibited conduct in the execution of Company business, including standards of business ethical conduct, in order to prevent dishonest behavior and ensure that every employee fully understands the Company's vision and systems for integrity in business operations.

In 2025, a total of 15,902 training participations were recorded across the Company, with cumulative training hours totaling 14,426 hours, an average of 0.81 training hours per person, and an overall completion rate of 89%.

2025 Statistics on Integrity in Business Operations Training

Region	Employee Type									Total		
	New Employees			Direct Employees			Indirect Employees					
	Required to Attend	Completed	Completion Rate	Required to Attend	Completed	Completion Rate	Required to Attend	Completed	Completion Rate	Required to Attend	Completed	Completion Rate
Taiwan	150	150	100%	18	18	100%	576	576	100%	744	744	100%
China	13,398	13,398	100%	1,788	418	23%	1,387	1,189	86%	16,573	15,005	91%
Philippines	313	73	23%	152	0	0%	96	80	83%	561	153	27%
Total	13,861	13,621	98%	1,958	436	22%	2,059	1,845	90%	17,878	15,902	89%

Note: Due to venue and equipment constraints, the recordable completion rates for direct employees in China and the Philippines were relatively low. Integrity-related education and training were instead delivered through regular awareness materials.



Whistleblowing and Grievance Complaint

To safeguard business ethics and integrity in business operations, the Company has established a comprehensive whistleblowing system with both internal and external reporting channels, encouraging all internal employees and external stakeholders to report any conduct that violates the codes of conduct or constitutes improper behavior. We are committed to maintaining the confidentiality of whistleblowers' identities and the content of reports, and we also accept anonymous or unnamed reports to ensure that whistleblowers are not subjected to improper treatment as a result of reporting. The Company adopts a zero-tolerance policy toward any non-compliant conduct, including retaliation against whistleblowers. Violators will be subject to disciplinary action in accordance with the relevant codes of conduct, and serious violations may result in dismissal in order to uphold a culture of integrity and ethical business operations.

Internal reporting channels

Internal employees may submit reports or complaints through the Company website, intranet, employee complaint mailbox, employee complaint hotline, and email mailbox.



External reporting channels

Suppliers and other stakeholders may access the hotline number for "Reporting Ethical Misconduct" (+886-7-8135888 #1195) and the email mailbox (0800employee@sunon.com) under "Stakeholder Communication" on the Company's ESG website.



The Company's Global Human Resources Division is responsible for receiving reported cases and conducting investigations and handling procedures in accordance with established procedures, and reports the handling results to the Board of Directors each year. At the same time, an Internal Audit Office under the Board is responsible for overseeing the investigation procedures and making recommendations for improvement, enhancing internal control and management processes, and analyzing risk categories such as corruption, unfair competition, or regulatory violations. If a violation is formally sanctioned by the relevant authority and the amount of the fine exceeds NT\$1 million in accordance with Taiwan Stock Exchange regulations, it is deemed a material risk or violation. In 2025, the Company did not experience any incidents related to violations of integrity in business operations or competitive conduct.



2.3.2 Human Rights Policy

The Company is committed to supporting international human rights conventions. With reference to the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the International Labor Organization Declaration of Fundamental Principles and Rights at Work, and in compliance with local regulations at each operating site and the Code of Conduct of the Responsible Business Alliance (RBA), the Company has established its Statement of Social Responsibility Policy and Commitment to safeguard the fundamental rights of employees and stakeholders.

Key Human Rights Issues

The Company places importance on and manages key human rights issues, including anti-discrimination, anti-harassment, freedom of association, prohibition of child labor, protection of young workers, and prohibition of forced labor. These requirements apply to Board members and all employees. The Chairman serves as the highest level responsible for the formulation of the human rights policy and related issues, while the Global Human Resources Division and the management departments at each operating site are responsible for oversight and implementation to ensure consistency between corporate governance and operational practices.

We have established comprehensive policies and management mechanisms to ensure that all personnel enjoy equal opportunities at every stage of recruitment, hiring, training, promotion, and compensation, and to provide a safe, respectful, non-discriminatory, and harassment-free working environment. At the same time, the Company respects employees' legal rights to organize unions and participate in collective bargaining, and has established effective communication and grievance channels to safeguard the lawful rights and interests of both labor and management.

In labor practices, the Company strictly prohibits the employment of child labor and any form of forced or coercive labor, and manages the work content, working hours, and health protection measures for young workers in accordance with the law to ensure their rights and safety. In 2025, the Company did not experience any human rights violations involving discrimination, child labor, or forced labor. To continue maintaining a sound human rights environment, the Company will keep improving relevant training and supporting management measures.

To implement its human rights policies and ensure that employees, workers, and suppliers fully understand them, the Company regularly reviews the relevant policies and announces them to relevant personnel, while also promoting awareness through public events, training courses, and seminars. In addition, procedure documents related to the human rights policy have been translated into Simplified Chinese and English for reference by overseas employees and suppliers, so as to ensure that the policy is implemented across operating sites and throughout the value chain.

The above policies and measures also extend to supply chain management. Through measures such as signed commitment letters and audits, the Company requires business partners to jointly comply with human rights standards in order to implement responsible business conduct and reduce human rights risks.



**Statement of Social Responsibility
Policy and Commitment**

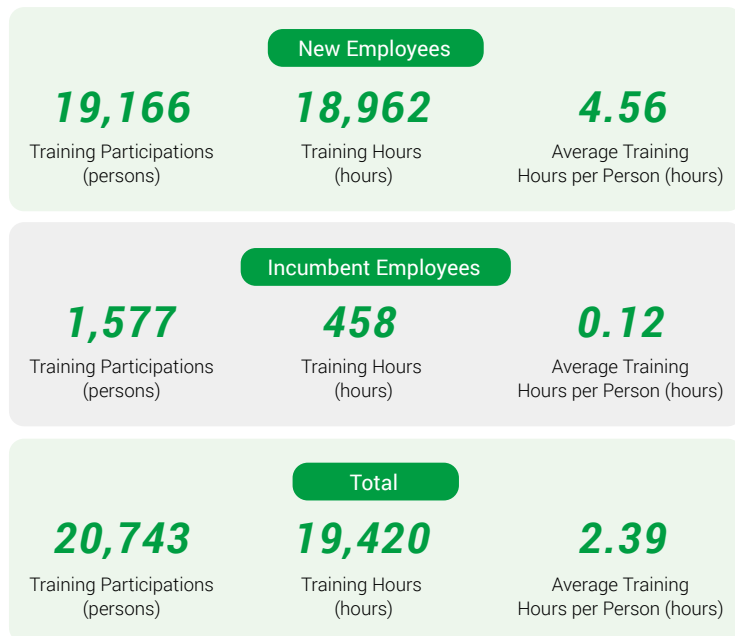
Human Rights Issue	Management Mechanism	Remedial Measures
Anti-discrimination	- Established the Anti-discrimination and Anti-harassment Management Procedures and the Prevention Guidelines for Unlawful Infringement in the Performance of Duties. - Provides an equal working environment and prohibits any form of discrimination in recruitment and hiring on the basis of race, color, religion, nationality, gender, sexual orientation, age, disability, or other status. - Provides a fair and reasonable compensation system without differentiation based on employee attributes. - Provides all employees with equal opportunities for learning and development based on job functions. - Implements performance evaluations and two-way communication to ensure that performance assessments are clear and fair.	- Establishes grievance channels for oversight and management. - If a grievance case is received, it is handled by the Global Human Resources Division or the local management department, which conducts investigation and handling in accordance with procedures. Serious cases are reported to the competent authority. - Regularly reviews the salary structure and establishes a reasonable salary adjustment mechanism. - Provides benefits such as employee cafeterias, transportation shuttles, or company dormitories at different operating sites based on actual local conditions. - Regularly holds labor-management meetings or employee representative meetings for two-way communication on wages and working conditions.
Anti-harassment	- Established the Anti-discrimination and Anti-harassment Management Procedures, the Prevention Guidelines for Unlawful Infringement in the Performance of Duties, and the Measures for the Prevention of Sexual Harassment in the Workplace, Complaint Handling, and Disciplinary Actions. - Prohibits any tangible or intangible unlawful infringement, including workplace violence, workplace bullying, and sexual harassment. - Conducts anti-harassment courses such as Rejecting Workplace Sexual Harassment and Rejecting Workplace Violence. - Periodically arranges seminars and invites experts to share knowledge and promote topics such as self-protection and rights protection. - Establishes medical rooms and arranges for physicians to provide on-site services on a regular basis, offering employees health consultation services.	- Establishes grievance channels for oversight and management. - If a grievance case is received, it is handled by the Global Human Resources Division or the local management department, which conducts investigation and handling in accordance with procedures. Serious cases are reported to the competent authority. - In the event of suspected unlawful infringement, the Company will respect the complainant's wishes and provide or refer the complainant to counseling, medical or psychological consultation, social welfare resources, and other necessary assistance, and will take appropriate separation measures to prevent recurrence of sexual harassment. The Company shall not make unfavorable changes to the complainant's labor conditions, including salary.
Freedom of association for employees	- Established the Freedom of Association Management Procedures. - Employees may organize employee representative meetings, clubs, and other groups on their own, provided this does not violate laws or regulations. - Plans prayer rooms to provide employees with time and space for religious practice.	- Establishes grievance channels for oversight and management. - If a grievance case is received, it is handled by the Global Human Resources Division or the local management department, which conducts investigation and handling in accordance with procedures. Serious cases are reported to the competent authority. - Regularly holds labor-management meetings or employee representative meetings to enhance two-way communication channels between labor and management and foster an environment of free expression and communication.
Child labor	- Established the Procedures for the Prohibition of Child Labor and Remediation for Inadvertent Employment. - Implements identity verification upon onboarding to ensure that applicants meet legal age requirements.	If a person under the age of 16 is found to have been employed inadvertently, the Company immediately ceases the individual's work, settles all wages due, and takes remedial measures.
Young workers	- Established the Management Procedures for Young Workers, Students, Interns, and Working Students. - Evaluates the working conditions and potential risks for young workers. - Provides necessary safety training and labor protective equipment. - Requires that young workers must not engage in work that endangers health or safety. - Requires that young workers must not work more than eight hours per day and prohibits night work and overtime.	- Regularly assesses the physical and mental health of young workers and provides appropriate support and resources. - If any inappropriate working conditions are identified, the Company immediately initiates an investigation and adjusts the work content, and shall not discipline or dismiss the young worker.
Forced labor	- Established the Management Procedures for Anti-Disciplinary Practices, Forced Labor, and Prison Labor. - Based on the RBA requirements, the Company formulates legally compliant labor contracts, which employees are required to read and sign 100% upon onboarding, while retaining the right to freely terminate their labor contracts. - Prohibits any form of forced labor, including human trafficking, coercion, slavery, and other forms of involuntary labor. - Employees have the right to freely decide whether to work overtime, take leave, or resign, and the Company respects employees' willingness to work. - The Company adopts a zero-fee policy and strictly prohibits any practice of charging employees fees in exchange for obtaining employment.	- The system sets a daily overtime limit of 4 hours and a monthly overtime limit of 46 hours to prevent excessive overtime. - Employee working hours are compiled monthly, and workloads are appropriately adjusted to avoid adverse effects on employees' physical and mental health due to excessive working hours. - Establishes grievance channels for oversight and management. - If a grievance case is received, the Global Human Resources Division or the local management department is responsible for receiving and coordinating the case and initiating relevant improvement measures.

Note: The human rights management procedures set out in this table are internal documents and contain certain confidential information; therefore, they are not disclosed publicly.

Human Rights Training and Awareness Promotion

To ensure the full implementation of human rights principles, we have incorporated human rights-related courses into new employee training across all sites, ensuring that 100% of new personnel complete the training and develop proper human rights and ethical awareness from the time of onboarding. At the same time, for incumbent employees, the Company regularly provides annual human rights-related education and training courses to continuously strengthen employees' awareness of human rights issues, labor rights, and responsible business conduct, as well as their practical capabilities.

2025 Human Rights Training Results



Note: Training for incumbent employees is mainly delivered through online courses, with each course lasting less than 10 minutes, in order to continuously strengthen employees' awareness of human rights issues, labor rights, and responsible business conduct.

Human Rights Due Diligence System

The Company uses the Responsible Business Alliance (RBA) Code of Conduct as the core framework for its human rights due diligence and, through the RBA Validated Assessment Program (VAP), regularly commissions third parties to conduct validation audits at each manufacturing site in order to systematically identify, assess, and manage potential human rights risks related to labor rights, occupational health and safety, the environment, and business ethics.

We have established a comprehensive human rights due diligence mechanism integrated with internal management systems, covering processes such as risk identification, assessment, improvement, and follow-up, to ensure that relevant risks are identified and effectively managed in a timely manner. The overall due diligence process includes the following five key steps:

01 Integration into Management Systems

The requirements of the RBA Code of Conduct are incorporated into Company policies, management manuals, and daily operating procedures. Relevant policy documents, such as the Anti-discrimination and Anti-harassment Management Procedures, Management Procedures for Young Workers, Students, Interns, and Working Students, Procedures for the Prohibition of Child Labor and Remediation for Inadvertent Employment, and Management Procedures for Anti-Disciplinary Practices, Forced Labor, and Prison Labor, are established and regularly updated to comply with the latest laws, regulations, and standards.

02 Identification and Assessment

The Company regularly conducts the official RBA validation audit process (VAP) and performs full-scope on-site audits at each plant in accordance with the RBA VAP 8.0.2 audit standard (RBA Protocol 8.0.2). Through management interviews, employee interviews, document reviews, and on-site observations, objective evidence is collected to identify potential issues in areas such as labor rights, wages and working hours, occupational health and safety, and supplier management.

03 Cessation, Prevention, and Mitigation

Based on the audit results, the Company establishes a Corrective Action Plan (CAP), clearly defining improvement measures, responsible units, and implementation timelines. Through ongoing optimization of management processes and strengthened systems, the Company enhances the overall maturity of human rights management and ensures the effective implementation of all measures.

04 Follow-up

A regular follow-up and review mechanism is established to continuously monitor the implementation of improvement measures and, through management review mechanisms, examine the effectiveness of system operation to ensure the stable operation and continuous optimization of human rights management.

05 Communication

Audit results are explained and confirmed with the management of each plant during closing meetings, and the human rights management system and implementation status are disclosed through the sustainability report to enhance information transparency and proactively respond to stakeholder concerns and expectations.

Material Risk Issues and Mitigation Measures

Through its audit mechanisms, the Company identifies material human rights risks arising in the course of operations and, by reviewing and analyzing audit results, understands management gaps and potential risks at each operating site as a basis for continuous improvement. For the high-risk issues identified, the Company has planned and implemented relevant improvement measures and established ongoing tracking and review mechanisms to ensure the gradual optimization of all management practices.

Based on audit results, the following risk issues were identified:

- **Wages and working hours:** There is room for improvement in working hour management; areas for enhancement were also identified in social insurance and housing provident fund contributions.
- **Occupational health and safety:** Emergency evacuation maps did not indicate assembly points, and notices on occupational disease hazards were not posted in certain work areas.
- **Supplier management:** During the initial audit of the Philippines Sunon Plant, there remained room for improvement in communication with suppliers regarding the Code of Conduct and in supplier management mechanisms. At the same time, the Company has actively optimized supplier performance evaluation processes to strengthen risk control and compliance performance across the supply chain.

In response to the above risk issues, the Company has adopted the following mitigation measures:

Wages and Working Hours

- Continues to optimize production scheduling, promote reasonable working hour management, and incorporate monthly overtime control targets into plant performance indicators.
- Reviews and adjusts social insurance and housing provident fund contributions to ensure employees' social security rights and interests.
- Tracks working hour data at each plant on a monthly basis, conducts meetings with departments exceeding the standard, and requires them to submit improvement plans.

Occupational Health and Safety

- Updated emergency evacuation plans for the entire production facility, added indoor and outdoor assembly point markings, and completed retraining drills for all employees.
- Posted additional Occupational Disease Hazard Notification Cards in work areas to uphold workers' right to be informed about health hazards.

Supplier Management

- The Philippines Sunon Plant completed written notification of the RBA Code of Conduct to suppliers and established a supplier roster and evaluation mechanism.
- Developed improvement plans for supplier performance management processes and implemented regular supplier audits and continuous improvement mechanisms.

Overall, through systematic improvement measures, the Company has achieved significant improvements in human rights management performance across its operating sites. The audit score of the Philippines Sunon Plant increased from 147.6 in the initial audit to 190.7 in the closing audit, representing an increase of 43.1 points. In addition, the Kaohsiung headquarters achieved a full score of 200 in the 2025 audit, setting a strong benchmark for the Company. Furthermore, the Beihai Sunon Plant, Beihai Lizhun Plant, and Philippines Sunon Plant also obtained RBA Silver certification, demonstrating the Company's achievements in human rights management and the promotion of a responsible supply chain.

Human Rights-related Certification Results

The Company places great importance on human rights protection and labor rights and interests, and continues to strengthen operational management in alignment with international standards. Human rights due diligence for 2024–2025 covered four major operating sites: the Kaohsiung headquarters, the Beihai Sunon Plant, the Beihai Lizhun Plant, and the Philippines Sunon Plant, with the audit scope focusing mainly on manufacturing sites and relevant workers. In 2025, all of the above sites passed Responsible Business Alliance (RBA) audit certification and all received Silver-level ratings or above, demonstrating the Company's management achievements in human rights, labor, occupational safety, and ethical business operations. Going forward, Sunon will continue to place sustainable development at its core, striving to create a safe, healthy, fair, and human-rights-respecting working environment and to deepen the implementation of responsible business conduct across all operating sites.

Audit Results of Each Operating Site

Site	Audit Year	Audit Score	Certification Level
Kaohsiung Headquarters, Taiwan	2025	👑 200 / 200 (Full Score)	Platinum
Beihai Sunon Plant, Guangxi	2024	163.1 / 200	Silver
Beihai Lizhun Plant, Guangxi	2025	163.1 / 200	Silver
Philippines Sunon Plant, Bataan	2024	190.7 / 200	Silver

Note: Certification for the Kunshan Guangxing Plant in Kunshan is scheduled for 2026; the Huizhou Sunon plant is still in the initial stage of establishment, and relevant management systems and procedures are being introduced progressively.



Certification Certificates of Each Operating Site



Human Rights Due Diligence for Suppliers

In accordance with the RBA requirements for Supply Chain Management, the Company conducts human rights due diligence for key suppliers as follows:

- **Investigation process:** Communicate the requirements of the RBA Code of Conduct (including labor, health and safety, environment, and business ethics) to suppliers in writing; establish a supplier roster and identify key suppliers; develop effective processes to ensure that key suppliers implement the RBA Code, and regularly evaluate their performance and continuous improvement status.
- **Material human rights issues:** Based on the overall due diligence results of the Company, the main human rights issues of concern on the supplier side include occupational health and safety, wages and working hours, and the prevention of workplace discrimination.
- **Implementation status:** The Philippines Sunon Plant has completed communication of the RBA Code requirements to all suppliers and established an evaluation mechanism, and passed third-party validation in the 2024 closing audit. The Beihai Lizhun plant continues to strengthen supplier management processes, which have been incorporated into the 2025–2026 action plan and are being advanced on an ongoing basis.

Grievance Channels

To uphold its philosophy of transparent communication, the Company encourages all internal employees to report issues through grievance channels and accepts anonymous or unnamed reports. The Company has established an employee opinion mailbox and a dedicated email mailbox (0800employee@sunon.com) as channels for employee grievances. For cases involving violations of Company rules, the Global Human Resources Division serves as the primary receiving unit and, depending on the nature of the case, establishes a cross-departmental investigation team responsible for investigating the case, reviewing grievance content, and formulating improvement measures. At the same time, the Company compiles employee grievance cases and handling results each year and reports them to the Board, while the Internal Audit Office is responsible for overseeing the investigation and handling procedures for grievance cases.

External workers and business partners may submit reports or grievances through the hotline (+886-7-8135888 #1195), the email mailbox (0800employee@sunon.com), or the relevant responsible personnel of the primary corresponding unit, in order to ensure smooth communication and timely handling of human rights-related matters for all workers and suppliers.

2.3.3 Regulatory Compliance

To ensure the effective implementation of regulatory compliance, the Company formulates and implements various internal operating procedures in accordance with applicable legal and regulatory requirements, and continuously monitors regulatory updates issued by competent authorities, making timely revisions to relevant policies and systems to ensure compliant operations. The legal team also regularly conducts relevant training to strengthen employees' awareness of legal compliance and prevent potential violations. In 2025, Sunon did not experience any material violations related to antitrust, conflicts of interest, money laundering or insider trading, product safety, corruption, or other violations involving economic, environmental, or labor rights matters.

The determination of a material violation event is based on the materiality definition set out in the Financial Supervisory Commission's Reference Guidelines for the Recognition of Sustainable Economic Activities. Any single event resulting in cumulative fines of NT\$1 million or more, or any event in which a competent authority orders a long-term suspension of operations, shutdown, revocation, or cancellation of relevant permits or licenses, is deemed a material violation event.



2.4 Risk Management

■ Risk Identification and Response Measures

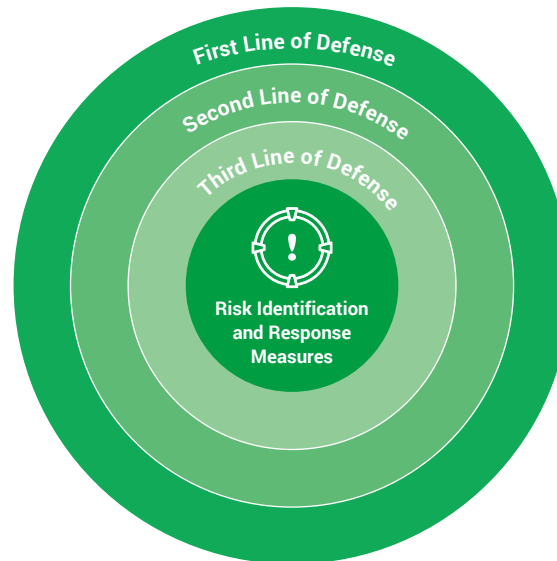
According to the Global Risks Report 2025 published by the World Economic Forum (WEF), more than half (52%) of global experts expect instability over the next two years. Over the longer term, environmental risks continue to dominate global concerns, with "extreme weather events," "biodiversity loss and ecosystem collapse," and "critical change to Earth systems" ranking among the top three risks over a ten-year horizon, highlighting the urgency of climate action and sustainability transition.

In response to an increasingly complex and interconnected global risk environment, Sunon upholds the principle that "prevention is better than response." In 2023, the Company joined the SBTi Science Based Targets initiative and, under a 1.5 °C warming scenario, established a target of achieving a combined annual reduction of 6.25% in Scope 1 and Scope 2, and committed to halving carbon emissions by 2030 and achieving net zero emissions by 2050.

Going forward, we will continue to strengthen the full cycle of risk identification, assessment, response, and monitoring, and incorporate emerging risks such as climate change, supply chain stability, information security, and geopolitics into our management scope, in order to ensure sound operations and create long-term value for shareholders, employees, customers, and society.

To safeguard the best interests of the Company, employees, shareholders, and all stakeholders, Sunon has established risk management procedures to carry out risk assessment and identification. By evaluating factors such as likelihood of occurrence, impact, and control effectiveness, the Company identifies various types of risks and formulates response measures and handling procedures to reduce potential risks to an acceptable level. The Company did not experience any material risk events in 2025.

Sunon seeks to avoid potential crises and losses through the following risk control measures.



First Line of Defense: Business and Operating Units

01

- Identify, assess, and manage day-to-day operational risks
- Implement internal control procedures
- Ensure business activities comply with policies and regulations
- Conduct risk self-assessments (RCSA)

Second Line of Defense: Risk Management and Compliance Units

02

- Establish risk management policies, frameworks, and methodologies
- Monitor overall risk status and trends
- Provide professional guidance on risk management
- Ensure regulatory compliance
- Regularly report risk status to management

Third Line of Defense: Internal Audit Unit

03

- Evaluate the effectiveness of risk management and internal control systems
- Verify the operation of the first and second lines of defense
- Provide recommendations for improvement
- Report directly to the Board of Directors / Audit Committee

Risk Type	Risk Description	Response Measures	Responsible Unit
 Strategic and Market Risk	Global economic changes and intensified industry competition Changes in customer demand and market uncertainty	- Actively expand into emerging markets and diversify the customer base to spread revenue sources - Expand distribution channels to increase market penetration - Provide product quality insurance to enhance customer trust - Maintain appropriate inventory levels to ensure stable supply	GS Business Unit
 Financial Risk	Exchange rate, interest rate, and inflation fluctuations	- Adopt natural hedging strategies to reduce exchange rate impacts - Use borrowings in different currencies to reduce interest rate risk - Continuously monitor raw material prices and market changes - Introduce credit insurance mechanisms to reduce customer credit risk	Finance Division
 Supply Chain and Material Sourcing Risk	Unstable supply of key raw materials or market shortages Geopolitical and supply chain disruption risks	- Carefully select qualified suppliers and establish long-term cooperative relationships - Introduce a dual-supplier mechanism for key raw materials to diversify risk ^(Note) - Stock routine raw materials 1 month in advance - Continuously strengthen supply chain management to improve supply stability	Strategic Procurement Division
 Transportation and Logistics Risk	Product damage or delays during transportation	- Strengthen packaging and pallet protection for fragile materials - Sign contracts with logistics providers and clearly define responsibilities and penalties - Select qualified logistics providers and conduct regular performance evaluations	Strategic Procurement Division, Global Production Units
 Operational and Equipment Risk	Equipment failures affecting production efficiency Abnormal energy use or unstable supply	- Conduct regular equipment inspections and maintenance to ensure stable operation - Engage professional organizations to inspect fuel, gas, and power supply equipment - Install digital electricity meters and energy management systems to monitor electricity usage in real time and address abnormalities	Administration Department, Management Department, Global Production Units
 Occupational Safety and Health Risk	Occupational injury risk during operations Safety management risk in contractor operations	- Maintain certification to the occupational health and safety management system (ISO 45001) and conduct regular internal audits - Establish contractor management procedures and hazard communication mechanisms - Strengthen intrinsic equipment safety and add safety guards and interlock devices - Regularly conduct work environment monitoring and plant inspections - Implement regulatory identification and compliance verification to ensure compliant governance	Occupational Safety Team, Management Department

Risk Type	Risk Description	Response Measures	Responsible Unit
 Environmental and Climate Change Risk	Stricter environmental regulations and operational impacts from climate change Air pollution and waste management risk	• Maintain certification to the environmental management system (ISO 14001) and conduct regular internal audits • Implement waste recycling and reuse as well as lawful disposal and treatment • Install air pollution control equipment and conduct regular inspections • Continue promoting awareness of energy saving, carbon reduction, and climate risk • Progressively introduce climate-related risk assessment and management mechanisms	Occupational Safety Team, Management Department
 Regulatory Compliance and Integrity Risk	Non-compliance with laws and regulations or occurrence of misconduct	• Establish internal control systems and management rules • Strengthen employees' compliance awareness to reduce violation risk	Internal Audit Office, Global Human Resources Division
 Information Security Risk	Data leakage, cyberattacks, or system interruptions	• Complete information asset inventories and implement risk assessments and improvement plans • Conduct monthly information security awareness campaigns to strengthen employee awareness • Regularly carry out social engineering drills to enhance employee vigilance • Regularly conduct backup and recovery drills to ensure system recoverability • Review user accounts and maintain equipment configurations every six months • Regularly convene the Information Security Management Committee to review management effectiveness • Strictly control the connection of external devices to Company systems	Information Security Team
 Human Resources Risk	Challenges in talent recruitment and retention Labor disputes or poor internal communication leading to declining trust	• Expand diversified recruitment channels and promote industry-academia collaboration • Optimize compensation and benefits systems to improve retention • Strengthen talent development and organizational cohesion • Regularly conduct employee satisfaction surveys • Establish effective labor-management communication mechanisms, such as employee suggestion boxes and labor-management meetings, to promote harmonious labor relations	Global Human Resources Division
 Business Continuity Risk	Risk of operational disruption caused by extreme climate, infectious disease, or other major incidents	• Establish backup mechanisms for critical systems and data • Plan remote office and work-from-home mechanisms to ensure core business resilience • Regularly conduct emergency response drills to improve response capabilities	Information Security Team, Occupational Safety Team, Global Human Resources Division, Operations Management Division, Management Department

Note: Key raw materials as defined by the Company mainly include plastic raw materials, electronic components, bearing-related parts, and enameled wire. This does not apply to low-demand or special materials; however, where there is a risk of insufficient supply from a single supply chain, the Company will immediately initiate the establishment of a second supplier.

2.5 Information Security Management Policy

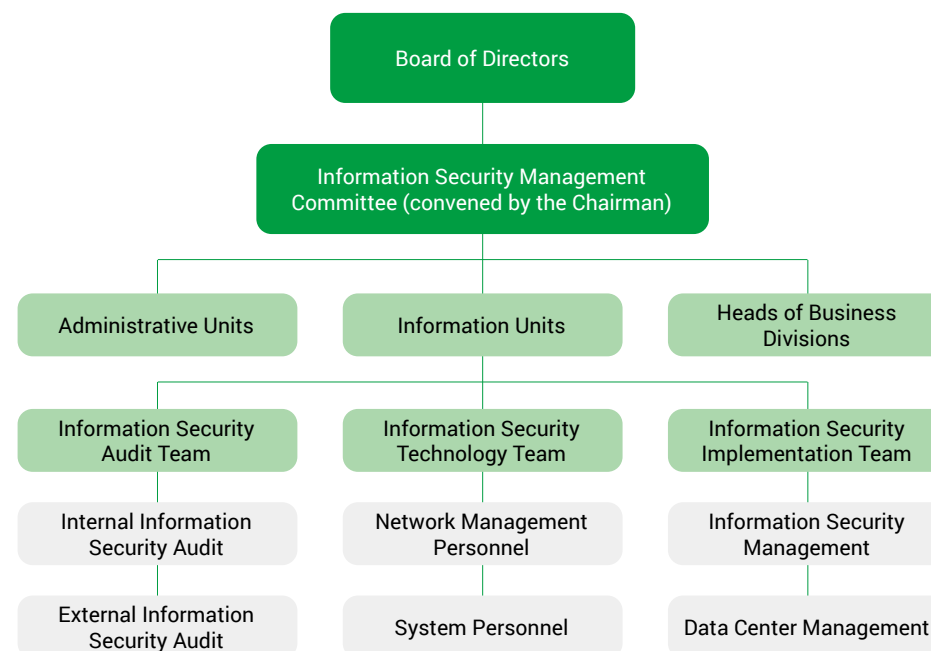
Amid accelerating digital transition and increasingly diverse information security risks, information security, privacy protection, and personal data protection have become indispensable core issues for sustainable corporate operations. We fully recognize that the confidentiality, integrity, and availability of information assets are directly related to operational resilience, customer trust, and long-term competitiveness. Accordingly, we must further strengthen our overall protection capabilities and ability to respond to complex threats by establishing a rigorous information security governance framework, institutionalized risk control mechanisms, and ongoing information security education and training, while building our management system in accordance with the ISO 27001 international information security management standard. At the same time, privacy and personal data protection are evolving toward a dual-track governance model that places equal emphasis on regulatory compliance and ethics. The Company has incorporated relevant policies and management mechanisms into its corporate governance framework to ensure compliance with regulatory requirements and respond to stakeholder expectations regarding data security and privacy protection, thereby laying a solid foundation for sustainable development.

Information Security Management Organization

In accordance with the ISO 27001 international information security management standard, Sunon has comprehensively implemented its information security management system and established a cross-departmental and cross-functional Information Security Management Committee. The Chairman serves as the convener of the committee and has authorized the head of the information security department to serve as the Chief Information Security Officer, with dedicated responsibility for overseeing the Company's internal information security matters. At the same time, the Company has established an Information Security Implementation Team, Information Security Technology Team, and Information Security Audit Team to coordinate the formulation, review, and execution of information security management policies, and to implement information security risk management and compliance reviews.

The Information Security Management Committee regularly convenes information security management review meetings to review implementation status, and reports implementation results as well as review and improvement matters to the Board of Directors on a quarterly basis. In 2025, it reported to the Board four times. The main reporting items included information security governance measures, information security monitoring measures, information security testing measures, information security education and training activities, implementation of information security solutions, and planning of threat defense strategies.

The structure of the Company's Information Security Management Committee is shown below, with a total of 17 members.



Information Security Management Policy

To fully safeguard the confidentiality, integrity, and availability of operational information, Sunon has established an information security management policy as the basis for management, which applies to all personnel. The Company has also established the Personnel Security and Education and Training Procedures to ensure that all employees understand relevant information security requirements, apply them appropriately, and fulfill their protection responsibilities. The Company's information security management policy covers strengthening personnel capabilities, preventing data leakage, implementing routine operations and maintenance, and ensuring service availability. In addition, the Company has also established thematic policies on business continuity management, risk and opportunity assessment, and outsourced security management in order to comprehensively implement information security management and control mechanisms across various risk areas.



Strengthen Personnel Capabilities

Conduct information security education and training to promote personnel awareness of information security and strengthen their understanding of related responsibilities.

Prevent Data Leakage

Protect information related to the Company's business activities to prevent unauthorized access and modification and ensure its accuracy and completeness.



Implement Routine Operations and Maintenance

Conduct regular internal and external audits to ensure that relevant operations are effectively implemented.

Ensure Service Availability

Ensure that the Company's critical business systems maintain an appropriate level of system availability.



Information Security Management Mechanism

The Company has established a comprehensive information security management mechanism and built its Information Security Management System (ISMS) in accordance with the ISO 27001 standard. In conjunction with the Personal Data Protection Act, the Enforcement Rules of the Personal Data Protection Act, and the Cybersecurity Governance Guidelines for TWSE/TPEx Listed Companies, implementation is supervised by the Chairman and the Chief Information Security Officer. Through a cross-departmental information security governance structure, the Company clearly defines authority, responsibilities, and management processes. The Company regularly conducts information asset inventories, risk assessments, and vulnerability scans, and formulates appropriate protective measures and improvement plans accordingly to ensure the confidentiality, integrity, and availability of information assets.

In response to the continuous evolution of external information security threats, the Company strengthens cloud login and access controls through defense-in-depth and joint protection mechanisms, and comprehensively enhances information security and personal data protection measures to prevent material information security incidents and regulatory penalties, safeguard the Company's information security reputation and operational stability, and regularly conduct information security drills and internal and external audits to strengthen real-time detection and response capabilities for information security incidents. At the same time, privacy and personal data protection are incorporated into the overall governance system to ensure compliance with relevant regulations and stakeholder expectations.

In addition, the Company regularly conducts information security awareness campaigns, social engineering email drills, and information security education and training to ensure that employees fully understand and jointly comply with information security requirements. For suppliers involved in information services and outsourced management, the Company incorporates information security into supplier management and contractual clauses, requiring suppliers to sign confidentiality undertakings and information security compliance commitment letters. Through audit, evaluation, and guidance mechanisms, the Company enhances the overall information security protection level of the supply chain, builds a resilient digital operating environment, and supports its sustainable development objectives.



Information Security Management System Certification

In November 2023, the Company obtained certification to the ISO/IEC 27001:2022 international standard for information security management systems. The certification scope covers the Kaohsiung headquarters, the Kunshan Guangxing Plant, and the Beihai Sunon Plant, representing approximately 91% coverage of global sites. The Company conducts at least one internal audit and one external third-party audit each year, and renews certification every three years to ensure the continued effective operation and comprehensive implementation of its information security management mechanism, demonstrating its long-term commitment to information security.



Note: Sites sharing a common server room were not certified separately.

Information Security Awareness and Education and Training

Through monthly information security awareness emails, Sunon continuously enhances employees' awareness of and vigilance toward information security. In addition, the Company requires all employees to sign information security agreements, achieving a 100% signing rate, in order to strengthen personnel awareness of information security responsibilities.

We have also established the Personnel Security and Education and Training Procedures, incorporating information security training into mandatory onboarding courses to ensure that 100% of new employees complete the training. Incumbent employees are also required to receive annual refresher training and undergo evaluation of training effectiveness. In 2025, total participation reached 14,701 person-times, with total training hours amounting to 3,995 hours. Through institutionalized management and diversified course activities, the Company continues to strengthen employees' information security awareness and embed security concepts into daily operations.



Information Security Agreement

Signing Rate **100%**



Education and Training

Total Training Participations

14,701 person-times

Total Training Hours

3,995 hours

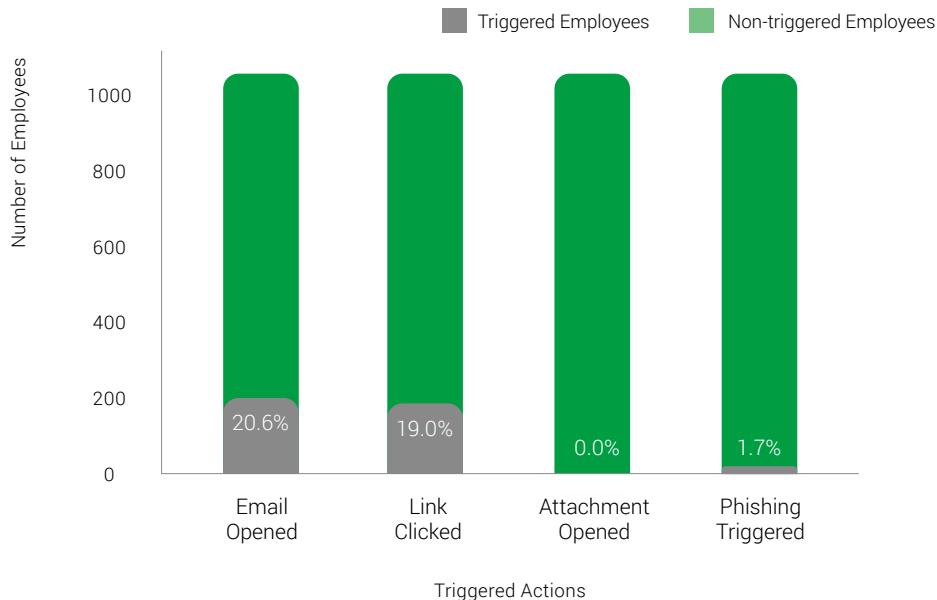
Average Training Hours per Person

0.5 hours

Social Engineering Simulation Exercise

In response to the increasingly serious threats posed by malicious emails and phishing attacks, as well as the growing prevalence of remote working models in the post-pandemic era, the Company introduced its first social engineering simulation exercise in 2025 to test all employees and enhance their awareness of and ability to identify potential information security risks. To strengthen employees' recognition of and defense against threats in daily operations, we designed more realistic simulated email content, including scenarios such as spoofed emails from supervisors, IT service alerts, routine meeting notices, and salary and bonus payment notifications. The 2025 exercise results showed an overall email click rate of more than 20%, indicating that employees still have room for improvement in identifying social engineering tactics. For employees who clicked phishing emails during the exercise, the Company arranged follow-up training to strengthen their identification capability and information security awareness, thereby enhancing the overall level of information security protection.

2025 Social Engineering Simulation Exercise Results



Information Security Reporting and Incident Management

The Company has established a comprehensive information security reporting and incident management mechanism and, for the response to and handling of information security incidents, has formulated the Security Incident Management Procedures, incorporating information security incidents as an important component of corporate governance and operational risk management. Through clear reporting procedures and graded handling principles, the Company ensures that all types of information security incidents can be reported promptly, handled appropriately, and followed up continuously for improvement, thereby reducing potential impacts on operations, customers, and stakeholders.

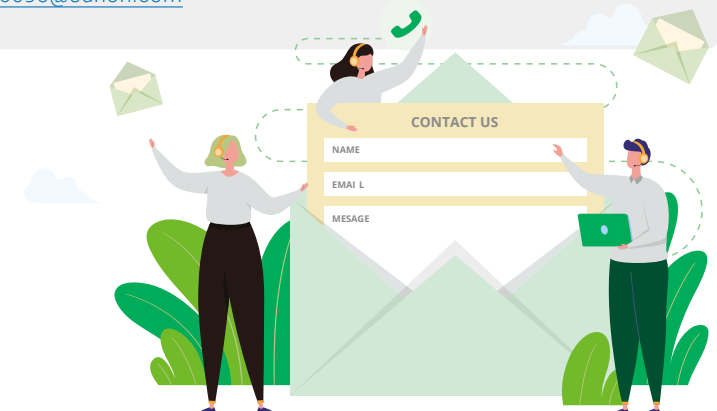
For the reporting and handling of information security incidents, we have clearly established information security reporting and handling procedures, and have set up a dedicated contact window and email mailbox for reporting information security incidents, vulnerabilities, or suspicious behavior. Once an information security incident report is received, the Information Security Team is responsible for handling the case, assigning the incident level, and eliminating and resolving the incident within the target handling timeframe. After the incident has been addressed, root cause analysis is conducted and corrective measures are taken to prevent recurrence. In 2025, the Company did not receive any information security incident complaints from competent authorities or third parties, and no material information security incidents occurred internally.

Information Security Incident Reporting Contact

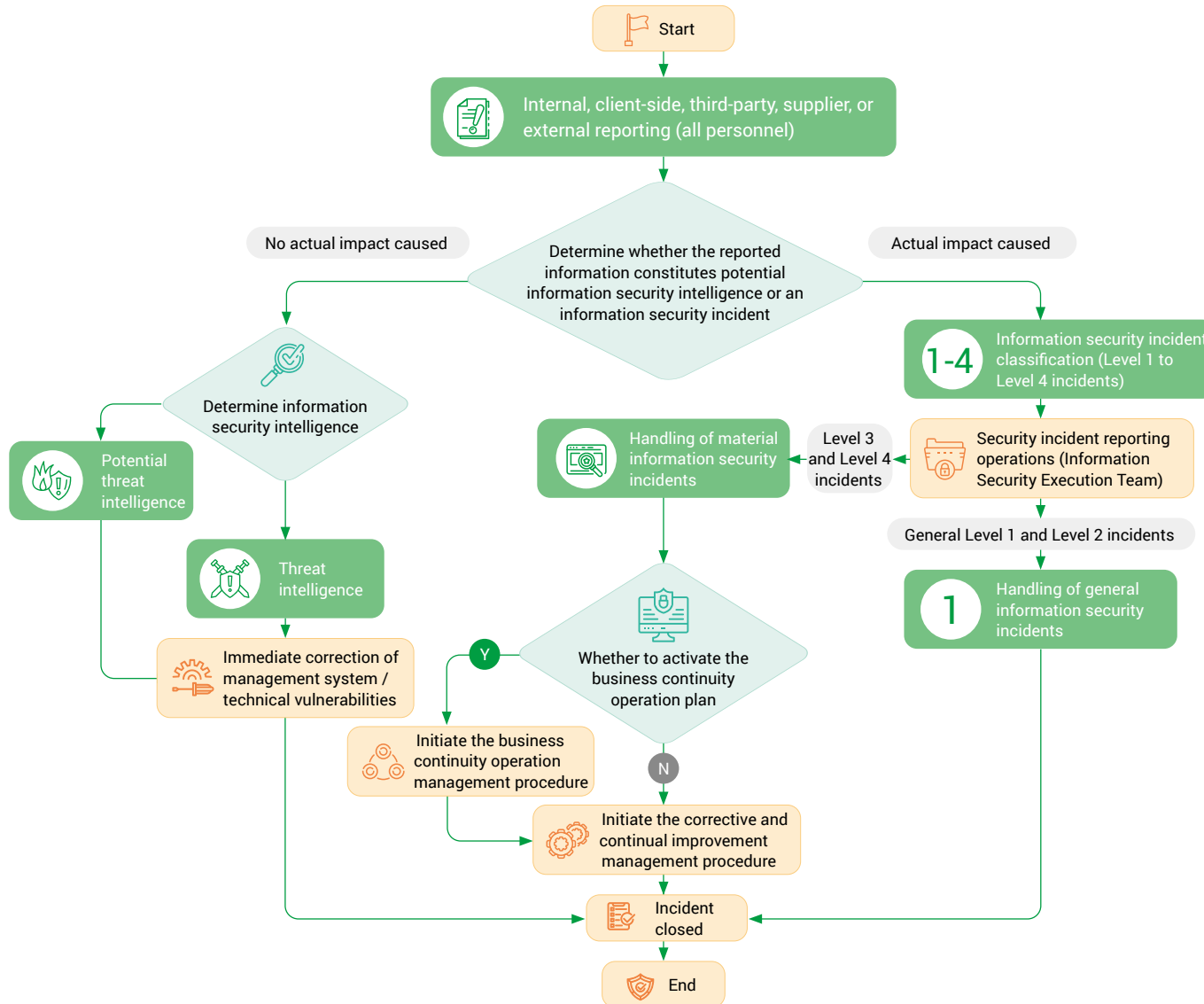
Information Security Team

Tel: 07-8135888 #1583

Email: 10006695@sunon.com



Information Security Incident Reporting and Response Process Management



Personal Data and Privacy Protection

The Company places great importance on the protection of the personal data of all stakeholders, including customers, employees, suppliers, and partners, and fully recognizes that information security and privacy protection are an important part of corporate social responsibility. To ensure the lawful, proper, and secure handling of personal data, the Company follows the Personal Data Protection Act, the Enforcement Rules of the Personal Data Protection Act, and other relevant regulatory requirements. Led by the Global Human Resources Division, implementation was first rolled out in Taiwan, and the Company established and implemented the Privacy and Confidentiality Management Procedures to ensure that the personal data of customers, employees, suppliers, and other stakeholders complies with relevant laws and the principle of legitimacy at every stage of collection, processing, use, and retention.

In addition, the Company has incorporated personal data protection clauses into employment contracts and requires all employees to sign and comply with them, thereby strengthening awareness of personal data protection responsibilities. At the same time, through education and training, internal awareness campaigns, and institutionalized management mechanisms, the Company continues to enhance employees' understanding of and execution capability in personal data and privacy protection. In 2025, total related training hours reached 311.5 hours, demonstrating the Company's continuing efforts to deepen its culture of information security and privacy protection. Personal data protection requirements have also been incorporated into cooperation clauses for suppliers and contractors, enabling the Company to work together with supply chain partners to implement personal data and privacy protection, build a trustworthy operating environment, and support sustainable development.

From 2022 to 2025, the Company did not receive any privacy-related complaints or penalty cases from competent authorities or external parties, demonstrating its rigorous management of personal data protection and the results of its continued implementation.

Innovative R&D and Sustainable Products

Sunon has long placed innovation and R&D at the core of its operations, continuously launching products that balance high performance with environmental sustainability, thereby improving energy efficiency and reducing environmental impacts in a tangible manner. Leveraging more than 40 years of accumulated technical expertise in thermal management and ventilation, the Company has established three major product lines: air-cooling thermal solutions, liquid-cooling thermal solutions, and building ventilation. These products are widely applied in key industries such as data centers, 5G, AIoT, automotive, energy, industrial, medical, home appliances, and green buildings, helping customers achieve energy conservation, carbon reduction, and improved operational efficiency.

Through its comprehensive CMSEM (Co-design, Model building, Simulation and optimization, Estimation and validation, and Mass production) integrated R&D process, Sunon enhances product design efficiency, shortens development lead times, and strengthens mass production stability, enabling the continuous launch of high-efficiency, energy-saving solutions that meet market demand. These R&D achievements have not only driven product portfolio upgrades and business growth, but have also substantively supported low-carbon transition across industries, demonstrating Sunon's concrete performance and long-term value creation capabilities in sustainable product innovation.



Honors and Achievements

2018

- Recipient of the 2018 Taiwan Excellence Award (Side-Suction Filter Ventilation Fan)
- Received the 2018 Advanced Unit for Fulfilling the Primary Responsibility for Workplace Safety
- Recipient of the Zhonghe Award Gold Award (Best Growth Award of 2017)
- Recipient of the Kunshan Harmonious Labor Relations Enterprise Award
- Recipient of the Kunshan Economic Development Zone Harmonious Labor Relations Enterprise Award
- Recipient of the 2018 Kunshan Model Workers' Home Award
- Received Foshan Work Safety Standardization Level 3 Enterprise recognition

2019

- Recipient of the TTQS Gold Award
- Recipient of the Healthy Workplace Certification – Health Promotion Label
- Recipient of the 2019 Taiwan Excellence Award (Powerful HVLS Fan Series 1 Energy-Saving High-Volume Ceiling Fan)
- Received the 2019 Guangdong Health Promotion Enterprise recognition
- Received the 2019 Advanced Unit for Fulfilling the Primary Responsibility for Workplace Safety

2020

- Recipient of the 2020 Taiwan Excellence Award (modern HVLS Fan Ceiling Fan)
- Recipient of the 2020 Taiwan Excellence Award (Green Environmental Dual-Flow Fresh Air Ventilator)

2021

- Ranked No. 245 among Taiwan's Top 2,000 Manufacturers and No. 28 in the Computer Peripherals and Components category by CommonWealth Magazine in 2021
- Recipient of the 2021 Taiwan Excellence Award (Silent Direct-Exhaust Ventilation Fan)

2022

- Recipient of the TTQS Gold Award
- Recipient of the 1111 Job Bank "Happy Enterprise" Silver Award
- Recipient of the 2022 Golden Pin Design Award (Green Environmental Dual-Flow Fresh Air Ventilator)



2023

- Recipient of the 2023 National Brand Yushan Award – Best Product and First Prize (Bionic Tail-Fin Turbo Fan)



2024

- Recipient of the ISO Plus Awards – Benchmark Award for Operational Management Process Quality
- Recipient of the ISO Plus Awards – Benchmark Award for Operational Management Process Quality
- Recognized as one of Business Weekly's Top 100 Carbon Competitiveness Companies



2025

- Recipient of the 2026 Taiwan Excellence Award (Industrial Energy-Saving Large Stand Fan)
- Three high-performance cooling fans passed ISO 14067 product carbon footprint verification, demonstrating the Company's commitment to green transition

3.1 Product Life Cycle

Based on Life Cycle Assessment (LCA), Sunon systematically inventories the inputs and outputs of each stage of its products, from raw material acquisition, manufacturing and assembly, and transportation and distribution, to use and final disposal, in order to quantify their environmental impacts. In accordance with the ISO 14067 international standard, the Company selected representative products to conduct Product Carbon Footprint (PCF) studies, covering five stages in full: raw materials, manufacturing, transportation, use, and disposal, and obtained third-party verification statements. The analysis results indicate that the "raw material acquisition" and "use" stages are the primary sources of environmental impacts associated with Sunon's products.

To strengthen its product carbon footprint management capabilities, Sunon has established a product carbon footprint management system, developed inventory methodologies, and incorporated historical production data as the basis for calculation. Going forward, the Company will continue to collect and update production-related data and use systematic processes to calculate and manage product carbon footprints, thereby enhancing data consistency and comparability. In 2025, Sunon also conducted in-person training sessions to share methodologies and practical experience in product carbon footprint inventory, extending relevant concepts to sales personnel, project managers (PMs), and R&D personnel to enhance their ability to respond to customer needs.

Going forward, the Company will continue to develop and optimize product carbon footprint calculation methodologies and the application of carbon emissions databases. Through measures such as green design, enhanced product energy efficiency, the introduction of low-carbon raw materials, the use of renewable energy, green logistics, and waste management, combined with ongoing engagement and collaboration with value chain partners, Sunon will advance product life cycle decarbonization actions and accelerate progress toward its low-carbon transition goals.

Product Life Cycle Stage	Practices for Mitigating Environmental Impacts	Related Section
Product Design	- Incorporate life cycle thinking into product design, evaluating the environmental impacts of raw materials, manufacturing processes, use, and end-of-life disposal at the design stage. - Adopt modular, standardized, and easy-to-disassemble designs to enhance product reparability and rates of recycling and reuse. - Implement green design and circular design principles to develop products that are energy-saving, low-carbon, and low in resource consumption.	3.2 Innovation and R&D
Raw Material Acquisition	- Promote localized sourcing of raw materials to shorten transportation distances and reduce carbon emissions and supply chain risks. - Adopt lightweight design and material reduction strategies to reduce resource consumption. - Expand the use of recycled materials and recyclable materials. - Establish green supply chain management mechanisms and require suppliers to comply with environmental and sustainability standards. - Strengthen chemical and hazardous substance management in accordance with international regulations such as RoHS and REACH to reduce the impacts of products and manufacturing processes on the environment and human health.	4.2 Raw Material Management
Manufacturing and Assembly	- Implement energy-saving, water-saving, and waste reduction initiatives to improve the efficiency of energy, water, and raw material use. - Use renewable energy to reduce GHG emissions during the manufacturing stage. - Establish energy management systems and smart manufacturing technologies to continuously improve production efficiency and yield rates. - Promote resource circulation and waste management mechanisms to increase recycling rates and reduce final disposal volumes. - Implement circular economy management systems and incorporate resource reuse into manufacturing processes.	5.3 Energy Management
Transportation and Distribution	- Promote packaging volume reduction design and reduced-packaging strategies to decrease resource consumption and transportation loads. - Continue improving transportation efficiency through measures such as route optimization, higher loading rates, and integrated transportation modes in order to reduce energy consumption and emissions during transportation.	5.3 Energy Management
Use	- Develop high-energy-efficiency and energy-saving products to reduce energy consumption during the product use stage. - Conduct product carbon footprint inventories and environmental impact assessments, and formulate improvement directions.	3.3 Product Energy-Saving Performance
End-of-Life Disposal	- Implement recyclable and easy-to-disassemble designs to improve resource recovery rates at the end of the product life cycle. - Comply with international environmental regulations to ensure that product disposal meets environmental and regulatory requirements.	5.5 Waste Management

3.2 Innovation and R&D

With "Environmentally Caring" as the core concept of its green R&D philosophy, Sunon continues to invest in green product design concepts such as low energy consumption, long service life, low noise, fewer components, and simplified manufacturing processes. Through robust and forward-looking R&D capabilities, the Company drives product development toward both higher performance and lower environmental impact.

R&D innovation is a key driver of Sunon's sustainable growth. In 2001, Sunon's Innovation Center was officially established in Kaohsiung, Taiwan. Guided by its business philosophy of "Brand, Innovation, and Value," the Company has continued to deepen its core technologies and gradually established a leading position in the global precision motor, micro fan, and thermal module industries. In recent years, Sunon's annual R&D investment has consistently accounted for more than 5% of its revenue. The Company continues to invest in talent, resources, and systems to strengthen the development of key technologies such as intelligent micro motors and cultivate high-tech R&D talent, thereby reinforcing its long-term competitive advantages.

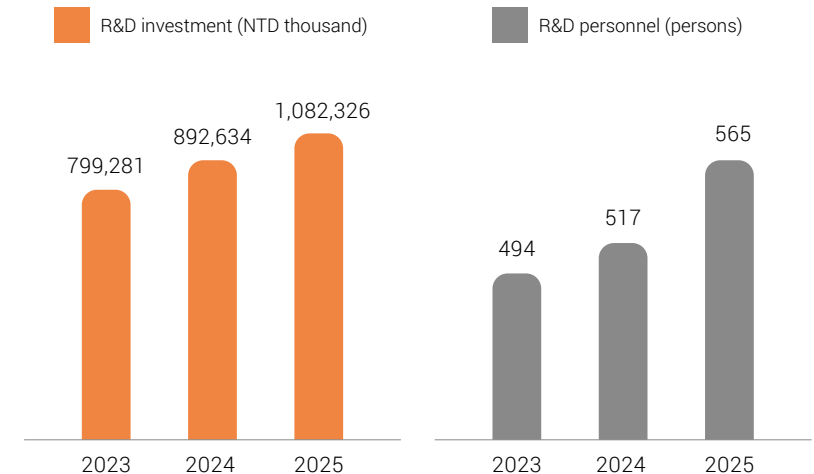
Supported by stable and high-quality R&D, Sunon launches new products year after year. To date, as many as 25 different products have consecutively received Taiwan Excellence Awards, and the Company has also repeatedly won international awards such as the Golden Pin Design Award and the German iF Product Design Award, demonstrating its concrete achievements and industry influence in innovation, R&D, and product value creation.



**Key Sunon R&D
Achievements**

Innovation and R&D Investment

	2023	2024	2025
R&D investment (NTD thousand)	799,281	892,634	1,082,326
R&D investment as a percentage of revenue (%)	6.19%	6.10%	5.79%
R&D personnel (persons)	494	517	565
Percentage of R&D personnel (%)	8%	7%	7%
R&D training (hours)	7,363	5,336	8,834
Average training hours per R&D employee (hours)	14.90	10.32	15.64



Patent R&D Achievements

To strengthen innovation in products, technologies, processes, and equipment, Sunon has established a comprehensive patent management and incentive system to encourage employees to actively engage in innovative inventions and continuously accumulate the Company's intellectual property assets. Employees may submit patent applications through the Company's internal "Patent Proposal Application System." Once approved, they receive monetary rewards in accordance with the "Employee Invention and Creation Incentive Measures," and outstanding patent applicants are also publicly recognized each year, fostering an organizational culture that values innovation and intellectual property protection. In 2025, a total of 54 innovation projects received patent invention awards, and invention patent bonuses totaling NTD 147,000 were granted, demonstrating the Company's concrete achievements in continuously promoting R&D innovation and the commercialization of technological outputs.

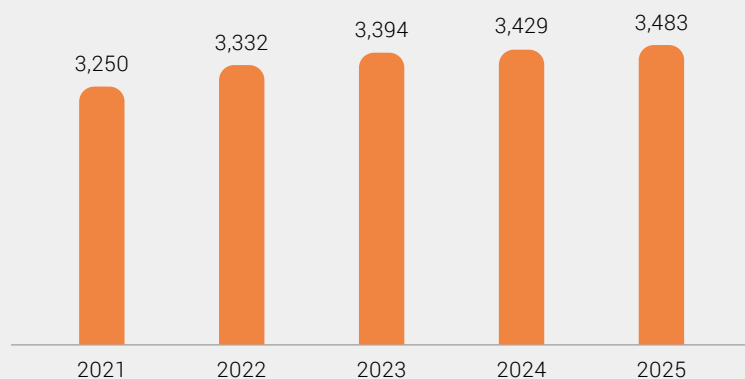
At the same time, the Company has established an "Intellectual Property Section" on its intranet to systematically consolidate existing patent achievements and help employees understand technology strategies and application directions. Through its "Intelligent Collaborative Patent Value-Added System," Sunon also integrates competitors' patent information to support R&D personnel in analyzing industry technology trends and developments, thereby further promoting the generation and implementation of innovative ideas and improving overall R&D efficiency and the quality of intellectual property management.

As of 2025, Sunon had accumulated a total of 3,483 granted patents, reflecting the Company's emphasis on patent rights and its high expectations for independent R&D and innovation.



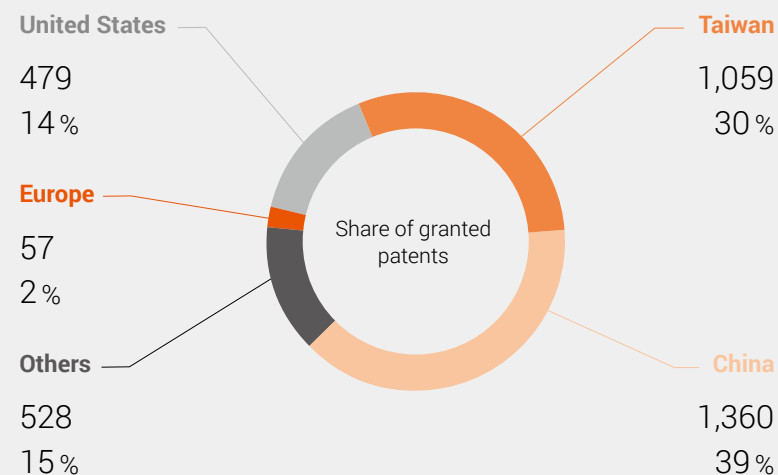
Recognition of 2025 Patent R&D Achievements

Granted Patents (Cumulative by Year)



Note: The statistics include invention patents, utility model patents, and design patents.

Granted Patents by Country and Share in 2025



3.3 Product Energy-Saving Performance

Sunon has long been deeply engaged in product R&D and firmly believes that technological innovation not only enhances the convenience of human life, but is also a key driver for reducing environmental burdens and achieving sustainable development. As a corporate citizen and a member of the global community, Sunon has not only fully implemented internal energy-saving, carbon reduction, and environmentally friendly measures, continuously optimized operating processes, and reduced energy consumption and carbon emissions, but has also incorporated "energy-saving design" and "high-performance performance" into the core values of product R&D. By addressing resource use and energy waste at the source, the Company fulfills its long-term commitment to the environment and society.

We continue to invest in product performance upgrades and energy efficiency optimization. Through diverse technological innovations in fan structural design, material selection, motor efficiency enhancement, intelligent control, and system integration, we improve unit performance output and reduce energy consumption, helping customers achieve electricity savings and carbon reduction during the product use stage. Through high-efficiency, energy-saving products, we hope to enable the public and customers worldwide to clearly recognize Sunon's concrete actions and substantive contributions in addressing climate change through technology and protecting the global environment.

At present, many of Sunon's products have completed performance upgrades and are widely applied in key industries including cloud networking and communications, computers, industrial/medical equipment, automotive electronics, home appliances, office equipment, mobile devices, head-mounted devices, and heating, ventilation, and air conditioning (HVAC). In 2025, revenue from the Company's energy-saving products reached NTD 9.9 billion, helping global customers save approximately 792 million kWh of electricity. This not only effectively reduced operating energy costs, but also simultaneously reduced GHG emissions, generating a positive impact on climate action and the energy transition.

Sunon's Product Energy-Saving and Carbon Reduction Performance in Recent Years

	2022	2023	2024	2025
Shipment volume of energy-saving models (units)	22,571,277	25,353,639	30,306,049	77,837,202
Percentage of annual shipment volume (%)	23.7	28.8	32.5	35.3
Electricity savings (kWh)	80,849,556	204,204,643	438,049,612	792,183,870
Energy savings (GJ)	291,058	735,137	1,576,979	2,851,862
Reduced carbon emissions (tCO₂e)	39,940	100,877	216,397	375,495

Note 1: For 2022–2024, calculations were based on the 2023 electricity emission factor of 0.494 published by the Energy Administration, Ministry of Economic Affairs; for 2025, calculations were based on the 2024 electricity emission factor of 0.474 published by the Energy Administration, Ministry of Economic Affairs.

Note 2: All of Sunon's new-generation models adopt new motor technologies and circuit designs. Based on actual testing, compared with the original motor and circuit designs of previous models, the new models reduce power consumption by more than 10% on average. Accordingly, actual operating hours were determined based on product application categories, and calculations were derived using: "annual shipment volume of energy-saving products × electricity consumption saved by 10% × actual operating hours."

Product Safety Certifications and Energy Label Declarations



Based on customer requirements for product safety regulations across different product categories, Sunon has fully introduced testing and certification procedures conducted by international certification bodies. Through credible third-party certification organizations such as UL and TÜV, the Company performs comprehensive testing and evaluation of key product aspects including electrical characteristics, structural safety, durability, and reliability in use. All products are required to comply with international standards and country-specific safety regulations and obtain applicable safety certification certificates to ensure their safety and compliance in global markets.

To comply with regulations in the Taiwan market and consumer protection requirements, Sunon conducts product safety inspections and certifications in accordance with the relevant requirements of the Bureau of Standards, Metrology and Inspection (BSMI), Ministry of Economic Affairs. All products are required to pass BSMI-recognized safety testing and obtain certificates of conformity to ensure safety and quality stability during use. At the same time, Sunon has incorporated energy-saving design into its product development and verification processes, ensuring compliance with the requirements of Taiwan's Energy Label standards and successfully obtaining the relevant labels, thereby helping consumers identify products with high energy efficiency and environmentally friendly characteristics. In 2025, the Company had no incidents of non-compliance with laws and regulations related to products, services, and marketing communications, demonstrating its strong commitment to regulatory compliance and integrity in business operations.

The Company's products are primarily for the B2B market, while B2C products account for approximately 0.6% of total revenue. Among them, ventilation fan products have successfully obtained energy-saving labels, and such products account for approximately 0.07% of total revenue. By continuously promoting product safety certifications and energy label declarations, Sunon not only safeguards the rights and interests of customers and consumers, but also actively responds to market trends in energy conservation, carbon reduction, and sustainable development.

3.4 Product Quality Management

Sunon regards product quality as a core value underpinning sustainable business operations and customer trust. Through a comprehensive quality management system and rigorous controls over materials and chemicals, the Company ensures that all stages from product design, procurement, production, and inspection to delivery comply with the requirements for product safety, quality stability, regulatory compliance, and sustainable development, thereby continuously enhancing product reliability and market competitiveness and reinforcing its position as a trusted brand.

Quality Management Systems and Certifications

Since 1995, Sunon has gradually introduced quality management systems. At present, all manufacturing sites, including Kaohsiung Headquarters, Kunshan Guangxing Plant, Beihai Sunon Plant, Beihai Lizhun Plant, Huizhou Sunon Plant, and Philippines Sunon Plant, have obtained ISO 9001 certification. The Company continues to conduct internal and external audits and management reviews in accordance with standard requirements to ensure the effective operation and continual improvement of its quality management system.

To enter the automotive market and comply with international automotive industry standards, the Company introduced the ISO/TS 16949 management system in 2005. At present, the Kunshan Guangxing Plant and Beihai Sunon Plant have obtained IATF 16949 certification according to the nature of their respective production lines. Third-party certification bodies are engaged each year to conduct audits in order to maintain certificate validity and ensure sound system operation. Certain products and manufacturing sites have also obtained customer-specific quality standard certifications to meet the needs of the automotive and high-reliability application markets.

During product development and manufacturing processes, Sunon has implemented Design Review, Pilot Run, Process Control, Final Inspection, and customer complaint handling and feedback mechanisms. Through data-based management and abnormality analysis, the Company implements corrective and preventive actions, reduces defect rates and quality risks, and continuously enhances product consistency and customer satisfaction.

In accordance with international standards such as ISO 9001 and IATF 16949, the Company has established a comprehensive quality management system to ensure that products meet customer needs, regulatory requirements, and product safety requirements, reduce management system risks, and continue to respond to stakeholder expectations. In 2025, the Company had no incidents of non-compliance with laws and regulations related to product quality, health, or safety, demonstrating the reliability of its quality management system and the fulfillment of its commitments to customers and stakeholders.

Substance Management Policy

Sunon closely follows international environmental trends and regulatory developments and continues to keep abreast of the latest requirements for chemical substance management in products, including relevant regulations such as EU RoHS, REACH, California Proposition 65, and IEC 62474. The Company places importance on the impacts of products on the environment and human health and closely identifies and controls hazardous substances with significant environmental impacts. In accordance with international regulations, industry standards, and customer requirements, the Company has established comprehensive substance management policies and management mechanisms to fully control the use of hazardous substances at every stage, from product design, raw material selection, supplier management, and manufacturing processes to shipment. It actively promotes halogen-free and low-environmental-impact material alternatives to reduce potential impacts on the environment and society, ensure product compliance with international regulations, and meet customer expectations for green products, while moving toward the goal of Hazardous Substance Free products. At the same time, Sunon strengthens compliance awareness as well as supply chain information transparency and traceability through digital management tools and supplier collaboration mechanisms, continuously improving product safety and environmental performance.



1 Restriction of Hazardous Substances Directive (RoHS)

All of the Company's products comply with the EU Restriction of Hazardous Substances (RoHS) Directive. The ten restricted substances include lead (Pb), mercury (Hg), cadmium (Cd), hexavalent chromium (Cr VI), polybrominated biphenyls (PBB), polybrominated diphenyl ethers (PBDE), bis(2-ethylhexyl) phthalate (DEHP), butyl benzyl phthalate (BBP), dibutyl phthalate (DBP), and diisobutyl phthalate (DIBP). Through supplier compliance declarations, material verification, and necessary testing, the Company ensures that the content of the above substances in its products complies with applicable limit requirements. In 2025, there were no incidents of non-compliance with RoHS requirements.

2 Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)

Sunon continuously monitors the list of Substances of Very High Concern (SVHC) and related restriction requirements under the EU REACH Regulation and revises its substance management strategies and internal control measures based on the latest regulatory updates. Through annual supplier audits and disclosure mechanisms, the Company requires suppliers to provide substance composition information and compliance declarations, and formulates reduction or substitution plans for high-risk or restricted substances in order to reduce the risks associated with hazardous chemical use and ensure that products comply with REACH requirements and customer expectations.

3 IECQ QC 080000 Hazardous Substance Process Management System

All of the Company's manufacturing sites have introduced and obtained certification for the IECQ QC 080000 Hazardous Substance Process Management (HSPM) system, ensuring that raw materials, semi-finished products, and finished products in internal manufacturing processes comply with hazardous substance management standards and relevant regulatory requirements. Through systematic management, internal and external audits, and continual improvement mechanisms, Sunon effectively strengthens its capabilities in the prevention, control, and risk management of hazardous substances, thereby fulfilling its responsibilities for product quality, safety, and the environment.

4 Conflict Minerals and Responsible Minerals Management

In accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals, Sunon has established conflict minerals management policies and operating procedures to ensure that sources of minerals such as tin (Sn), tantalum (Ta), tungsten (W), gold (Au), cobalt (Co), and natural mica do not involve non-government armed groups, illegal groups, or high-risk conflict-affected areas.

The Company is committed to complying with the conflict minerals policy of the Responsible Business Alliance (RBA). In addition to implementing responsible sourcing principles internally, it also requires suppliers to comply with relevant requirements. Sunon regularly conducts supplier surveys and risk assessments using the conflict minerals reporting templates (CMRT and EMRT) published by the Responsible Minerals Initiative (RMI), requiring suppliers to disclose mineral sources and sign conflict-free mineral declarations. In 2025, none of the Company's suppliers used conflict minerals, in compliance with relevant customer and regulatory requirements.



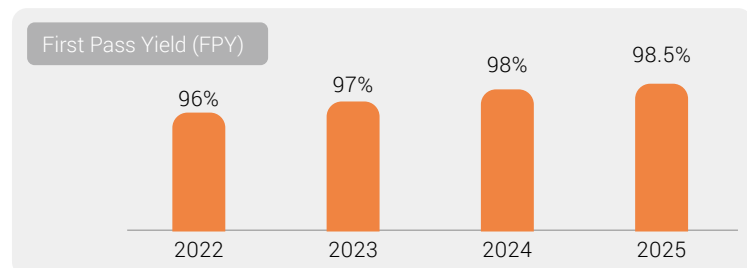
Quality Management Performance

In the management of environmentally hazardous substances this year, there were no cases of excessive hazardous substance levels in either incoming materials or customer complaints, indicating that the Company maintained sound performance in raw material management and manufacturing quality control.

Management Item	2022	2023	2024	2025
Environmental hazardous substance non-conformities – excessive hazardous substances in incoming materials	0	0	0	0
Environmental hazardous substance non-conformities – excessive hazardous substances in customer complaints	0	0	0	0

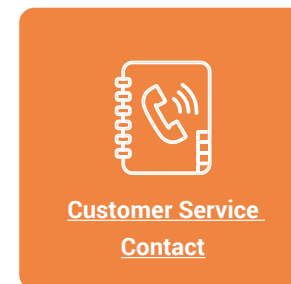
We continue to optimize manufacturing processes. First Pass Yield (FPY) is an important indicator used to measure manufacturing quality stability and represents the proportion of products that pass quality inspection upon initial completion of manufacturing without requiring rework or repair. A higher FPY indicates more stable process quality and can also effectively reduce process defects and resource consumption while improving production efficiency and product reliability.

In recent years, through measures such as process optimization, quality improvement, and equipment upgrades, Sunon has continuously strengthened process stability and reduced process energy consumption and raw material waste. As a result, product FPY has remained stable and improved progressively. In 2025, process FPY increased year by year to 98.5%, effectively reducing rework and scrap and maintaining a stable final yield level.



Product-Related Complaint Channels and Handling Procedures

To protect the rights and interests of customers and consumers, Sunon has established clear complaint channels and handling procedures related to product safety and labeling. Customers may submit complaints related to product safety, labeling content, or usage concerns through the official website, customer service email, and sales contacts. Dedicated units then investigate, respond, and track improvement actions in accordance with established procedures to ensure that issues are addressed in a timely and appropriate manner. In 2025, the Company had no major product recall incidents, demonstrating the effectiveness of its product quality management and risk control.



Customer Satisfaction

Customer satisfaction indicators: product quality, delivery lead time, service quality of sales personnel, response speed to customer complaints, and professionalism in complaint handling.



product quality



delivery lead time



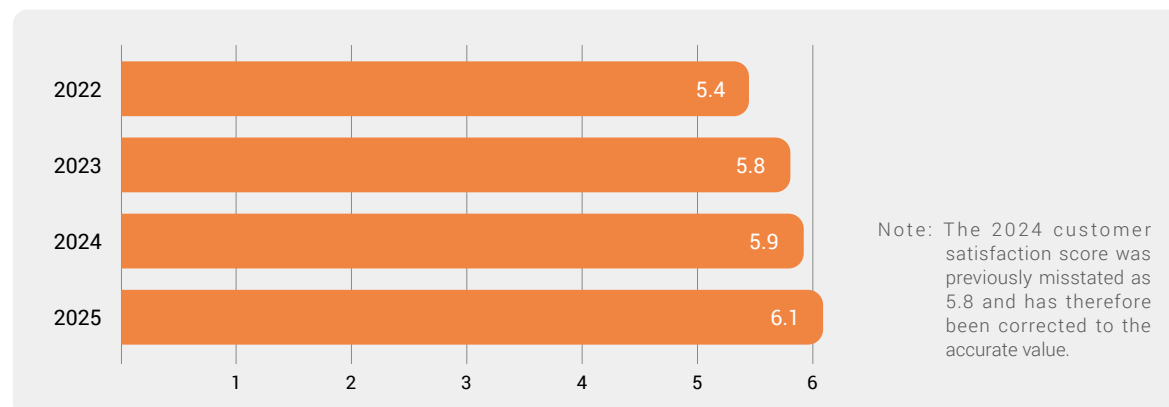
service quality of
sales personnel



response speed
to customer
complaints



professionalism in
complaint handling



Sustainable Supply Chain Management

Sunon deeply integrates the concept of sustainable development into its supply chain management and regards supply chain partners as important stakeholders in achieving its sustainability goals. By establishing comprehensive supplier management systems and evaluation mechanisms, the Company incorporates environmental protection, labor and human rights, occupational health and safety, ethical integrity, and risk management into procurement decisions and cooperation standards, thereby enhancing the overall performance and resilience of the supply chain. At the same time, the Company continues to promote supplier capability building and engagement communication to help partners strengthen their sustainability management practices and jointly build a responsible, transparent, and competitive sustainable supply chain system.



4.1 Supply Chain Structure

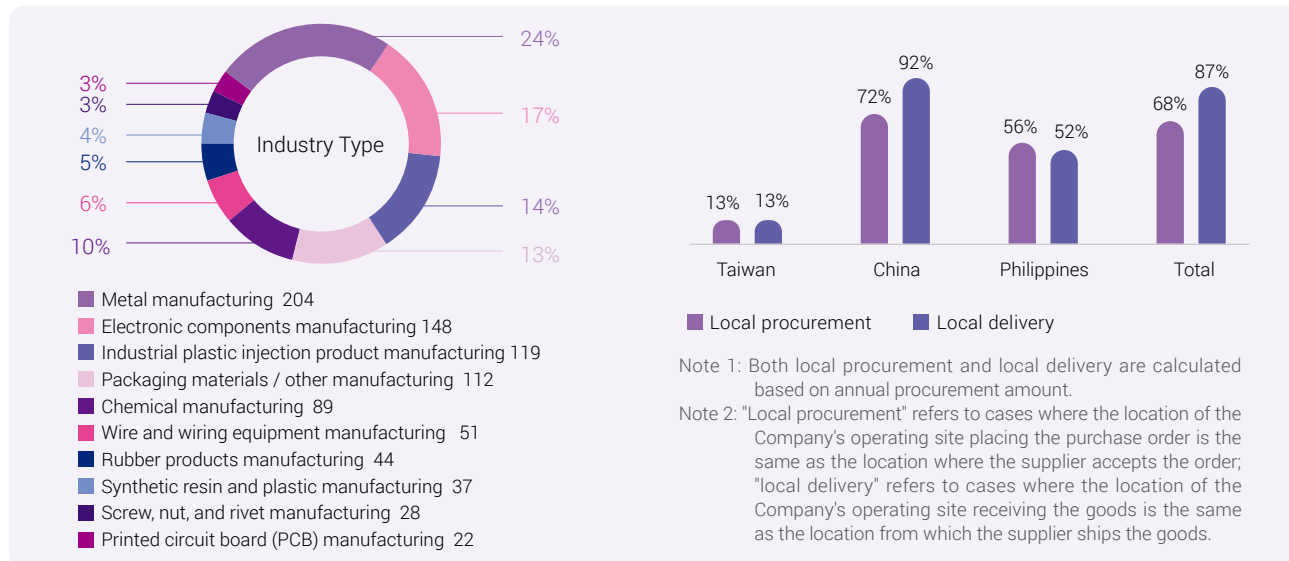
The Company operates in the electronic components manufacturing industry. In the structure of fan motor products, bearings and silicon steel sheets are the most critical core materials, while printed circuit boards and passive components are also important parts and components. Accordingly, the Company's major suppliers are concentrated in capital-intensive industries, including steel rolling and extrusion, bearing and power transmission equipment manufacturing, passive electronic components manufacturing, and printed circuit board manufacturing. The Company has established rigorous standards for quality stability, delivery reliability, and supply resilience, all of which are incorporated into a comprehensive selection and ongoing management mechanism.

Supplier Industry Distribution

The Company's supplier base is primarily composed of manufacturers, among which metal manufacturing accounts for the highest proportion, mainly supplying the metal materials and related components required for motor and fan products. This is followed by electronic components manufacturing, which mainly supplies various electronic parts and components. Overall, the Company's supply chain structure is highly correlated with the core materials required for product manufacturing.

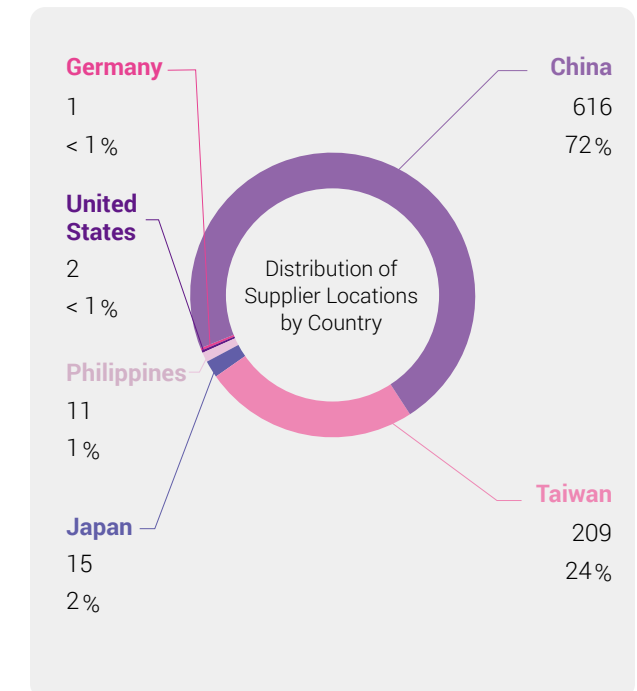
Sunon has maintained a long-term presence in Taiwan and, in response to the operational needs of its overseas manufacturing sites, has actively promoted a local procurement strategy. In addition to prioritizing the procurement of key raw materials from Taiwanese suppliers, the Company has also expanded cooperation with suppliers located near its overseas sites to increase the local supply ratio, reduce the risks associated with long-distance transportation, ensure stable delivery schedules and service quality, and respond to customer and market needs.

In 2025, Sunon had a total of 854 suppliers across its Taiwan and overseas plants. The overall local delivery ratio reached 87%; in addition, calculated based on the location where purchase orders were placed, the overall local procurement ratio was 68%.



Distribution of Supplier Locations by Country

The Company's suppliers are mainly located in China and Taiwan, which is highly correlated with the distribution of the Company's production sites. Most suppliers are located close to manufacturing bases to improve supply efficiency and supply chain stability, while a small number of suppliers are located in countries such as Japan, the United States, and Germany.



4.2 Raw Material Management

In response to the challenges of climate change and resource sustainability, the Company regards raw material management as a critical element in advancing low-carbon transition and strengthening supply chain resilience, implementing responsible procurement and carbon management from the source. Through institutionalized material procurement policies integrated with regulatory compliance, supplier sustainability performance evaluation, and risk control mechanisms, the Company ensures that the raw materials it uses meet standards for quality, safety, environmental protection, and human rights. At the same time, it is actively introducing raw material carbon footprint inventory and data management to identify upstream carbon emission hotspots in its products, providing a basis for subsequent carbon reduction strategies and low-carbon design optimization. By integrating procurement management with carbon management, the Company continues to improve resource efficiency, reduce environmental impacts, and work together with supply chain partners toward sustainable growth.

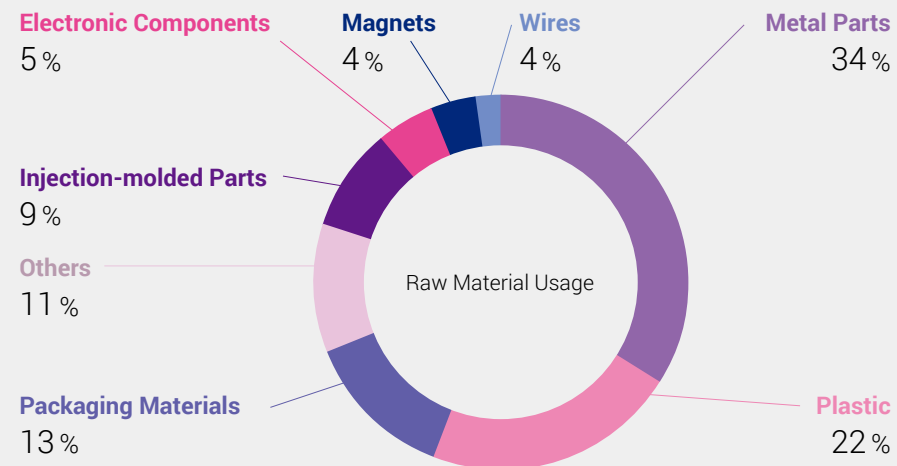
4.2.1 Material Procurement

The raw materials and packaging materials used in the Company's products are mainly supplied by external suppliers and include plastic raw materials, metal parts, injection-molded parts, electronic parts and components, magnets, wires, various consumables, and packaging materials, with non-renewable materials still accounting for the majority overall. To ensure the quality, stability, and compliance of raw material supply, Sunon has established supplier selection and qualification review mechanisms in accordance with its existing procurement management system, entered into procurement contracts with qualified suppliers that have passed the review, and then manages material procurement and delivery based on the production needs of each operating site to ensure the smooth operation of production activities.

In 2025, total raw material consumption amounted to 23,454 metric tons, of which metal parts and plastic raw materials were the primary categories used. As global attention to low-carbon and circular economy issues continues to increase, the Company has also gradually incorporated environmental and sustainability considerations into raw material procurement and product design evaluation, while continuing to assess the feasibility of introducing low-carbon materials, alternative materials, and recycled materials in order to improve resource efficiency and reduce the environmental impacts across the product life cycle.

Going forward, Sunon will continue to refine its procurement management system and, through collaboration with supply chain partners, promote sustainable material management and supply chain responsibility, jointly advancing toward a procurement model that balances quality, efficiency, and environmental friendliness.

Raw Material Usage



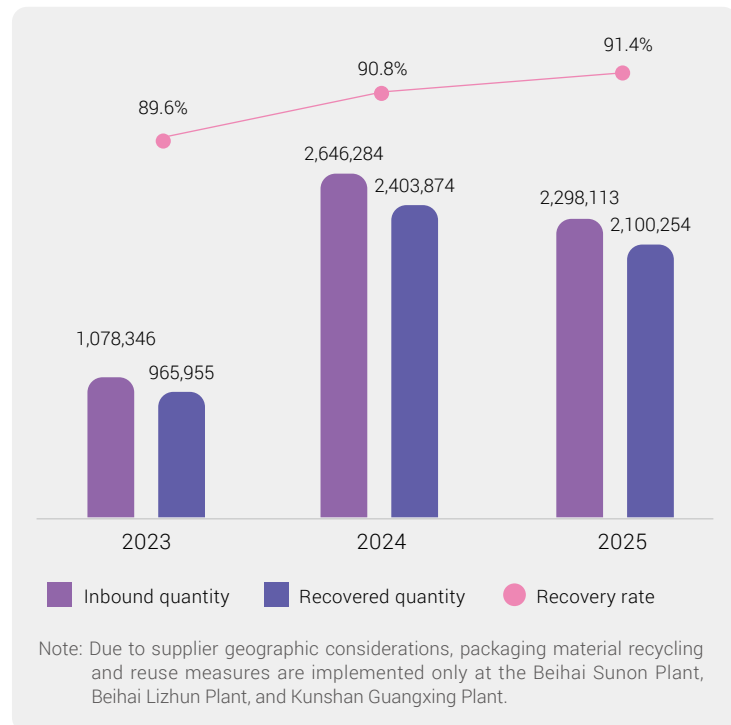
Note 1: The calculation boundary covers production sites, including the Kaohsiung Headquarters, Kunshan Guangxing Plant, Beihai Sunon Plant, Beihai Lizhun Plant, Huizhou Sunon Plant, and Philippines Sunon Plant.

Note 2: As the weight of all raw materials is not currently tracked, this year's figures were calculated using the average weight of raw materials within the same category.

Note 3: Consumables are not presented in the chart because their usage accounted for less than 1%.

■ Packaging Material Recycling and Reuse

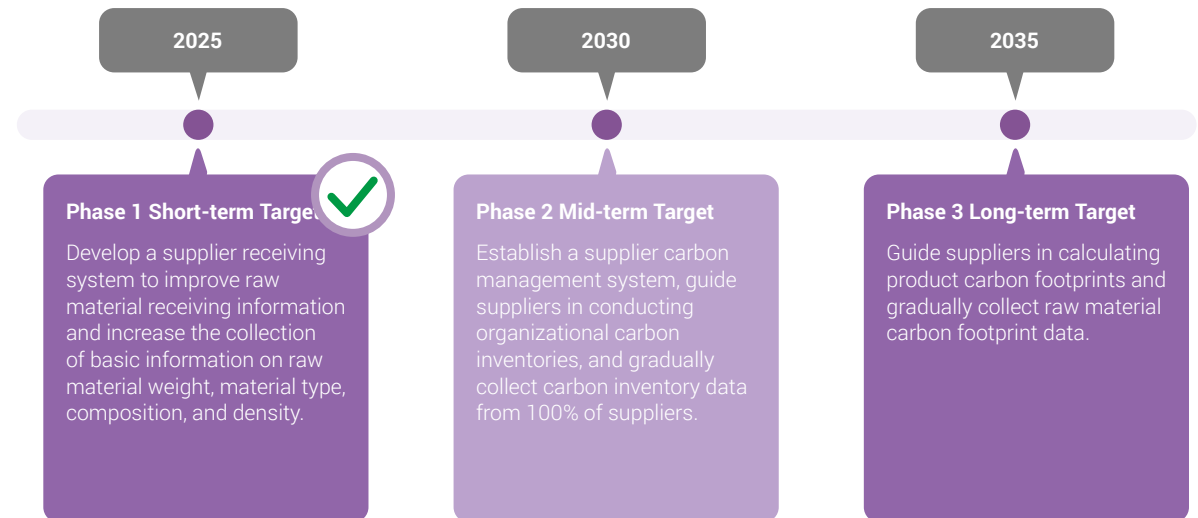
The Company mainly operates under a B2B business model. The final disposal and recycling of products at the end of their life cycle are generally handled by downstream customers according to their own usage conditions. As a result, it is relatively difficult for the Company to directly recover and reuse products after sale, and therefore no product-related recycling mechanism has currently been established. Nevertheless, in order to improve resource efficiency and reduce resource waste, the Company has voluntarily implemented recycling and reuse measures for packaging materials by collecting and sorting reusable packaging materials, classifying and processing them according to material characteristics and usage conditions, and then returning them to suppliers for reuse in raw material packaging, thereby extending the service life of packaging materials and reducing one-time resource consumption.



4.2.2 Raw Material Carbon Footprint

A carbon footprint refers to the GHG emissions generated across all stages of a product's life cycle, from raw material acquisition, production and manufacturing, and transportation and distribution to the use phase and final disposal and recycling. It is an important indicator for measuring a product's environmental impact and advancing carbon reduction management. As international market requirements for low-carbon products and supply chain decarbonization continue to increase, product carbon footprinting has become a key tool for enterprises to achieve carbon reduction targets and strengthen market competitiveness.

To strengthen the management of raw material carbon information and supply chain decarbonization, Sunon introduced a product carbon footprint management system in 2025 and simultaneously established a supplier carbon management system to create a consistent data collection and management mechanism. The Company is promoting the development of raw material carbon footprint data in phases, combining supplier inventory guidance with data quality management, and is gradually building a carbon emissions database for key raw materials as an important basis for subsequent carbon reduction initiatives and decisions on the introduction of low-carbon materials.



Note: The Phase 1 target of establishing all suppliers' basic information has been completed. The Phase 2 plan was launched in 2025 and is currently under implementation.

4.3 Supply Chain Management Policy

Sustainable supply chain management is centered on strengthening supply chain resilience by incorporating environmental, social, and governance (ESG) considerations into existing supply chain operations, thereby enhancing the overall supply chain's adaptability and stability in the face of external uncertainties and changing risks. Its implementation not only covers internal corporate processes, but also extends to key stakeholders such as suppliers and customers, building a flexible and sustainable supply chain system from green procurement and supplier management to full product life cycle management. By integrating logistics flows, information flows, and sustainability governance mechanisms, while deepening collaborative relationships among supply chain partners, enterprises can achieve resilient supply chain development and sustainability goals while ensuring business continuity and long-term value creation.

According to the 2025 Global and Taiwan CEO Survey published by PwC Taiwan, business leaders generally regard supply chain resilience as a key issue affecting long-term growth and operational stability. In the face of geopolitical changes, economic uncertainty, and sustainability transition trends, enterprises no longer consider cost and efficiency as the sole factors in supply chain management. Instead, they strengthen supply chain flexibility, diversification, and governance mechanisms in order to enhance overall risk response capabilities and competitive advantage. As a key mechanism through which enterprises demonstrate social responsibility and drive the supply chain toward shared sustainability goals, procurement management has become increasingly important. In addition, the National Institute of Standards and Technology (NIST), in its supply chain risk management guidance (NIST SP 800-161), explicitly incorporates sustainability issues into the core considerations of supply chain risk management, highlighting that sustainable supply chain governance has become an indispensable part of strengthening supply chain resilience and ensuring business continuity.

Sunon regards sustainable supply chain management as a key approach to strengthening supply chain resilience. The Company first establishes clear and binding supplier sustainability standards and management systems as the basis for supplier cooperation and management. It also conducts regular supply chain audits and evaluations to review suppliers' actual practices in environmental, social, and governance aspects and identify potential risks and high-risk suppliers. Based on the identification results, the Company will continue to apply corresponding management and improvement mechanisms to strengthen the overall stability and response capability of the supply chain, ensuring that supply chain operations have sufficient resilience to support long-term business operations and sustainability objectives.

■ Sustainable Supply Chain Development Strategy

The Company aims to build a resilient, transparent, and responsible supply chain system by promoting sustainable supply chain development from three dimensions: governance systems, operational resilience, and partner collaboration.

Governance Systems



Formulate and implement a Supplier Code of Conduct and sustainable procurement policies, incorporating requirements related to environmental protection, labor and human rights, occupational safety, integrity in business conduct, and regulatory compliance into supplier management and cooperation conditions to ensure that the supply chain aligns with international standards and the Company's sustainability commitments.

Operational Resilience



Promote diversified sourcing of key materials, backup supplier management, and inventory strategies to enhance the supply chain's ability to respond to external environmental changes and unexpected events, thereby ensuring operational continuity and stability.

Partner Collaboration



Establish a supplier carbon management system and regularly conduct supplier carbon emissions surveys to accelerate data collection and analysis. Through education and training, improvement guidance, and resource sharing, assist suppliers in strengthening their sustainability management and carbon reduction capabilities.

At the same time, the Company incorporates suppliers' sustainability performance, evaluation results, and improvement outcomes into procurement selection and contract renewal considerations, and encourages suppliers to make disclosures, establish carbon management systems, and implement carbon reduction actions, thereby gradually enhancing supply chain transparency and traceability and strengthening overall supply chain governance and risk management capabilities.

4.4 Supply Chain Audit Performance

With reference to international standards such as the Responsible Business Alliance (RBA) Code of Conduct, the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the Universal Declaration of Human Rights, Sunon has established supply chain management procedures requiring all suppliers' operational practices in areas including labor rights, health and safety, environmental protection, business ethics, and management systems to comply with the Company's standards and commitments, as well as with the relevant regulations of their operating locations.

The Company incorporates corporate social responsibility and sustainable development requirements into its supplier relationships and is gradually including ESG-related clauses in supplier contracts, with the long-term objective of comprehensively requiring suppliers to fulfill their sustainability responsibilities. Suppliers that fail to meet the requirements will be required to make improvements within a specified period; in the event of major violations, cooperation may be terminated depending on the circumstances. At the same time, the Company continues to communicate with suppliers and provide education and guidance to convey corporate social responsibility and sustainability requirements, and encourages suppliers to develop materials with lower environmental impact and optimize processes and equipment to implement energy conservation and carbon reduction, thereby jointly enhancing supply chain sustainability performance and building win-win partnerships.

■ New Supplier Evaluation

The sustainability performance and overall performance of new suppliers have an important impact on the Company's reputation and long-term operations. To reduce potential risks, the Company conducts evaluations based on the New Supplier Evaluation Form from the three ESG dimensions: social, environmental, and governance. When major international or regional events occur, the Company also conducts investigations and analyses of the relevant regions, industries, and supply sources to ensure supply chain stability and continuity, safeguard the Company's reputation and interests, and enhance overall supply chain efficiency and resilience. In 2025, a total of 24 new suppliers passed the evaluation and were officially added to the list of qualified suppliers, becoming partners eligible for ongoing cooperation with the Company.



■ Supplier Audits

To implement supplier sustainability management, the Company applies a tiered approach to supplier audits, defining supplier importance based on annual transaction volume and determining risk levels according to audit results, thereby adopting corresponding risk management measures.



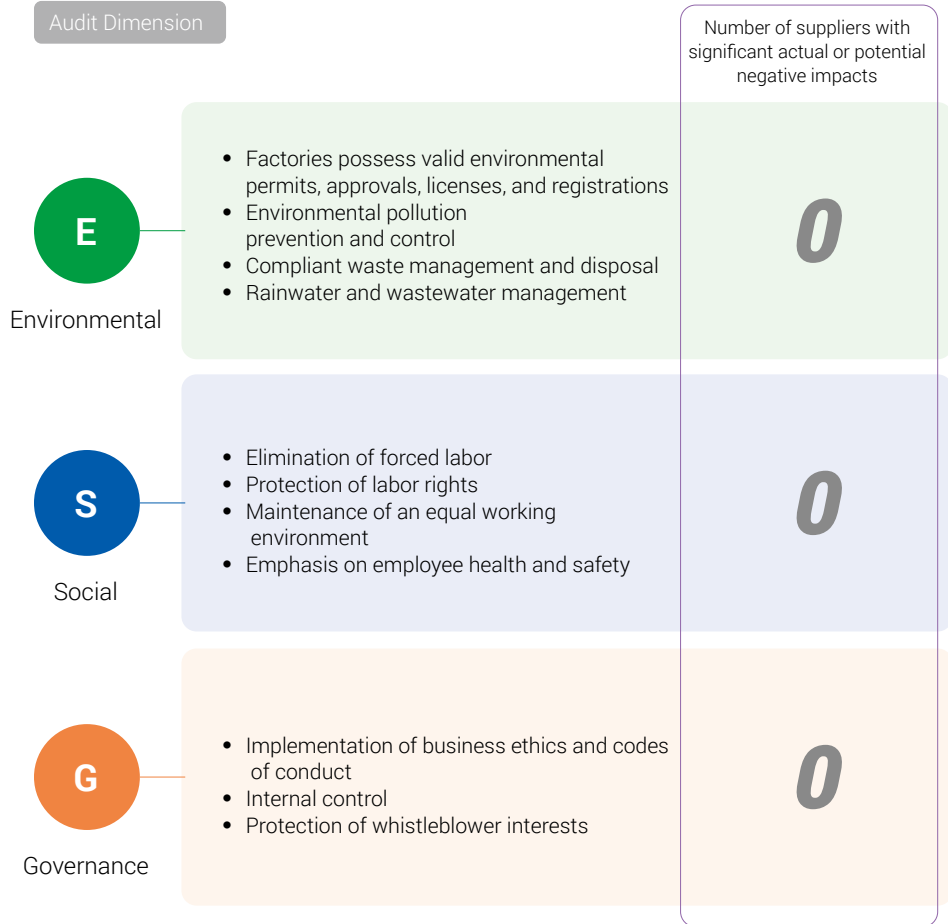
Self-assessment audit

Suppliers with annual delivery volumes exceeding 200,000 units in 2025 are required to conduct a self-assessment of corporate social responsibility risks, covering environmental, social, and governance (ESG) aspects.



On-site audit

Suppliers ranked among the Company's top 20 by delivery volume in 2025 are classified as key suppliers of the Company. In addition to completing the self-assessment audit, they are also required to undergo an on-site audit by Sunon in order to gain a deeper understanding of their actual sustainability management practices and performance.



Note: Suppliers with audit results classified as "high risk" are deemed to have significant actual or potential negative impacts.

2025 Supplier Audit Results

(Unit: number of suppliers)

	Taiwan	China	Philippines	Total
Number of suppliers subject to audit	41	151	2	194
Self-assessment audit	41	151	2	194
On-site audit	5 ✓	38 ✓	1 ✓	44 ✓
Completion rate	100% ✓	100% ✓	100% ✓	100% ✓
Pass rate	100%	100%	100%	100%



Environmentally Friendly and Sustainable Future

Against the global trend toward a low-carbon transition and environmentally sustainable development, enterprises must not only pursue business growth, but also proactively respond to the challenges arising from climate change and resource use. Guided by its environmental responsibility and sustainable management philosophy, the Company continues to incorporate environmental issues into its overall operational strategy and reduce the environmental impacts of its operating activities through systematic management and continuous improvement mechanisms.

5.1 Climate Change Management

The Company continues to monitor the transition risks and physical risks arising from climate change and, in line with international sustainability disclosure trends, strengthens the management of and disclosures on related issues. As the global low-carbon transition accelerates, climate-related risks and opportunities are becoming increasingly significant, requiring enterprises to adjust their operations and strategic planning accordingly in response to challenges arising from changes in the external environment.

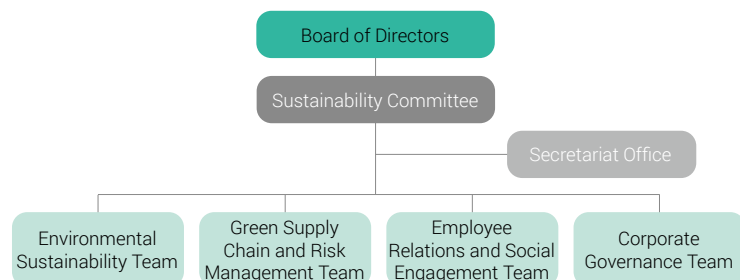
5.1.1 Climate Governance

Sunon identifies climate-related risks and opportunities based on the four core pillars of the IFRS S2 framework—governance, strategy, risk management, and metrics and targets—in consideration of its operating characteristics, and formulates response strategies for material risks and opportunities. The Board of Directors, as the highest governing body of the Company, not only incorporates climate issues into corporate governance and business strategy considerations, but also integrates the management of climate-related risks and opportunities into the Company's overall policies. Through ongoing oversight of the implementation of various risk management mechanisms, the Board seeks to ensure that climate change-related management actions are effectively carried out alongside continued business growth.

Management Responsibilities

Under the Board of Directors, the Sustainability Committee has been established, chaired by the Chairman and led by the Corporate Governance Officer as Executive Director. The Committee regularly reviews climate-related risks and opportunities, as well as the Company's sustainability management strategies and related plans.

The Sustainability Committee comprises four functional teams. Through literature review, expert consultation, climate risk scenario analysis tools, peer benchmarking, and practical experience, these teams identify, assess, and manage climate-related risks and opportunities, and formulate corresponding strategies and targets. They also continuously analyze and monitor climate risks and opportunities, develop climate sustainability strategies, ensure the implementation of climate actions, regularly report execution progress to the Chair and Executive Director of the Sustainability Committee, and provide annual reports to the Board of Directors.



Environmental Sustainability Team: Convened by the head of the occupational safety department, this team is responsible for managing and continuously improving environmental performance. It also oversees the identification, assessment, and control of environmental risks, ensures that all operating sites comply with applicable regulatory requirements, and advances the Company's low-carbon operations and environmental sustainability goals.

Green Supply Chain and Risk Management Team: Convened by the head of the procurement department, this team is dedicated to building a robust sustainable supply chain system. Through supplier evaluations, audits, and guidance mechanisms, it strengthens supply chain accountability in environmental and social aspects. It also actively seeks strategic partners that share sustainability values in order to enhance the resilience and value of the overall supply chain and respond to market changes and potential risks.

Employee Relations and Social Engagement Team: Convened by the head of the human resources department, this team coordinates the implementation of diverse employee care measures and social engagement initiatives, strengthens the Company's connection with society, fulfills corporate social responsibility, and further enhances organizational cohesion and overall brand image.

Corporate Governance Team: Convened by the Corporate Governance Officer, this team is responsible for strengthening the corporate governance framework and operating mechanisms and leading the identification of climate change-related risks and opportunities. Through cross-departmental integration, it evaluates the impacts of climate change and environmental issues on operations within each area of responsibility and formulates corresponding response strategies and management measures to enhance operational resilience and ensure sustainable management.

Secretariat Office: Responsible for coordinating the planning and implementation of the GHG inventory, reduction strategies, and related action plans, the Secretariat Office also serves as the hub for cross-departmental communication and coordination, integrating resources across units to ensure the smooth execution of relevant projects. In addition, it tracks the progress and effectiveness of various sustainability projects, regularly consolidates results, and reports them to the Board of Directors to enhance overall implementation efficiency and management quality.

5.1.2 Climate Strategy

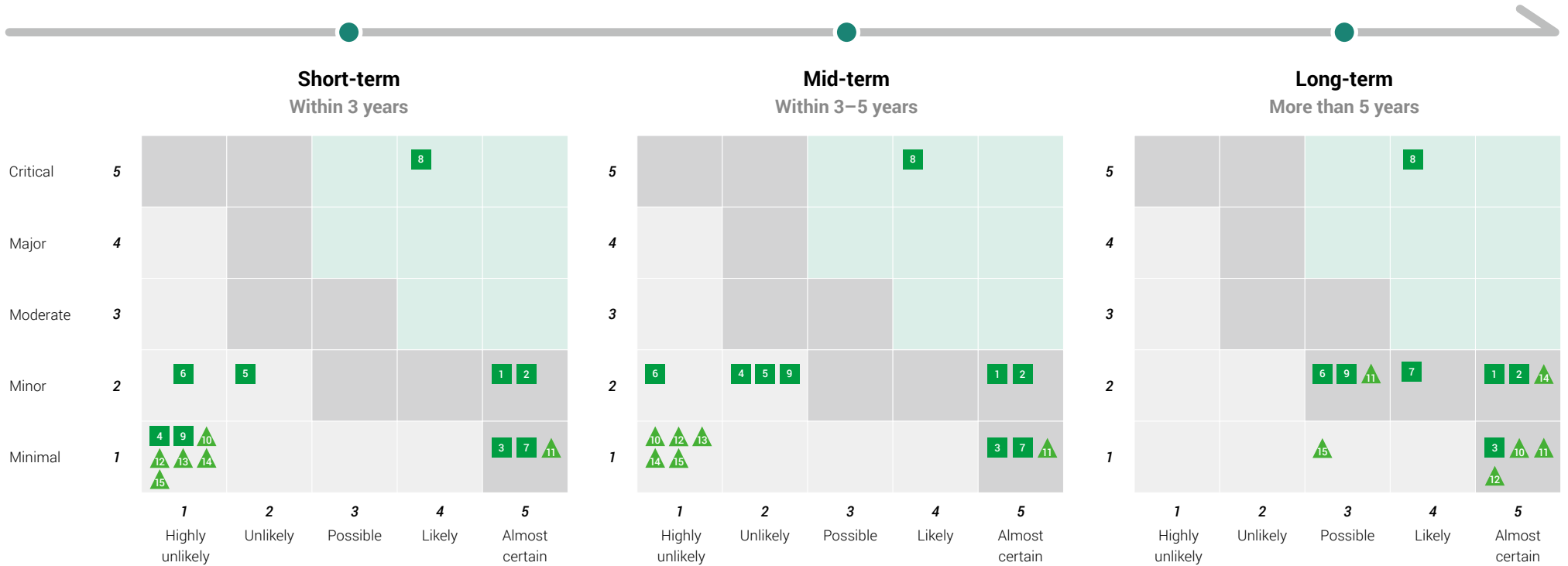
Taking into account the distribution of its production sites, Sunon uses the TCFD framework to analyze the impacts of physical risks and transition risks on the Company's operations under different GHG emissions scenarios. For physical risks, the Company adopts the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6), using the latest AR6 warming scenarios and climate projection data under SSP5-8.5, a very high emissions scenario, to assess the impacts of extreme heat and extreme rainfall on Sunon's operating value chain and to evaluate its climate change mitigation and adaptation capabilities.

For transition risks, as many of Sunon's customers are major international corporations whose supply chain policies are closely aligned with the IEA Net Zero Emissions by 2050 (NZE 2050) pathway, the Company selected the Net Zero Emissions (NZE) scenario to analyze the impacts of changes in customer behavior, investment in new technologies / low-carbon technology transition, and changes in raw material prices on its operating activities.

Risk Type	Selected Scenario	Time Horizon	Assessed Impact	Estimated End-of-Century Temperature Increase	Scenario Source
Transition risks	Net Zero Emissions (NZE) scenario	2025 ~ 2040	Impacts of issues such as low-carbon products and services, changes in customer consumption behavior, the financial system, regulations, and the low-carbon transition on operating activities.	1.5°C	IEA
Physical risks	SSP5-8.5	2081 ~ 2100	Changes in the maximum number of consecutive dry days are used to assess potential future water shortage risks; changes in annual maximum one-day precipitation are used to assess the potential flooding impacts of future extreme weather in the regions where the Company operates; and changes in the number of warm days are used to assess the duration of high-temperature conditions in those regions.	3.3°C ~ 5.7°C	IPCC AR6



Matrix of Identified Transition Risk Issues



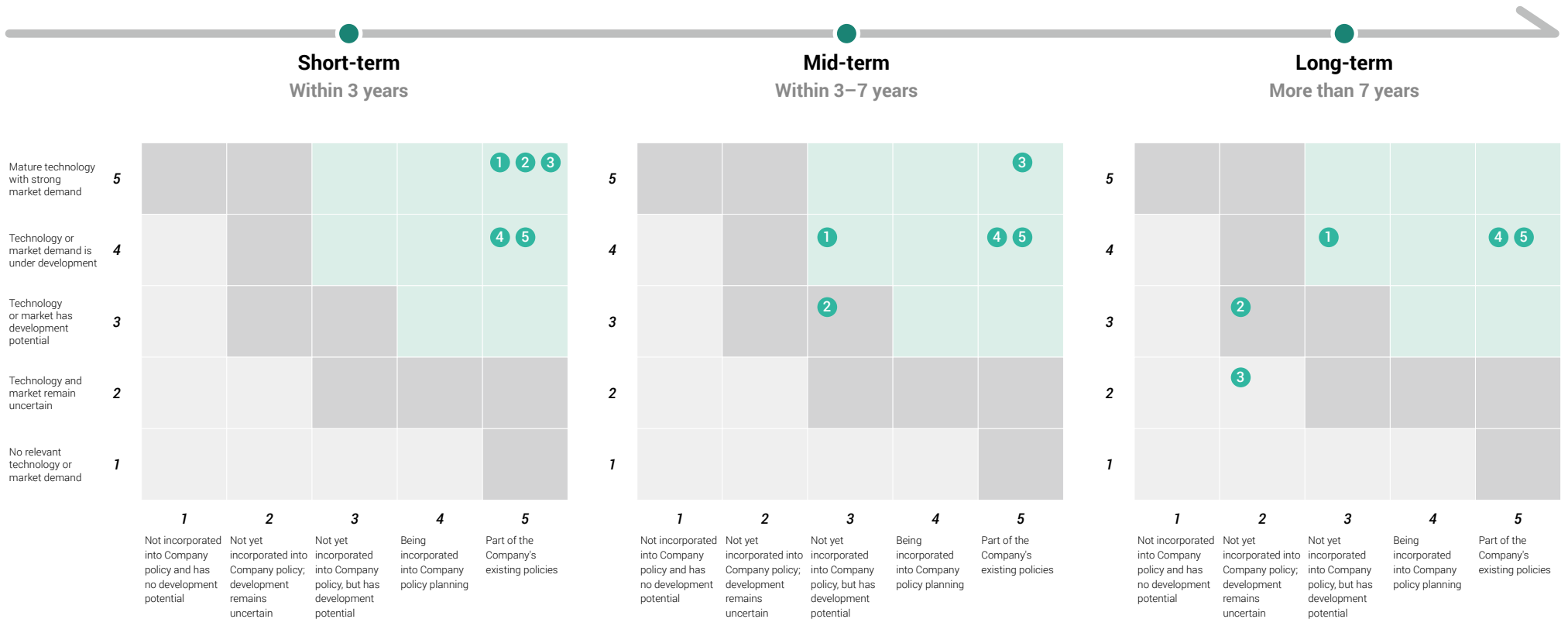
Transition Risks

- 1 Increased compliance risks due to stricter international and domestic regulations
- 2 Increased compliance risks due to incomplete climate disclosures
- 3 Product efficiency / labeling regulations and standards
- 4 Potential legal liability arising from failure to fulfill decarbonization commitments or from inaccurate information disclosure
- 5 Negative feedback
- 7 Loss of financial market trust and goodwill value caused by climate risks
- 8 Investment in new technologies / low-carbon technology transition
- 9 Changes in customer behavior
- 9 Raw material price increases due to carbon fee charges

Physical Risks

- 10 Heat-related leave and reduced working hours caused by high temperatures
- 11 Employees unable to report to work and production interruptions caused by heavy rainfall
- 12 Increased cooling load and surging electricity demand caused by high temperatures
- 13 Soil cracking and land subsidence caused by drought, affecting foundation stability
- 14 Cracking and aging of exterior wall waterproofing layers caused by prolonged high temperatures
- 15 Increased equipment failure rates due to overheating caused by high temperatures

Matrix of Identified Transition Opportunity Issues



Financial Impacts and Management Approaches for Physical Risks

Risk Category	Risk Issue	Risk Description	Financial Impact	Management Approach		
				Short term	Medium term	Long term
Physical risks	Increase in average temperature	Prolonged high temperatures will significantly increase electricity demand for cooling and air conditioning.	Increase in expenses of approximately NT\$338,500 per year	Upgrade and replace high energy-consuming equipment, such as air-conditioning units.		
		Long-term high temperatures may cause cracking and aging of exterior wall waterproofing layers.	Increase in operating expenses and shortened asset useful lives	Strengthen building envelopes (exterior walls and roofs) and piping facilities.		
		High temperatures may lead to heat-related leave and reduced working hours.	Work stoppages caused by employee absence may result in losses of NT\$993,000 per day.	Department heads in each unit confirm shift attendance. If scheduled personnel are unable to report to work, employees on leave are asked whether they are willing to work. Overtime pay is additionally provided to employees who report to work that day, resulting in estimated labor costs of approximately NT\$22,900 per day.		
	Heavy rainfall	Heavy rain may prevent employees from reporting to work and interrupt production.				

Note: Financial impacts are calculated based only on the Kaohsiung Headquarters.

Financial Impacts and Management Approaches for Transition Risks

Risk Category	Risk Issue	Risk Description	Financial Impact	Management Approach		
				Short term	Medium term	Long term
Transition risks	Changes in customer behavior	As global supply chains impose increasingly stringent requirements for low-carbon transition and sustainability governance, failure of products to meet the decarbonization benchmarks of international customers may result in the loss of orders from major customers.	Decline in revenue	1. Establish a product carbon footprint inventory system, provide customers with transparent environmental information, and obtain internationally recognized environmental certifications or standards. 2. Review electricity use at each plant and the feasibility of adopting renewable energy, and formulate renewable electricity procurement strategies.	1. Participate in customers' supply chain decarbonization programs to strengthen collaboration and secure the Company's position as a sustainability partner. 2. Fully achieve the goal of supplying major production sites with renewable energy.	
	Raw material price increases due to carbon fee charges	As domestic and international carbon pricing mechanisms, such as carbon fees and carbon taxes, are implemented, upstream suppliers may pass on increased compliance costs through pricing mechanisms, thereby transferring carbon-related cost burdens to raw material procurement costs.	Decline in revenue	Diversify raw material sourcing, improve process efficiency, and reduce material loss.	Adjust procurement strategies and negotiate long-term contracts to mitigate raw material price fluctuations, while promoting supply chain decarbonization planning.	
	Investment in new technologies / low-carbon technology transition	The development of low-carbon technologies involves high investment, long development cycles, and significant uncertainty.	Increase in operating expenses	Collaborate with supply chain partners through technology sharing or joint development to spread technical and financial risks.	Introduce pilot production and phased validation mechanisms, gradually expand application to reduce the risks of full-scale implementation, and progressively integrate successful technologies into core processes to build the Company's long-term technological advantages.	

Note: Financial impacts are calculated based only on the Kaohsiung Headquarters.

Financial Impacts and Management Approaches for Transition Opportunities

Opportunity Category	Opportunity Issue	Opportunity Description	Financial Impact	Management Approach		
				Short term	Medium term	Long term
Resource efficiency	Adoption of more efficient transportation methods	- Effectively reduce the number of transport trips and transportation mileage by optimizing shipment management mechanisms. - Promote the transition of transportation vehicles and gradually introduce electric or hybrid vehicles.	Reduction in operating expenses of NT\$541,400 in the short and medium term	Implement shipment consolidation strategies and optimize existing shipping routes and trip frequencies.	Set annual targets to reduce transportation trips by 5%–20% and improve resource utilization efficiency.	Introduce electric and hybrid transport vehicles to reduce carbon emissions.
	Recycling and reuse	Establish recycling and reuse mechanisms to recover and reprocess waste, scrap materials, and discarded components generated during production, converting them into raw materials or auxiliary materials.	Estimated reduction in operating expenses of NT\$153,500 in the short term	Establish recovery mechanisms for production scrap, discarded components, and waste; integrate recovered materials into production processes or auxiliary processes; and establish internal reuse standards and quality control procedures.	Improve production processes to reduce the generation of scrap materials and waste, enhance resource efficiency, maximize the circular use of production materials, and move toward zero-waste production.	
	Transition to more efficient buildings	Accelerate green building transition to reduce operating costs.	In the short term, operating expenses are estimated to decrease by approximately NT\$3.4389 million, while management costs are estimated to increase by NT\$3.4543 million.	- Replace aging air-conditioning systems and high energy-consuming equipment in existing plants and office buildings. - Introduce energy management systems and sub-metering to manage electricity consumption more precisely, continuously save energy, and reduce peak loads.	Establish an energy monitoring and management platform to continuously optimize building energy use and carbon emissions tracking mechanisms.	
Energy source	Use of low-carbon energy / adoption of incentive policies	Make effective use of government incentive policies to reduce financial pressure and accelerate the energy transition.	From the current stage to the short term, operating expenses are estimated to decrease by approximately NT\$9.855 million, while management costs are estimated to increase by approximately NT\$11.85 million.	Continue tracking and pursuing low-carbon transition incentive programs offered by governments in various regions to reduce financial pressure and accelerate the energy transition.	Continue participating in government incentive programs related to sustainability and net zero, fully achieve the target of using low-carbon energy at major production sites, and externally disclose renewable energy usage achievements and carbon reduction benefits.	
Products and services	Development or expansion of low-carbon products	Maintain relationships with existing customers and avoid order loss due to carbon emissions requirements, while also attracting new customer orders and expanding opportunities in the low-carbon market.	Increase in revenue	- Review the carbon footprints of existing products and identify major carbon emission sources. - Evaluate product design in response to customers' low-carbon requirements and market trends.	- Introduce low-carbon materials and energy-saving processes. - Collaborate with suppliers to enhance carbon reduction performance at the raw material stage.	Introduce innovative energy-saving technologies and designs, and incorporate low-carbon products into the core of the Company's sustainability development and market strategy.

5.1.3 Climate Risk Management

The Company has established comprehensive risk management systems, policies, and management guidelines covering operational risks, financial risks, market risks, compliance risks, and other risk categories. Through risk management procedures including risk identification and assessment, impact measurement, response and adaptation, and monitoring and reporting, the Company implements enterprise risk management. To ensure the effective operation of the risk management mechanism, the Sustainability Committee reports quarterly to the Board of Directors on the progress of sustainability-related plans, including material issues and related plans concerning the Company's operations in environmental, social, and governance aspects and their associated risk management. In addition, given the importance and specific nature of climate change issues, the Sustainability Committee submits ad hoc reports to the Board on matters such as environmental performance and targets, as well as climate change response and control measures, in order to respond more promptly to climate-related risks and opportunities.

5.1.4 Metrics and Targets

In response to climate change-related risks, Sunon manages these issues through quantifiable metrics and clearly defined targets to ensure that both transition risks and physical risks are incorporated into operational decision-making and performance tracking mechanisms, with regular reporting to the Board of Directors for monitoring and oversight. At the same time, the Company continues to evaluate the feasibility and implementation pathways of internal carbon pricing mechanisms and TNFD-related nature-related risks and opportunities, conducts cross-departmental discussions, and advances data inventory, scenario analysis, and governance framework planning.

	High-Risk Issue	Metric	Target
Transition risks	International customers' demand for low-carbon products	Shipment ratio of low-carbon products	Increase the proportion to $\geq 40\%$ by 2030. For details, please refer to " 1.3.3 Management of Impacts from Material Topics ."
Physical risks	Increase in average temperature	Scope 1 and Scope 2 GHG emissions	Reduce Scope 1 and Scope 2 emissions by 50% by 2030. For details, please refer to " 5.2.1 GHG Management Policy ."
		Renewable energy usage ratio	Achieve a renewable energy usage ratio of $\geq 50.4\%$ by 2030. For details, please refer to " 5.3.1 Energy Management Policy ."



5.2 GHG Management

As global climate change and net zero emissions trends continue to accelerate, enterprises are facing increasingly stringent regulatory requirements and stakeholder expectations, making GHG emissions management a core element of operational governance. For the electronic components industry, where manufacturing processes are highly energy-dependent, GHG emissions affect not only environmental sustainability performance but also operating costs, customer requirements, and market competitiveness. Accordingly, the Company continues to strengthen its GHG management mechanism and actively reduce carbon emissions risks arising from its operations through systematic inventories, information disclosure, and emissions reduction actions.

To strengthen the foundation of its management approach, the Company follows the GHG Protocol standards for GHG inventory, clearly defines its organizational boundaries and emissions scopes, and conducts annual inventories of GHG emissions at each operating site to ensure data completeness and consistency. At the same time, the relevant inventory data are assured by third-party organizations, further enhancing information transparency and credibility. In promoting decarbonization, the Company combines multiple strategies, including energy-saving measures, process optimization, and equipment improvements, to continuously reduce GHG emissions intensity while planning medium- and long-term decarbonization pathways and steadily moving toward low-carbon operations and sustainable development goals.

5.2.1 GHG Management Policy

In alignment with the decarbonization pathway of the Science Based Targets initiative (SBTi), the Company has established a specific and measurable GHG management policy. Using 2022 as the base year, it has set clear short-, medium-, and long-term decarbonization targets to gradually drive the low-carbon transition of its operating activities. For Scope 1 and Scope 2 emissions, the Company has set an annual reduction target of 6.25%, while for Scope 3 it has set an annual reduction target of 3.125%. Based on this reduction trajectory, the Company continues to refine its management actions to ensure that progress remains aligned with international climate science benchmarks.

In terms of phased target planning, the Company has established short-, medium-, and long-term decarbonization milestones and will progressively increase the level of emissions reductions. A key target is to achieve a 50% reduction in Scope 1 and Scope 2 emissions and a 25% reduction in Scope 3 emissions by 2030, with the ultimate goal of reaching net zero emissions by 2050.

To achieve its decarbonization targets, the Company continues to promote equipment replacement and efficiency improvement, process optimization, renewable energy adoption, and low-carbon procurement measures. It has also introduced an Internal Carbon Pricing (ICP) system to strengthen carbon cost management through financial mechanisms and use it as an important basis for investment decision-making.

GHG Emissions Reduction Targets and Performance

Compared with the 2022 base year, Sunon reduced its combined Scope 1 and Scope 2 emissions by a total of 9,872 tCO₂e this year, representing a 40% reduction, through measures such as replacing multiple energy-intensive equipment items, adjusting the operating frequency of high energy-consuming equipment, and increasing renewable energy use. Going forward, in addition to continuing its own emissions reduction efforts, the Company will extend its actions to the supply chain by actively engaging, communicating with, and encouraging supply chain partners to decarbonize together and move jointly toward net zero carbon emissions.

Management Item	Scope	2025			Short-term Target	Medium-term Target	Long-term Target	Final Target
		Target	Actual Performance	Achievement Status	2026	2028	2030	2050
GHG emissions reduction	Scope 1 and Scope 2	≥ 18.75 %	40%	Achieved 	≥ 25 %	≥ 37.5 %	≥ 50 %	Net Zero
	Scope 3	≥ 9.375 %	11%	Achieved 	≥ 12.5 %	≥ 18.75 %	≥ 25 %	≥ 90 %

Note 1: The base year for GHG emissions reduction is 2022.

Note 2: The Scope 3 emissions reduction amount is calculated solely based on the committed reductions under the SBTi target categories, and the disclosed actual performance represents the cumulative achievement rate.

Internal Carbon Pricing

To achieve its 2050 net zero carbon emissions target, Sunon has planned multiple low-carbon transition actions and introduced an Internal Carbon Pricing (ICP) system to guide business units, through financial mechanisms, to give priority to low-carbon equipment and technologies. With reference to the Ministry of Environment's Carbon Fee Charging Regulations, the Company has set its internal carbon price at NT\$500 per tonne of carbon dioxide and will regularly review and adjust it based on the future development of Taiwan's carbon fee system and international trends to ensure alignment between its carbon management strategy and the external policy environment.

Sunon's internal carbon pricing mechanism is primarily applied in two areas: electrical equipment procurement and refrigerant management, covering the major emissions sources under Scope 1 and Scope 2. During equipment procurement evaluations, each business unit must compare the difference in electricity consumption between new and old equipment over their service lives. If the new equipment would generate higher carbon emissions, an internal carbon fee must be calculated based on its estimated emissions. In addition, for refrigerant management of air-conditioning equipment, the Company uses a Global Warming Potential (GWP) threshold of 700 as the control benchmark. If the refrigerant used in new equipment exceeds this standard, a corresponding carbon fee must also be calculated based on its life-cycle emissions. Through these mechanisms, the Company strengthens the internalization and management of carbon costs and continues to promote the low-carbon transition of its operations.

5.2.2 GHG Emissions Profile

Inventory Methodology

Sunon follows the GHG Protocol standards for GHG inventory and uses the Operational Control Approach to define its organizational boundary, with assurance conducted by an external third-party organization. Since 2022, the Company has continuously conducted annual GHG inventories to systematically monitor and manage its overall GHG emissions profile.

This year, the organizational boundary covers all operating sites, and a full-scope inventory was conducted in accordance with the GHG Protocol, with complete disclosure of Scope 1 (direct emissions), Scope 2 (energy indirect emissions), and Scope 3 (other indirect emissions). The GHGs covered by the inventory include seven categories: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).

In terms of calculation methodology, the Company primarily uses the emissions factor method, multiplying activity data by the corresponding emissions factors and Global Warming Potential (GWP) values to convert them into carbon dioxide equivalent (CO₂e), which is disclosed in tonnes of carbon dioxide equivalent (tCO₂e). Depending on the emissions type, appropriate emissions factors are selected from sources including the Ministry of Environment's GHG Emissions Factor Management Table, regional electricity emissions factors, and relevant factors published by the Intergovernmental Panel on Climate Change (IPCC). GWP values are based on the IPCC Sixth Assessment Report (AR6) to ensure that inventory results are aligned with the latest international methodologies and scientific foundations.

Inventory Results

In 2025, the Company's total GHG emissions amounted to 10,723,395.279 tCO₂e. Based on total revenue (NT\$ million), Scope 1 and Scope 2 emissions intensity was 0.802 tCO₂e per NT\$ million. From the emissions structure, emissions are highly concentrated in Scope 3, accounting for approximately 99.86% of total emissions. Among these, "use of sold products" was the primary emissions source, accounting for approximately 95.16%, indicating that the product use stage is a key carbon hotspot for the Company. This was followed by "purchased goods and services" (approximately 3.34%) and "processing of sold products" (approximately 1.11%). In response to these major emissions sources, the Company will continue to strengthen product energy efficiency management and design optimization, while promoting low-carbon procurement and supplier decarbonization collaboration through supply chain management mechanisms to reduce the impact of Scope 3 emissions.

Scope 2 emissions primarily arose from purchased electricity and accounted for approximately 0.13% of total emissions. To reduce electricity consumption and related emissions, the Company continues to implement energy-saving measures, including equipment replacement, process optimization, and strengthened energy management systems, while gradually increasing the proportion of renewable energy use. Compared with the base year, Scope 1 and Scope 2 emissions intensity showed a downward trend this year, indicating improved energy efficiency. Through the introduction of energy-saving equipment and adjustments to its energy mix, the Company has effectively managed direct emissions and energy indirect emissions, and it will continue to focus on key Scope 3 emissions sources to advance the achievement of its overall decarbonization targets.

GHG Emissions Profile (Unit: tCO₂e)

(Unit: tCO₂e)

cope / Category / Year		2022		2023		2024		2025	
		Emissions	Proportion	Emissions	Proportion	Emissions	Proportion	Emissions	Proportion
Scope 1 Direct Emissions	Stationary combustion	14.937	0.00%	13.428	0.00%	55.111	0.00%	14.368	0.00%
	Mobile combustion	145.473	0.00%	184.434	0.00%	199.345	0.00%	191.157	0.00%
	Process emissions	0.240	0.00%	0.076	0.00%	0.039	0.00%	0.000	0.00%
	Fugitive emissions	2,771.522	0.05%	2,767.867	0.06%	1,979.901	0.03%	506.083	0.00%
Scope 2 Energy Indirect Emissions	Purchased electricity	21,918.728	0.38%	19,767.083	0.45%	13,161.032	0.19%	14,266.946	0.13%
	Purchased energy	0.000	0.00%	0.000	0.00%	0.000	0.00%	0.000	0.00%
Scope 3 Other Indirect Emissions	Purchased goods and services	2,674,496.440	45.90%	318,066.379	7.17%	242,064.596	3.56%	358,471.494	3.34%
	Capital goods	2,161.905	0.04%	2,273.389	0.05%	3,044.449	0.04%	3,298.008	0.03%
	Fuel- and energy-related activities	16,081.549	0.28%	5,233.946	0.12%	3,178.273	0.05%	4,202.834	0.04%
	Upstream transportation	2,754.010	0.05%	1,675.036	0.04%	1,966.175	0.03%	2,566.091	0.02%
	Waste disposal and hauling	369.224	0.01%	588.483	0.01%	503.907	0.01%	293.076	0.00%
	Business travel	97.452	0.00%	207.258	0.00%	314.411	0.00%	344.702	0.00%
	Employee commuting	1,610.397	0.03%	2,092.421	0.05%	2,767.360	0.04%	5,653.312	0.05%
	Upstream leased assets	93.020	0.00%	75.733	0.00%	613.120	0.01%	192.567	0.00%
	Downstream transportation	13,356.686	0.23%	6,273.504	0.14%	7,133.778	0.10%	7,297.409	0.07%
	Processing of sold products	114,869.185	1.97%	90,300.220	2.03%	94,232.880	1.39%	118,958.352	1.11%
	Use of sold products	2,973,336.424	51.03%	3,986,929.936	89.83%	5,969,460.571	87.85%	10,203,888.766	95.16%
	End-of-life treatment of sold products	2,284.243	0.04%	1,763.839	0.04%	1,844.825	0.03%	2,697.319	0.03%
	Downstream leased assets	0.000	0.00%	0.000	0.00%	0.000	0.00%	0.000	0.00%
	Franchises	0.000	0.00%	0.000	0.00%	0.000	0.00%	0.000	0.00%
	Investments	0.000	0.00%	0.000	0.00%	452,217.192	6.66%	552.797	0.01%

Scope / Category / Year	2022		2023		2024		2025	
	Emissions	Proportion	Emissions	Proportion	Emissions	Proportion	Emissions	Proportion
Scope 1 and Scope 2 emissions	24,850.900	0.43%	22,732.888	0.51%	15,395.429	0.23%	14,978.553	0.14%
Scope 3 emissions	5,801,510.535	99.57%	4,415,480.145	99.49%	6,779,341.536	99.77%	10,708,416.726	99.86%
Total emissions across all scopes	5,826,361.436	100%	4,438,213.033	100%	6,794,736.965	100%	10,723,395.279	100%
Annual revenue (NT\$ million)	14,063		12,915		14,624		18,678	
Scope 1 and Scope 2 emissions intensity	1.767		1.760		1.053		0.802	
Scope 3 emissions intensity	412.528		341.896		463.582		573.323	

Note: Emissions intensity = emissions (tCO₂e) / revenue in NT\$ million.

Scope 1 Emissions by the Seven GHG Types

(Unit: tCO₂e)

Operating Site / GHG Type	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	Total CO ₂ e emissions
Kaohsiung Headquarters	1.9528	19.4996	0.0050	100.8618	0	0	0	122.3192
Taipei Office	2.3361	1.1227	0.0058	7.1084	0	0	0	10.5730
Kunshan Guangxing Plant	72.3441	0.6462	2.0438	292.8560	0	0	0	367.8901
Beihai Sunon Plant	21.5977	0.1001	0.4077	33.8849	0	0	0	55.9904
Beihai Lizhun Plant	6.7885	0.0651	0.2046	1.3456	0	0	0	8.4038
Huizhou Sunon Plant	0.1993	0.0002	0.0004	35.3913	0	0	0	35.5912
Philippines Sunon Plant	56.7079	0.0652	0.1255	12.9150	0	0	0	69.8136
U.S. subsidiary	0	0	0	0.0010	0	0	0	0.0010
European subsidiary	28.8094	0.1724	0.6735	1.0958	0	0	0	30.7511
India subsidiary	10.2417	0.0062	0.0264	0	0	0	0	10.2743
Group Total	200.9775	21.6777	3.4927	485.4598	0	0	0	711.6077

5.3 Energy Management

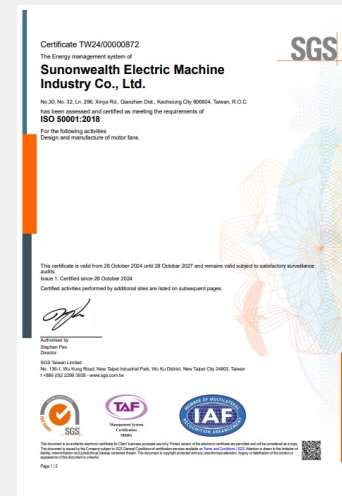
As global attention to climate change and energy issues continues to grow, enterprises must balance energy efficiency and environmental sustainability while pursuing business growth and production efficiency. The choice and use of energy affect not only operating costs, but are also closely related to GHG emissions and climate change risks. Accordingly, improving energy efficiency and reducing energy consumption have become important priorities in promoting sustainable business operations.

To strengthen its energy management mechanism and systematically improve energy efficiency, the Company has introduced the ISO 50001 energy management system to continuously monitor and improve energy use through institutionalized management. Smart meters and digital monitoring systems have been installed on major electricity-consuming equipment to collect and analyze energy use data at each site, enabling real-time monitoring of energy consumption. Through the energy management system, the Company conducts overall management and benefit tracking as a basis for planning and evaluating energy-saving improvement measures.

In addition, the Company has established an Energy Management Task Force responsible for consolidating energy use conditions across all units, regularly reviewing major energy-consuming equipment and energy consumption hotspots, and planning energy-saving improvement measures through energy reviews and data analysis. The Task Force also continuously tracks implementation effectiveness to ensure the achievement of energy-saving targets. Operating sites also strengthen energy management capabilities and improve energy efficiency through cross-site exchanges and experience sharing. At the same time, the Company continues to promote energy-saving policy awareness to enhance employees' awareness of energy conservation and carbon reduction, encouraging them to implement energy-saving actions to reduce the environmental impacts of operations.

ISO 50001 Energy Management System Certification

Sunon's Kaohsiung Headquarters and Kunshan Guangxing Plant have passed external verification for the ISO 50001 energy management system and obtained certification. Going forward, the Company will gradually promote the introduction of related management systems at other overseas sites to expand the coverage of energy management.



5.3.1 Energy Management Policy

Against the backdrop of global climate change and net zero transition trends, the electronic components industry generally faces the challenges of high energy intensity and continuously growing electricity demand, as its manufacturing processes are highly dependent on electricity, equipment must operate for extended periods, and precision manufacturing environments have stringent requirements. In response to these challenges, Sunon upholds its responsibility for sustainable corporate development and actively promotes its energy management policy. By introducing energy management systems, improving equipment efficiency, optimizing processes, and expanding the use of renewable energy, the Company continues to reduce energy consumption and GHG emissions, gradually advancing toward low-carbon operations and environmental sustainability.

Energy Management Targets and Performance

We aim to increase the proportion of renewable energy use year by year and plan to achieve a renewable energy usage ratio of over 50% across the Company by 2030, gradually moving toward a low-carbon operating model.

Management Item	2025			Short-term Target	Medium-term Target	Long-term Target
	Target	Actual Performance	Achievement Status	2026	2028	2030
Renewable energy usage ratio	≥ 14.4 %	43.94%	Achieved 	≥ 21.6 %	≥ 36 %	≥ 50.4 %

Energy-Saving Management Measures

To continuously improve energy efficiency and reduce energy consumption in the course of operations, Sunon promotes energy-saving management measures through multiple approaches, including equipment improvement, process optimization, and employee participation. Each operating site also continues to identify energy-saving opportunities and implement energy-saving projects, gradually enhancing overall energy management performance. Going forward, Sunon will continue to promote various energy-saving improvement plans, further reducing energy use and the environmental impacts of operating activities by enhancing equipment efficiency and optimizing management mechanisms.

Equipment and Technology Optimization

01

- Implement energy-saving retrofits or replace high energy-consuming equipment to improve equipment energy efficiency.
- Introduce energy-efficient air compressor systems to reduce energy consumption during equipment operation.
- Install heat pump circulation systems to provide the heating and cooling circulation required for the prolonged high-temperature operation of burn-in rooms, thereby improving energy utilization efficiency.
- Continue replacing lighting equipment with LED lighting to reduce electricity demand for lighting.

Energy Management and Continuous Improvement

02

- Each site regularly identifies energy consumption hotspots and energy-saving opportunities and plans energy-saving improvement projects accordingly.
- Continuously track the effectiveness of implemented energy-saving measures through the energy management system to ensure the realization of energy-saving benefits.
- Continue strengthening energy management capabilities and improving energy efficiency through cross-site experience sharing and management mechanisms.

Energy-Saving Culture and Employee Participation

03

- Promote energy conservation and carbon reduction concepts and encourage employees to implement daily energy-saving actions, such as turning off unnecessary lighting, maintaining appropriate air-conditioning temperatures, and switching off power equipment when not in use.
- Promote measures such as turning off lights during lunch breaks and shutting down equipment when leaving the office to reduce unnecessary energy consumption.
- Participate annually in the global Earth Hour campaign, calling on employees at sites worldwide and their family members to join and support energy conservation, carbon reduction, and environmental protection through concrete action.

5.3.2 Energy Use Profile

The types of energy used by Sunon vary according to the nature of each plant or office and mainly include purchased electricity, solar power, diesel, gasoline, compressed natural gas, and liquefied petroleum gas. Among these, purchased electricity is the primary energy source, accounting for approximately 55.02% of total energy consumption, followed by purchased renewable energy (solar power), which accounts for approximately 42.03% of total energy consumption. Going forward, the Company will continue to increase the proportion of renewable energy used and gradually optimize its energy mix.

In 2025, Sunon's total energy consumption was 175,762 GJ, representing an increase from the previous year, mainly due to expanded operations and continued growth in production capacity. Nevertheless, under the continued implementation of energy management and energy-saving measures, energy efficiency has continued to improve. This year, energy intensity was 9.410 GJ per NT\$ million of revenue, a decrease of approximately 8.1% from the previous year, showing a year-on-year improvement trend and demonstrating that the Company has continued to enhance energy efficiency alongside business growth.

Energy Consumption in Recent Years

Energy Type		Unit	2022		2023		2024		2025	
			Consumption	Proportion	Consumption	Proportion	Consumption	Proportion	Consumption	Proportion
 Electricity	Self-generated and self-consumed renewable energy	Kilowatt-hour (kWh)	455,065	1.13%	684,508	1.71%	643,350	1.55%	536,025	1.10%
		Gigajoule (GJ)	1,638		2,465		2,317		1,930	
	Purchased renewable energy	Kilowatt-hour (kWh)	0	0%	3,247,313	8.12%	16,920,453	40.64%	20,515,660	42.03%
		Gigajoule (GJ)	0		11,693		60,883		73,873	
	Purchased non-renewable energy	Kilowatt-hour (kWh)	39,052,019	97.33%	35,303,532	88.29%	23,067,418	55.46%	26,854,660	55.02%
		Gigajoule (GJ)	140,619		127,122		83,088		96,699	
Total electricity		Kilowatt-hour (kWh)	39,507,084	98.46%	39,235,353	98.12%	40,631,221	97.65%	47,906,345	98.15%
		Gigajoule (GJ)	142,257		141,280		146,288		172,502	

Energy Type	Unit	2022		2023		2024		2025	
		Consumption	Proportion	Consumption	Proportion	Consumption	Proportion	Consumption	Proportion
 Gasoline	Liter (L)	40,943	0.92%	46,753	1.05%	63,274	1.37%	58,712	1.30%
	Gigajoule (GJ)	1,327		1,510		2,048		2,280	
 Diesel	Liter (L)	24,699	0.60%	32,688	0.80%	39,152	0.92%	24,817	0.54%
	Gigajoule (GJ)	866		1,148		1,383		945	
 Compressed natural gas	Kilogram (KG)	0	0%	138	< 0.01%	831	0.03%	190	< 0.01%
	Gigajoule (GJ)	0		7		41		7	
 Liquefied petroleum gas	Kilogram (KG)	434	0.02%	860	0.03%	820	0.03%	888	0.02%
	Gigajoule (GJ)	25		46		42		28	
Total renewable energy (GJ)		1,638	1.13%	14,158	9.83%	63,200	42.19%	75,803	43.13%
Total non-renewable energy (GJ)		142,837	98.87%	129,833	90.17%	86,602	57.81%	99,959	56.87%
Total energy consumption (GJ)		144,475	100%	143,991	100%	149,802	100%	175,762	100%
Energy intensity (GJ / per NT\$ million of revenue)		10.273		11.149		10.244		9.410	

Note 1: The main sites using renewable electricity are the Kunshan Guangxing Plant, Beihai Sunon Plant, and Beihai Lizhun Plant, and all renewable electricity used is solar power.

Note 2: Energy consumption at each operating site is calculated using the calorific values announced by the respective local governments.

Note 3: Energy consumption (GJ) = energy use × unit calorific value × 4.187 / 1,000,000.

Note 4: As energy measurement units differ, all proportions are calculated based on gigajoules (GJ).

Note 5: As most of the Company's sites are manufacturing plants, revenue per NT\$ million is used as the denominator for energy intensity.

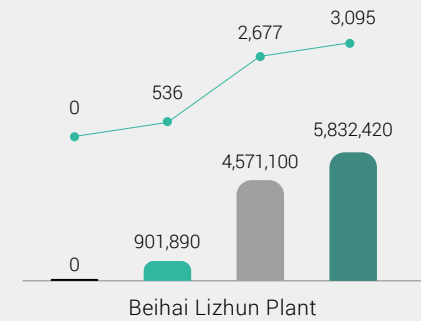
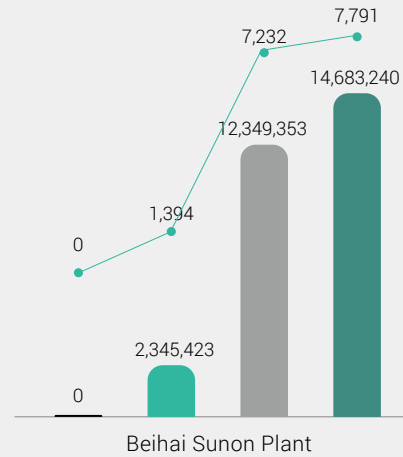
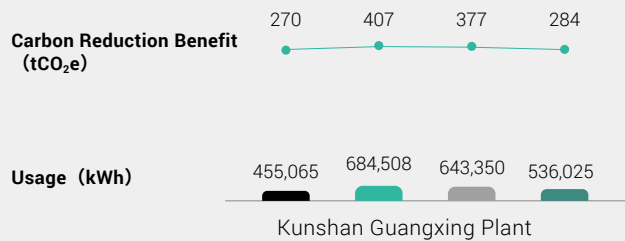
Renewable Energy Use

The Kunshan Guangxing Plant installed a solar power generation system in 2013 and introduced renewable energy through self-generation and self-consumption in order to reduce the use of conventional electricity and lower GHG emissions. In addition, the Beihai Sunon Plant and Beihai Lizhun Plant began purchasing renewable energy in 2023 to gradually increase the proportion of renewable energy used.

This year, Sunon's total self-generated and purchased renewable energy use reached 21,051,685 kWh, accounting for 43.96% of the Company's total electricity consumption and reducing emissions by approximately 11,170 tCO₂e. Going forward, the Company will continue to increase the proportion of renewable energy used and gradually expand the adoption of low-carbon energy in order to reduce the environmental impacts of its operating activities.

Operating Site	Renewable Energy Source	2022		2023		2024		2025	
		Usage (kWh)	Carbon Reduction Benefit (tCO ₂ e)	Usage (kWh)	Carbon Reduction Benefit (tCO ₂ e)	Usage (kWh)	Carbon Reduction Benefit (tCO ₂ e)	Usage (kWh)	Carbon Reduction Benefit (tCO ₂ e)
Kunshan Guangxing Plant	Self-generated	455,065	270	684,508	407	643,350	377	536,025	284
Beihai Sunon Plant	Purchased	0	0	2,345,423	1,394	12,349,353	7,232	14,683,240	7,791
Beihai Lizhun Plant	Purchased	0	0	901,890	536	4,571,100	2,677	5,832,420	3,095
Total		455,065	270	3,931,821	2,337	17,563,803	10,286	21,051,685	11,170
Percentage of Total Group Electricity Consumption		1.15%		10.02%		43.23%		43.94%	

■ 2022 ■ 2023 ■ 2024 ■ 2025



Note 1: All renewable energy used by the Company is solar power.

Note 2: The 2024 usage data for the Beihai Sunon Plant and Beihai Lizhun Plant have been revised based on the GHG inventory results.

Note 3: Carbon reduction benefit = renewable energy use (kWh) × the latest electricity emissions factor published in China for the relevant year / 1,000.

5.4 Water Resource Management

The Company's manufacturing processes are primarily assembly operations, and its overall operating activities do not require process water. Except for certain plant facilities, such as dining areas and cooling equipment, water use is mainly for domestic purposes. As most operating sites are located in industrial parks or urban areas, all water is supplied by local water utilities. Given the straightforward purpose of water use and the relatively limited water consumption, the risk of impacts on local water resources and aquatic ecosystems is very low.

Nevertheless, we continue to actively manage water resources, strictly comply with water-related regulations in all regions, and incorporate water resource management into the operational management framework of the ISO 14001 environmental management system. Through institutionalized and procedural management approaches, we integrate water resource management with daily operations, wastewater treatment, and environmental performance management to ensure continuous improvement. At the same time, we continuously collect water use data, regularly monitor water consumption, and promote a water-saving culture through awareness initiatives and practical measures, thereby continuously improving water use efficiency and environmental performance and fulfilling our commitment to water resource management and protection.

Daily Water-Saving Management

Install automatic sensor faucets, water-saving taps, and water-saving toilets, adjust toilet water levels, and enhance all employees' water-saving awareness through periodic inspections, water use monitoring, and awareness activities.

Water Resource Performance Monitoring

Regularly disclose indicators such as total water consumption and water intensity to track annual improvement performance.

5.4.1 Water Resource Risk Assessment

The Company regards water resources as one of the operational risks arising under climate change. To strengthen operational resilience and water management, we use water resource assessment tools developed by the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) to analyze the water resource risk and water stress levels of major operating sites, identify sites located in areas of high water stress or potential water shortage risk, and use the results as reference for water management, water-saving measure planning, and related management decision-making, while incorporating them into the overall risk management framework.

In addition, the assessment results serve as a reference basis for formulating risk response measures. For operating sites facing relatively high water stress, the Company continues to monitor local water resource conditions and plans relevant management measures as appropriate to enhance overall water resource management capabilities and ensure stable operations and the sustainable use of water resources.

Overview of Water Resource Risk and Stress Information for Major Operating Sites

Operating Site	Kaohsiung Headquarters	Taipei Office	Kunshan Guangxing Plant	Beihai Sunon Plant	Beihai Lizhun Plant	Huizhou Sunon Plant	Philippines Sunon Plant
Water Source	Zengwen River	Tamsui River	Taihu Basin	Hongchao River	Hongchao River	Dongjiang River	West Coast Basin of the Philippines
Water Supplier	Taiwan Water Corporation	Taipei Water Department	Kunshan Water Supply Group Co., Ltd.	Beihai Water Supply Co., Ltd.	Beihai Water Supply Co., Ltd.	Huizhou Water Group Co., Ltd.	Hermosa Water District
Wastewater Treatment Service Provider	Kaohsiung Central District Wastewater Treatment Plant	Neihu Wastewater Treatment Plant	Kunshan Development Zone Kuncheng Water Purification Co., Ltd.	Beihai Hongkan Wastewater Treatment Co., Ltd.	Beihai Hongkan Wastewater Treatment Co., Ltd.	Huizhou Hongyu Municipal Wastewater Treatment Co., Ltd.	Hermosa Ecozone Industrial Park Centralized Waste Water Treatment Facility
Receiving Water Body	Taiwan Strait	Keelung River	Wusong River	Beibu Gulf	Beibu Gulf	Dongjiang River	West Coast Basin of the Philippines
Water Risk Level	Very low risk (1.1 — 1.8)	Very low risk (1.1 — 1.8)	Low risk (1.9 — 2.6)	Low risk (1.9 — 2.6)	Low risk (1.9 — 2.6)	Very low risk (1.1 — 1.8)	Low risk (1.9 — 2.6)
Water Stress Level	Low - Medium (10 — 20%)	Low - Medium (10 — 20%)	extremely high (> 80%)	Medium - High (20 — 40%)	Medium - High (20 — 40%)	Low - Medium (10 — 20%)	Medium - High (20 — 40%)

5.4.2 Water Resource Management Policy

Sunon places great importance on the sustainable use of water resources. As its manufacturing processes do not involve process water, the focus of water resource management is on the effective management of domestic water use and improvement of water use efficiency. In accordance with relevant regulations and customer requirements, we have established a water resource management policy and promote various water-saving and management measures to implement water resource protection and sustainable use.

The Company has introduced a variety of water-saving measures, including the installation of water-saving devices such as water-saving taps, sensor faucets, and water-saving toilets, regular inspection of pipelines and equipment to prevent leaks, employee awareness promotion on water conservation, and the establishment of water consumption monitoring and recordkeeping mechanisms to continuously monitor water use and improve management effectiveness.

At the same time, through systematic water use data collection and continuous improvement mechanisms, we regularly track changes in water consumption and evaluate the effectiveness of water-saving measures. Water management is also integrated into daily operational management and employee participation mechanisms to enhance the sensitivity of departments and employees to water use efficiency and abnormal conditions and to drive improvement actions, ensuring that resource conservation and sustainable management objectives are achieved while meeting operational needs.

To strengthen water-saving performance, the Company has set short-, medium-, and long-term quantitative targets using 2024 as the base year. Through target-oriented management and continuous improvement mechanisms, it continues to improve water use efficiency and fulfill its commitment to the sustainable use of water resources.

Water Resource Management Targets and Performance

Management Item	Base Year Index	2025			Short-term Target	Medium-term Target	Long-term Target
		Target	Actual Performance	Achievement Status	2030	2040	2050
Reduce per capita water consumption	13.14 (L/hour)	≤13	12.77	Achieved 	Reduce by 5%	Reduce by 10%	Reduce by 20%

Note: The base year is set as 2024. Per capita water consumption = total water withdrawal (L) / total working hours (hours).

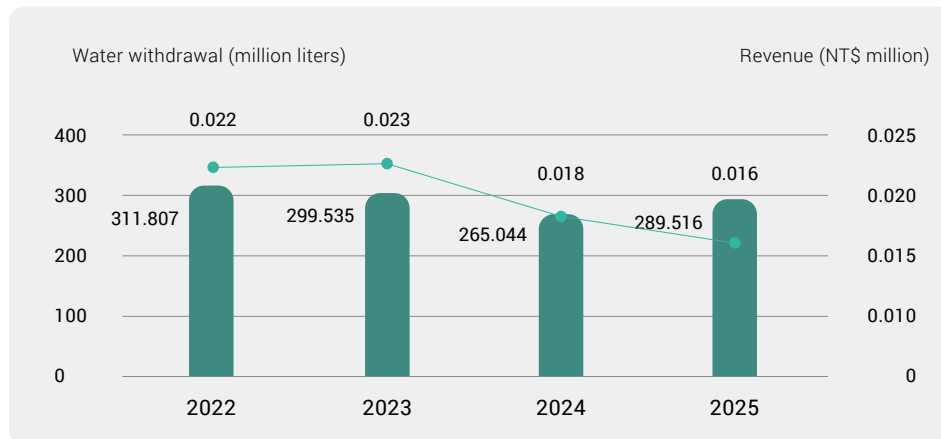
5.4.3 Water Resource Use

To meet customer requirements, all Sunon production sites use 100% tap water as their water source. In 2025, total water withdrawal amounted to 289.516 million liters. As no water is used in manufacturing processes, no industrial wastewater was generated. Only general domestic wastewater was discharged, and no material water pollution impacts on the environment were caused.

Nevertheless, Sunon continues to promote relevant water-saving measures and strengthen employees' awareness of water conservation through internal awareness initiatives. Compared with the 2022 base year, the Company's water intensity decreased by 27%. Going forward, Sunon will continue to comply with applicable regulations of local governments, implement water management and oversight at each operating site, and deepen water-saving measures in order to fully put into practice its environmental commitment to the sustainable use of water resources.

Water Withdrawal in Recent Years

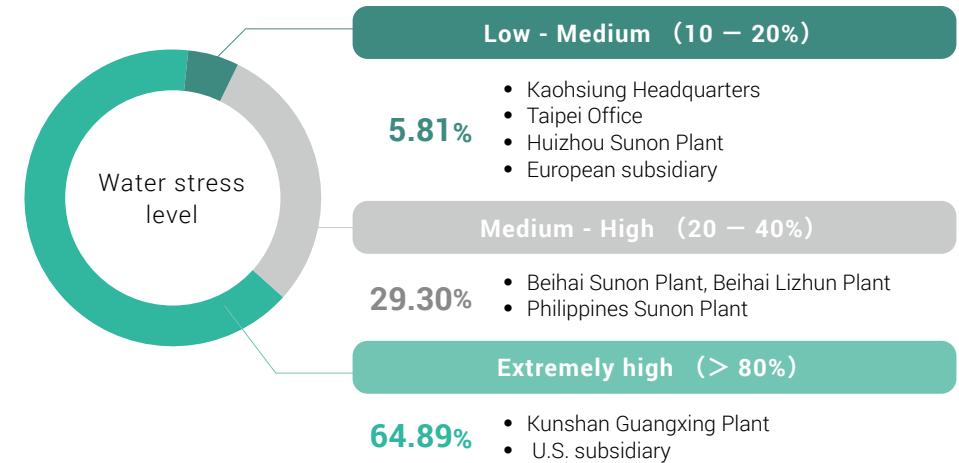
	2022	2023	2024	2025
Water withdrawal (million liters)	311.807	299.535	265.044	289.516
Revenue (NT\$ million)	14,063.308	12,914.685	14,623.817	18,677.810
Water intensity	0.022	0.023	0.018	0.016



Note 1: Water intensity = water withdrawal (million liters) / revenue (NT\$ million).

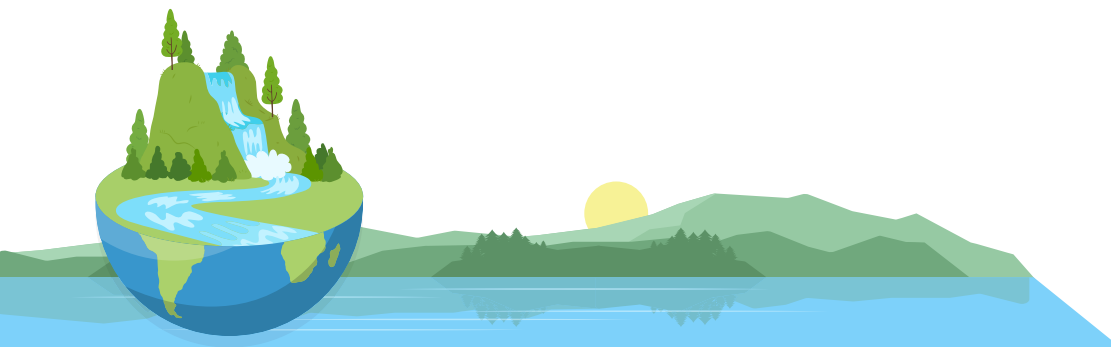
Note 2: The scope of water withdrawal disclosure covers all sites included in this report. As the India subsidiary operates from a leased office and water consumption data are unavailable, it is excluded from the inventory.

Water Use by Water Stress Level



Water stress level	Low - Medium (10 - 20%)	Medium - High (20 - 40%)	Extremely high (> 80%)
Covered sites	Kaohsiung Headquarters, Taipei Office, Huizhou Sunon Plant, and European subsidiary	Beihai Sunon Plant, Beihai Lizhun Plant, and Philippines Sunon Plant	Kunshan Guangxing Plant and U.S. subsidiary
Water withdrawal (million liters)	16.811	84.838	187.867
Percentage of water withdrawal	5.81%	29.30%	64.89%

Note: As the India subsidiary operates from a leased office and water consumption data are unavailable, it is excluded from the inventory.

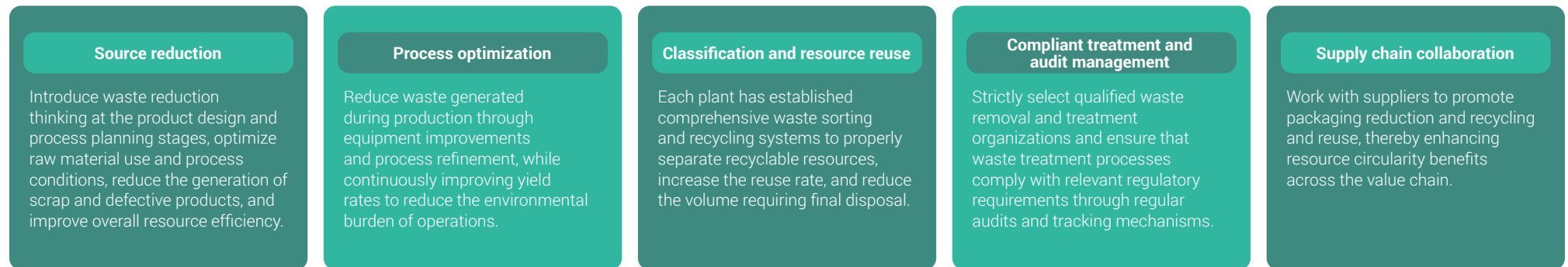


5.5 Waste Management

As resource depletion and environmental pollution become increasingly severe, waste management and waste reduction have become important issues in global sustainable development. Starting from the source of operations, the Company combines process management with systematic controls to promote waste reduction and resource reuse, striving to reduce environmental impacts while enhancing overall operational efficiency and resource utilization.

To strengthen its management mechanism, each operating site has established waste management procedures in accordance with the environmental management system, regularly tracks waste sources, generation volumes, and final destinations, and uses data inventory and analysis as the basis for continuous improvement. All waste is classified, stored, and hauled in accordance with applicable requirements and is entrusted to qualified treatment organizations for disposal through reuse, incineration, landfill, or other appropriate methods. At the same time, the Company conducts regular audits of treatment contractors to ensure that treatment processes comply with regulatory requirements and reduce environmental risks. In 2025, audits of waste hauling and treatment organizations were completed in accordance with relevant procedures, no deficiencies were identified, and no waste-related violations or penalties occurred during the year.

Waste reduction and management are primarily implemented through the following measures:



In addition, the Company has established a comprehensive environmental issue reporting mechanism and provides a dedicated email address (0800employee@sunon.com) as a channel for internal and external stakeholders to report environment-related issues. These reports are received, investigated, and addressed by the responsible unit to strengthen the timely identification of environmental risks and enhance management transparency.

By introducing waste data management and performance tracking mechanisms, the Company continuously monitors the treatment methods of various types of waste, such as reuse, incineration, and landfill, as well as their respective proportions, using this information as the basis for management improvement and waste reduction efforts. Going forward, it will continue to strengthen resource utilization, reduce the proportions of incineration and landfill, and move toward the goals of increasing recycling rates and reducing waste generation, thereby progressively realizing resource circularity and environmental sustainability.

5.5.1 Waste Impact Assessment

With reference to domestic and international environmental impact assessment methods, the Company identifies the various types of waste generated during its operating activities based on each stage of the product life cycle, including raw material acquisition, production and manufacturing, sales and distribution, product use, and final disposal. It further analyzes their potential environmental impacts and, on this basis, establishes a waste impact assessment framework and management approach.

According to the assessment results, waste generated during operations can mainly be classified into general industrial waste and hazardous industrial waste. Sources include routine office activities, manufacturing processes, and raw material packaging, while waste types include general waste, recyclables, defective and scrapped production items, waste plastics, scrap metal, waste circuit boards, and waste solutions. Depending on their characteristics, these wastes are managed through recycling and reuse, physical treatment, incineration, landfill, or other appropriate methods.

In terms of potential impacts, if waste is not properly sorted or is handled by unqualified organizations, it may cause environmental pollution or harm human health. In addition, failure to effectively recycle resources may result in resource waste and increased environmental burdens. In response to these risks, the Company has established corresponding management measures, including proper waste sorting and temporary storage management, the use of qualified removal and treatment organizations, tracking of the waste hauling process, and regular audits of treatment contractors, in order to ensure that the final destination of waste complies with relevant regulatory requirements.

At the same time, the responsible unit regularly reviews waste generation and treatment conditions, continuously tracks management performance, and dynamically adjusts management measures to reduce the potential impacts of waste on the internal and external environment and strengthen overall environmental risk control capabilities.

Analysis of Potential Impacts of Waste Generated from Operating Activities

Category	Source	Type	Treatment Method	Potential Impact	Response Measures
General industrial waste	Routine office waste	General waste	Landfill, incineration	Cleaned up on a regular basis in accordance with government policy, with no potential impact on the broader environment.	Handled and treated by qualified removal and treatment organizations.
		Recyclable waste	Recycling and reuse		
	Manufacturing processes	Rotors, stators, impellers, and frames	Physical treatment, incineration, landfill	If third-party treatment organizations fail to dispose of entrusted industrial waste in accordance with the law, pollution or health hazards may be caused to the broader environment; therefore, proper oversight is required.	When removal and treatment are outsourced, personnel follow the transport vehicle to the treatment site to confirm that the waste entrusted by the Company is delivered to and handled at a legally authorized facility.
		Scrapped production offcuts	Physical treatment, incineration		
	Raw material packaging	Vacuum trays and cartons	Recycling and reuse	Managed through reuse and recycling, with no potential impact on the broader environment.	Packaging materials are sorted and centrally stored to prevent improper disposal.
Hazardous industrial waste	Manufacturing processes	Waste circuit boards and waste solutions	Physical treatment, incineration	If third-party treatment organizations fail to dispose of entrusted industrial waste in accordance with the law, pollution or health hazards may be caused to the broader environment; therefore, proper oversight is required.	When removal and treatment are outsourced, personnel follow the transport vehicle to the treatment site to confirm that the waste entrusted by the Company is delivered to and handled at a legally authorized facility.
		Scrapped production offcuts	Physical treatment, incineration		

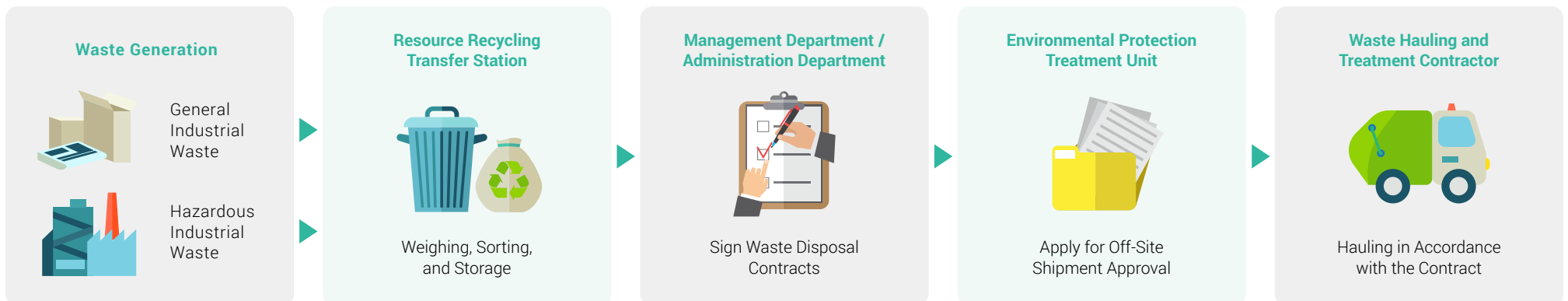
5.5.2 Waste Treatment Procedures

To effectively manage waste generated during operations and ensure that relevant activities comply with regulatory requirements, the Company has established comprehensive waste treatment procedures, centrally managed by the responsible unit and implemented in accordance with the regulations applicable in the locations of each operating site. Through clear management procedures, the Company continuously strengthens the compliance and transparency of waste treatment, ensuring that each stage from waste generation to final disposal is effectively controlled and reducing potential risks to the environment and human health.

Waste Management Procedures



Waste Treatment Process



5.5.3 Waste Management Policy

To implement the goals of waste reduction and resource circularity, the Company has established a comprehensive waste management policy. From source reduction and process management to end-of-pipe treatment, it comprehensively strengthens its waste management mechanisms, striving to reduce environmental impacts and improve resource efficiency while continuing to align with international trends and promote the development of the circular economy.

Its overall management strategy is primarily advanced through the following three key pillars:

Source Reduction and Process Optimization

- Introduce waste reduction thinking at the product design and process planning stages to reduce raw material consumption and defective product generation.
- For high-risk processes, continuously optimize material selection and process conditions to reduce the use of hazardous substances and waste generation.

Classification, Recycling, and Resource Reuse

- systems at all plants and office locations to separately collect and recycle resources such as metals, plastics, paper, and packaging materials.
- Promote mechanisms for the "reuse, recycling, and reutilization" of waste:
 1. Reuse: Actively collaborate with suppliers to promote the reuse of packaging materials, pallets, and other items, thereby reducing one-time resource consumption.
 2. Recycling: Increase the recycling rate of recyclable waste and reduce the amount requiring final disposal.
 3. Reutilization: Convert waste into reusable resources to enhance resource value.

Compliant Treatment and Circular Management

- All types of waste are properly classified and temporarily stored according to their characteristics and are entrusted to qualified hauling and treatment organizations for subsequent disposal.
- Establish a tracking mechanism for waste flows from generation to final disposal and conduct regular audits to ensure compliance throughout the treatment process.
- Continuously evaluate and implement the best feasible resource recovery and waste reduction measures to reduce the proportions of incineration and landfill and enhance resource recovery performance.

In terms of management targets, the Company uses the "waste generation index" as its primary performance indicator, continuously advances waste reduction management, and lowers the waste generation index year by year. It aims to achieve a 1.9% reduction by 2030 in order to improve resource efficiency and reduce environmental burdens.

Going forward, the Company will continue to use data-driven management and performance tracking mechanisms to dynamically review the effectiveness of its waste reduction measures and, together with supply chain collaboration and technological optimization, progressively strengthen resource circularity and move toward the goals of low-waste operations and sustainable management.

Waste Management Targets and Performance

Management Item	Base Year Index	2025			Short-term Target	Medium-term Target	Long-term Target
		Target	Actual Performance	Achievement Status	2026	2028	2030
Waste Generation Index	0.037	0.0367	0.026	Achieved 	Reduce by 0.8%	Reduce by 1.3%	Reduce by 1.9%

Note: The base year is 2023; the waste generation index = total Group waste generation weight / total actual gross weight of products received into inventory.

5.5.4 Waste Disposal Profile

In 2025, the Company's total waste generation amounted to 2,495.388 metric tons, of which hazardous industrial waste accounted for 180.782 metric tons (7.24%) and non-hazardous industrial waste accounted for 2,314.606 metric tons (92.76%). Overall, waste was primarily non-hazardous industrial waste, which is conducive to promoting recycling and reuse.

Compared with the previous year, waste generation increased, mainly because total Group production grew by more than 24% this year, and the expansion of production capacity correspondingly drove up waste generation. However, despite the substantial increase in production volume, more than 83% of industrial waste in 2025 was still treated through recycling, indicating that the increase in waste primarily reflected expanded operating scale, while overall resource recovery capacity and management standards remained stable. In addition, the recycling ratio of the Company's hazardous waste in 2025 was 69%.

In terms of waste treatment strategy, the Company follows the principle of "reduction first, reuse second, and final disposal last." Subject to regulatory requirements and current technological feasibility, it gives priority to resource recovery methods such as recycling, reuse, and reutilization in order to enhance the added value of waste and reduce the amount requiring final disposal. Therefore, even during periods of production growth, the Company has continued to promote the circular use of waste resources and reduce the proportions of incineration and landfill, demonstrating sound waste management performance.

Waste Disposal Volume in the Past Three Years (by Waste Category)

Waste Category	Disposal Method	2023		2024		2025	
		Disposal Volume (metric tons)	Ratio (%)	Disposal Volume (metric tons)	Ratio (%)	Disposal Volume (metric tons)	Ratio (%)
Hazardous	Landfill	0	0%	0.004	< 0.01%	0.000	0.00%
	Incineration	126.439	12.09%	74.472	4.53%	43.106	1.73%
	Other direct treatment	5.820	0.56%	0	0%	12.450	0.50%
	Other recovery operations	16.189	1.55%	17.878	1.09%	125.226	5.02%
Total hazardous waste		148.448	14.20%	92.354	5.61%	180.782	7.24%
Non-hazardous	Landfill	21.951	2.10%	24.704	1.50%	213.907	8.57%
	Incineration	190.860	18.25%	158.540	9.64%	152.317	6.10%
	Other direct treatment	2.510	0.24%	13.000	0.79%	1.550	0.06%
	Other recovery operations	681.833	65.21%	1,356.780	82.46%	1,946.832	78.02%
Total non-hazardous waste		897.154	85.80%	1,553.024	94.39%	2,314.606	92.76%
Total waste disposed		1,045.602	100%	1,645.378	100%	2,495.388	100%

Note 1: The scope of disclosure in this table covers the Kaohsiung Headquarters, Kunshan Guangxing Plant, Beihai Sunon Plant, Beihai Lizhun Plant, and Philippines Sunon Plant.

Note 2: Incineration refers to incineration without energy recovery; other direct treatment refers to physical treatment.

Note 3: All waste is handled through off-site outsourced treatment.

Waste Disposal Volume in the Past Three Years (by Treatment Type)

Disposal Type	Waste Category	Disposal Method	2023		2024		2025	
			Disposal Volume (metric tons)	Ratio (%)	Disposal Volume (metric tons)	Ratio (%)	Disposal Volume (metric tons)	Ratio (%)
Waste diverted from disposal	Hazardous	Other recovery operations	16.189	1.55%	17.878	1.09%	125.226	5.02%
	Non-hazardous	Other recovery operations	681.833	65.21%	1,356.780	82.46%	1,946.832	78.02%
Total waste diverted from disposal			698.022	66.76%	1,374.660	83.55%	2,072.058	83.04%
Direct disposal	Hazardous	Landfill	0	0%	0.004	< 0.01%	0	0%
		Incineration	126.439	12.09%	74.472	4.53%	43.106	1.73%
		Other direct treatment	5.820	0.56%	0	0%	12.450	0.50%
	Non-hazardous	Landfill	21.951	2.10%	24.704	1.50%	213.907	8.57%
		Incineration	190.860	18.25%	158.540	9.64%	152.317	6.10%
		Other direct treatment	2.510	0.24%	13.000	0.79%	1.550	0.06%
Total direct disposal			347.580	33.24%	270.720	16.45%	423.330	16.96%
Total waste disposed			1,045.602	100%	1,645.378	100%	2,495.388	100%

Note 1: The scope of disclosure in this table covers the Kaohsiung Headquarters, Kunshan Guangxing Plant, Beihai Sunon Plant, Beihai Lizhun Plant, and Philippines Sunon Plant.

Note 2: Incineration refers to incineration without energy recovery; other direct treatment refers to physical treatment.

Note 3: All waste is handled through off-site outsourced treatment.

5.6 Air Pollution Prevention and Control

Air pollutants generated from Sunon's production processes mainly arise from impregnation, pellet cutting, soldering, and injection molding processes. The pollutants include volatile organic compounds (VOCs), particulate matter (PM), and tin and its compounds. To effectively monitor and control air pollutant emissions at its plants, the Company has installed relevant air pollution control equipment at process emission points and treats collected emissions through ducting systems to reduce environmental impacts.

The Company is concerned about the potential impacts of air pollutants on employee health. To ensure that emissions comply with environmental regulatory requirements, it regularly commissions third-party testing agencies to conduct emissions testing at plant discharge outlets, with a frequency of approximately once every six months to once a year. Through continuous monitoring and management, the Company ensures that concentrations of all air pollutant emissions comply with government regulatory standards and continues to reduce the potential impacts of its operations on the environment and employee health.

In 2025, the Company's emissions of volatile organic compounds (VOCs) were 194 kg and emissions of particulate matter (PM) were 1,450 kg. As the soldering process may emit small amounts of tin-containing fumes, the Company independently tested tin and its compounds and recorded emissions of 0.249 kg. As for nitrogen oxides (NOx), sulfur oxides (SOx), persistent organic pollutants (POPs), and hazardous air pollutants (HAPs), these four air pollutants are not generated by Sunon's production processes, and therefore no testing was conducted for them during the year.

Item	Kunshan Guangxing Plant	Beihai Sunon Plant	Beihai Lizhun Plant	Total
Volatile Organic Compounds (VOCs)	112.608	50.302	31.152	194.062
Particulate Matter (PM)	921.6	375.84	152.64	1,450.080
Tin and Its Compounds	Not detected	0.110	0.139	0.249

Note 1: The Kaohsiung Headquarters and Philippines Sunon Plant are primarily assembly operations and do not involve processes that generate air pollutants; therefore, no air emissions testing was conducted. The Huizhou Sunon Plant was in its initial setup stage, so no air emissions testing had yet been conducted.

Note 2: Emission standards are based on the relatively stricter standard among all applicable national or local government standards in China for each type of gas.

Measurement Methodology

- ① The data for the Kunshan Guangxing Plant were calculated based on the tested value (emission rate in kg/hr) × 300 working days per year × 24 operating hours per day.
- ② The data for the Beihai Sunon Plant were calculated based on the tested value (emission rate in kg/hr) × 360 working days per year × 24 operating hours per day.
- ③ The data for the Beihai Lizhun Plant were calculated based on the tested value (emission rate in kg/hr) × 300 working days per year × 16 operating hours per day.



06

Employees Caring and Sustainable Workplace

Employees are important partners and a core driving force behind the Company's sustainable development. The Company values employee growth and well-being and is committed to creating a safe, friendly, and opportunity-rich workplace where every employee can work with peace of mind, apply their strengths, and continue to grow. Through comprehensive talent attraction and retention mechanisms, competitive compensation and benefits systems, and sound occupational safety and health management, we seek to build long-term partnerships with employees based on mutual trust and shared prosperity, and to foster a cohesive and resilient sustainable workplace together.



6.1 Talent Attraction and Retention

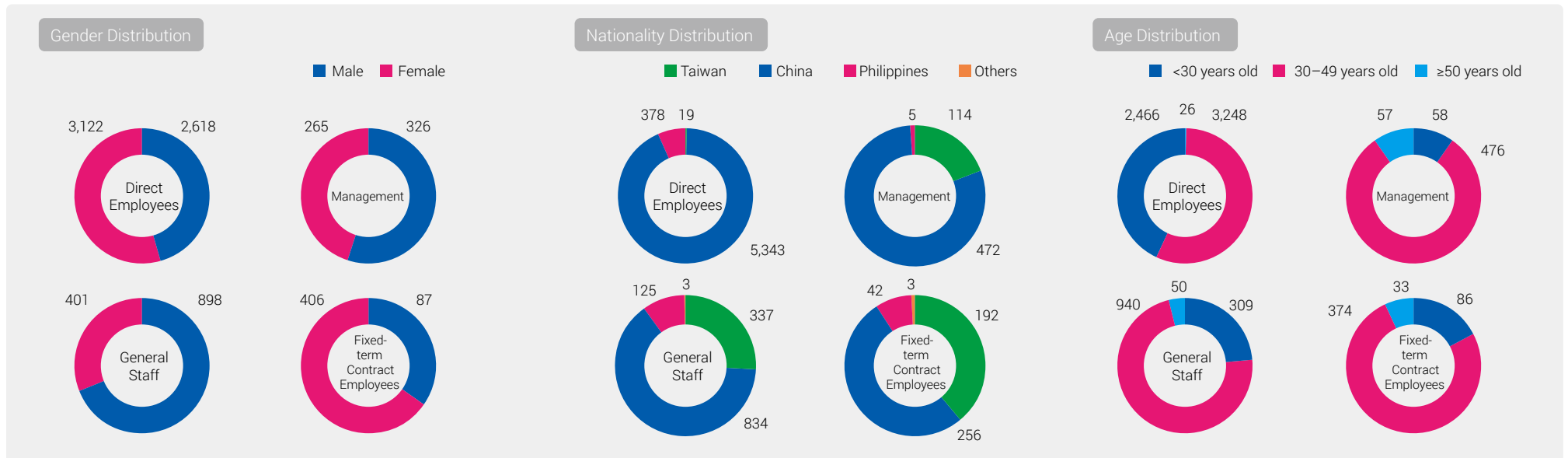
Sunon regards employees as the Company's most important asset. Accordingly, we have established human resource management procedures, compensation and reward mechanisms, and work rules based on the labor laws and regulations of the locations where we operate, and we regularly review the latest regulatory requirements to safeguard employees' labor rights and interests. In addition, the Company expressly prohibits child labor, discrimination, workplace sexual harassment, forced labor, and similar misconduct, and has established independent grievance channels to provide employees with a safe, equal, and free working environment.

In recruitment and appointment, the Company places emphasis on academic and professional qualifications, expertise, integrity, and commitment. We also employ persons with disabilities in accordance with applicable laws to protect their right to work. Employees at the same grade level and with the same job functions are entitled to the same benefits, salary standards, and training systems, without distinction based on gender, age, nationality, or other factors. Performance evaluations are conducted regularly each year as the basis for employee retention, promotion, salary adjustments, and bonus allocation.

6.1.1 Employee Structure and Distribution

As of the end of 2025, Sunon employed a total of 8,123 employees, of whom 48.4% were male and 51.6% were female. All employees were full-time employees, and the Company did not employ part-time employees or employees without guaranteed working hours. As overseas operations continue to expand, the Company follows a principle of prioritizing local hires in order to avoid talent gaps, establishes localized teams, and actively recruits and develops local residents as part of its diversified talent employment strategy. Over the past three years, 95% of management positions at the Company's major operating sites have been held by local talent, and the total number of employees has also shown a year-by-year growth trend.

Employee Structure (by Gender, Nationality, and Age Distribution)



Distribution / Employee Type		Direct Employees	Indirect Employees			Total	
			Management	Technical Personnel	Other Personnel	Number of Employees	Percentage
Gender Distribution	Male	2,618	326	898	87	3,929	48.4%
	Female	3,122	265	401	406	4,194	51.6%
Nationality Distribution	Taiwan	19	114	337	192	662	8.1%
	China	5,343	472	834	256	6,905	85.0%
	Philippines	378	5	125	42	550	6.8%
	Japan	0	0	1	1	2	< 0.1%
	Indonesia	0	0	1	1	2	< 0.1%
	Vietnam	0	0	0	1	1	< 0.1%
	Jordan	0	0	1	0	1	< 0.1%
Age Distribution	≥ 50 years old	26	57	50	33	166	2.1%
	30–49 years old	3,248	476	940	374	5,038	62.0%
	30 years old	2,466	58	309	86	2,919	35.9%
Total		5,740	591	1,299	493	8,123	100.0%

Employee Structure (by Employee Type, Gender, and Employment Region)

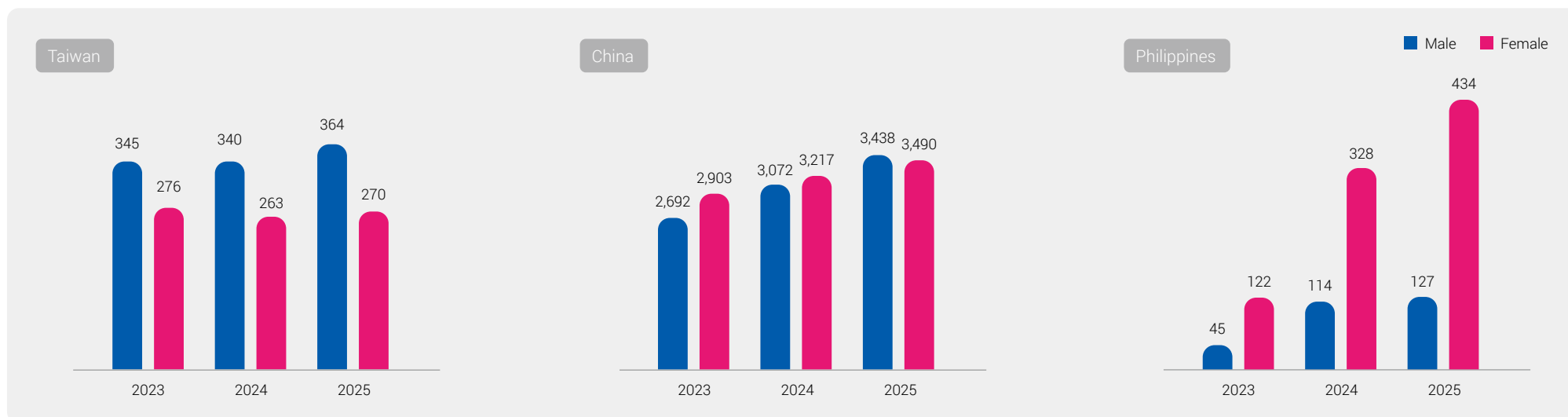
Employee Type / Region		Taiwan		China		Philippines		Total	
		Male	Female	Male	Female	Male	Female	Male	Female
Direct Employees		5	14	2,575	2,768	38	340	2,618	3,122
Indirect Employees	Management	52	33	266	226	8	8	326	265
	General Staff	300	222	594	473	20	14	914	709
	Fixed-term Contract Employees	7	1	3	23	61	74	71	98
Total		364	270	3,438	3,490	127	434	3,929	4,194
Percentage		4.5%	3.3%	42.3%	43.0%	1.6%	5.3%	48.4%	51.6%

Note: Fixed-term contract employees refer to employees whose labor contracts with the Company are for a fixed term.

Employee Structure Trend Over the Past Three Years

Region / Year	2023		2024		2025	
	Male	Female	Male	Female	Male	Female
Taiwan	345	276	340	263	364	270
China	2,692	2,903	3,072	3,217	3,438	3,490
Philippines	45	122	114	328	127	434
Total	3,082	3,301	3,526	3,808	3,929	4,194

Note: In response to new product development and capacity expansion, the total number of employees has increased year by year in recent years.



Employment of Local Residents

The Company actively promotes a talent localization strategy and, based on a merit-based employment principle, prioritizes the development and appointment of local talent to enhance organizational decision-making efficiency and strengthen its connection with the places where it operates. Each site plans diversified recruitment and development mechanisms based on local labor market needs. In addition to expanding local employment opportunities, the Company also supports employees in building professional and managerial capabilities through competitive compensation systems and systematic training, gradually developing management teams with both local insight and global perspective to strengthen organizational resilience and overall competitiveness. In 2025, the overall proportion of local employees hired at the Sunon's major operating sites reached 99.5%, and 83% of senior management positions were held by local talent.

Region / Level		Senior Management		Middle Management		Front-line Management		Front-line Staff		Total
		Number Employed	Percentage	Number Employed	Percentage	Number Employed	Percentage	Number Employed	Percentage	
Taiwan	Local	13	100%	46	100%	26	100%	543	99%	628
	Non-local	0	0%	0	0%	0	0%	6	1%	6
China	Local	1	25%	39	74%	432	99%	6,433	100%	6,905
	Non-local	3	75%	14	26%	3	1%	3	< 0.1%	23
Philippines	Local	1	100%	0	0%	4	50%	545	98%	550
	Non-local	0	0%	5	100%	4	50%	2	2%	11
Total	Local	15	83%	85	82%	462	99%	7,521	100%	8,083
	Non-local	3	17%	19	18%	7	1%	11	< 0.1%	40

Note 1: Senior management refers to managers at department level and above; middle management refers to section manager level; and front-line management refers to unit supervisor level.

Note 2: "Local" refers to employees who hold the nationality of the place where they work.

Employment of Employees from Disadvantaged Groups

The Company is committed to building a diverse, equal, and inclusive workplace and actively promotes employment opportunities for disadvantaged groups, including persons with disabilities and Indigenous peoples. In accordance with the People with Disabilities Rights Protection Act, the Company employs persons with disabilities and supports their successful integration into the workplace and the application of their strengths through inclusive recruitment measures, job design adjustments, and accessible workplace facilities. At the same time, through internal training and support mechanisms, the Company ensures fair treatment in career development, compensation and benefits, and working conditions, thereby fulfilling its commitment to social inclusion and sustainable development.

Disadvantaged Group / Year		2023		2024		2025	
		Number Employed	Percentage	Number Employed	Percentage	Number Employed	Percentage
Persons with Disabilities	Mild / Moderate	4	1.29%	6	1.66%	5	1.42%
	Severe and Above	2		2		2	
Indigenous Peoples		1	0.16%	2	0.33%	3	0.47%

Note 1: This data covers employees in Taiwan only.

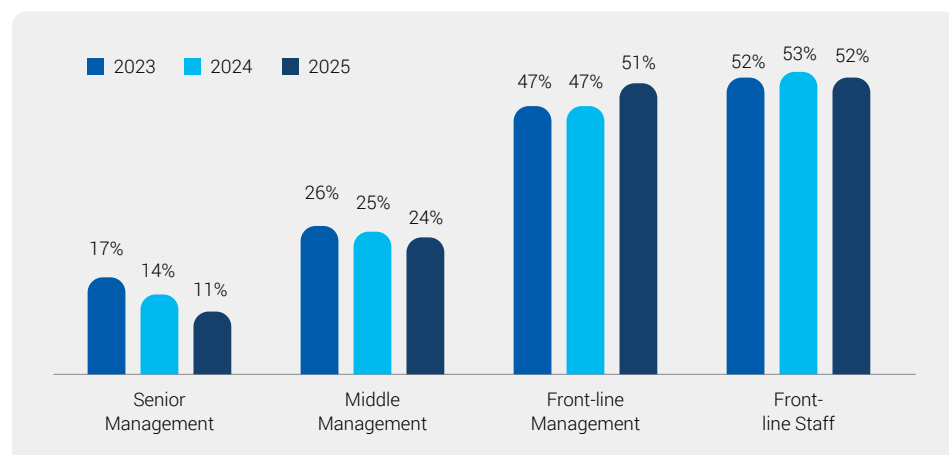
Note 2: The employment ratio for employees with disabilities is calculated using a weighted employment ratio. In other words, where a person with a severe disability or above is employed and paid at least the statutory minimum wage, each such individual is counted as two persons for calculation purposes.

Distribution of Female Employees

The Company safeguards gender equality in the right to work and places importance on the promotion and career development of female employees. Due to the characteristics of the industry, certain job categories remain male-dominated. However, the Company continues to enhance female employees' willingness and capability to take on supervisory roles through training and leadership development, thereby gradually increasing women's participation in management. In 2025, the proportion of female front-line supervisors rose to 51%. In addition, the Company implements laws and regulations related to gender equality, establishes comprehensive parental leave without pay systems and family-friendly measures, and creates a diverse, equal, and inclusive workplace environment to continuously enhance the retention and development opportunities of female talent.

Proportion of Female Employees by Level Over the Past Three Years

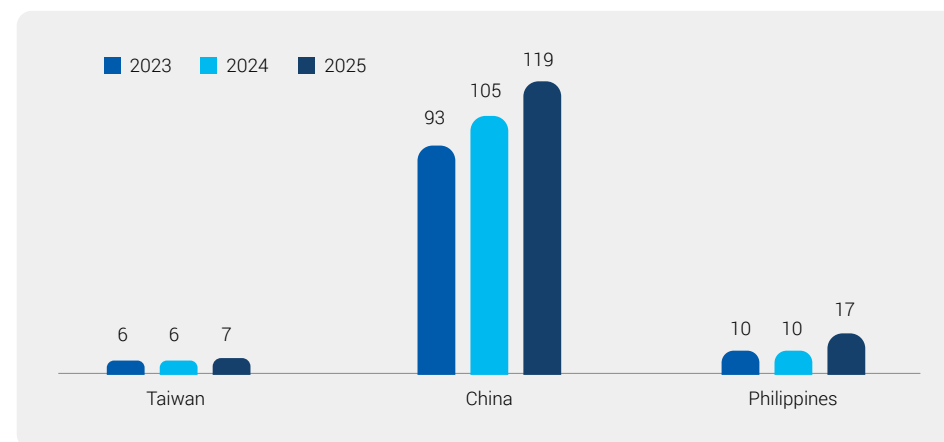
Level / Year	2023	2024	2025
Senior Management	17%	14%	11%
Middle Management	26%	25%	24%
Front-line Management	47%	47%	51%
Front-line Staff	52%	53%	52%



Non-employee Workers

Certain tasks are supported by external contractors, including office and plant security, cleaning services, operation of employee cafeterias, dormitory management, and transportation services. As of the end of 2025, the total number of such external workers was 143.

Region / Year	2023	2024	2025
Taiwan	6	6	7
China	93	105	119
Philippines	10	10	17
Total	109	121	143



6.1.2 Talent Recruitment and Retention

The Company actively develops diversified recruitment channels to attract key talent from industry, academia, and research communities worldwide through job platforms, social media, campus recruitment events, industry-academia collaboration, internship programs, and executive search consultants. In response to the rapid development of AI and high-tech industries, the Company also actively recruits talent with relevant backgrounds and strong potential, while encouraging internal employee referrals to enhance its overall industry competitiveness. At the same time, the Company continues to cultivate talent in step with changing times, establishes comprehensive competency development mechanisms, and actively promotes talent retention.

Diversified Recruitment Channels and Results

Job Banks

Job vacancies are publicly posted through job bank platforms, providing transparent and comprehensive job descriptions and application channels to help job seekers find suitable positions based on their expertise and interests, while enhancing the transparency and accessibility of recruitment information.

job posting views
114,045

applicants
4,480

interview-to-offer
discussion rate
88.3%



Campus Recruitment and Corporate Information Sessions

By participating in campus recruitment activities and holding corporate information sessions, the Company engages with students face to face, invites supervisors to share career development experience, and provides career support resources such as resume reviews, interview coaching, and internship opportunities to promote youth employment and broaden diversified talent sources.

campus
recruitment events
18

corporate
information
sessions held
3



Internal Employee Referrals

Job vacancy information is announced internally from time to time to encourage employees to refer talent.

employee referrals
51



Social Media Fan Pages

The Company shares its corporate culture, employee benefits, and work environment through social media to attract like-minded talent to join.

post views
102,973

Reach of
28,300
people



Others

Employment matching events for overseas Chinese and international students in Taiwan, self-organized recruitment events, and employment matching through private vocational training institutions.

events held
6

with
37
applicants



Note: Recruitment channels and results are disclosed for Taiwan only.

Statistics on New Hires

In 2025, the Company's major operating sites hired a total of 739 new full-time employees, representing a hiring rate of 9.1%, which shows a year-by-year downward trend. This indicates that as the workforce size gradually stabilizes, overall personnel movement is becoming more stable. Approximately 43% of new hires were under the age of 30, maintaining a relatively young workforce structure and continuing to inject vitality into product diversification and innovation.

Category / Year		2024		2025	
		Number	Hiring Rate	Number	Hiring Rate
By Gender	Male	419	11.9%	380	9.7%
	Female	483	12.7%	359	8.6%
By Age	≥ 50 years old	4	3.4%	7	4.2%
	30–49 years old	521	11.6%	415	8.2%
	< 30 years old	377	13.8%	317	10.9%
By Region	Taiwan	64	10.6%	75	11.8%
	China	809	12.9%	641	9.3%
	Philippines	29	6.6%	23	4.1%
Total		902	12.3%	739	9.1%

Note 1: Hiring rate = number of new employees hired during the year / number of employees on payroll at year-end.

Note 2: Only full-time employees at the Company's major operating sites are included. Fixed-term contract employees and employees with less than three months of service are excluded.

Statistics on Employee Turnover

In 2025, the Company's overall turnover rate was 9.2%, while the turnover rate in Taiwan was 9.8%, both significantly lower than the 25% overall turnover rate for the electronics and information industry in 2024 published in the 104 Job Bank 2025 HR F.B.I. Research Report. By region, employee departures were mainly concentrated at the Company's China operating sites, while the turnover rate in Taiwan remained relatively stable.

Category / Year		2024		2025	
		Number	Turnover Rate	Number	Turnover Rate
By Gender	Male	360	10.2%	351	8.9%
	Female	429	11.3%	393	9.4%
By Age	≥ 50 years old	22	18.6%	27	16.3%
	30–49 years old	481	10.7%	447	8.9%
	< 30 years old	286	10.5%	270	9.2%
By Region	Taiwan	70	11.6%	62	9.8%
	China	710	11.3%	655	9.5%
	Philippines	9	2.0%	27	4.8%
Total		789	10.8%	744	9.2%

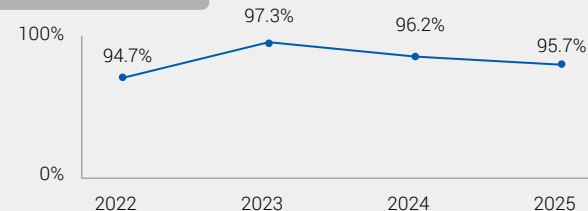
Note 1: Turnover rate = number of employees leaving during the year / number of employees on payroll at year-end.

Note 2: Only full-time employees at the Company's major operating sites are included. Fixed-term contract employees and employees with less than three months of service are excluded.

Retention of Key Talent

The Company fully recognizes that key talent is a core driver of sustainable development and technological innovation, and it continues to strengthen talent retention through systematic and diversified measures. In addition to promoting a happy workplace and deepening communication on corporate culture, the Company has established sound talent management mechanisms to identify and track core and key talent with development potential through performance evaluation and potential assessment, and to formulate individualized development and retention plans.

Key Talent Retention Rate



Note: Key talent refers to core technical talent or other critical talent.

With respect to retention measures, the Company adopts flexible compensation and incentive mechanisms in response to market competition in different locations, in order to improve the stability and organizational commitment of key talent. At the same time, through internal transfer and job rotation mechanisms, employees are provided with cross-departmental and cross-regional development opportunities to strengthen professional skills and international perspective, while also expanding overall R&D and operational capacity.

In addition, the Company continues to optimize career development systems and training resources, encourages employees to enhance their professional capabilities and managerial competencies, and implements exit interviews and resignation cause analysis mechanisms to listen to employees' views and use them as a basis for improving the work environment and system design, thereby maintaining a healthy and reasonable turnover rate.

6.1.3 Labor-Management Communication and Grievance Channels

The Company values labor-management harmony and employee participation and is committed to establishing communication mechanisms that are equitable, transparent, and effective, thereby creating a workplace environment grounded in both respect and trust. All operating sites have established organizations related to employee relations in accordance with applicable laws and regulations, and labor-management meetings are held regularly. At these meetings, management representatives and employee representatives engage in two-way communication and thorough discussion on topics such as the Company's operating status, employee rights and interests, compensation and benefits, working environment, and system optimization. Items resolved at the meetings are followed up by the relevant units and announced to all concerned to ensure information transparency and effective implementation.

In addition to formal labor-management meetings, the Company has also established multiple communication and feedback channels, including internal employee newsletters, announcement platforms, suggestion mailboxes, grievance hotlines, and internal information systems, to facilitate the timely communication of Company policies and important information while also collecting employee opinions and suggestions. Matters raised by employees are responded to and followed up by designated units, and anonymous reporting channels and strict confidentiality mechanisms are provided so that employees can express their views in a safe and secure environment.

The Company also encourages each operating site to establish employee representative organizations or related committees in accordance with local regulations and practical needs, so as to promote employee participation in corporate governance and operational discussions, protect employees' labor rights and interests, and continuously improve labor conditions and the working environment. Through systematic and regularized communication practices, the Company seeks to integrate the expectations of both labor and management, build consensus, and jointly promote steady business growth and sustainable development.

Diversified Employee Communication Channels

Labor-Management Meetings

Labor representatives formally elected by all employees and representatives appointed by management jointly participate. The meetings mainly serve as a platform for two-way communication and discussion on topics such as the Company's operating status, employee rights and interests, compensation and benefits, health promotion, working environment, system optimization, and important vacancies.

2025 Performance

4 times

Employee Welfare Committee Meetings

Meetings are held regularly every month in accordance with relevant laws and regulations, the Company's employee welfare rules, and the charter of the Employee Welfare Committee to formulate or revise employee welfare plans and welfare activities.

2025 Performance

46 times

Employee Opinion Survey

To understand employees' views and satisfaction regarding organizational culture, core values, sustainable management philosophy, salary and reward systems, leadership style of supervisors, and the overall office atmosphere, the Company conducts an employee opinion survey every two years as an important basis for continuously optimizing management systems and the workplace environment.

2025 Performance

Employee satisfaction 82%



Employee
grievance
channels

Note 1: Diversified communication channels are disclosed for Taiwan only. Overseas operating sites also handle such matters through the administrative departments of each site based on employee needs.

Note 2: To meet the needs of employee welfare activities, the number of Employee Welfare Committee meetings held in 2025 was higher than usual.

Employee Feedback and Complaints

In 2025, there were a total of 15 employee feedback and grievance cases across Sunon's major operating sites. The matters raised included employee benefits, working environment, salary and attendance systems, and interpersonal conflicts in the workplace. All cases were clarified and properly resolved and closed in a peaceful and reasonable manner. For cases involving a respondent, investigations and appropriate actions were also carried out in accordance with the "Management Procedure for Reporting, Grievances and Suggestions, and Employee Participation Feedback."

Communication Channel	Number of Cases	Main Feedback Topics	Number Resolved	Number Unresolved
Employee Suggestion Mailbox	8	Employee welfare activities, workplace hygiene, establishment of an employee cafeteria, salary and attendance systems, and interpersonal conflicts in the workplace	8 ✓	0
Grievance Hotline	7	Interpersonal conflicts in the workplace, salary and attendance systems, resignation procedures, supervisors' management style, and external environmental issues around the plant	7 ✓	0

In 2025, the closure rate for employee feedback cases across all employees reached

100%

Results of the Employee Opinion Survey

The Company values employees' voices and regards employee feedback as an important basis for optimizing management systems and enhancing organizational effectiveness. To understand employees' views and level of identification with various aspects including work culture, core values, sustainable management philosophy, compensation systems, leadership and management, and the workplace environment, the Company conducts an employee opinion survey every two years and uses an integrated digital platform for questionnaire collection and analysis to ensure the objectivity and comprehensiveness of the survey.

The survey covers multiple dimensions and indicators. Results are consolidated by the Global Human Resources Division, which also convenes a cross-functional task force to review findings and plan improvements. Specific optimization measures and action plans are developed for issues of employee concern, and implementation effectiveness is tracked, forming a continuous improvement cycle of "survey-analysis-improvement-follow-up." Through regular and institutionalized employee opinion surveys, the Company aims to enhance employee satisfaction and continue building a sustainable workplace environment characterized by open communication, mutual trust, and growth.

Survey Content	Supervisor management, colleague collaboration, working environment, compensation system, career development, corporate culture, and sustainable management				
Survey Population	Group-wide IDL employees (full-time employees with at least six months of service)				
Number of Survey Participants	1,537	Coverage Rate	68%	Response Rate	72%
Responsible Unit	Global Human Resources Division	Survey Frequency	Once every two years	Survey Coverage Period	2024/1/1~2024/12/31
Employee Satisfaction	4.94 points (out of 6)				
Survey Results	The highest satisfaction ratings were for "colleague collaboration" and "supervisor management," while the lowest satisfaction ratings were for the "compensation system."				
Improvement Plan	The Company will regularly review the market competitiveness of its salary and reward system, strengthen the linkage to performance and internal fairness, and gradually improve employee satisfaction through ongoing communication and employee feedback mechanisms.				

Note 1: If the employee satisfaction score is converted into a percentage, overall employee satisfaction is 82%, meeting the target of 80% employee satisfaction.

Note 2: This employee satisfaction survey was conducted in March 2025, and the next survey is expected to be conducted in early 2027.

Notice Period for Employee Redundancy / Termination

When facing major operational changes, such as organizational restructuring, changes in manpower requirements, force majeure events, or situations where an employee is deemed unsuitable based on work performance, the Company provides advance notice to affected employees in accordance with the relevant laws and regulations of the place of operation and pays severance in accordance with applicable requirements to ensure that employees' rights and interests are protected.

Taiwan

- More than 3 months but less than 1 year of service: 10 days in advance
- 1 year or more but less than 3 years of service: 20 days in advance
- 3 years or more of service: 30 days in advance

China / Philippines

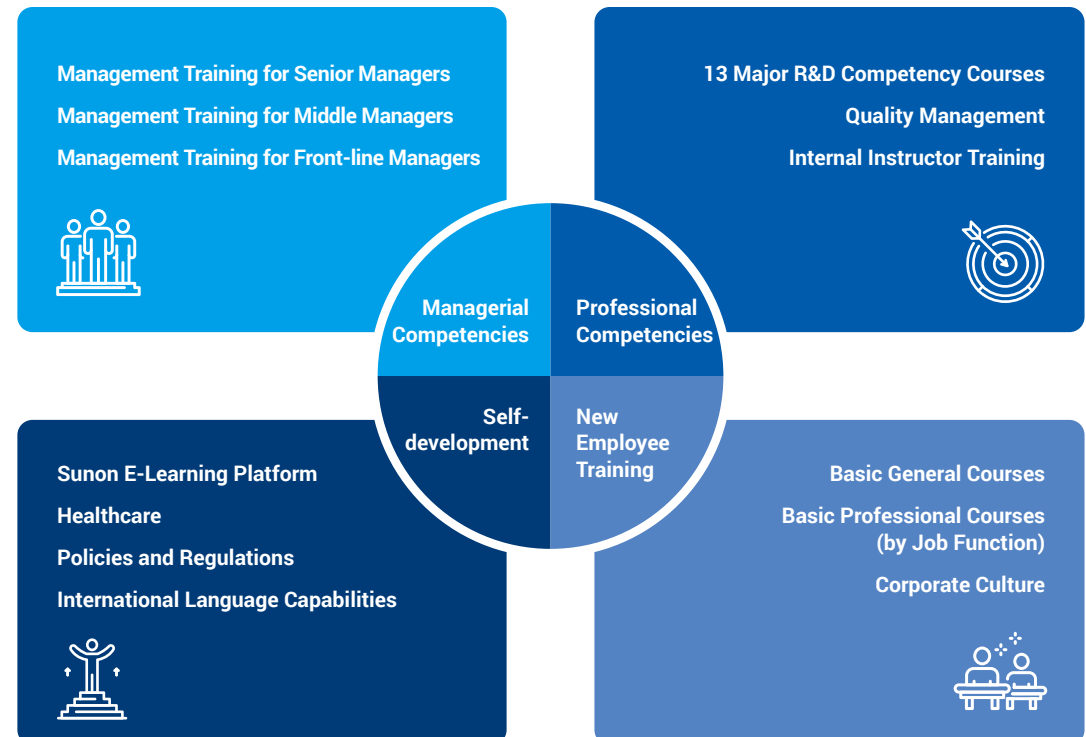
- 30 days in advance

6.1.4 Talent Development and Growth

The Company places great importance on employee competency development and firmly believes that only through education and training that continuously keeps pace with the times can employees and the Company grow together and strengthen the organization's long-term competitiveness. In line with the Company's overall strategy and development blueprint, we have established a talent development policy with a "competency-oriented" approach as the core training objective, cultivating employees into professional talent and thereby creating value for the Company's sustainable operations. The Company has built a comprehensive training and development system around four key dimensions—new employee training, professional competencies, managerial competencies, and self-development—and has designed corresponding courses and learning paths for different functions and levels. Course content covers professional technical capabilities, cross-disciplinary integration capabilities, knowledge related to digital transition, and leadership and management capabilities, with the aim of enhancing employees' overall workplace readiness and organizational resilience.

In response to the rapid changes in the technology industry and the needs of corporate transition, the Company continues to promote relevant training and development programs based on annual operating priorities, integrates diversified learning channels, creates a learning environment unrestricted by time and location, and encourages employees to engage in self-directed learning in order to foster a learning-oriented organizational culture. In addition, through performance evaluation and talent potential review mechanisms, the Company identifies key and high-potential talent, formulates individualized development plans and cultivation programs, and ensures the effective use and continuous optimization of training resources through institutionalized tracking and feedback mechanisms. All employees may participate in relevant training based on competency needs, helping them close capability gaps and expand career development opportunities.

Looking ahead, the Company will continue to refine its talent development system, deepen the integration of core values into daily work practices, and create a workplace environment where professional growth and sustainable development advance in parallel, working together with employees toward the Company's long-term development goals.



New Employee Training

To help new employees become familiar with their job duties and integrate into the organizational culture in the shortest possible time, the Company has established a comprehensive new employee training mechanism. From the first day of onboarding, a series of training and guidance measures are implemented to support new hires in smoothly adapting to their job roles and work objectives.

New employee training courses are mainly divided into two categories: "general courses" and "basic professional job courses." General courses cover topics such as the Company profile, corporate vision and core values, human resources systems, occupational safety and health, labor regulations and human rights protection, the code of ethical conduct, corporate sustainability and social responsibility, information security, and the operation of internal systems, enabling new employees to fully understand the Company's rules and management philosophy. Basic professional job courses are designed according to the needs of different roles and include foundational training in professional technical knowledge, system operations, quality/environment/occupational safety management system awareness, and related regulatory concepts, helping new employees build the professional capabilities required for their positions.

In addition to comprehensive new employee training courses, the Company has established a "Mentor Program," under which senior colleagues serve as mentors and provide one-on-one professional guidance and experience sharing to help new employees become familiar with departmental operations, work processes, and corporate culture, thereby reducing initial adjustment pressure and accelerating their integration into the team. At the same time, the Company has implemented a new employee care mechanism, conducting a satisfaction survey after one month of service and organizing a new employee forum after three months of service, where senior management meets face to face with new hires to understand their work adaptation and actual needs, and to provide necessary support and resources in a timely manner, thereby creating a friendly and supportive working environment.

Through systematic new employee training planning and ongoing care measures, the Company seeks to help new employees establish sound workplace attitudes and a solid professional foundation, integrate smoothly into the organization, lay a firm foundation for long-term career development, and further enhance overall organizational effectiveness.

Professional Competencies

The Company's professional competency training identifies the core capabilities employees should possess based on job content and business characteristics and adjusts annual training plans dynamically in conjunction with annual training needs survey results, ensuring that training content remains aligned with industry trends and operational priorities. Through systematic planning, the Company strengthens employees' professional capabilities, cultivates key future competencies, and effectively links training outcomes to work performance and organizational objectives.

To deepen R&D and technical capabilities, the Company has established a Technical Committee and systematically developed competency learning maps for product R&D engineers, covering 15 major professional fields including liquid cooling modules, air cooling modules, intelligent automation electrical control (PC Base), intelligent automation electrical control (PLC), mechanical engineering, acoustics, bearing systems, CNC/reverse engineering, intelligent automation mechanisms, manufacturing engineering development (ME), industrial engineering development (IE), motors, mold flow, electronics, and thermal flow. Dedicated course lists and advanced development paths have been established for each field. Through phased and systematic training design, the Company continues to cultivate professional technical talent and enhance product innovation capability and customer satisfaction.

Each business unit plans dedicated training courses based on product application areas and integrates in-person instruction with online learning platforms, gradually advancing course digitalization to provide employees with diversified and flexible learning methods. This enables knowledge sharing to transcend time and location constraints and further improves cross-functional professional integration and collaboration efficiency.

To promote knowledge transfer and the accumulation of experience, the Company has implemented an internal instructor system and encourages supervisors and senior colleagues with professional expertise and practical experience to serve as instructors and share core technologies and practical experience. At the same time, outstanding talent is regularly selected to participate in external professional courses and industry seminars to absorb the latest technology trends and then serve as seed instructors who share knowledge internally, thereby forming a virtuous cycle of knowledge dissemination. As of 2025, the Company had a pool of 163 internal instructors. Outstanding instructors are selected each year based on training satisfaction and instructional hours and are recognized and rewarded, thereby fostering an organizational culture of continuous learning and willingness to share.

Managerial Competencies

The Company values the development of managerial talent. In addition to accumulating practical experience through job assignments and role rotation, the Company has established a tiered managerial competency development system based on organizational development strategy and talent deployment direction to strengthen the leadership capabilities of supervisors at all levels.

Based on the capabilities required at different management levels, the Company has designed relevant management courses covering areas such as management mindset and role awareness, team leadership and communication and collaboration, performance management, and strategic thinking. These courses help supervisors apply core competencies in daily management and talent development practices, thereby comprehensively enhancing management thinking, professional knowledge, and practical skills.

In addition, the Company has organized management alignment camps and thematic seminars to enhance the management team's understanding of the Company's vision and strategic objectives, build organizational consensus, and ensure the effective implementation of various operating plans. Through systematic and continuous managerial competency development planning, the Company aims to cultivate a management team with forward-looking thinking and leadership capabilities to lead the organization toward steady growth and the achievement of long-term sustainable development goals.



Self-development

The Company values employees' self-directed learning and continuous growth and has established a diversified self-development system covering digital learning, language capabilities, health management, and policies and regulations. The Company provides abundant learning resources and platforms and encourages employees to explore and arrange their learning independently according to their own needs and interests, thereby supporting their continuous growth and long-term career development.

Sunon E-Learning Platform

Sunon continues to promote digital learning and has established an online learning platform, the E-Learning Platform, which integrates various courses and resources. Employees may independently arrange their course progress according to their career development needs and learn without time or location constraints. At the same time, the Company can use data analysis to understand overall learning status and effectiveness. At present, the Sunon E-Learning Platform offers a total of 148 digital courses across different fields, of which 61 are self-learning courses. In 2025, online learning resources were used 29,028 times.

International Language Capabilities

To meet the needs of internationalized business operations, the Company encourages employees to continuously develop international language capabilities and provides language allowances for employees in specific roles, thereby institutionally supporting the enhancement of professional language skills. At the same time, to reduce employees' learning burden, the Company has entered into a corporate partnership with English learning institutions to provide diversified learning resources and preferential programs, thereby increasing employees' willingness to learn independently, enhancing the organization's cross-cultural communication capabilities and global collaboration efficiency, and strengthening the Company's overall competitiveness.

Healthcare and Policies and Regulations

The Company also values employee health and workplace safety. Through regular health examinations, healthcare courses, and occupational safety and health awareness programs, it enhances employees' awareness of health management and risk prevention. At the same time, by combining online courses with in-person lectures, the Company provides learning resources related to labor regulations, corporate ethics, information security, and sustainability policies, helping employees stay informed of the latest policies, regulations, and compliance requirements.

Training Results

Our employee training policy does not vary by gender or nationality. In 2025, Sunon offered a total of 10,071 training sessions, with 178,158 training participations and a cumulative total of 389,581 training hours. Average training hours per employee were 47.96 hours overall, with an average of 56.0 hours for male employees and 40.4 hours for female employees.

Training Implementation by Course Category

Course Category	Number of Sessions	Total Training Participations	Total Training Hours	Average Training Hours
New Employee Training	7,228	136,019	110,606	13.62
General Courses	1,760	20,834	136,863	16.85
Professional Competency Courses	958	20,870	140,493	17.30
Management and Leadership Courses	125	435	1,619	0.20
Total	10,071	178,158	389,581	47.96

Note: Average training hours = total training hours / total number of employees.

Training Investment Expenditures

Operating Site	Amount Invested (NT\$)
Kaohsiung Headquarters and Taipei Office	1,942,995
Kunshan Guangxing Plant	327,331
Beihai Sunon Plant	213,806
Beihai Lizhun Plant	60,564
Philippines Sunon Plant	102,600
Total	2,647,296

Note 1: Huizhou Sunon Plant is still in the initial construction phase, and related training resources are not yet fully established. Therefore, it is not disclosed for the current year.

Note 2: Only full-time employees are included; fixed-term contract employees are excluded.

Training Implementation by Employee Gender, Type, and Position Level

Category / Region		Taiwan		China		Philippines		Total	
		Total Training Hours	Average Training Hours	Total Training Hours	Average Training Hours	Total Training Hours	Average Training Hours	Total Training Hours	Average Training Hours
Gender	Male	5,559	15.27	212,454	61.80	2,016	15.87	220,029	56.00
	Female	2,617	9.69	161,934	46.40	5,001	11.52	169,552	40.43
Employee Type	Direct Employees	188	9.90	351,776	65.84	4,152	10.98	356,116	62.04
	Indirect Employees	7,988	12.99	22,612	14.27	2,865	15.65	33,465	14.04
Position Level	Senior Management	127	9.75	72	17.95	0	0.00	199	11.03
	Middle Management	837	18.20	822	15.51	0	0.00	1,659	15.96
	Front-line Management	399	15.34	6,040	13.88	74	9.19	6,513	13.88
	Non-management	6,813	12.41	367,454	57.09	6,943	12.69	381,210	50.61
Total		8,176	12.90	374,388	54.04	7,017	12.51	389,581	47.96

Note 1: Average training hours = total training hours / total number of employees.

Note 2: Most training courses are technical in nature, and technical personnel are predominantly male. Therefore, the average training hours for male employees were higher than those for female employees.

Note 3: Senior management refers to managers at department level and above; middle management refers to section manager level; and front-line management refers to unit supervisor level.

2025 Training-related Achievements



Policies and Regulations - Chemical Hazard Communication



Quality Management Courses



Internal Instructor Training

Employee Transition Assistance Policy

The Company values employees' transition and adaptation at different stages of their careers and provides relevant assistance measures to help them move smoothly into new stages of life. Considering that employees may experience psychological and lifestyle adjustment pressures before and after retirement due to role transition, lifestyle changes, or financial planning factors, the Global Human Resources Division regularly reviews the list of employees approaching retirement age, proactively cares about their retirement intentions and planning needs, and helps them understand possible adjustments they may face in retirement life so that they can make financial and life plans early and reduce anxiety and the impact during the retirement transition period.

In addition, if an employee is temporarily unable to perform their original duties due to health conditions, changes in competencies, or other factors, the Company will first provide work counseling or assess the possibility of transferring the employee to a suitable unit to help them continue to contribute their expertise and value. If, after assessment, the employee is still unable to continue employment, the Company will handle the separation process in accordance with relevant laws and regulations, pay severance in accordance with the law, and provide the necessary supporting documents and administrative assistance to help the employee apply for unemployment benefits or vocational training resources, thereby reducing financial and psychological stress during the transition period of unemployment.

Through comprehensive transition assistance mechanisms, the Company hopes that employees will receive respect and support when facing retirement or career transitions and can move confidently into the next stage of their life plans.

6.1.5 Performance Evaluation

The Company has established a comprehensive employee performance evaluation system. Through institutionalized and regularly conducted evaluation mechanisms, it reviews employees' work performance and results, provides specific and constructive feedback, assists employees in continuously improving their professional capabilities, and helps them plan self-growth and development goals for the following year, thereby promoting the sustainable development of both individuals and the organization.

Evaluation of New Employees

Before the end of the probation period, new employees are evaluated by their supervisors based on work performance, professional competence, and job suitability. Employees who do not pass the evaluation may have their employment contracts terminated in accordance with relevant laws and regulations, or, with the consent of both parties, may have their probation period extended once only, provided that the extension does not exceed the original probation period. Through the probation evaluation mechanism, the Company ensures that new employees can integrate smoothly into the organization and meet job requirements. In 2025, all newly hired employees of the Company completed their probation evaluations.

Employee Performance Evaluation

Based on different job categories and work characteristics, each of the Company's plants establishes monthly or quarterly performance indicators and conducts regular performance reviews. At year-end, the Company comprehensively evaluates employees' annual work results and team contributions and assigns annual performance ratings. The Company regularly conducts performance evaluations for all employees in Taiwan and overseas. In 2025, the proportion of employees receiving performance evaluations reached 100%, ensuring that the performance management system was fully implemented.

The Global Human Resources Division will continue to plan and offer relevant training courses to strengthen supervisors' professional capabilities in performance interviews and coaching, and to help supervisors initiate Performance Improvement Plans (PIPs) for employees whose performance needs improvement. Through sufficient and ongoing communication between supervisors and employees, specific and measurable improvement goals are jointly established, and implementation progress and improvement effectiveness are tracked regularly to help employees enhance their professional capabilities and work performance, thereby strengthening overall organizational effectiveness.

In addition, the Company has established employee reward and disciplinary measures that clearly define open and transparent standards for rewards and disciplinary actions, which are implemented upon approval by authorized supervisors. Relevant reward and disciplinary records, together with annual performance evaluation results, are incorporated as important references for employee promotion, salary adjustments, bonus distribution, as well as talent development and training planning. Through its comprehensive performance management system, the Company strengthens organizational execution and competitiveness and achieves the goal of creating value jointly with employees.

6.2 Compensation and Benefits System

The Company firmly believes that a sound compensation and benefits system is an important foundation for stabilizing talent, enhancing organizational competitiveness, and realizing sustainable operations. Guided by the principles of fairness and reasonableness, we have established an incentive-based and transparent compensation system that takes into account market compensation levels, Company operating results, and individual performance, ensuring that employees' contributions receive appropriate recognition and reward.

At the same time, through comprehensive welfare measures and diversified support programs, we create a secure and development-oriented workplace environment. We will continue to refine relevant systems, strengthen the connection between employee well-being and the Company's sustainable development, and create long-term value together with all employees.

6.2.1 Fair and Competitive Compensation

Basic Salary Standards

The Company strictly complies with labor laws and regulations in all locations where it operates and ensures that employee pay meets or exceeds local minimum wage standards. In Taiwan, starting salaries are higher than the basic wage required under the Labor Standards Act. Other overseas operating sites also follow local regulations, and actual compensation paid is higher than the statutory minimum wage, thereby safeguarding employees' basic living needs and improving overall income levels.

To further strengthen employee care, the Company provides relevant insurance coverage and benefits in accordance with the law from the first day of employment and continues to review compensation competitiveness based on operating performance and market conditions. In 2025, the average monthly basic compensation for front-line employees at major operating sites ranged from approximately 1.21 to more than 5.95 times the local statutory minimum monthly wage.

For dispatched personnel, the Company has established rigorous cooperation and review mechanisms, requiring partner staffing agencies to sign relevant management documents and commit that the wages of dispatched personnel comply with local minimum wage requirements, thereby ensuring that their labor rights and interests are properly protected.

Ratio of Front-line Employee Compensation to Statutory Minimum Wage at Major Operating Sites

Major Operating Site	Country	Currency	Statutory Monthly Minimum Wage	Male	Female	Average
Kaohsiung Headquarters and Taipei Office	Taiwan	NTD	28,590	1.98	1.50	1.88
Kunshan Guangxing Plant	China	RMB	2,660	1.98	1.64	1.79
Beihai Sunon Plant	China	RMB	2,200	1.42	1.24	1.32
Beihai Lizhun Plant	China	RMB	2,200	1.38	1.22	1.29
Huizhou Sunon Plant	China	RMB	1,850	6.20	3.68	5.95
Philippines Sunon Plant	Philippines	PHP	14,820	1.57	1.11	1.21

Female-to-Male Compensation Ratio

The Company upholds the principles of fairness, equality, and diversity and inclusion and has established an objective and consistent compensation system. Salary standards are determined based on factors such as employees' educational and professional backgrounds, professional knowledge, competency requirements, job content, and performance. Under no circumstances is differential treatment applied on the basis of gender, race, language, religion, age, marital status, or any other personal factor, ensuring that the principle of equal pay for equal work is embedded in the system.

On the basis of equal starting pay, overall employee compensation, including base salary, various allowances, and performance bonuses, may vary due to differences in seniority, position level, professional capability, and performance contribution. The Company also grants salary adjustments and incentive compensation based on annual operating results and individual performance to encourage employees and the Company to grow together.

The Company regularly reviews and analyzes the average compensation ratios between male and female employees at each position level. Where differences appear at certain levels, they mainly reflect differences in employee seniority, professional experience, and job distribution rather than gender. Going forward, the Company will continue to strengthen its review mechanisms for compensation fairness to ensure that gender equality and reasonable compensation progress together.

Female-to-Male Compensation Ratio by Position Level (Basic Salary)

Position Level / Region	Taiwan		China		Philippines	
	Male	Female	Male	Female	Male	Female
Senior Management	1	1.04	(Note 3)	(Note 3)	(Note 3)	(Note 3)
Middle Management	1	0.92	1	0.76	1	1.02
Front-line Management	1	0.69	1	1.05	1	0.8
Front-line Staff	1	0.76	1	0.84	1	0.8

Note 1: Basic salary mainly includes base pay and fixed monthly allowances, namely those items included in the basis for overtime pay calculations.

Note 2: Senior management refers to managers at department level and above; middle management refers to section managers; front-line management refers to unit supervisors; and front-line staff refers to non-supervisory employees.

Note 3: There were no female senior managers in China and no male senior managers in the Philippines.

Female-to-Male Compensation Ratio by Position Level (Total Compensation)

Position Level / Region	Taiwan		China		Philippines	
	Male	Female	Male	Female	Male	Female
Senior Management	1	1.45	(Note 3)	(Note 3)	(Note 3)	(Note 3)
Middle Management	1	0.86	1	0.75	1	0.63
Front-line Management	1	0.55	1	0.99	1	0.53
Front-line Staff	1	0.70	1	0.88	1	0.53

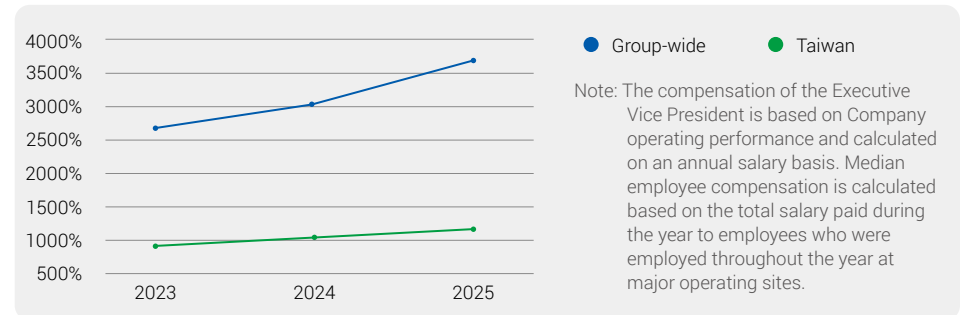
Note 1: Compensation mainly includes annual recurring compensation, including base salary, fixed monthly allowances, and bonuses; overtime pay, including taxable and non-taxable portions; and non-recurring compensation, such as allowances, bonuses, and employee remuneration not paid monthly, but excludes severance and retirement payments.

Note 2: Senior management refers to managers at department level and above; middle management refers to section managers; front-line management refers to unit supervisors; and front-line staff refers to non-supervisory employees.

Note 3: There were no female senior managers in China and no male senior managers in the Philippines.

Ratio of the Company's Highest-paid Appointed Executive to Median Employee Compensation

	2023		2024		2025	
	Group-wide	Taiwan	Group-wide	Taiwan	Group-wide	Taiwan
Ratio to Median Annual Employee Compensation	2,780%	957%	3,039%	1,036%	3,783%	1,208%



■ Average and Median Compensation of "Full-time Non-managerial Employees"

	2023	2024	2025	Growth (%)
Number of Employees	594	576	614	6.6%
Average Compensation (NT\$ thousand)	1,082	1,205	1,398	16.0%
Median Compensation (NT\$ thousand)	876	951	1,105	16.1%

Note: This data is disclosed only for full-time non-managerial employees in Taiwan.

■ Employee Stock Ownership Trust Plan

To share the long-term results of the Company's operations with employees and strengthen talent retention and cohesion, the Company has implemented an "Employee Stock Ownership Trust Plan" that encourages employees to participate in the Company's growth as shareholders. The plan is voluntary. Employees may contribute a fixed amount from their monthly salary based on personal preference, and the Company contributes an equal amount, with both contributions deposited into a stock ownership trust account. The trust account is managed by a professional financial institution, which regularly purchases Company shares in the name of the trust, helping employees build long-term shareholding in the Company.

Through this co-contribution mechanism between the Company and employees, the plan not only enhances employees' willingness to hold shares over the long term, but also enables them to participate meaningfully in the results of the Company's operations, accumulate personal assets, and build a partnership with the Company based on shared value and mutual benefit. Going forward, the Company will continue to optimize the design of the plan in light of operating performance and market conditions, strengthen its effectiveness in attracting and retaining talent, and further consolidate the foundation for sustainable corporate development.

■ Retirement System

To safeguard employees' financial security after retirement, the Company contributes retirement funds in accordance with the law and administers retirement systems and contributions in line with the relevant laws and regulations of each place of operation, ensuring that employees' rights and interests are properly protected.

In Taiwan, the retirement system is administered in accordance with the Labor Standards Act and the Labor Pension Act. All current employees have elected the new pension scheme, under which the Company contributes 6% of employee salary each month, as required by law, to individual labor pension accounts at the Bureau of Labor Insurance to accumulate employees' personal retirement funds. For the small number of employees who still retain seniority under the old pension scheme, the Company continues to contribute 2% of employee salary each month, as required by law, to the Labor Retirement Reserve Account at the Bank of Taiwan, from which retirement payments are made when retirement conditions are met.

Overseas operating sites establish retirement protection systems in accordance with local laws and regulations. For example, in China, employees are enrolled in pension insurance and related social insurance contributions are made in full in accordance with the law. Other operating sites also contribute retirement funds or social security payments in accordance with local requirements to ensure that employees' retirement rights and interests comply with local regulatory requirements.

In addition, when employees reach retirement age, the Company not only handles retirement applications and related payments in accordance with the law, but also expresses appreciation for their long-term dedication and contributions, reflecting the Company's respect and care for employees' career journeys.

Retirement System	Contribution Rate		Contribution Account	Employee Proportion
	Employer	Employee		
New Pension Scheme	6%	Voluntary contribution 0%–6%	Individual Labor Pension Account	100%
Old Pension Scheme	2%	0%	Labor Retirement Reserve Account	0%

Note: This retirement system applies only to employees in Taiwan.

6.2.2 Comprehensive Benefits Measures

With respect to employee benefits, all operating sites in Taiwan and overseas establish comprehensive insurance and social protection systems in accordance with local laws and regulations. Through a range of measures including gift subsidies, healthcare, paid leave, travel, dining gatherings, and club activities, the Company creates a warm and cohesive work environment. At the same time, it provides lifestyle support mechanisms such as the employee stock ownership trust and contracted merchant programs to enhance employees' overall quality of life and protection. Going forward, the Company will continue to review and optimize its various benefits systems in response to employee needs and organizational development priorities, creating a workplace environment that combines human warmth with sustainable competitiveness and grows together with all employees.

Benefits Measures and Implementation in Taiwan

Category	Item	Description	Eligible Employees	Beneficiaries / Hours
Insurance	Group Insurance Subsidy	Employees are covered by labor insurance, national health insurance, group insurance, and related benefits.	634	634
	Business Travel Insurance	Employees traveling overseas on business are additionally covered by business travel insurance	634	583 participations
Gifts / Incentives	Major Festival and Birthday Gifts	Cash gifts or vouchers are provided during major festivals and in the month of employees' birthdays.	622	622
	Marriage, Funeral, and Childbirth Gifts	Various cash gifts are provided for marriage, childbirth, home purchase, hospitalization due to injury or illness, and condolences for the death of relatives.	622	75
	Long-service Employee Award	A gold badge is awarded to employees upon completion of 10 years of service.	217	217
	Children's Scholarship Grants	Children of employees with more than five years of service may apply for scholarships if they demonstrate outstanding academic performance.	328	154
Paid Leave	Paid Sick Leave / Personal Leave	Employees at eligible grades and above are entitled to 30 days of paid sick leave and 14 days of paid personal leave.	211	2,453 hours
	Paid Childcare Leave	Employees with children under three years old may apply for one hour of paid childcare leave per day.	71	4,983 hours
	Flexible Working Hours	Indirect employees are eligible for flexible working hours.	579	579
	Paid Natural Disaster Leave	In accordance with the Directions for Attendance Management and Wage Payment for Business Entities During National Disasters, when employees are unable to work due to natural disasters, the Company does not deduct wages. If employees are required to report to work due to operational needs, the Company pays an additional one-third premium for hours worked and provides transportation, transportation allowances, or other necessary assistance to protect employee safety and rights.	634	15,715 hours
	Jet Lag Adjustment Leave	Employees on business travel to locations with a time difference of eight hours or more from Taiwan for seven days or more may apply for one compensatory day off after returning to Taiwan to help adjust to jet lag and recover their working condition.	634	96 hours
Other Subsidies or Benefits	Employee Stock Ownership Trust	Eligible employees with at least three months of service may participate voluntarily.	608	(Note 2)
	Employee Health Examination	General employees receive one subsidized health examination per year, while employees at eligible grades and above are arranged to undergo advanced health examinations at medical institutions	561	535
	Health Consultation	Physicians are regularly invited to the plant to provide professional consultation.	634	57
	Travel Subsidy	Employees receive an annual travel subsidy.	579	568
	Dining Gathering Subsidy	Employees receive an annual subsidy for dining gatherings.	622	622
	Welfare Activities	Employee events are held annually, such as Family Day and year-end banquet gatherings.	634	634
	Club Activities	Annual subsidies are provided for club activities.	622	49
	Contracted Merchant Program	The Company establishes contracted merchant arrangements to provide employees with more favorable purchasing options.	634	634

Note 1: Eligible employees are calculated based on the number of employees on payroll at the end of 2025.

Note 2: The Employee Stock Ownership Trust Plan is administered in accordance with the trust association's charter and is voluntarily participated in by employees. Because it involves sensitive information, the number of beneficiaries is not disclosed.

Benefits Measures at Overseas Sites

Category	Item	Description	Eligible Site			
			Kunshan Guangxing Plant	Beihai Sunon Plant	Beihai Lizhun Plant	Philippines Sunon Plant
Insurance	Social Insurance Subsidy	Employees in China are all covered by the five social insurances and one housing fund, while employees in the Philippines are covered by SSS, Pag-IBIG, and PhilHealth.	√	√	√	√
Gifts	Major Festival and Birthday Gifts	Cash gifts or vouchers are provided during major festivals and in the month of employees' birthdays.	√			
	Marriage, Funeral, and Childbirth Gifts	Various cash gifts are provided for marriage, childbirth, home purchase, hospitalization due to injury or illness, and condolences for the death of relatives.	√			
Paid Leave	Paid Childcare Leave	Employees are granted 10 days of paid childcare leave each year.	√	√	√	
Other Subsidies or Benefits	Employee Health Examination	General employees receive one subsidized health examination each year, while employees at eligible grades and above are arranged to undergo advanced health examinations at medical institutions.				√
	Meal Subsidy	Employee cafeterias are provided and meal subsidies are granted.	√	√	√	√
	Employee Welfare Activities	Employee events are held from time to time, such as festive celebrations and Mid-Autumn evening events.	√	√	√	√
	Employee Rest and Recreation Facilities	Employee dormitories and recreation centers are provided.	√	√	√	
	Employee Consumer Support	Employee welfare stores are established to provide daily necessities for resident employees and periodically hold promotional sales activities.	√	√	√	

Note 1: All overseas sites design their benefits systems in accordance with local laws and regulations as well as local customs and conditions.

Note 2: Huizhou Sunon Plant is still in the initial construction phase, and related benefits measures are still under planning; therefore, they are not disclosed for the current year.

6.2.3 Family-friendly Workplace for Marriage and Parenting

The Company is committed to creating a marriage- and parenting-friendly workplace, with the goal of helping employees achieve balance between work and family. In addition to providing parental leave without pay in accordance with the law, the Company has also introduced a number of support measures that exceed legal requirements, including childbirth gifts, scholarships for employees' children, contracted preschools, paid childcare leave beyond statutory requirements, and flexible work arrangements to help employees balance family responsibilities and career development.

To support female employees during breastfeeding, the Company has set up comfortable lactation rooms in its offices equipped with refrigerators and freezers, allowing breastfeeding employees to do so without concern. At the same time, the Company encourages male employees to apply for prenatal check-up leave and paternity leave so they can accompany their partners through pregnancy and childbirth and share family responsibilities.

In addition, the Company pays close attention to employee health and maternity care by holding regular health seminars and including women-specific items in annual health examinations to help identify and prevent health risks at an early stage. These measures not only enhance employee satisfaction, but also effectively support the return to work and long-term retention of employees with childcare responsibilities, enabling employees to achieve a sound balance between family and work and demonstrating the Company's commitment to employee well-being.

Implementation of Family-friendly Marriage and Parenting Benefits Measures

Under a comprehensive institutional framework, the Company continues to support employees through important stages of life by investing tangible resources. In 2025, marriage- and parenting-related subsidies and support measures benefited nearly 200 employee participations, with total investment exceeding NT\$460 thousand. The use of related leave and flexible working hour arrangements also exceeded 70 thousand hours in total, demonstrating employees' strong demand for and trust in these family-friendly measures.

We firmly believe that a company's warmth is reflected in its understanding of and support for employees' life needs. Through concrete actions and ongoing investment, the Company not only shares in the joy of employees building families and careers, but also serves as a strong and dependable source of support at different stages of life through stable and long-term support mechanisms, jointly creating a more secure and mutually supportive workplace environment.

Benefit Item	Total Number of Beneficiaries	Total Benefit Amount / Hours
Marriage Gift	9	NT\$ 18,000
Childbirth Gift	10	NT\$ 20,000
Children's Scholarship Grants	154	NT\$ 428,500
Marriage- and Parenting-related Leave	88	7,873 hours
Flexible Working Hours System	659	68,826 hours

Note 1: Data related to family-friendly marriage and parenting benefits items covers Taiwan only. Overseas operating sites also design their benefits systems in accordance with local laws and regulations and local customs and conditions.

Note 2: Marriage- and parenting-related leave includes marriage leave, prenatal check-up leave, paternity check-up leave, maternity leave, paternity leave, paid childcare leave, and family care leave.

Childcare Support System

Sunon's operating sites establish childcare-related systems and leave arrangements in accordance with local laws and regulations, and eligible employees may apply based on their individual needs.

In Taiwan, the Company provides 8 weeks of paid maternity leave, 8 days of paternity leave and paternity check-up leave, as well as a flexible parental leave without pay system. Employees may apply before or after childbirth based on their personal needs. During parental leave without pay, relevant subsidies and allowances may be claimed for the first six months, and both parents are eligible to apply. The Company also proactively follows up with employees 30 days before the end of parental leave without pay to inquire about their intention to return to work. Going beyond legal requirements, the Company provides employees with children under three years old with one hour of paid childcare leave per day to help them balance work and family caregiving responsibilities, demonstrating the Company's long-term commitment to a family-friendly workplace and childcare support.

In China, the Company implements childcare leave systems in accordance with local regulations and provides employees with children under three years old with 10 days of paid childcare leave per year in response to policy requirements in different regions and to support employees' family care needs.

In the Philippines, the Company provides a total of 17 weeks of maternity and childcare leave in accordance with local regulations, safeguarding the rights of female employees during pregnancy and childbirth and supporting them in balancing family and career development.

In 2025, the return-to-work rate for employees in Taiwan who applied for parental leave without pay was 100%, and the retention rate one year after returning to work was also 100%.



2025 Status of Parental Leave Without Pay Applications, Return to Work, and Retention in Taiwan

Application	Application rate (B / A) 13.8%	A	Eligible employees	Male 22	Total 58
				Female 36	
		B	Actual applicants	Male 1	Total 8
				Female 7	
Return to work	Return-to-work rate (D / C) 100%	C	Employees expected to return	Male 1	Total 7
				Female 6	
		D	Employees who actually returned	Male 1	Total 7
				Female 6	
Retention	Retention rate (F / E) 100%	E	Employees who actually returned in the previous year	Male 0	Total 3
				Female 3	
		F	Employees still employed 12 months after returning	Male 0	Total 3
				Female 3	

Note 1: Applications for parental leave without pay apply only to employees in Taiwan. China and the Philippines do not have a parental leave without pay system.

Note 2: Under applicable laws in Taiwan, employees with children under three years old are eligible to apply for parental leave without pay. Therefore, the number of employees eligible for parental leave without pay is determined by identifying employees who applied for maternity leave or paternity leave within the three years preceding the reporting year. Such employees are deemed eligible to apply.



6.2.4 Employee Health Management

The Company conducts health risk assessments based on the working environment and operational characteristics of each plant, identifies noise, organic solvents, and other potential hazard factors, and adopts engineering improvements and personal protective measures to reduce the risk of employees being exposed to hazards during operations. For employees working in special operating environments, dedicated health examinations are arranged in accordance with regulations and operational risks, and designated personnel regularly track examination results, implement graded management and follow-up care for abnormal findings, and help employees prevent and treat occupational-related diseases at an early stage.

The Company also works with external medical institutions and professional organizations to provide employees with occupational disease testing, physician consultation, and treatment services. Certain operating sites have medical rooms or health centers staffed by professional medical personnel to provide emergency treatment for injuries and illnesses, health consultations, and assistance with medical care, thereby strengthening timely health support mechanisms.

With respect to personal health promotion, the Company provides pre-employment health examinations for employees in Taiwan and regularly arranges general health examinations at a frequency exceeding legal requirements. By comprehensively evaluating employee age structure, historical health examination data, and common chronic disease risks, the Company identifies physical and mental risk factors such as prolonged sitting, lack of exercise, unbalanced diet, and psychological stress. To address these issues, the Company organizes health seminars, specialist physician consultations, and fitness promotion activities to help employees establish sound health concepts and healthy lifestyle habits, and integrates health management into daily workplace culture through diversified communication efforts.

Health Examinations

The Company conducts comprehensive annual health examinations to help employees proactively understand their personal health conditions. Health examination teams from medical centers travel to various office locations to provide convenient nearby services, lowering participation barriers and improving accessibility. In 2025, a total of 542 employees in Taiwan participated in health examinations, representing a participation rate of 98.7%, demonstrating employees' strong commitment to health management.

Each site plans examination items based on working environment and job characteristics. In addition to complying with regulatory requirements, the Company provides examination frequency and item subsidies exceeding legal requirements and includes screening for common chronic diseases and major illnesses to strengthen preventive medical benefits. The Company also enhances employee participation rates and health awareness through diversified communication mechanisms.

After annual health examinations are completed, health management personnel at each plant arrange follow-up consultation services and professional physicians provide one-on-one explanations of examination reports. For employees whose results show major abnormalities or high risk, the Company provides assistance with medical treatment and ongoing follow-up care, together with appropriate medical advice and health guidance, to ensure that employees can take action early and receive proper care.



Health Promotion Activities

To enhance employees' health awareness and cultivate healthy lifestyle habits, the Company continues to promote diversified health promotion activities, including health awareness campaigns, health seminars, on-site physician consultations, and public welfare blood donation drives, encouraging employees to proactively care for their own health, reduce potential health risks, and foster a positive and caring workplace culture.

Health seminar topics over the years have covered stress adjustment, nutrition and diet, chronic disease prevention, and first-aid knowledge. Professional physicians are also arranged to provide one-on-one consultation services so employees can receive professional advice and guidance on personal health issues. Through regular health awareness campaigns and health education communication, the Company strengthens employees' understanding of common health issues and enhances their self-care capabilities.

In addition, the Company organizes public welfare blood donation activities, encouraging employees to give back to society through concrete action. While caring for the health of others, these activities also deepen corporate social responsibility and team cohesion. Through diversified and ongoing health promotion measures, the Company integrates health concepts into daily work and life and builds a working environment that is safe, caring, and conducive to physical and mental balance.

Health Awareness Campaigns

In response to annual infectious disease trends, the Company issued multiple disease prevention and health education materials to strengthen employees' awareness of infectious disease risks and prevention, and to reinforce preventive measures such as frequent handwashing, wearing masks, and self-health monitoring.

Activity Content

4 times

Health Seminars

Mental health series: With mental health as the main theme, the Company held a seminar titled "Staying Away from Insomnia, Depression, and Dementia" to help employees build concepts of stress adjustment and brain health knowledge, thereby strengthening psychological resilience and self-care capabilities.

Interpretation of physiological data: Focusing on the application of health examination data, the Company held a seminar on "The Clinical Significance of Common Abnormal Findings in Abdominal Ultrasound" for common flagged health examination items, improving employees' ability to interpret examination reports and their sensitivity to health risks, and promoting early prevention and follow-up management.

Activity Content

52 participations

Health Consultation

In strict compliance with the Regulations for the Protection of Worker Health, the Company specially invites family medicine physicians from Siaogang Hospital to visit the plant each month to provide on-site health services. Through one-on-one consultation and professional guidance from physicians, employees are assisted in clarifying individual health concerns, thereby strengthening workplace health care mechanisms.

Activity Content

57 participations

Blood Donation Activities

Upholding the spirit of social care, mutual assistance, and shared good, the Company encourages employees to participate in blood donation activities and support medical needs through concrete action, contributing to society.

Activity Content

168 bags

Note: Only health promotion activity items in Taiwan are disclosed. Other overseas operating sites also organize related activities based on local regulations and employee needs.

6.3 Workplace Safety

Sunon is committed to maintaining a safe and healthy working environment and has incorporated workplace safety management as an important part of its operational management. In accordance with relevant regulations and occupational safety and health management systems, the Company continues to promote workplace hazard identification, risk assessment, and preventive measures to reduce the risk of occupational accidents. At the same time, through comprehensive reporting, investigation, and improvement mechanisms for occupational injuries and occupational diseases, the Company regularly reviews the causes of incidents and implements corrective and preventive measures, continuously improving its occupational safety and health management practices. Sunon also enhances employees' risk awareness and self-management capabilities through education, training, and safety communication, gradually strengthening the overall safety culture and moving toward the creation of a safe, healthy, and sustainable workplace environment.

6.3.1 Occupational Safety and Health Management

Employee safety and health are an important foundation for sustainable business operations. In accordance with relevant laws and regulations, the Company has established an occupational safety and health management system to reduce workplace hazard risks and create a safe working environment through risk identification, preventive measures, education and training, and continuous improvement mechanisms.

At the same time, we promote a safety culture with the participation of all employees, strengthen management accountability and employee safety awareness, and continuously improve emergency response and contractor management practices to ensure the effective implementation of all measures and build a safe, healthy, and resilient sustainable workplace.

Occupational Safety Policy and Objectives

To systematically advance occupational safety and health management, the Company has established its "Occupational Safety and Health Management Policy," which clearly sets out key directions including compliance commitments, accident prevention, health promotion, and labor-management collaboration, serving as the basis for implementation and performance management across all units. The policy is implemented following internal approval and is coordinated by designated units through overall planning and cross-functional collaboration to ensure that all measures are applied consistently and effectively.

Each operating site follows the principles of the Company's policy and sets annual safety and health objectives and management plans based on its own operational characteristics. Through regular reviews and performance tracking, the Company strengthens management effectiveness and the momentum for continuous improvement. At the same time, the Company encourages employees to participate in occupational safety and health communication and suggestion mechanisms, promoting two-way dialogue and cooperation to jointly create a stable and responsible workplace environment.

Occupational Health and Safety Policy

01 | Comply with OSH Regulations,
build a Compliant Workplace.

03 | Implement Safe Work Practices,
Provide a Healthy Workplace.

05 | Strengthen Training,
Improve Safety Awareness.

02 | Identify Risks and Hazards,
Reduce Workplace Accidents.

04 | Promote Health Initiatives,
Safeguard Employee Well-Being.

06 | Enhance Communication and coordination,
Promote Labor-Management Cooperation.

Occupational Safety and Health Management System

Workers are indispensable members of the Company's operations, and any safety or health risks in the working environment may affect both personnel health and business operations. Accordingly, the Company has established an occupational safety and health management system in accordance with the occupational safety and health regulations applicable at each operating site and with reference to the ISO 45001 international standard, using the PDCA cycle (Plan, Do, Check, Act) as the core management framework to systematically promote all safety and health activities.

This management system covers employees and on-site workers. The Company has established an Occupational Safety and Health Committee to oversee the planning, promotion, and supervision of related matters. Through operational activity reviews and potential hazard identification, corresponding management procedures and control measures are established, and site-specific measures are developed based on the characteristics of different operating locations to ensure the integrity and consistency of system implementation.

At the same time, each site conducts regular internal audits and performance reviews to continuously improve management effectiveness. Major production sites have obtained ISO 45001 certification to ensure the ongoing and effective operation of the system. Going forward, the Company will continue to adjust its management mechanisms on a rolling basis in light of operational development needs and stakeholder concerns, thereby strengthening the maturity and resilience of its overall occupational safety and health management.

Workers Covered by the Occupational Safety and Health Management System

All of the Company's production sites have established management mechanisms in accordance with the ISO 45001 occupational safety and health management system standard and have obtained certificates through external third-party verification, ensuring the completeness and effectiveness of the management system. In addition to formal employees, the system covers dispatched personnel, on-site service personnel such as security and cleaning staff, contractors, and other workers entering the plant to carry out work, ensuring that all workers performing duties or operations within plant premises are included within the scope of safety and health management.

As for non-production operating sites, because they primarily serve business or administrative office functions and do not involve manufacturing or high-risk operations, ISO 45001 management systems have not been separately introduced. However, the Company still implements necessary occupational safety and health management measures in accordance with local regulations and internal requirements to maintain a safe working environment that complies with legal requirements.

Item / Region		Kaohsiung Headquarters	Kunshan Guangxing Plant	Beihai Sunon Plant	Beihai Lizhun Plant	Philippines Sunon Plant	Group Total
Site Headcount	Employees	503	2,532	3,059	1,320	561	7,975
	External Workers	5	60	26	28	17	136
	Total	508	2,592	3,085	1,348	578	8,111
Workers Covered by the System	Employees	408	2,532	3,059	1,296	561	7,856
	External Workers	4	60	26	28	17	135
	Total	412	2,592	3,085	1,324	578	7,991
Percentage of Workers Covered by the OSH Management System		81%	100%	100%	98%	100%	99%

Note 1: Employee headcount is based on the number of employees on payroll at the end of 2025. This figure has been verified through internal and external audits.

Note 2: External workers include security personnel, cleaning staff, cafeteria contractors, employee dormitory managers, drivers, and others.

Note 3: Percentage of workers covered by the occupational safety and health management system = number of workers covered by the system at each site / total site headcount at each site × 100%.

Note 4: Huizhou Sunon Plant is still in the initial construction phase and is scheduled to obtain external third-party ISO 45001 occupational safety and health management system certification in 2026.

Occupational Safety and Health Committee

Each of the Company's operating sites has established an "Occupational Safety and Health Committee" in accordance with the law as an important platform for decision-making and communication on occupational safety and health management. In addition to management representatives and occupational safety and health management personnel, the committee also includes labor representatives as required by law to ensure that employee views are fully expressed and reflected. Currently, five committee members hold professional occupational safety and health certifications, strengthening the professionalism of overall safety and health management. The committee is mainly responsible for reviewing occupational safety and health management procedures, annual work plans, and education and training planning, as well as reviewing system operation and reports on occupational accident investigations and improvements.

In terms of operating mechanisms, meetings in Taiwan are led by the Industrial Safety Team and held once every quarter, while overseas sites are led by the administration departments of each plant and hold meetings once every month. Safety and health management performance and improvement progress are reviewed regularly to ensure that related issues are tracked and implemented in a timely manner. Each site also carries out follow-up improvements and management strengthening based on meeting resolutions, forming a continuous improvement cycle.

In addition, management teams under the committee are responsible for coordinating practical work such as risk assessment, safety and health audits, and health promotion activities. The Company also announces relevant management procedures and policy content on its internal platform and provides necessary multilingual information so that employees of different nationalities can fully understand occupational safety and health requirements and their rights and obligations, and jointly maintain a safe and healthy working environment.

Worker Communication and Reporting Mechanisms

The Company has established independent worker communication and reporting mechanisms covering employees, on-site personnel, contractors, and suppliers. Each production site has a management team responsible for planning, promoting, supervising, and auditing workplace safety and health matters, and provides hotline and email reporting channels so workers can submit anonymous feedback, make inquiries, or raise occupational safety and health suggestions. For foreign employees, the Company also provides employees with foreign language capabilities or interpreters as communication intermediaries to ensure smooth and effective two-way communication.

According to the Company's safety and health management procedures, if workers identify a condition that may immediately cause harm, they may stop work and evacuate to a safe area, provided that doing so does not endanger the safety of others, and must simultaneously report the matter to their department supervisor and the management team. Upon receiving a report, the management team must immediately launch an investigation, assess the severity and likelihood of the hazard, formulate improvement or control measures, and submit the matter to the Occupational Safety and Health Committee for review. Investigation results and resolutions are announced to all workers to ensure transparency and the implementation of improvements.

In addition, to encourage workers to report potential occupational safety and health risks, the Company has established an incentive mechanism and protects proposers from retaliation or adverse treatment. Whether in Taiwan or at overseas sites, all workers may submit their views through written, email, or hotline channels, and such matters are continuously tracked, reviewed, and implemented by the management teams and local occupational safety and health committees, forming a comprehensive safety and health communication and reporting system that reduces workplace accident risks and enhances the safety of the overall working environment.

Operating Site

Kaohsiung Headquarters and Taipei Office 0800employee@sunon.com

Kunshan Guangxing Plant snon@sunon.com

Beihai Sunon Plant and Beihai Lizhun Plant pika_ching@sunon.com

Philippines Sunon Plant irenne_ng@sunon.com

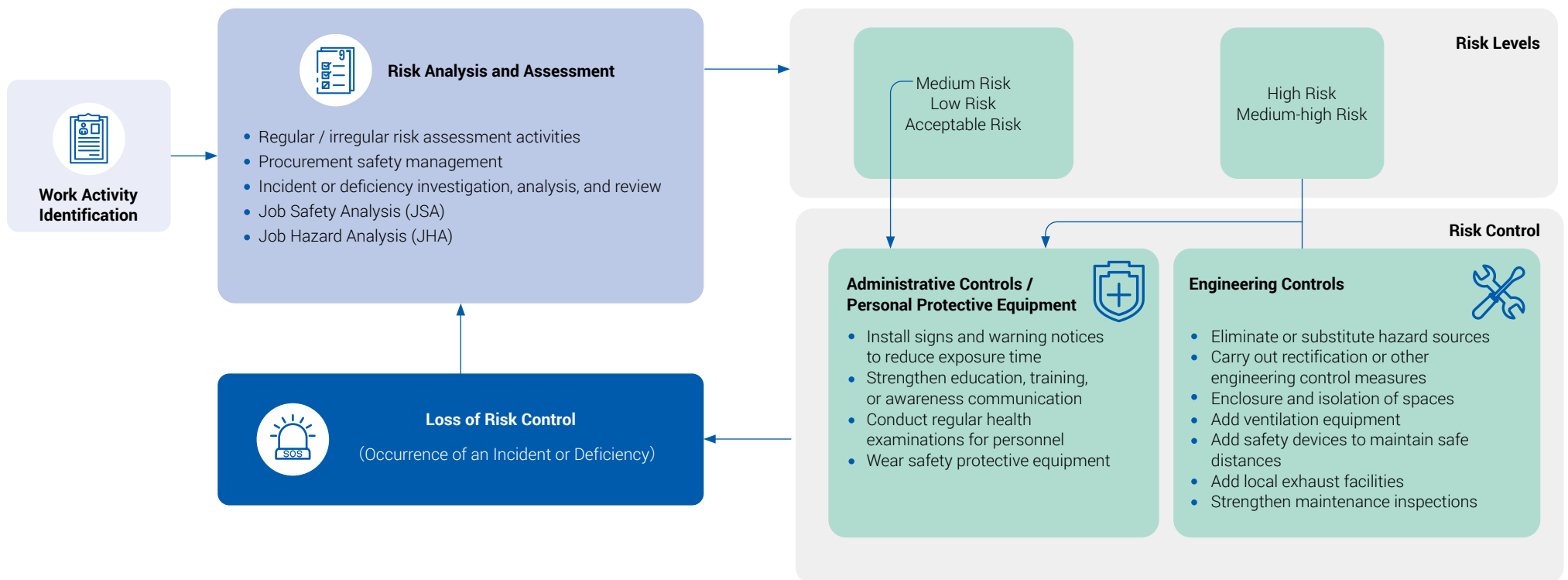
Note: Huizhou Sunon Plant is still in the initial construction phase, and related management systems and mechanisms are still under planning; therefore, they are not disclosed for the current year.

Occupational Safety and Health Risk Assessment and Management

Each year, the Company's occupational safety and health management teams regularly review the work environments of all operating sites and upstream and downstream suppliers. Based on factors such as hazard severity, likelihood of occurrence, and existing protective measures, risks are classified into four levels: high risk, medium-high risk, medium risk, and low risk. The Company also evaluates the categories of significant occupational accidents or occupational diseases that may arise, includes high-risk and medium-high-risk items within priority control scope, sets control measures and improvement targets, and incorporates them into the occupational safety and health management system for ongoing tracking to eliminate potential workplace hazards.

In addition, each site establishes annual risk assessment plans based on plant characteristics and regularly convenes management review meetings to discuss and approve newly identified or updated risk items. Through education and training, inspections, and incident analysis, management teams also continue tracking the effectiveness of control measures and evaluating risk indicators to ensure that operational risks are effectively monitored, reduce the likelihood of accidents and occupational diseases, and continue progressing toward the goal of zero incidents.

Risk Management and Control Flowchart



Risk Levels and Management Mechanisms

High Risk

Immediately implement improvement, control, or response measures.

Medium-high Risk

Review existing protective measures, evaluate improvement mechanisms, and reduce the risk level.

Medium Risk

Temporarily acceptable, but opportunities to take measures to reduce risk or improve occupational safety and health performance should be evaluated.

Low Risk

Requires attention, and opportunities to adopt control measures to reduce risk or improve occupational safety and health performance may still be considered.

Acceptable Risk

Acceptable, but the effectiveness of existing protective measures must be ensured.



Identified High-risk Items and Control Measures

Hazard Category	Risk Item	Hazard / Occupational Disease Type	Control Measures
Physical Hazards	Fan Operation Testing	Cuts	Protective fixtures are installed on relevant equipment.
		Noise-induced hearing loss	Personnel must properly wear hearing protection equipment.
	Forklift and work-at-height operations	Impact injuries and falls	Operators must hold valid certifications and properly wear safety protective equipment.
	Material feeding	Dust-related respiratory diseases	Operators must be certified for the job and properly wear safety protective equipment.
Chemical Hazards	Impregnation operations and soldering operations	Organic solvent poisoning and respiratory hazards	Exhaust ventilation equipment is installed, personnel must properly wear protective equipment, and relevant chemical hazard training must be completed.
Ergonomic Hazards	Office work and fan assembly operations	Musculoskeletal disorders	Through an ergonomic hazard prevention program, high-risk groups are identified and provided with relevant health guidance and work adjustments.

Occupational Safety and Health Education and Training

Occupational safety and health education, training, and communication are an important foundation for strengthening safety culture. All Company employees are required to receive general in-service occupational safety and health training every year, and new employees are also required to complete general occupational safety and health courses upon onboarding so that they fully understand the Company's safety requirements, management systems, and their own rights and obligations.

The Company plans multi-dimensional professional training courses for different scenarios to enhance employees' ability to identify potential hazards and respond appropriately. For positions involving higher risk, advanced professional training and on-site drills are additionally arranged to strengthen practical operating skills and emergency response capabilities.

Education and training are delivered through various formats, including in-person classes, online learning, external professional training, and scenario-based drills. Multilingual learning materials are also provided as needed to help employees of different nationalities understand the content. After each course, learning effectiveness is evaluated through tests and questionnaires, which serve as the basis for rolling revisions and optimization of training content to ensure training quality and practical effectiveness.

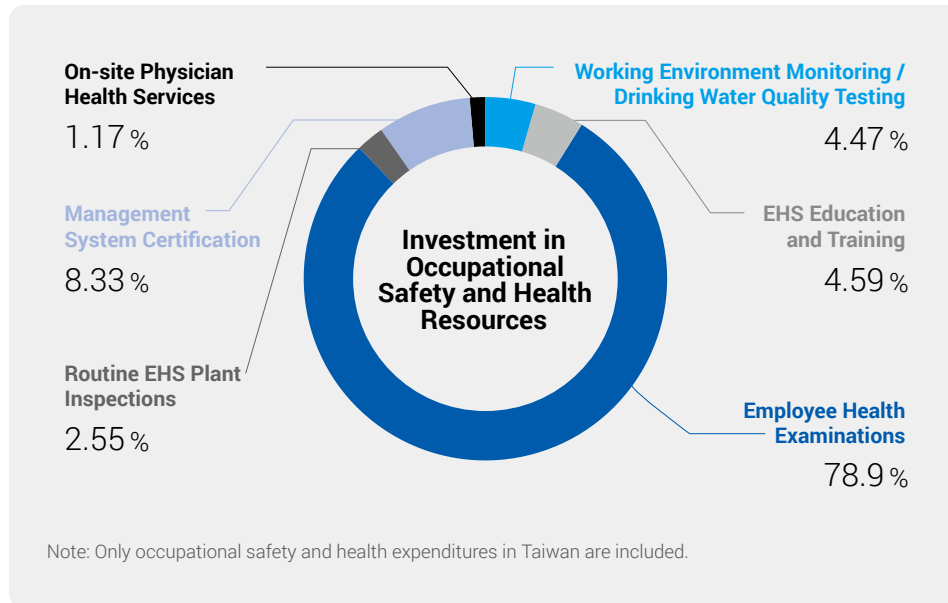
In addition, contractors and other external workers are required to complete safety and health education and hazard notification before entering the plant, and they receive necessary safety supervision and reminders during operations to ensure that all personnel entering the workplace possess basic safety knowledge and risk awareness, thereby jointly preventing occupational accidents.

In 2025, a total of 53,165 participations completed occupational safety and health education and training, with total training hours reaching 282,198 hours. We will continue to deepen safety awareness among all employees and foster a safety-first corporate culture through systematic and diversified education and training mechanisms.

Category	Course Content	Main Training Target	Total Training Participations	Total Training Hours
OSH Training for New Employees	- Fire safety knowledge - Basic safety and health education and training - Basic EHS knowledge	All employees	24,312	21,628
General OSH Courses	- Emergency and hazard identification and control training, - Emergency response to hazardous chemical leakage, - Health and safety training, - Occupational hygiene training - Training on chemical storage, transfer, and labeling use	All employees	16,030	135,030
Specialized OSH Competency Courses	- General chemical hazard training - In-service safety and health training for aerial work platform operators - Refresher training for first aid personnel - Occupational safety and health hazard prevention - Training on production hazard identification and risk control measures - Occupational health knowledge training	Employees in special positions	12,823	125,540

Investment in Occupational Safety and Health Resources

Project Item	Amount Invested (NT\$)
Working Environment Monitoring / Drinking Water Quality Testing	161,956
EHS Education and Training	166,200
Employee Health Examinations	2,859,465
On-site Physician Health Services	92,400
Management System Certification	301,950
Routine EHS Plant Inspections	42,274
Total	3,624,245



Occupational Safety and Health Management Strategies and Objectives

Upholding the principle of "Safety First, Health as a Priority," the Company maintained both the frequency rate of disabling injuries (FR) and the number of occupational disease cases at 0 in 2025, successfully achieving its annual occupational safety and health management objectives and fully demonstrating the effectiveness of risk control and employee health protection. Looking ahead, we will continue to follow our environmental, safety, and health management policy and, through hazard identification, risk assessment, and the participation of all employees, consolidate and maintain the safety performance of "zero accidents and zero occupational diseases," while creating a safe, healthy, and comfortable working environment.

Management Strategy

Workplace Safety Culture and Environment

- Strengthen employee safety and health education and training
- Continue monthly plant safety inspections
- Convene quarterly safety committee meetings to review health and safety issues
- Issue safety communication materials and notices
- Follow the ISO 45001 international standard for occupational safety and health management systems
- Implement environmental safety and health policies

Occupational Disease Prevention

- Working environment monitoring
- Annual special health examinations
- Hazard identification and management measure development for each operation

Management Objective

Management Item	Performance		Management Objective		
	2024	2025	Short-term	Medium-term	Long-term
Frequency Rate of Disabling Injuries (FR)	0	0	<0.8	<0.65	<0.5
Number of Occupational Disease Cases	0	0	0	0	0

Note 1: Short-term refers to 2030, medium-term refers to 2040, and long-term refers to 2050.

Note 2: Occupational safety and health management objectives are disclosed for Taiwan only.

Supplier Occupational Safety and Health Audits

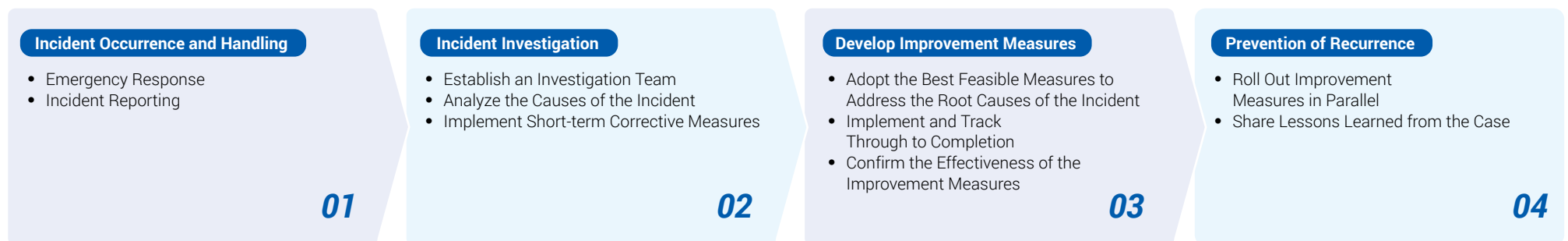
In addition to requiring all major operating sites within the Company to strictly comply with local occupational safety and health regulations, Sunon also requires suppliers to follow the Company's Supplier Code of Conduct, which explicitly sets out occupational safety and health requirements. Each year, the Company continues to conduct occupational safety and health audits of key suppliers to confirm whether any non-compliance exists and to investigate the number of occupational injuries and occupational disease cases occurring during the year, thereby assessing deficiencies in suppliers' occupational safety and health management. For non-major deficiencies, the Company proposes improvement items and recommended measures and grants suppliers a one-month improvement period, after which a re-audit is conducted to ensure that workplace risks have been effectively controlled. All suppliers successfully passed the Company's occupational safety and health audits during the reporting year.

6.3.2 Occupational Injuries and Occupational Diseases

Sunon has established a complete reporting and handling process for occupational injury and occupational disease incidents to ensure that events are addressed promptly and effectively prevented from recurring. When an occupational safety and health incident occurs, the injured person, on-site supervisor, or other personnel present must immediately carry out initial handling in accordance with occupational safety and health management procedures and promptly report information such as the nature of the incident, injured personnel, incident location, and severity of injury to the Industrial Safety Team through the occupational accident reporting system. After receiving the report, the Industrial Safety Team classifies the incident according to severity level and notifies the Global Human Resources Division and medical institutions to jointly investigate whether there were deficiencies or abnormalities in the on-site environment, operating procedures, and protective measures. After the cause of the incident is clarified, the investigation results and improvement plan are reported to the head of the department where the accident occurred and to the Occupational Safety and Health Committee, and are also announced to all employees and cooperating vendors.

To reduce the occurrence of occupational accidents, Sunon continues to promote improvement measures, including optimization of standard operating procedures, requirements for the use of protective equipment, workplace environment improvements, and safety education and training. The Company also continues to provide consultation and support after employees recover, ensuring the ongoing enhancement of workplace health and safety.

Occupational Accident Handling Process



Occupational Accident Statistics

A total of 9 minor occupational injury incidents occurred in 2025, most of which were cuts. Although the zero-accident target was not achieved, all incidents were general minor injuries, and there were no major occupational accidents or fatal incidents. For each injury incident, the Company promptly provided appropriate medical assistance and care and simultaneously initiated incident reporting and investigation procedures. Following review and analysis, engineering improvements have been completed for the relevant operational risk points, and the implementation of standard operating procedures and safety education and communication has been strengthened. Through the PDCA management cycle, the Company continues to review and optimize preventive measures, gradually strengthening risk control mechanisms and working to build a safer and healthier working environment to prevent similar incidents from recurring.

Occupational Accident Records by Operating Site

Location	Type of Occupational Accident	Kaohsiung Headquarters	Kunshan Guangxing Plant	Beihai Sunon Plant	Beihai Lizhun Plant	Huizhou Sunon Plant	Philippines Sunon Plant	Total
On-site	Crush injuries	0	1	0	0	0	2	3
	Cuts	0	2	0	2	0	2	6
Total on-site occupational accidents		0	3	0	2	0	4	9
Off-site	Traffic accidents	3	0	2	0	0	0	5

Occupational Accident and Occupational Disease Rates by Operating Site

Region		Taiwan		China		Philippines		Total	
Category	Item	Employees	External Workers	Employees	External Workers	Employees	External Workers	Employees	External Workers
Total Working Hours		1,103,207	13,776	20,528,654	232,832	1,045,736	36,584	22,677,597	283,192
Occupational Accidents	Number of fatalities	0	0	0	0	0	0	0	0
	Fatality rate	0	0	0	0	0	0	0	0
	Number of severe injuries	0	0	0	0	0	0	0	0
	Severe injury rate	0	0	0	0	0	0	0	0
	Number of recordable incidents	0	0	6	0	4	0	9	0
	Recordable incident rate	0	0	0.29	0	3.83	0	0.40	0

Region		Taiwan		China		Philippines		Total	
Category	Item	Employees	External Workers	Employees	External Workers	Employees	External Workers	Employees	External Workers
Occupational Diseases	Number of cases	0	0	0	0	0	0	0	0
	Incidence rate	0	0	0	0	0	0	0	0

Note 1: Because total working hours for external workers were not recorded, they were estimated by multiplying the total scheduled working days at each operating site by 8 working hours per day.

Note 2: The number of severe occupational injuries excludes fatalities and includes only injuries that prevent or make it difficult for a worker to recover to their pre-injury health condition within six months.

Note 3: Recordable incidents are defined as occupational accidents that must be reported to the government under local occupational safety and health regulations, including severe occupational injuries and occupational fatalities.

Note 4: Occupational accident records cover the Company's major operating sites and only incidents occurring on-site. Off-site traffic accidents are not included in the calculation.

Note 5: Formula for all rates = number of occurrences / total working hours × 1,000,000.

Near-miss Incident Statistics

A total of 11 near-miss incidents occurred during the reporting year. Based on review and analysis, the causes were mainly related to unsafe conditions in equipment or the work environment, including scratches, crush injuries, equipment electric shock, and slippery floors. In response to these incidents, the Company promptly adopted improvement and preventive measures, including strengthening equipment inspection and maintenance, improving workplace safety facilities, adding safety warning signs, and reinforcing employee safety communication and education and training, thereby reducing potential risks and preventing similar situations from recurring. Going forward, the Company will continue implementing occupational safety and health management and various preventive mechanisms, continuously improving its safety management practices and further enhancing overall workplace safety standards.

Near-miss Incident Statistics Over the Years

Incident Category / Year	2022	2023	2024	2025
Unsafe Acts	0	3	4	3
Unsafe Equipment or Environment	2	1	1	8
Number of Near-miss Incidents	2	4	5	11
Near-miss Incident Rat	0.09	0.22	0.25	0.49

Note: Near-miss incident rate = number of near-miss incidents / total working hours × 1,000,000.

Public Welfare Participation for a Sustainable Society

We believe that the value of an enterprise comes not only from economic growth and technological innovation, but also from its care for and contributions to society. Upholding the philosophy of "taking from society and giving back to society," we actively participate in a wide range of public welfare initiatives, focusing on disadvantaged groups, supporting education, and advancing diverse social care actions, thereby turning corporate influence into concrete action. Every contribution reflects our commitment to working hand in hand with society to create a friendlier and more sustainable environment, while also demonstrating the warmth of the Company and its commitment to the common good.

7.1 Fulfilling Social Responsibility Through Public Welfare

Sunon founder Mr. Hung Yin-Shu was born in a rural area of Tainan and spent his childhood during a period of economic hardship in Taiwan. This experience gave him a deep understanding of the importance of cultivating local talent and revitalizing regional economies through business operations, as well as the significance of emergency relief and daily care. Guided by the corporate philosophy of "localizing employment, supporting local education and culture, assisting disadvantaged groups, and promoting public welfare activities that encourage positive thinking," Sunon puts care into concrete social action. Over the years, the Company has continuously carried out a variety of public welfare activities, including emergency relief, distribution of supplies, scholarship donations, support for disadvantaged groups and families, sponsorship of educational funding, blood donation campaigns, and initiatives promoting positive thinking. Through these efforts, Sunon has supported families and children in difficult circumstances and seeks to contribute to a stable society and a better quality of life.

Results of the 2025 Inspirational Care and Charity Public Welfare Activities



■ Sunon Charity Foundation

The "Sunon Charity Foundation" was established in 2007 with funds from Sunon's founder Mr. Hong Yin-Shu and his wife Mrs. Hong Chen Fu-Yin, with the purpose of encouraging care and helping the weak, actively promoting moral education and the spirit of positive thinking and actively facing difficulties, investing in social welfare and emergency assistance, and actively helping disadvantaged children and individual families in society to overcome difficulties, so that they will not forever become a helpless group of socially disadvantaged, guiding people's hearts to think positively and actively face challenges, and regaining the courage to start a new life.

Since 2011, the foundation has actively engaged with the public, with Mr. and Mrs. Hong personally leading the partners of Company's internal Liao-Fan's Four Lessons Happy Living Club to jointly hold the "Inspirational Care Activity", combining with various township offices to distribute emergency supplies, rice, auspicious money, and the book "Explanation and Summary of Liao-Fan's Four Lessons" to those who are economically disadvantaged, marginalized households, and single-parent families. The foundation has gradually started to do good deeds and has deeply entered every corner of Taiwan that needs to be cared for. As the scale of the activity expands every year, the foundation's charity has now reached 20 townships in Taiwan. The number of households benefiting from the foundation's "Inspirational Care Activity" has accumulated to 13,750 (distribution of supplies: cash, rice, books "Explanation and Summary of Liao-Fan's Four Lessons") from 2018 to 2025. Quietly doing good deeds, giving back, and caring for socially disadvantaged groups represent the foundation's greatest original intention and purpose.



SYCP Center

SYCP Center was established in 1989, initially focusing on supporting children with cerebral palsy. Due to the severe motor and sensory impairments that children with cerebral palsy often experience as they grow, many are unable to stand, walk, or even learn and develop normally. This places a significant burden on both their families and society. Moved by this reality, the Sunon's founder, former Chairman Mr. Hong Yin-Shu and his wife Mrs. Hong Chen Fu-Yin, set the guiding principle for the center: "You will grow old, and your child will grow up. If you don't act now, you will regret it in 20 years." This message reminds parents that their children will grow, and if the child cannot stand on their own, there may come a time when the parents can no longer carry them—leaving only helplessness and despair. The center was founded with the hope of helping more individuals with physical and mental disabilities and their families to begin early intervention, to bravely stand up and step out into the world. It upholds the belief that: "A resilient life is like a seed trapped under rocks. As long as it turns toward the sunlight, it will one day break through." SYCP Center encourages people to embrace their right to pursue self-realization and happiness, meeting both family and societal expectations, while also embodying Sunon's commitment to giving back and fulfilling its corporate social responsibility.

The SYCP Center currently serves children aged 0–6 with developmental delays, multiple disabilities, and moderate to profound disabilities, as well as individuals aged 15–35 with multiple and moderate to profound disabilities. The center offers early intervention and screening services, professional team consultations, and actively connects with community resources. Emphasis is placed on developing life skills, physical and cognitive training, and encouraging community participation. The aim is to empower each child and young adult at the center to face their challenges with courage, take meaningful steps toward social interaction, and live a fulfilling and purposeful life. Each individual is encouraged to become a person who not only shines in their own life but also brings happiness to others. Support from all sectors of society is encouraged to help individuals with disabilities stand tall, walk their own path with confidence, and move toward a bright and promising future.



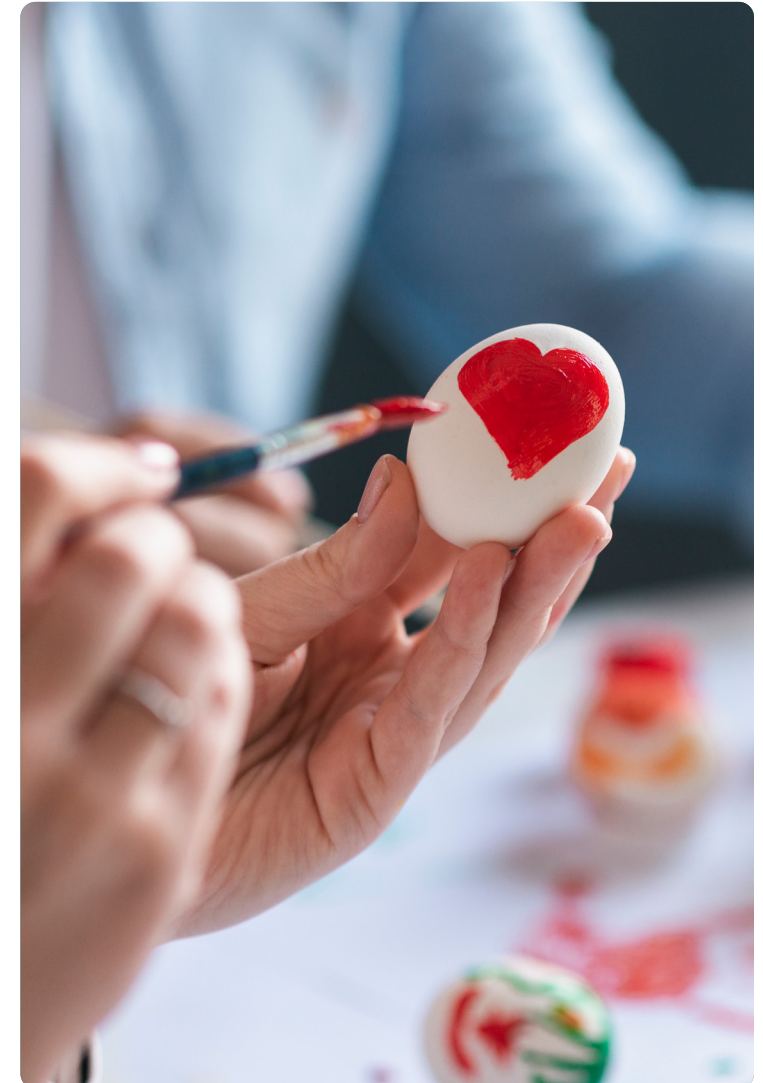
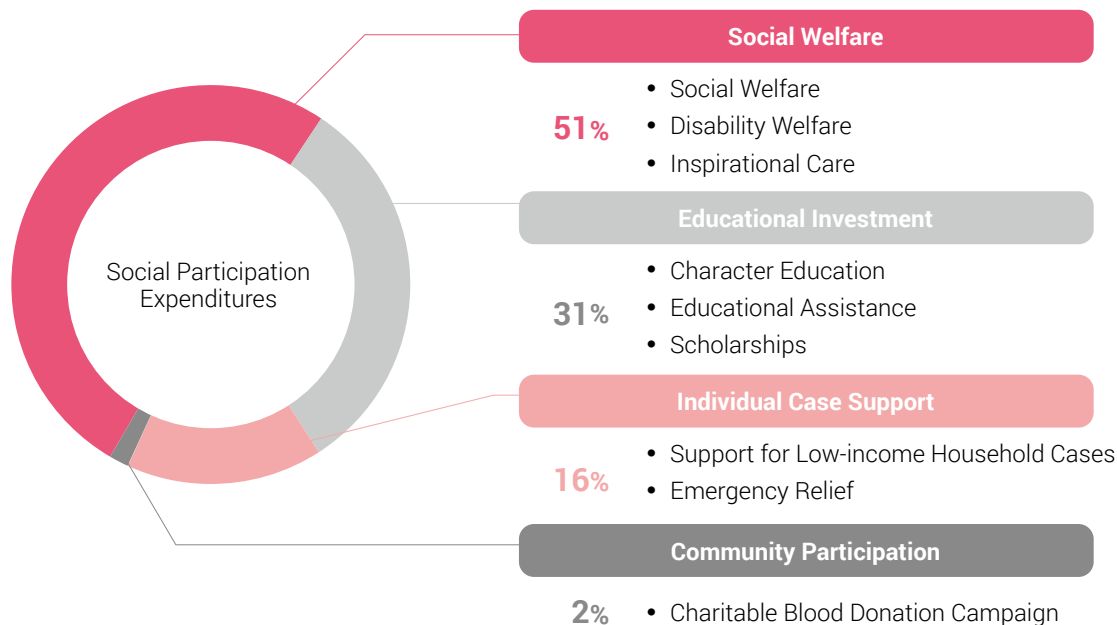
7.2 Results of Social Participation

Sunon continues to invest corporate resources and actively invites employees to participate in public welfare initiatives. Through volunteer service and project implementation, the Company responds to social care needs from multiple perspectives. Its overall public welfare investment focuses on three major pillars: educational support, care and assistance, and health promotion.

In terms of educational support, Sunon promotes character education, educational assistance, and scholarships to help students continue their studies with stability and cultivate positive values. In terms of care and assistance, it integrates social welfare, disability welfare, emergency relief, and individual case support to provide timely and practical assistance. In terms of health promotion, it regularly organizes charitable blood donation campaigns to encourage employees to contribute to public health and social care through concrete action.

Together with local educational institutions and public sector agencies, Sunon plans projects with continuity and impact. Through systematic and sustained investment, the Company aims to enhance its positive impact on stakeholders and society as a whole, thereby putting into practice the core values of sustainable corporate operations and a society of shared prosperity.

■ Breakdown of 2025 Social Participation Expenditures



2025 Social Participation Projects and Resource Inputs

Category	Project Name	Cash Donations (NT\$)	Invested Resource			Corresponding SDGs
			In-kind Donations (Quantity)	Volunteer Service (person-hours)	Administrative Expenses (NT\$)	
Educational Investment	Character Education	608,416	-	-	-	4 QUALITY EDUCATION
	Educational Assistance	70,500	-	-	-	4 QUALITY EDUCATION
	Scholarships	3,600,000	-	-	-	4 QUALITY EDUCATION
Individual Case Support	Support for Low-income Household Cases	1,074,384	-	-	-	1 NO POVERTY, 4 QUALITY EDUCATION
	Emergency Relief	1,075,275	-	-	-	1 NO POVERTY, 3 GOOD HEALTH AND WELL-BEING
Social Welfare	Social Welfare	2,079,027	-	-	-	2 ZERO HUNGER, 3 GOOD HEALTH AND WELL-BEING, 4 QUALITY EDUCATION
	Disability Welfare	913,318	-	-	-	3 GOOD HEALTH AND WELL-BEING
	Inspirational Care	2,941,773	4,905 kg of rice 1,635 copies of "Explanation and Summary of Liao-Fan's Four Lessons" books	1,004	979,773	8 DECENT WORK AND ECONOMIC GROWTH
Community Participation	Charitable Blood Donation Campaign	-	168 bags of 250cc blood	321	205,382	3 GOOD HEALTH AND WELL-BEING

7.1 Fulfilling Social Responsibility Through Public Welfare

7.2 Results of Social Participation

2025 Social Participation Project Performance

Project Name	Project Overview	Number of Beneficiaries
Character Education	The Sunon Charity Foundation begins with education at its roots by promoting character education. Through diverse joint initiatives established in cooperation with enterprises and schools, it promotes the true meaning of "morality" emphasized in Liao-Fan's Four Lessons to teachers and students at all levels. It aims to influence families through individuals, guide people toward positive thinking and conduct, rebuild personal character grounded in "integrity, honesty, lawfulness, and a sense of shame," and help foster a better social climate.	6,077 persons
Educational Assistance	Resources are invested in educational assistance to help children in institutions and children from disadvantaged families attend school with peace of mind, develop their potential, build skills, pursue their dreams in life, and transform their future.	160 persons
Scholarships	Scholarship application channels are maintained over the long term for schools at all levels, with schools nominating students from financially disadvantaged backgrounds to receive scholarships and grants.	394 persons
Support for Low-income Household Cases	Long-term assistance programs, educational support programs, and other livelihood assistance are provided for cases in need. Some of these cases involve children of Sunon employees who suffer from rare diseases, for whom Sunon has long provided medical assistance programs. At the same time, we have established a close collaborative network with local fire departments, social affairs bureaus, and township, town, district, and city offices, enabling frontline government agencies to refer cases so that resources can be delivered promptly to people in urgent need of support.	51 persons
Emergency Relief	Through opportunities for collaboration with schools, assistance is provided to financially disadvantaged students' families, including emergency relief, livelihood support, long-term educational assistance, and support for medication related to major rare diseases, so that students can continue their studies with peace of mind.	389 persons
Social Welfare	In response to various project programs launched by social affairs bureaus and social welfare institutions, assistance resources are promptly directed toward the needs of elderly groups and socially marginalized disadvantaged communities.	1,857 persons
Disability Welfare	To reduce the burden on people and families suffering from severe physical disabilities and serious illnesses, Sunon has long supported social welfare institutions by providing professional care and counseling.	136 persons
Inspirational Care	Since 2011, the Foundation has actively engaged with communities. Led personally by the founder and his spouse, as well as the Chairman and his spouse, company partners have step by step reached every corner of Taiwan where care is needed. In collaboration with township, town, district, and city offices across Taiwan, they distribute emergency supplies, edible rice, goodwill assistance funds, and copies of An Annotated and Abridged Edition of Liao-Fan's Four Lessons to economically disadvantaged households, marginalized families, and single-parent families.	1,635 persons
Charitable Blood Donation Campaign	Even with today's technology, blood cannot yet be replaced by artificial blood products or substitutes. In many life-threatening emergency surgeries, blood donation remains a critical lifesaving element of medical treatment. Every year, Sunon organizes activities that help cultivate the habit of regular blood donation, reminding and encouraging employees to selflessly donate blood with compassion to save lives, because helping others begins with intention and action.	168 bags of 250cc blood

Results of the 2025 Charitable Blood Donation Campaign



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Appendix



8.1 Site Information

Region	Operating Site	Address	Type
Taiwan	Kaohsiung Headquarters and Plant	No. 30, Ln. 296, Xinya Rd., Qianzhen Dist., Kaohsiung City	Office and Laboratory
		No. 32, Ln. 296, Xinya Rd., Qianzhen Dist., Kaohsiung City	Office and Laboratory
		7F.-1, No. 288-9, Xinya Rd., Qianzhen Dist., Kaohsiung City	Warehouse
		3F., No. 288-6~9, Xinya Rd., Qianzhen Dist., Kaohsiung City	Office and Manufacturing Factory
		1F., No. 286-9, Xinya Rd., Qianzhen Dist., Kaohsiung City	Manufacturing Factory
		6F., No. 288-7, Xinya Rd., Qianzhen Dist., Kaohsiung City	Office
		7F., No. 288-8, Xinya Rd., Qianzhen Dist., Kaohsiung City	Office
		6F.-2, No. 286-3, Xinya Rd., Qianzhen Dist., Kaohsiung City	Office
		4F. & 5F., No. 30, Xindu Rd., Qianzhen Dist., Kaohsiung City	Office and Manufacturing Factory
		12F., No. 120, Zhongzheng 1st Rd., Lingya Dist., Kaohsiung City	Office
	Taipei Office	4F., No. 356, Sec. 1, Neihu Rd., Neihu Dist., Taipei City	Office
		No. 16&18, Ln. 24, Sec. 1, Huanshan Rd., Neihu Dist., Taipei City	Laboratory
		No. 36, Wuqian 6th Rd., Wugu Dist., New Taipei City	Manufacturing Factory
China	Sunon Electronics (Kunshan) Co., Ltd.	No. 168, Nanbin Rd., Kunshan City, Jiansu Province	Manufacturing Factory
	Sunon Electronics (Beihai) Co., Ltd.	Zone B6, Beihai Comprehensive Bonded Zone, West Beihai Avenue, Beihai City, Guangxi Zhuang Autonomous Region	Manufacturing Factory
	Beihai Lizhun Electronics Co., Ltd.	1F., 2F., and 3F., Bldg. 1, Huike Technology Park, Zone B2, Beihai Comprehensive Bonded Zone, Haicheng District, Beihai City, Guangxi Zhuang Autonomous Region	Manufacturing Factory
		1F., Bldg. 6, North of Huike Rd., Blk C5, Beihai Comprehensive Bonded Zone, Beihai City, Guangxi Zhuang Autonomous Region	Manufacturing Factory
	Sunon Cooling Technology (Huizhou) Co., Ltd.	Plant 4, Shengnuoda Industrial Park, No. 4 Xingju West Road, Dongxing District, Dongjiang Hi-tech Industrial	Manufacturing Factory
Philippines	Sunon Electronics Philippines Corp.	Park, Huizhou City, Guangdong Province	Manufacturing Factory
		Lot 3, Block 8, Hermosa Ecozone Industrial Park, Brgy. Palihan, Hermosa, Bataan	Warehouse
		Lot 3, Block 10 Hermosa Ecozone Industrial Park, Brgy. Palihan, Hermosa, Bataan	Manufacturing Factory
United States	Sunon Inc.	1760 Yeager Ave, La Verne, CA 91750	Office and Warehouse
France	Sunon SAS	66, avenue des Pépinières, 94832 Fresnes Cedex, France	Office and Warehouse
India	Sunon Electronics India Private Limited	Office No-1104, 11th Floor Corenthum Plot No.A-41, Sector 62. Noida, Gautambuddha Nagar,code: 201301, Uttar Pradesh. India.	Office

8.2 GRI Standards Content Index

**Statement of Use: ESG information for the period from January 1 to December 31, 2025 has been reported with reference to the GRI Standards.
Used GRI 1: Foundation 2021**

GRI Standard	Disclosure	Section in This Report	Page	Omission Reason	
				Omitted Requirement item	Reason & Explanation
GRI 2: General Disclosures 2021	2-1 Organizational details	About This Report	1		
	2-2 Entities included in the organization's sustainability reporting	About This Report	1		
	2-3 Reporting period, frequency and contact point	About This Report	1		
		About This Report	1		
	2-4 Restatements of information	About This Report	1		
	2-5 External assurance	About This Report	1		
	2-6 Activities, value chain and other business relationships	2.1.2 Products and Services	22		
		4.1 Supply Chain Structure	65		
	2-7 Employees	6.1.1 Employee Structure and Distribution	99		
	2-8 Workers who are not employees	6.1.1 Employee Structure and Distribution	99		
	2-9 Governance structure and composition	2.2.1 Governance Structure	33		
		2.2.2 Board Operations	33		
	2-10 Nomination and selection of the highest governance body	2.2.2 Board Operations	33		
	2-11 Chair of the highest governance body	2.2.2 Board Operations	33		
	2-12 Role of the highest governance body in overseeing the management of impacts	1.3.1 Material Topic Assessment Process	13		
		1.3.3 Management of Impacts from Material Topics	17		
		2.2.3 Functional Committees	37		
	2-13 Delegation of responsibility for managing impacts	1.3.1 Material Topic Assessment Process	13		
		1.3.3 Management of Impacts from Material Topics	17		
		2.2.3 Functional Committees	37		

GRI Standard	Disclosure	Section in This Report	Page	Omission Reason	
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GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	1.3.1 Material Topic Assessment Process	13		
		1.3.3 Management of Impacts from Material Topics	17		
		2.2.3 Functional Committees	37		
	2-15 Conflicts of interest	2.2.2 Board Operations	33		
	2-16 Communication of critical concerns	2.2.2 Board Operations	33		
		2.2.3 Functional Committees	37		
	2-17 Collective knowledge of the highest governance body	2.2.2 Board Operations	33		
	2-18 Evaluation of the performance of the highest governance body	2.2.2 Board Operations	33		
	2-19 Remuneration policies	2.2.2 Board Operations	33		
		2.2.3 Functional Committees	37		
	2-20 Process to determine remuneration	2.2.3 Functional Committees	37		
	2-21 Annual total compensation ratio	6.2.1 Fair and Competitive Compensation	114		
	2-22 Statement on sustainable development strategy	Message from Management	3		
	2-23 Policy commitments	2.3.1 Integrity in Business Operations	38		
		2.3.2 Human Rights Policy	41		
	2-24 Embedding policy commitments	2.3.1 Integrity in Business Operations	38		
		2.3.2 Human Rights Policy	41		
	2-25 Processes to remediate negative impacts	2.3.1 Integrity in Business Operations	38		
		2.3.2 Human Rights Policy	41		
		5.5 Waste Management	91		
		6.1.3 Labor-Management Communication and Grievance Channels	106		
	2-26 Mechanisms for seeking advice and raising concerns	6.3.1 Occupational Safety and Health Management	123		
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GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	2.3.3 Regulatory Compliance	46		
	2-28 Membership associations	2.1.5 Participation in Industry Associations	31		
	2-29 Approach to stakeholder engagement	1.2.1 Identification of Stakeholders	10		
		1.2.2 Stakeholder Communication	10		
	2-30 Collective bargaining agreements			This disclosure is not applicable because the Company does not have a labor union.	
GRI 3 : Material Topics 2021	3-1 Process to determine material topics	1.3.1 Material Topic Assessment Process	13		
		1.3.3 Management of Impacts from Material Topics	17		
	3-2 List of material topics	1.3.1 Material Topic Assessment Process	13		
		1.3.3 Management of Impacts from Material Topics\	17		

Material Topic Disclosures

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GRI 204 : Procurement Practices 2016	204-1 Proportion of spending on local suppliers	4.1 Supply Chain Structure	65		
GRI 301 : Materials 2016	301-1 Materials used by weight or volume	4.2.1 Material Procurement	66		
	301-3 Reclaimed products and their packaging materials	4.2.1 Material Procurement	66		
GRI 302 : Energy 2016	302-1 Energy consumption within the organization	5.3.2 Energy Use Profile	85		
	302-3 Energy intensity	5.3.2 Energy Use Profile	85		
	302-5 Reductions in energy requirements of products and services	3.3 Product Energy-Saving Performance	60		

GRI Standard	Disclosure	Section in This Report	Page	Omission Reason	
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GRI 305 : Emissions 2016	305-1 Direct (Scope 1) GHG emissions	5.2.2 GHG Emissions Profile	80		
	305-2 Energy indirect (Scope 2) GHG emissions	5.2.2 GHG Emissions Profile	80		
	305-3 Other indirect (Scope 3) GHG emissions	5.2.2 GHG Emissions Profile	80		
	305-4 GHG emissions intensity	5.2.2 GHG Emissions Profile	80		
	305-5 Reduction of GHG emissions	5.2.2 GHG Emissions Profile	80		
GRI 306 : Waste 2020	306-1 Waste generation and significant waste-related impacts	5.5.1 Waste Impact Assessment	91		
	306-2 Management of significant waste-related impacts	5.5.1 Waste Impact Assessment	91		
		5.5.3 Waste Management Policy	94		
	306-3 Waste generated	5.5.4 Waste Disposal Profile	95		
	306-4 Waste diverted from disposal	5.5.4 Waste Disposal Profile	95		
308 Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	4.3 Supply Chain Management Policy	68		
		4.4 Supply Chain Audit Performance	69		
	308-2 Negative environmental impacts in the supply chain and actions taken	4.4 Supply Chain Audit Performance	69		
GRI 401 : Employment 2016	401-1 New employee hires and employee turnover	6.1.2 Talent Recruitment and Retention	104		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.2.2 Comprehensive Benefits Measures	116		
	401-3 Parental leave	6.2.3 Family-friendly Workplace for Marriage and Parenting	118		
GRI404 : Training and Education 2016	404-1 Average hours of training per year per employee	6.1.4 Talent Development and Growth	108		
	404-2 Programs for upgrading employee skills and transition assistance programs	6.1.4 Talent Development and Growth	108		
	404-3 Percentage of employees receiving regular performance and career development reviews	6.1.5 Performance Evaluation	113		
GRI 416 : Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	3.4 Product Quality Management	61		

Topic-specific Disclosures

GRI Standard	Disclosure	Section in This Report	Page	Omission Reason	
				Omitted Requirement item	Reason & Explanation
GRI 201 : Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	5.1.2 Climate Strategy	73		
GRI 202 : Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	6.2.1 Fair and Competitive Compensation	114		
	202-2 Proportion of senior management hired from the local community	6.1.1 Employee Structure and Distribution	99		
GRI 205 : Market Presence 2016	205-1 Operations assessed for risks related to corruption	2.3.1 Integrity in Business Operations	38		
	205-2 Communication and training about anti-corruption policies and procedures	2.3.1 Integrity in Business Operations	38		
GRI 206 : Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.3.1 Integrity in Business Operations	38		
GRI 303 : Water and Effluents 2018	303-1 Interactions with water as a shared resource	5.4.1 Water Resource Risk Assessment	88		
	303-2 Management of water discharge-related impacts	5.4.1 Water Resource Risk Assessment	88		
	303-3 Water withdrawal	5.4.3 Water Resource Use	89		
	303-4 Water discharge	5.4.3 Water Resource Use	89		
GRI 305 : Emissions 2016	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	5.6 Air Pollution Prevention and Control	97		
GRI 403 : Occupational Health and Safety 2018	403-1 Occupational health and safety management system	6.3.1 Occupational Safety and Health Management	123		
	403-2 Hazard identification, risk assessment, and incident investigation	6.3.1 Occupational Safety and Health Management	123		
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	403-3 Occupational health services	6.3.1 Occupational Safety and Health Management	123		
	403-4 Worker participation, consultation, and communication on occupational health and safety	6.3.1 Occupational Safety and Health Management	123		
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GRI 403 : Occupational Health and Safety 2018	403-6 Promotion of worker health	6.3.1 Occupational Safety and Health Management	123		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.3.1 Occupational Safety and Health Management	123		
	403-8 Workers covered by an occupational health and safety management system	6.3.1 Occupational Safety and Health Management	123		
	403-9 Work-related injuries	6.3.1 Occupational Safety and Health Management	123		
		6.3.2 Occupational Injuries and Occupational Diseases	130		
	403-10 Work-related ill health	6.3.1 Occupational Safety and Health Management	123		
		6.3.2 Occupational Injuries and Occupational Diseases	130		
GRI 405 : Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	6.1.1 Employee Structure and Distribution	99		
	405-2 Ratio of basic salary and remuneration of women to men	6.2.1 Fair and Competitive Compensation	114		
GRI 406 : Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	2.3.2 Human Rights Policy	41		
GRI 407 : Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	2.3.2 Human Rights Policy	41		
GRI 408 : Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	2.3.2 Human Rights Policy	41		
GRI 409 : Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	2.3.2 Human Rights Policy	41		
GRI 418 : Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.5 Information Security Management Policy	50		

8.3 SASB Standards Content Index

Statement of Use: ESG information for the period from January 1 to December 31, 2025 has been reported with reference to the SASB Standards.

SASB Industry: RT-EE

Metric Category	SASB Code	Disclosure Topic	Metric	Nature	2025 Disclosure	Section in This Report	Page
Accounting Metric	RT-EE-130a.1	Energy Management	(1) Total energy consumed	Quantitative	175,762 gigajoules (GJ)	5.3.2 Energy Use Profile	85
			(2) Percentage grid electricity	Quantitative	97.05 %		
			(3) Percentage renewable energy	Quantitative	43.94%		
Accounting Metric	RT-EE-150a.1	Hazardous Waste Management	(1) Amount of hazardous waste generated	Quantitative	180.782 metric tons	5.5.4 Waste Disposal Profile	95
			(2) Percentage recycled	Quantitative	69.27%		
Accounting Metric	RT-EE-150a.2	Hazardous Waste Management	(1) Number of reportable spills	Quantitative	0 incident	-	
			(2) Aggregate amount of reportable spills	Quantitative	0 kg		
			(3) Amount recovered from reportable spills	Quantitative	0 kg		
Accounting Metric	RT-EE-250a.1	Product Safety	(1) Number of recalls issued	Quantitative	0 incident	3.4 Product Quality Management	61
			(2) Total units recalled	Quantitative	0 units		
Accounting Metric	RT-EE-250a.2	Product Safety	Total amount of monetary losses as a result of legal proceedings associated with product safety	Quantitative	NT\$0	3.4 Product Quality Management	61
Accounting Metric	RT-EE-410a.1	Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	0%	-	
Accounting Metric	RT-EE-410a.2	Product Lifecycle Management	Percentage of eligible products, by revenue, certified to an energy efficiency certification	Quantitative	0.07%	3.3 Product Energy-Saving Performance	60
Accounting Metric	RT-EE-410a.3	Product Lifecycle Management	Revenue from renewable energy-related and energy efficiency-related products	Quantitative	NT\$9,900,000,000	3.3 Product Energy-Saving Performance	60
Accounting Metric	RT-EE-440a.1	Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	Critical raw materials must have at least two suppliers to diversify the risk of unstable supply, and orders are placed 1 month in advance to build inventory and avoid the risk of material shortages.	2.4 Risk Management	47
Accounting Metric	RT-EE-510a.1	Business Ethics	Description of policies and practices for prevention of (1) corruption and bribery	Discussion and Analysis	Relevant preventive measures and remediation mechanisms have been established, an independent oversight unit has been set up, employees and suppliers are required to sign relevant documents, training is conducted periodically, and whistleblowing and grievance channels are in place.	2.3.1 Integrity in Business Operations	38
			Description of policies and practices for prevention of (2) anti-competitive behavior	Discussion and Analysis			
Accounting Metric	RT-EE-510a.2	Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Quantitative	NT\$0	2.3.1 Integrity in Business Operations	38
Accounting Metric	RT-EE-510a.3	Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	NT\$0	2.3.1 Integrity in Business Operations	38
Activity Metric	RT-EE-000.A		Number of units produced by product category	Quantitative	Thermal modules: 6,196,595 units DC fan: 149,805,009 units Other products: 652,804 units	2.1 About Sunon	20
Activity Metric	RT-EE-000.B		Number of employees	Quantitative	8,123 employees	6.1.1 Employee Structure and Distribution	100

8.4 Enhanced Disclosures of Sustainability Indicators

Appendix 1-12 Sustainability Disclosure Indicators - Electronic Parts/Components Industry

No.	Indicator	Indicator Type	Annual Disclosure	Section in This Report	Remark
1	Total energy consumption	Quantitative	175,762 Gigajoules (GJ)	5.3.2 Energy Use Profile	
	Percentage of purchased electricity,	Quantitative	97.05%		
	Utilization rate(renewable energy)	Quantitative	43.94 %		
2	Total water withdrawn	Quantitative	289,516 Thousand cubic meters (1,000 m ³)	5.4.3 Water Resource Use	As water discharge was not estimated, water withdrawal is assumed to equal water consumption.
	Total water consumption	Quantitative	289,516 Thousand cubic meters (1,000 m ³)		
3	Total hazardous waste generated	Quantitative	180.782 Metric tons (t)	5.5.4 Waste Disposal Profile	
	Percentage of hazardous waste recycled	Quantitative	69.27 %		
4	Types of occupational accidents, number of employees in occupational accidents	Quantitative	A total of 9 occupational accidents occurred at the plants this year, including 3 crush injuries and 6 cut injuries, with 9 injured persons in total.	6.3.2 Occupational Injuries and Occupational Diseases	
	Rate of occupational accidents	Quantitative	0.40 %		
5	Product Lifecycle Management Disclosure: including weights of scraps and electronic waste and percentage recycled ^(Note 1)	Quantitative	The Company mainly operates under a B2B business model. Final disposal and recycling activities at the end of the product lifecycle are handled by downstream customers, and the Company does not recover discarded products.	4.2.1 Material Procurement	
6	Description of the management of risks associated with the use of critical materials	Qualitative description	Critical raw materials must have at least two suppliers to diversify the risk of unstable supply, and orders are placed 1 month in advance to build inventory and avoid the risk of material shortages.	2.4 Risk Management	
7	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	The Company was not involved in any legal proceedings related to anti-competitive behavior during the year; therefore, the total monetary loss was NT\$0.	2.3.1 Integrity in Business Operations	
8	Production by product category	Quantitative	DC fan: 149,805,009 units Thermal modules: 6,196,595 units Other products: 652,804 units	2.1 About Sunon	

Note 1: Descriptions including the sale of scraps and the recycling and processing of waste shall be provided.

8.5 Climate-Related Information

Climate-Related Information of TWSE / TPEX Listed Company

Risks and opportunities posed by climate change to the Company and the relevant measures taken by and relevant countermeasures taken by the company

Item	Implementation Status	Page
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	Y	72
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	Y	73
3. Describe the financial impact of extreme weather events and transformative actions.	Y	73
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Y	72
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Y	73
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	Y	73 、 78
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Y	79
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Y	78
9. Greenhouse gas inventory and assurance status (separately fill out in point 9-1 and 9-2 below).	Y	-

9-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent Two Years

• 9-1-1 GHG Inventory Information

Disclose the GHG emissions(tCO₂e) intensity (tCO₂e per NT\$ million), and data coverage for the most recent two years.

	Company	Revenue (thousand NT\$)	Scope 1 (tCO ₂ e)	Scope 2 (tCO ₂ e)	Emission Intensity of Scope 1 and Scope 2 (tCO ₂ e/million NT\$)	Scope 3 (tCO ₂ e)	Emission Intensity of Scope 3 (tCO ₂ e/million NT\$)
2024	Parent Company	10,865.384	120.198	2,160.877	0.210	61,439.102	5.655
	Subsidiaries	3,758.432	2,114.199	11,000.155	3.489	6,717,902.434	1,787.422
	Total	14,623.816	2,234.397	13,161.032	1.053	6,779,341.536	463.582
2025	Parent Company	13,692.636	132.892	2,521.073	0.194	154,834.168	11.308
	Subsidiaries	4,985.172	578.716	11,745.873	2.472	10,553,582.558	2,116.995
	Total	18,677.808	711.608	14,266.946	0.802	10,708,416.726	573.323

• 9-1-2 GHG Assurance Information

Describe the assurance status for the most recent two years, including the assurance scope, assurance provider, assurance criteria, and assurance opinion.

	Company	Scope of Assurance	Assurance Institution	Assurance Standards	Assurance Opinion
2024	Parent Company	Category 1, Category 2, Category 3, and Category 4	DNV GL Business Assurance Co., Ltd. (DNV)	ISO 14064-3	This Greenhouse Gas (GHG) Inventory, prepared in accordance with ISO 14064-1:2018, has been verified by DNV GL Business Assurance Co., Ltd. (DNV) in accordance with the guidelines of ISO 14064-3:2019. DNV provided a reasonable level of assurance for Category 1 and Category 2 emissions, and a limited level of assurance for Category 3 and Category 4 emissions.
	Subsidiaries	Category 1, Category 2, Category 3, and Category 4	DNV GL Business Assurance Co., Ltd. (DNV)	ISO 14064-3	This Greenhouse Gas (GHG) Inventory, prepared in accordance with ISO 14064-1:2018, has been verified by DNV GL Business Assurance Co., Ltd. (DNV) in accordance with the guidelines of ISO 14064-3:2019. DNV provided a reasonable level of assurance for Category 1 and Category 2 emissions, and a limited level of assurance for Category 3 and Category 4 emissions.
2025	Parent Company	Scope 1, Scope 2, and Scope 3	Crowe (TW) CPAs	Republic of China Standard on Assurance Engagements 3410 Assurance Engagements on Greenhouse Gas Statements	This Greenhouse Gas (GHG) Inventory, prepared in accordance with the GHG Protocol, has been assured by Crowe (TW) CPAs in accordance with the Republic of China Standard on Assurance Engagements No. 3410 (TWSAE 3410), Assurance Engagements on Greenhouse Gas Statements. Crowe (TW) CPAs provided reasonable assurance for Scope 1, Scope 2, and Scope 3 emissions.
	Subsidiaries	Scope 1, Scope 2, and Scope 3	Crowe (TW) CPAs	Republic of China Standard on Assurance Engagements 3410 Assurance Engagements on Greenhouse Gas Statements	This Greenhouse Gas (GHG) Inventory, prepared in accordance with the GHG Protocol, has been assured by Crowe (TW) CPAs in accordance with the Republic of China Standard on Assurance Engagements No. 3410 (TWSAE 3410), Assurance Engagements on Greenhouse Gas Statements. Crowe (TW) CPAs provided reasonable assurance for Scope 1, Scope 2, and Scope 3 emissions.

9-2 GHG Reduction Targets, Strategies, and Specific Action Plans

Describe the GHG reduction base year and its data, reduction targets, strategies, specific action plans, and progress toward achieving the reduction targets.

In alignment with the decarbonization pathway of the Science Based Targets initiative (SBTi), the Company has established specific and measurable GHG management policies. Using 2022 as the base year (with Scope 1 emissions of 2,932.172 tCO₂e, Scope 2 emissions of 21,918.728 tCO₂e, and Scope 3 emissions of 5,801,510.535 tCO₂e), the Company has set clear short-, medium-, and long-term GHG reduction targets and is progressively advancing the low-carbon transition of its operations. For Scope 1 and Scope 2 emissions, the Company has set an annual reduction target of 6.25%; for Scope 3 emissions, the annual reduction target is 3.125%. The Company continues to refine its management measures in line with this reduction pathway to ensure that progress remains aligned with international climate science.

With respect to phased target planning, the Company has established short-, medium-, and long-term decarbonization milestones and will progressively increase the scale of reductions. A key target is to achieve a 50% reduction in Scope 1 and Scope 2 emissions and a 25% reduction in Scope 3 emissions by 2030, with the ultimate goal of reaching net zero emissions by 2050.

To achieve net zero carbon emissions by 2050, Sunon has developed a low-carbon transition plan that includes:

1. Proactively investing in autonomous decarbonization by continuously developing energy-efficient process equipment to improve resource productivity and utilization efficiency.
2. Increasing the use of renewable energy year by year and extending such adoption throughout the supply chain to support the low-carbon energy transition through concrete actions.
3. Investing in net zero technologies: investing in net zero emissions technologies and participating in carbon reduction-related projects to offset emissions that are unavoidable or not yet technically feasible to abate.
4. Introducing recycled and low-carbon materials, while continuing to develop product technologies with superior motor efficiency and energy-saving performance.

Compared with the 2022 base year, Sunon reduced Scope 1 and Scope 2 emissions by a total of 9,872 tCO₂e this year, representing a 40% reduction, through the replacement of major energy-consuming equipment and increased use of renewable electricity. In the future, in addition to continuing its own decarbonization efforts, the Company will further extend these efforts to the supply chain by actively engaging, communicating with, and encouraging supply chain partners to reduce emissions together and jointly move toward net zero emissions.

8.6 Independent Third Party Assurance Statement



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會計師有限確信報告

建準電機工業股份有限公司 公鑒：

建準電機工業股份有限公司民國 114 年度永續報告書，業經本會計師針對建準電機工業股份有限公司所揭露之特定績效指標執行確信程序竣事，並出具有限確信報告。

確信標的資訊與適用基準

建準電機工業股份有限公司之委任所揭露之特定績效指標(以下簡稱確信標的資訊)與適用基準，詳附件一「確信項目彙總表」。

管理階層之責任

管理階層之責任係依據臺灣證券交易所「上市公司編製與申報永續報告書作業辦法」、全球永續性報告協會(Global Reporting Initiatives, GRI)發布之 GRI 準則(GRI Standards)及永續會計準則(Sustainability Accounting Standards Board, SASB)發布之通用準則、行業準則及主題準則編製確信標的資訊，且維持與確信標的資訊編製有關之必要內部控制，以確保確信標的資訊未存有導因於舞弊或錯誤之重大不實表達。

會計師之責任

本會計師之責任係依照確信準則 3000 號「非屬歷史性財務資訊查核或核閱之確信案件」規劃及執行有限確信案件，基於所執行之程序與所獲取之證據，對確信標的資訊(詳附件一)是否未存有重大不實表達取得有限確信，並出具有限確信報告。相較於合理確信案件，有限確信案件所執行程序之性質及時間不同，其範圍亦較小，故於有限確信案件所取得之確信程度亦明顯低於合理確信案件中取得者。

本會計師係基於專業判斷規劃及執行確信程序，以獲取相關確信標的資訊之有限確信證據，且任何內部控制均受有先天限制，因此未必能查出所有業已存在之重大不實表達。本會計師執行確信程序包括：



- (一)對參與編製確信標的資訊之管理階層及相關人員進行查詢，以瞭解編製確信標的資訊之政策、流程、內部控制及資訊系統，以辨認可能存有重大不實表達之領域；
- (二)對確信標的資訊選取樣本進行檢查、驗算、重新執行及分析性程序等程序，以取得有限確信之證據。

先天限制

由於諸多確信項目係屬非財務資訊，相較於財務資訊之確信受有更多先天限制，故該等資訊之相關性、重大性與正確性之解釋可能涉及更多管理階層之重大判斷、假設與解釋，不同利害關係人對該等資訊亦可能有不同之解讀。

獨立性及品質管理規範

本會計師及所隸屬會計師事務所已遵循會計師職業道德規範中有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及專業上應有之注意、保密及專業行為。

本會計師所隸屬會計師事務所適用品質管理準則 1 號「會計師事務所之品質管理」，該品質管理準則規定會計師事務所設計、付諸實行及執行品質管理制度，包含與遵循職業道德規範、專業準則及所適用法令有關之政策或程序。

確信結論

依據所執行之程序與所獲取之證據，本會計師並未發現確信標的資訊在所有重大方面有未依照適用基準編製而須作修正之情事。

其他事項

本確信報告出具後，建準電機工業股份有限公司對任何確信標的資訊或適用基準之變更，本會計師不負就該等資訊重新執行確信工作之責任。

國富浩華聯合會計師事務所

會計師：黃鈴雯

黃鈴雯

中華民國 115 年 5 月 25 日

附件一：確信項目彙總表

編號	內文標題	標的資訊	適用基準	SASB 代碼
1	5.3.2 能源使用情形	消耗能源總量：175,762 十億焦耳(GJ) 外購電力百分比：97.05% 再生能源使用率：43.94%	上市公司編製與申報永續報告書作業辦法-第四條第一項附表一之十二編號一，消耗能源總量、外購電力百分比及再生能源使用率。	RT-EE-130a.1
2	5.4.3 水資源使用情形	總取水量：289,516 立方公尺(m³) 總耗水量：289,516 立方公尺(m³)	上市公司編製與申報永續報告書作業辦法-第四條第一項附表一之十二編號二，總取水量及總耗水量。	
3	5.5.4 廢棄物處置情形	所產生有害廢棄物之重量：180,782 公噸 所產生有害廢棄物回收百分比：69.27%	上市公司編製與申報永續報告書作業辦法-第四條第一項附表一之十二編號三，所產生有害廢棄物之重量及回收百分比。	RT-EE-150a.1
4	6.4.2 職業傷害與職業病	職業災害類別、人數：本年度發生 9 件可記錄事故，受傷人數 9 人，其受傷原因主要為人員未依規定操作機台所造成之傷害。 職業災害比率：0.40%	上市公司編製與申報永續報告書作業辦法-第四條第一項附表一之十二編號四，說明職業災害類別、人數及比率。	
5	4.2.1 物料採購	本公司主要為 B2B 的商業模式，產品生命週期之最終報廢及回收作業皆由下游客戶進行處理，本公司未回收報廢產品。	上市公司編製與申報永續報告書作業辦法-第四條第一項附表一之十二編號五，產品生命週期管理之揭露：含報廢產品及電子廢棄物之重量以及再循環之百分比。	
6	2.4 風險管理	關鍵性原料須具備 2 家以上供應商，分散採購不穩定性風險；並維持一個月之安全庫存，以避免市場缺料風險。	上市公司編製與申報永續報告書作業辦法-第四條第一項附表一之十二編號六，與使用關鍵材料相關的風險管理之描述。	RT-EE-440a.1
7	2.3.1 誠信經營	本公司今年度無發生反競爭行為相關之法律訴訟事件，故損失總額為新台幣 0 元。	上市公司編製與申報永續報告書作業辦法-第四條第一項附表一之十二編號七，因與反競爭行為係例相關的法律訴訟而造成的金錢損失總額。	
8	2.1 關於建準	DC Fan：149,805,009 台 散熱模組：6,196,595 台 其他產品：652,804 台	上市公司編製與申報永續報告書作業辦法-第四條第一項附表一之十二編號八，依產品類別之主要產品產量。	

The image features a dark green background with a series of concentric white circles centered around the text. There are also several white dots of varying sizes scattered around the circles, resembling stars or planets. The text "SUNON" is written in a bold, white, sans-serif font, with a registered trademark symbol (®) to its upper right.

SUNON®