

YUAN

YUAN High-Tech Development Co., Ltd.

2024 Sustainability Report

YUAN High-Tech Development Co., Ltd.
2024 Sustainability Report Table of Contents

Message from the Management.....	1
Reporting Guidelines.....	2
Chapter 1 Stakeholder Engagement and Material Topics Identification	3
1.1 Sustainable Development Task Force	3
1.2 Identification of Stakeholders	4
1.3 Stakeholder Communication Channels and Key Topics of Concern.....	5
1.4 Material Topic Identification	10
1.5 Sustainable Development Goals (SDGs).....	18
Chapter 2 About Yuan High-Tech	20
2.1 Company Profile	20
2.2 Business Philosophy	23
2.3 Awards and Recognition	23
2.4 Participation in External Organizations	24
Chapter 3 Ethical Governance.....	26
3.1 Governance Practices.....	27
3.1.1 Board of Directors	27
3.1.2 Functional Committees.....	31
3.1.3 Internal Audit.....	32
3.1.4 Ethics and Integrity.....	34
3.2 Risk Management	37
3.2.1 Climate Change Risk Management and Response	41
3.3 Legal Compliance.....	43
3.4 Operational Performance	44
3.5 Cybersecurity Protection	46
Chapter 4 Sustainable Environment.....	48
4.1 Water Resource Management	48
4.2 Energy Conservation and Carbon Reduction.....	48
4.2.1 Energy Management	48
4.2.2 Greenhouse Gas Management	49
4.2.3 Energy Conservation and Carbon Reduction Measures	51
4.3 Waste Management.....	52
4.4 Sustainable Supply Chain	53
Chapter 5 Social Care.....	56
5.1 Employee Overview	56
5.2 Right Person for the Right Position	60
5.2.1 Compensation and Benefits	60
5.2.2 Talent Cultivation	63
5.2.3 Labor-Management Communication.....	63
5.3 Occupational Health and Safety	64
5.3.1 Hazard identification, risk assessment, and incident investigation.....	64
5.3.2 Worker Participation, Consultation, and Communication	65
5.3.3 Health Services and Health Promotion.....	65
5.3.4 Occupational Safety and Health Training.....	66
5.3.5 Occupational Accident Statistics	66
5.4 Public Welfare Participation	66
5.5 Product Responsibility.....	68
5.5.1 Product Service Introduction	68
5.5.2 Regulatory Compliance for Products.....	70
5.5.3 Product Safety.....	70
Appendix 1. GRI Content Index Table.....	73
Appendix 2. Climate-related Information of TPEx-listed Companies	81

Message from the Management

In recent years, the COVID-19 pandemic has had a significant impact on various sectors worldwide, leading to changes in people's daily lifestyles, social patterns, and work methods. Additionally, geopolitical risks and trade barriers have also influenced supply chains and global business to some extent. Yuan High-Tech has responded to these changes by identifying potential new opportunities and turning points. In terms of research and development, we prioritize interdisciplinary collaboration and innovative product planning based on emerging technological trends. With our R&D team's expertise and experience in hardware, drivers, firmware, FPGA, and SDK, we can vertically integrate different hardware modules and software components. By utilizing hardware components from chip suppliers and leveraging our strong FPGA technology and R&D capabilities, we can overcome existing technological limitations and make design improvements. We also promptly respond to market and customer demands to maximize business benefits. On the other hand, Yuan High-Tech also continues to invest a lot of resources in upgrading its production technology to achieve a market niche and differentiate itself from its competitors by offering the widest and most diverse range of products to meet market changes and customer needs through continuous product evolution.

In conclusion, we seamlessly integrate AI technology and incorporate learning capabilities into applications of chips for embedded systems, i.e., system-on-a-chip (SOC), to enhance product value. Our image services encompass intelligent transportation, medical image recognition, facial recognition, passenger flow analysis, behavior analysis, etc. Through in-depth B2B collaboration with end-industry clients, we deliver intelligent applications that activate and maximize the value of their vast image data repositories. We have discussed with the customers in all segments ranging from development of AI algorithms, the setting up of image databases, the design of special identification software, and the setting up of inference models, in order to help our customers to achieve real AI technology landing. At present, our AI technology has landed cases all over Taiwan.

At the end of 2023, it also built Taiwan's top imaging AI technology development center at the headquarter of YUAN High-Tech, and actively participated in various intelligent construction projects of the government. In the future, the company will continue to focus on product innovation and technology development to provide better products and services to meet the changing needs of customers.

Amidst the challenges of a volatile economic environment and the impacts of climate change, Yuan High-Tech remains committed to minimizing environmental impact, improving resource efficiency, and achieving sustainable development. The Company has implemented corresponding control measures in water resource management, energy use, greenhouse gas emissions, and waste disposal to reduce environmental impacts as much as possible. Looking ahead, Yuan High-Tech will continue to promote environmental awareness in both the workplace and daily life, striving to implement low-carbon practices and care for the planet.

While pursuing corporate profitability, the Company also continues to enhance corporate governance, protect shareholder rights, mitigate environmental impact, safeguard employee physical and mental well-being, and actively participate in public welfare initiatives. In the face of environmental and market challenges, Yuan High-Tech aspires to make further progress in 2025. At the same time, we are committed to fulfilling our social responsibility as a global corporate citizen and meeting stakeholder expectations in pursuit of sustainable development.

Chairman, Chao Hsi-Cheng, YUAN High-Tech Development Co., Ltd.

Reporting Guidelines

Yuan High-Tech Development Co., Ltd. (hereinafter “Yuan High-Tech”) publishes this 2024 Sustainability Report (hereinafter “the Report”) to promote sustainable operations and enhance information transparency. Through the Report, we aim to disclose our performance and initiatives in corporate integrity, environmental protection, occupational safety, and employee welfare under our sustainability objectives. We hope our stakeholders will continue to support us and provide valuable feedback, enabling us to advance on our path toward sustainable development.

ESG Information Disclosure

The Report covers business operations and data from January 1 to December 31, 2024, focusing on Yuan High-Tech’s operational sites in Taiwan. Financial data has been audited by PricewaterhouseCoopers (PwC) Taiwan in accordance with International Financial Reporting Standards (IFRS) and is consistent with the Company’s standalone financial statements. Other data has been compiled and verified by responsible departments and presented using internationally recognized metrics. For information that spans different years or regions, relevant explanations are provided within the Report.

Reporting Framework and Information Verification Method

- The Report has been prepared in accordance with the 2021 version of the Global Reporting Initiative (GRI) Standards and aligns with the United Nations Sustainable Development Goals (SDGs). It also complies with the "Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies." A GRI Content Index is provided in the appendix for stakeholder reference.
- Restatement of Information: This is Yuan High-Tech’s first ESG report. No restatements have been made.

Publication Frequency

This is the first ESG Report issued by Yuan High-Tech. Moving forward, the Company will publish a sustainability report annually. To enhance transparency and accessibility, the full report will be available for download on the Company’s official website.

- Publication Date: August 2025
- Next Issue: August 2026

Feedback

Should you have any comments or suggestions regarding the contents of this Report, please feel free to contact us.

Lo Chia-Ling, YUAN High-Tech Development Co., Ltd.

Title: Finance & Accounting Manager/Corporate Governance Supervisor

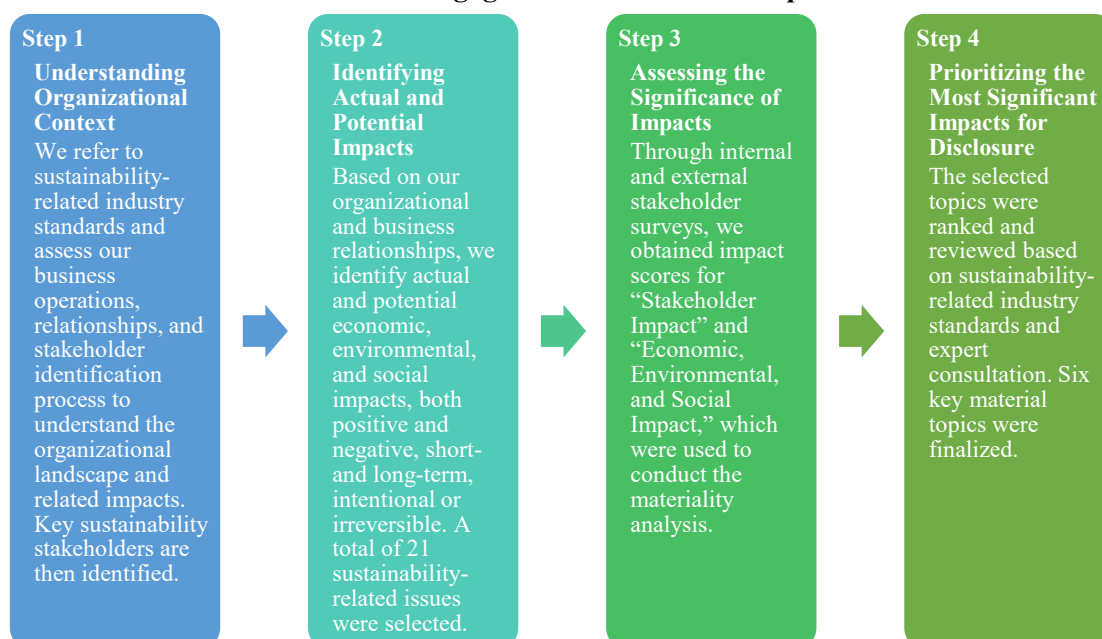
Address: 18F., No. 88, Sec. 2, Zhongxiao E. Rd., Zhongzheng Dist., Taipei City, 100412

Tel: 02-23921233

Email: Nancy@yuan.com.tw

Chapter 1 Stakeholder Engagement and Material Topics Identification

Process for Stakeholder Engagement and Material Topics Identification



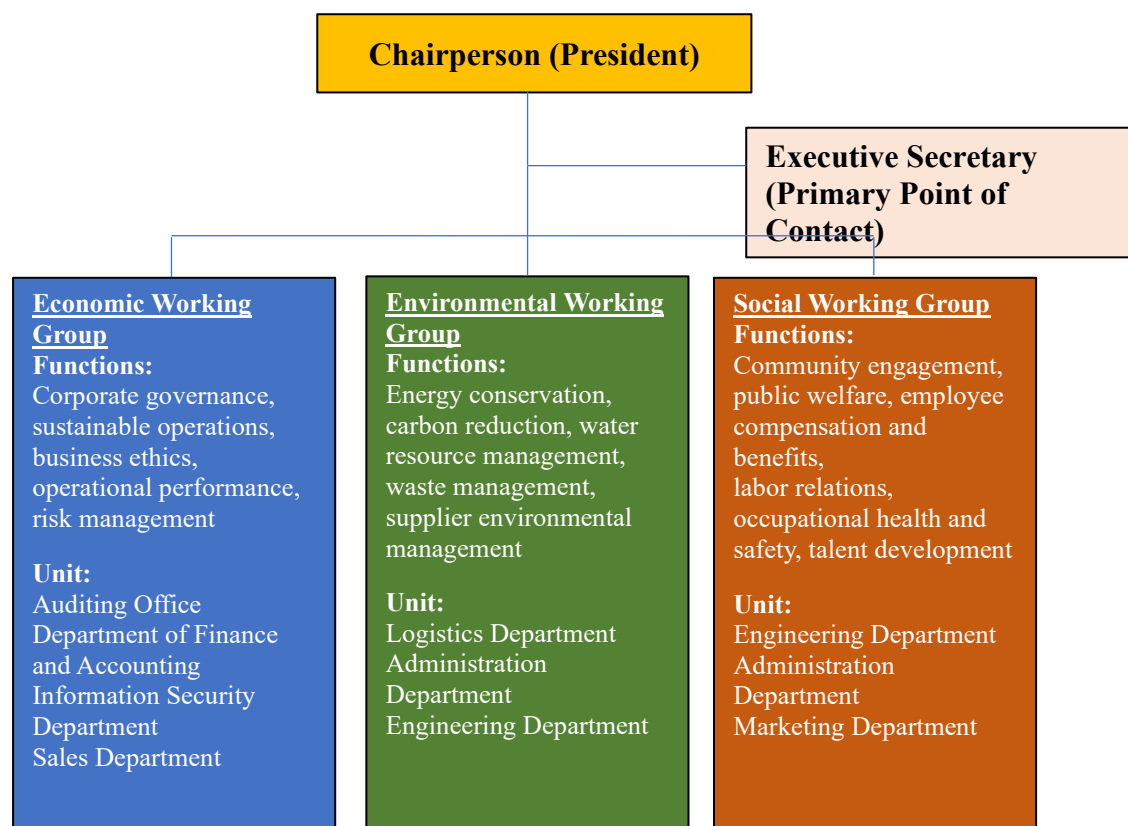
1.1 Sustainable Development Task Force

To fulfill our corporate social responsibility and implement sustainability strategies, Yuan High-Tech’s Board of Directors approved the “Sustainable Development Best Practice Principles” and established the Sustainable Development Task Force. This task force is responsible for executing sustainability strategies and planning. It comprises three working groups, Economic, Environmental, and Social, each formed by relevant department heads or their designees. These groups are responsible for data collection, planning, evaluation, and execution of sustainability initiatives.

The Sustainable Development Task Force serves as a vertical and cross-functional communication platform. Through regular meetings, the team identifies relevant sustainability issues, formulates corresponding strategies and action plans, allocates sustainability-related budgets, implements annual programs, and monitors results to ensure that the sustainability strategy is fully embedded into daily operations.

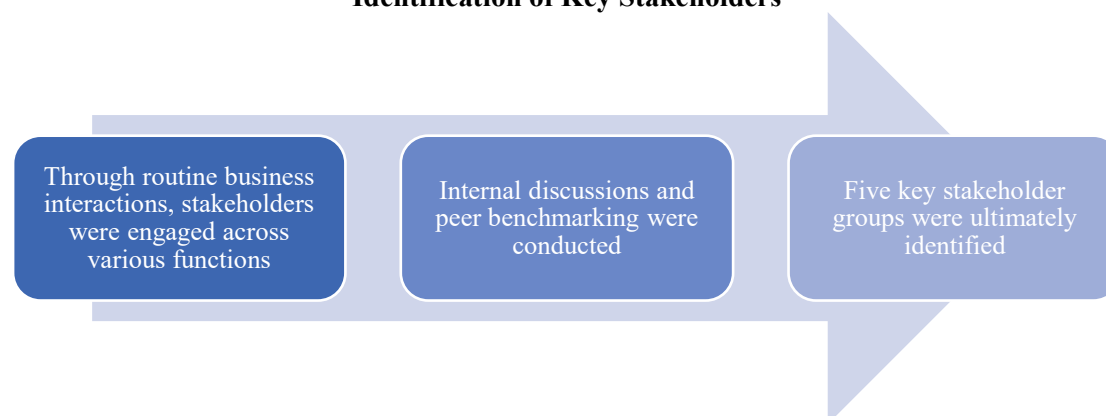
Additionally, the chairperson of the Sustainable Development Task Force is required to report annually to the Board of Directors on the implementation results and future plans related to sustainable development. The Board reviews the implementation content and direction, and supervises the management team to make adjustments when necessary.

Sustainable Development Task Force



1.2 Identification of Stakeholders

Identification of Key Stakeholders



Stakeholders refer to individuals or groups that either influence or are influenced by Yuan High-Tech. Each department initially identified the types of stakeholders it engages with through regular business interactions. Following this, internal meetings were held to assess the frequency and intensity of interactions with each stakeholder, as well as their importance to the Company. Reference was also made to peer company practices. Ultimately, five key stakeholder groups deemed material to Yuan High-Tech were identified: shareholders/investors, customers, suppliers, non-profit organizations/local communities, and employees.

1.3 Stakeholder Communication Channels and Key Topics of Concern

Due to their varying roles and identities, Yuan High-Tech's key stakeholders focus on different sustainability topics. Each department proactively maintains positive, ongoing engagement with stakeholders through multiple channels, enabling stakeholders to stay informed of the Company's operations in a timely manner. At the same time, Yuan High-Tech gains valuable insight into stakeholder expectations and concerns, allowing for timely responses. The status of stakeholder communication is reported annually to the Board of Directors.

During routine interactions, each department gathers stakeholder concerns, which are then compiled by the Sustainable Development Task Force. Based on the GRI 2021 Standards and peer company ESG reports, six material sustainable topics spanning economic, environmental, and social dimensions were identified to ensure that the Company's disclosures meet the completeness and inclusiveness required by GRI.

Key Stakeholders	Materiality to the Company	Topics of Concern	Company's Primary Responsibilities	Communication Channels/Frequency
Shareholders/Investors	As capital providers of the Company, shareholders are entitled to have their legal rights protected and to be treated equitably. The Company is responsible for ensuring that shareholders have sufficient access to information and the rights to participate in and make decisions on major corporate matters.	<ul style="list-style-type: none"> ● Operational performance ● Innovation and R&D ● Information security and personal data protection ● Customer service ● Compensation and benefits 	<ul style="list-style-type: none"> ● Continuously enhance corporate value and shareholder returns through stable financial performance and long-term growth strategies. ● Invest in technological R&D and product upgrades to strengthen market competitiveness and create new revenue drivers. ● Establish an information security management system and protective measures to reduce operational risks, protect shareholder reputation, and uphold corporate credibility. ● Maintain strong customer relationships to increase satisfaction and loyalty, strengthening brand image and market position. ● Attract and retain talent through fair compensation and incentive mechanisms to support sustainable operations 	<ul style="list-style-type: none"> ● Annual general shareholders' meeting and investor conferences/Regular ● Disclose material information in real-time via the Market Observation Post System/Ad hoc ● Email and contact numbers listed on the Company website to create a smooth communication channel between investors and the Company/Ad hoc ● Financial reports/Regular
Customers	Customers are a crucial pillar of the Company's operations. Ensuring product quality and user safety is the Company's top priority, along with a commitment to providing robust after-sales services to demonstrate customer-	<ul style="list-style-type: none"> ● Product responsibility ● Product and service labeling ● Customer service ● Raw material management ● Innovation and 	<ul style="list-style-type: none"> ● Ensure product quality, safety, and regulatory compliance, delivering stable and reliable solutions. ● Clearly label product specifications, installation methods, and precautions to help customers use and maintain products properly, minimizing misuse risks. ● Provide timely and professional pre-sales and after-sales support through instant 	<ul style="list-style-type: none"> ● Routine business communications (face-to-face), phone calls or emails/Ad hoc

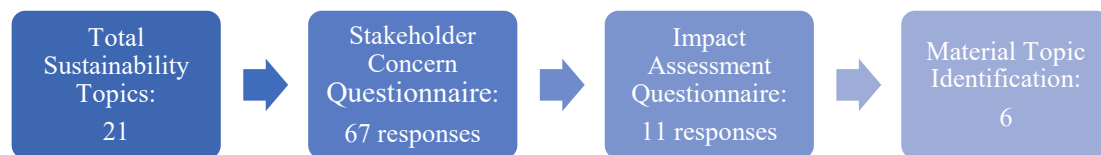
Key Stakeholders	Materiality to the Company	Topics of Concern	Company's Primary Responsibilities	Communication Channels/Frequency
	centric values.	R&D	<p>communication and technical assistance to enhance customer satisfaction.</p> <ul style="list-style-type: none"> ● Select compliant and eco-friendly raw materials, control quality sources to ensure consistency and stability throughout manufacturing and in final products. ● Continuously develop high-performance products to meet diverse and customized demands. 	
Suppliers	The stable supply of the Company's products and services relies on a broad network of suppliers that continuously provide raw materials and components. In fulfilling its corporate social responsibility, the Company actively exercises its influence to require suppliers to comply with environmental and human rights standards, and to eliminate any conduct that pollutes the environment or infringes upon human rights.	<ul style="list-style-type: none"> ● Operational performance ● Innovation and R&D ● Product responsibility ● Ethics and integrity ● Customer service 	<ul style="list-style-type: none"> ● Maintain steady orders and long-term partnerships to provide suppliers with predictable revenues and cooperation opportunities. ● Encourage suppliers to innovate and improve processes to jointly enhance product quality and market competitiveness. ● Require suppliers to ensure product quality, safety, and compliance with specifications, legal regulations, and final product standards. ● Establish a fair, transparent, and impartial procurement mechanism that prohibits bribery and corruption, and enforces corporate ethics. ● Maintain good communication to improve delivery accuracy and responsiveness, jointly meeting end-customer needs. 	<ul style="list-style-type: none"> ● Supplier performance evaluation after each transaction/Ad hoc ● Routine business communications, phone calls or emails/Ad hoc ● Signing of the electronic Supplier Code of Conduct/Ad hoc ● Signing of Restricted Substances Declaration/Ad hoc

Key Stakeholders	Materiality to the Company	Topics of Concern	Company's Primary Responsibilities	Communication Channels/Frequency
Non-profit Organizations/Local Communities	As key partners in fulfilling corporate social responsibility, non-profits and communities help promote social harmony and improve local well-being. The Company supports community development and care for disadvantaged groups, and collaborates to advance education and talent cultivation.	<ul style="list-style-type: none"> ● Public welfare participation ● Talent cultivation ● Labor-management communication ● Human rights protection ● Ethics and integrity 	<ul style="list-style-type: none"> ● Participate in community engagement and public welfare activities to fulfill CSR and amplify positive social influence. ● Assist in nurturing local talent to drive overall societal development. 	<ul style="list-style-type: none"> ● Industry-academia collaboration or public interest initiatives/Ad hoc
Employees	Employees are the driving force behind the Company's operations. We are committed to fostering a work environment that values both physical and mental well-being as well as diverse personal development, enabling employees to work with peace of mind and realize their full potential.	<ul style="list-style-type: none"> ● Compensation and benefits ● Ethics and integrity ● Occupational safety ● Talent cultivation ● Labor-management communication 	<ul style="list-style-type: none"> ● Offer market-competitive compensation and a comprehensive benefits system to safeguard employees' basic living standards and work motivation. ● Cultivate a culture of integrity and legal compliance, emphasizing ethical conduct and zero tolerance for fraud or misconduct. ● Communicate with employees in real-time through face-to-face meetings, phone calls, and emails to promptly respond to feedback. ● Provide professional training and a clear promotion system to support skills enhancement and career development. ● Always listen to employees' voices by conducting regular labor-management meetings and maintaining diverse 	<ul style="list-style-type: none"> ● Hold quarterly labor-management meetings on a regular basis ● Arrange comprehensive health examinations every two years ● Provide monthly on-site physician consultation services

Key Stakeholders	Materiality to the Company	Topics of Concern	Company's Primary Responsibilities	Communication Channels/Frequency
			communication channels to foster harmonious labor relations.	

1.4 Material Topic Identification

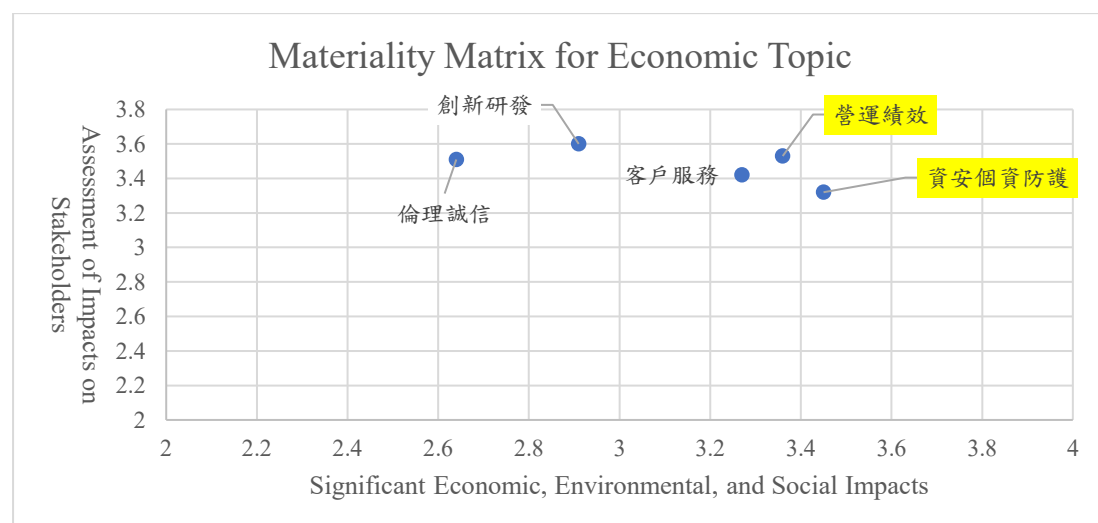
Process for Material Topics Identification



Aspect	Sustainability Topics
Economic	Operational Performance, Information and Personal Data Protection, Business Integrity, R&D and Innovation, Customer Service
Environmental	Raw Material Management, Water Resource Management, Energy Management, GHG Management, Waste Management, Green Products and Services, Sustainable Supply Chain
Social	Product Responsibility, Product and Service Labeling, Compensation and Benefits, Labor-Management Communication, Occupational Safety, Talent Development, Diversity and Equality, Human Rights Protection, Public Welfare Participation

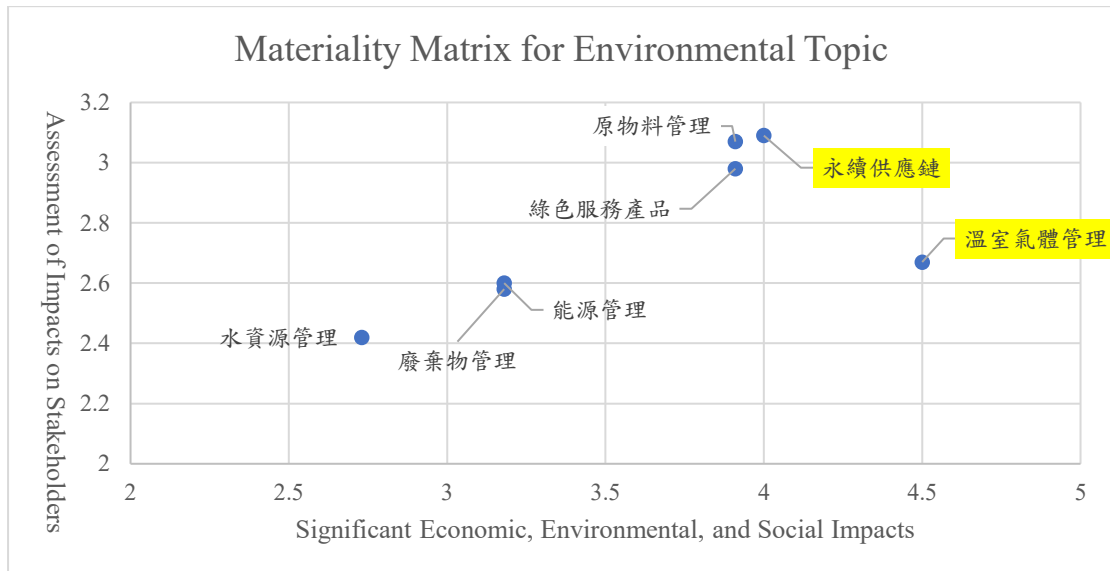
Note: Corporate Governance, Risk Management, and Business Integrity are required disclosures under the GRI Standards 2021 and are therefore included in this report even if not listed among the six material topics.

Yuan High-Tech's Sustainability Task Force identified 21 sustainability issues and distributed an online survey to key stakeholders. A total of 67 valid responses were collected, including 6 from shareholders/investors, 14 from customers, 17 from employees, and 30 from suppliers. Based on the level of stakeholder concern, another online survey was distributed to 11 company executives to assess the degree of impact these topics have on Yuan High-Tech. The two sets of results were then integrated to produce a materiality matrix. Through discussion by the Sustainability Task Force, the top two topics from each of the three dimensions: economic, environmental, and social, were selected as the material topics for the year. The six major topics that YUAN High-Tech should prioritize for disclosure this year have been confirmed. These topics cover economic, environmental, and social aspects and include Operational Performance, Information Security and Personal Data Protection, Compensation and Benefits, Product Responsibility, Sustainable Supply Chain, and Greenhouse Gas Management. In this report, Yuan High-Tech will explain the management policies and related disclosure items for each topic.

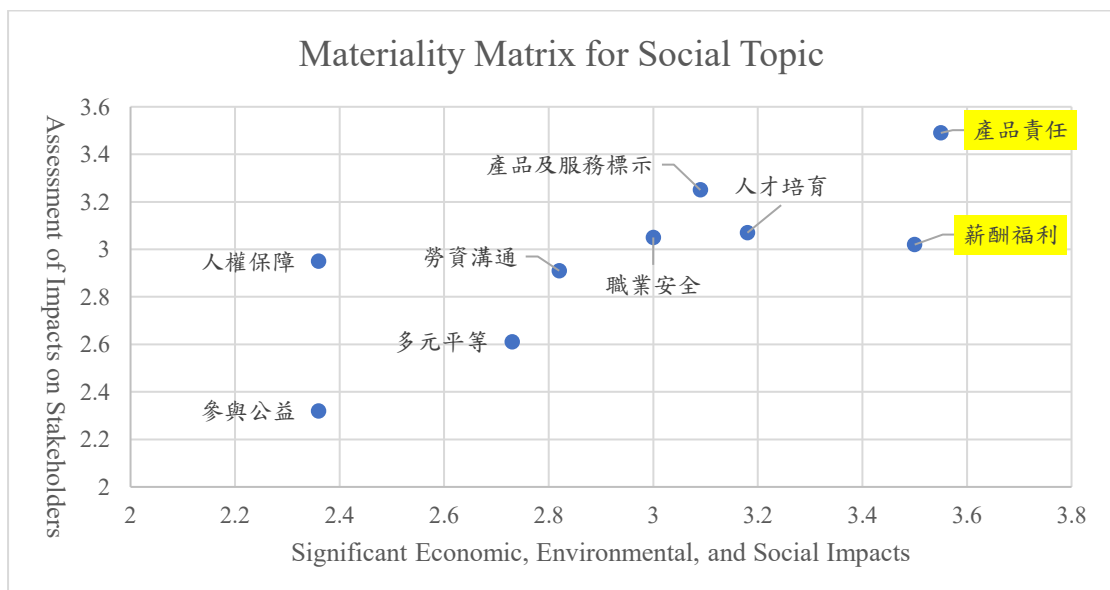


創新研發	Innovation and R&D
------	--------------------

倫理誠信	Ethics and integrity
客戶服務	Customer service
營運績效	Operational Performance
資安個資防護	Information Security and Personal Data Protection



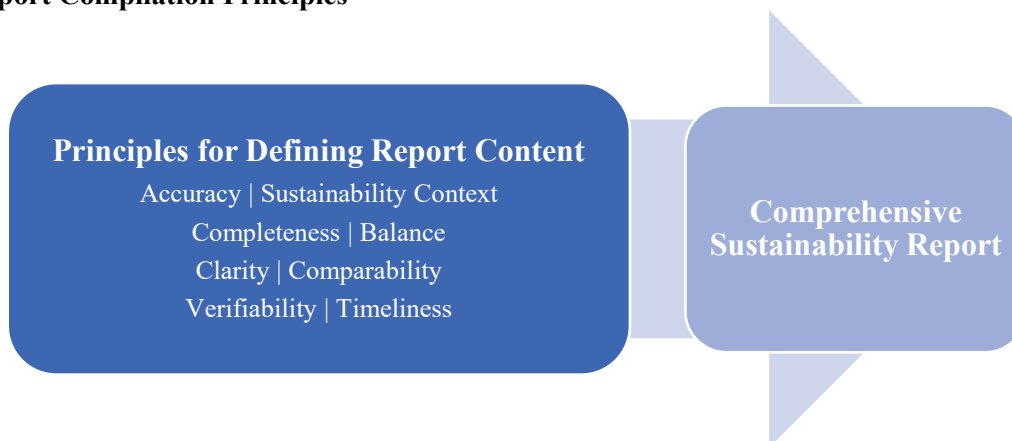
水資源管理	Water Resource Management
廢棄物管理	Waste Management
原物料管理	Raw material management
綠色服務產品	Green Service Products
能源管理	Energy Management
永續供應鏈	Sustainable Supply Chain
溫室氣體管理	Greenhouse Gas Management



人權保障	Human rights protection
參與公益	Public welfare participation

多元平等	Diversity and Equity
產品及服務標示	Product and service labeling
職業安全	Occupational safety
人才培育	Talent Cultivation
產品責任	Product Responsibility
薪酬福利	Compensation and Benefits
勞資溝通	Labor-Management Communication

Report Compilation Principles



Yuan High-Tech has followed the requirements of the GRI Standards and prepared this ESG report based on the eight principles for defining report content, including stakeholder inclusiveness: the preliminary identification of five major stakeholder groups; Accuracy: the information disclosed in the report must be sufficiently accurate and detailed to allow stakeholders to assess the Company's ESG performance; Sustainability Context: disclosure of how Yuan High-Tech has taken measures to improve or mitigate the economic, environmental, and social impacts in the local and surrounding areas where it operates; Completeness: the material topics and their internal and external boundaries included in this report are sufficient to reflect the significant economic, environmental, and social impacts of Yuan High-Tech; Balance: the information in the report reflects both positive and negative performance, allowing all parties to reasonably evaluate the Company's overall performance; Clarity: the information presented by Yuan High-Tech is in a format that enables stakeholders to easily understand and access it; Comparability: Yuan High-Tech collects and discloses relevant information based on internationally accepted standards, and the format of the information allows stakeholders to analyze the Company's long-term performance; Verifiability: the information disclosed by Yuan High-Tech is collected, compiled, and presented in a way that can be reviewed and used to establish the quality and materiality of the information; Timeliness: Yuan High-Tech provides important information on business operations in a timely manner to enable stakeholders to immediately understand the Company's status and enhance information transparency.

Defined Material Topics and Boundaries



Aspect	Material Topics	Importance to Yuan High-Tech	Internal Boundary	External Boundary		Corresponding GRI Standards	Report Disclosure
			The Company	Suppliers	Customers		
Economic	Operational Performance	<ul style="list-style-type: none"> ● Establish a comprehensive network of sales offices across Asia to meet the requirements of principals and customers for distributors, and continue building a technical service team to promptly address issues from principals and customers, thereby becoming a key partner to both. ● Actively develop high-potential product lines, collaborate with principals to acquire quality new clients, and continuously enhance operational performance. ● Maintain stable revenue growth, improve profitability year by year, and secure a solid position in the global 	●			GRI 201: Economic Performance 2016	3.4 Operational Performance

		electronics distribution industry.					
Economic	Information Security and Personal Data Protection	<ul style="list-style-type: none"> ● Protecting customer privacy and ensuring information security is the Company's top priority to guarantee the safe use of information. ● Ensure the security and confidentiality (confidentiality, integrity, and availability) of all data transmissions between the Company, suppliers, and customers. 	●	●	●	Information Security (custom topic)	3.5 Cybersecurity Protection
Social	Compensation and Benefits	Compensation and benefits serve as the cornerstone for attracting, motivating, and retaining top talent, and play a critical role in employees' job satisfaction and quality of life. The Company believes that fair and competitive compensation and benefits not only enhance employee loyalty and engagement, but also foster a positive corporate image, further boosting the	●			GRI 401: Employment 2016	5.2.1 Compensation and Benefits

		Company's market appeal and competitiveness.					
Social	Product Responsibility	<ul style="list-style-type: none"> ● Strategic integration: Integrate product responsibility into the core of corporate strategy to ensure product compliance with safety and environmental standards, thereby enhancing brand reputation and market competitiveness. ● Risk management: Enforce strict product quality control to mitigate the risks of product recalls or legal disputes, ensuring the Company's long-term, stable development. 	●	●	●	GRI 416: Customer Health and Safety 2016	5.5 Product Responsibility
Environmental Social	Sustainable Supply Chain	The industries related to video capture cards, video converters, and streaming encoders rely heavily on supply chains involving semiconductors, electronic components, and metal materials. The sustainability of these supply chains is critical to the Company's	●	●	●	GRI 308: Supplier Environmental Assessment 2016 GRI 414: Supplier Social Assessment 2016	4.4 Sustainable Supply Chain

		long-term competitiveness. It is essential to reduce environmental and social impacts to maintain supply chain stability.					
Environmental	Greenhouse Gas Management	Greenhouse gas emissions have far-reaching implications for climate change. Although the Company itself is not a high-emission industry, its supply chain, including semiconductor manufacturing, metal processing, assembly, and logistics, generates a carbon footprint. Therefore, reducing greenhouse gas emissions is of significant importance to the Company. As such, supplier selection also considers their effectiveness in carbon reduction.	•	•	•	GRI 305 Emissions: 2016 (305-1, 305-2, 305-4, 305-5)	4.2.2 Greenhouse Gas Management





Note: GRI Standards reflect the year each material topic was originally issued.



1.5 Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals (SDGs) is an initiative announced in 2015, outlining 17 sustainable development goals and 169 specific targets to serve as guiding principles for member states and global enterprises to implement sustainable development by 2030.

Yuan High-Tech has integrated the SDGs into its business strategies, expanding its traditional focus on economic performance to also encompass environmental protection, legal compliance, enhancement of employee compensation and benefits to retain talent, elimination of workplace inequality, reduction of greenhouse gas emissions, and collaboration with suppliers to improve environmental and labor conditions.

Looking ahead, Yuan High-Tech remains committed to making further contributions to the SDGs and fulfilling its corporate social responsibility.

SDGs	SDG Targets	Yuan High-Tech's Actions
 <p>1 消除貧窮</p>	1.4 Ensure that all men and women, in particular the poor and vulnerable, have equal rights to and access to economic resources.	<ul style="list-style-type: none"> ● Provide salaries and benefits that exceed legal requirements and are competitive within the market, enabling employees to work with dignity and improve their economic well-being and that of their families. ● Adjust employee compensation appropriately based on company profitability to enhance employee cohesion.
 <p>4 優質教育</p>	<p>4.5 Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples, and children in vulnerable situations</p> <p>4.7 Promote education for sustainable development, sustainable lifestyles, human rights, gender equality, and the culture of peace and non-violence</p>	<ul style="list-style-type: none"> ● Provide job-specific training for employees in various functions to ensure equitable access to vocational development. ● Offer courses on sustainability, workplace gender equality, and labor rights, and encourage participation.
 <p>5 性別平等</p>	<p>5.1 End all forms of discrimination against all women and girls everywhere</p> <p>5.4 Recognize and value unpaid care and domestic work through the provision of social protection policies</p>	<ul style="list-style-type: none"> ● Do not consider gender when recruiting, evaluating, or promoting employees. ● All employees, regardless of gender, are entitled to apply for parental leave.
 <p>8 體面工作和經濟增長</p>	8.5 Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for	<ul style="list-style-type: none"> ● Do not consider gender when recruiting, evaluating, or promoting employees. ● Adjust employee compensation appropriately based on company profitability

	<p>work of equal value</p> <p>8.7 Secure the prohibition of child labour in all its forms, as well as the elimination of forced labour and modern slavery</p> <p>8.8 Protect labour rights and promote safe and secure working environments for all workers, in particular women workers, and those in precarious employment</p>	<p>to enhance employee cohesion.</p> <ul style="list-style-type: none"> ● Respect labor rights, including prohibiting child labor and all forms of workplace discrimination. ● Adjust duties appropriately for pregnant employees to reduce workload and ensure protection. ● Strengthen occupational health and safety management to improve workplace safety.
 <p>10 減少不平等</p>	<p>10.2 Promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</p> <p>10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices</p>	<ul style="list-style-type: none"> ● Recruitment, evaluation, and promotion mechanisms do not discriminate based on physical or psychological differences. ● Establish anonymous whistleblowing mechanisms with comprehensive protection procedures for whistleblowers.
 <p>16 和平正義與健全制度</p>	<p>16.6 Develop effective, accountable and transparent institutions at all levels</p> <p>16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels</p>	<ul style="list-style-type: none"> ● Strengthen corporate governance through internal controls to ensure compliance with company policies, and maintain independent reporting and whistleblower mechanisms. ● Conduct regular stakeholder communication to understand their expectations and report to the Board of Directors accordingly.

Chapter 2 About Yuan High-Tech

2.1 Company Profile

Founded in 1990, YUAN High-Tech Development Co., Ltd. (Stock Code: 5474) has been deeply engaged in video and audio technologies for over 30 years. The Company specializes in the capture, conversion, streaming, and analysis of video and audio, and has become a leading global supplier of video capture modules. Its products and solutions are widely applied in areas such as security surveillance, industrial automation, healthcare, broadcasting, and smart education, providing efficient and reliable video and audio technology support across industries.

YUAN High-Tech possesses a strong hardware and software R&D team with full in-house design and development capabilities, including hardware, drivers, firmware, FPGA, and SDK packages. This ensures the delivery of optimal technical support and integrated solutions for customers. As a close partner of NVIDIA, YUAN High-Tech offers a series of AI platforms based on NVIDIA processors, equipped with the NexVDO SDK toolkit, to deliver high-performance AI video and audio solutions. These platforms help clients swiftly enter the AI market, enabling intelligent decision-making and enhanced operational efficiency.

Looking ahead, YUAN High-Tech will continue to deepen its technological advantages and expand its global market presence. Driven by innovation, the Company is committed to becoming a market leader in next-generation industrial video and audio technologies.

Company Name	YUAN High-Tech Development Co., Ltd.
Headquarters Location	18F., No. 88, Sec. 2, Zhongxiao E. Rd., Zhongzheng Dist., Taipei City, 100412
Capital	NT\$443,559 thousand (Paid-in Capital)
Annual Revenue	2024 Parent Company Only: NT\$1,194,219 thousand
Number of Employees	Total employees in Taiwan: 151
Operating Site	Taipei Headquarters
Main Products/Services	Video capture cards, video converters, video streaming encoders/decoders, video analyzers, video cameras
Number of Products Provided (units)	Computer multimedia peripheral video converters and interface cards: 570,937 Others: 238,572

Note: Data was compiled through the end of 2024.

Yuan High-Tech Operating Sites

Please refer to the Company's official website for details.
www.yuan.com.tw

The upstream and downstream interrelationships are explained as follows:

【Upstream】

The Company's upstream industries include analog and digital, as well as FPGA chip suppliers. We have important partnerships with well-known IC suppliers like MediaTek, Realtek, Nuvoton, Novatek, Xilinx, and ADI. Additionally, chip suppliers specializing in

graphics processing units (GPUs) and artificial intelligence (AI) computing, such as NVIDIA and Intel, are crucial sources in our upstream chip supply chain.

【Downstream】

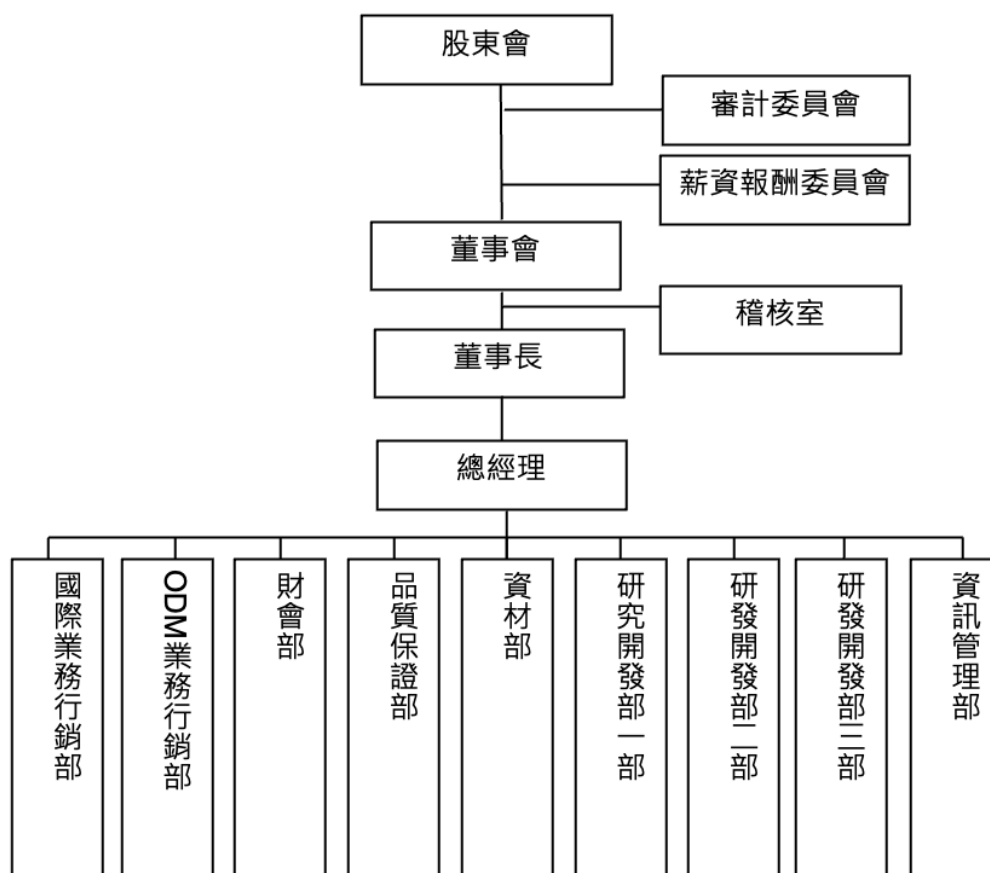
The Company has a wide range of downstream industries, including healthcare, defense, transportation, education, factory manufacturing, security, and surveillance, among others. Any industry that involves audiovisual capture, streaming, broadcasting, and artificial intelligence (AI) processing can be our customer. With the constant advancements and innovations in audiovisual and AI technologies, the Company will continue to expand its applications and development in various industries and fields.

Our R&D team is capable of vertically integrating different hardware modules and software components due to the integration of expertise and experience in various fields, including hardware, drivers, firmware, FPGA, and SDK. Utilizing hardware components from chip suppliers and combining them with the Yuan High-Tech's highly skilled FPGA technology and R&D capabilities, breakthroughs are achieved in current technology limitations and design improvements. At the same time, immediate responses are made to market and customer needs, thereby maximizing business benefits. On the other hand, the Company also continues to invest a lot of resources in upgrading its production technology to achieve a market niche and differentiate itself from its competitors by offering the widest and most diverse range of products to meet market changes and customer needs through continuous product evolution.

The following diagram illustrates the upstream, midstream, and downstream relationships in the industry:

<u>Upstream</u>	Digital Modulation Chips and Input/Output Chips	SoC single-chip receivers	Video compression and decompression chips	Video Processors
<u>Midstream</u>	TV tuner modules for PC	Consumer TV tuner modules	Video capture/recording modules	Video converters
<u>Downstream</u>	Multimedia PCs	Consumer electronics (3C products)	Security surveillance market	System integrators

Organization Chart



股東會	Shareholders' Meetings
審計委員會	Audit Committee
薪資報酬委員會	Remuneration Committee
董事會	Board of Directors
稽核室	Auditing Office
董事長	Chairman
總經理	General Manager
國際業務行銷部	International Sales & Marketing Department
ODM 業務行銷部	ODM Business Marketing Department
財會部	Department of Finance and Accounting
品質保證部	Quality Assurance Department
資材部	Logistics Department
研究開發部一部	R&D Department I
研究開發部二部	R&D Department II
研究開發部三部	R&D Department III
資訊管理部	Information Management Department

2.2 Business Philosophy

Yuan High-Tech's business philosophy centers around "Service, Excellence, Learning, and Innovation." The Company is committed to delivering high-quality services, pursuing superior product quality, continually acquiring new knowledge, and embracing innovation to meet customer needs, give back to society, and achieve sustainable development.

Service

- Yuan High-Tech adopts a people-oriented approach, providing a safe working environment and striving to meet customers' comprehensive needs for motion components.

Excellence

- By pursuing excellence in quality, the Company ensures that its products and services meet high standards, delivering a stable and reliable experience to customers.

Learning

- The Company continually pursues technological innovation and breakthroughs to maintain a leading position in the industry.

Innovation

- The Company actively invests in R&D and consistently launches new products and services to meet the ever-evolving needs of customers.

In addition, Yuan High-Tech places special emphasis on corporate governance, values shareholders' rights, treats all shareholders equally, and enhances information transparency. The Company actively fulfills its responsibilities toward sustainability and has adopted a policy of prohibiting the use of conflict minerals to ensure compliance and sustainability throughout the supply chain.





2.3 Awards and Recognition

To address evolving industry technologies, Yuan High-Tech provides customers with the highest value and most competitive solutions. Over the years, the Company has received various awards recognizing its excellence as a corporation and as a distributor:

1. Education is not only the transmission of knowledge, but also the power to inspire. Yuan High-Tech was honored with inclusion in the HolonIQ 2023 Taiwan EdTech 50, symbolizing the international recognition of its innovation and practices in the field of educational technology. This honor belongs to everyone who has dedicated themselves to developing solutions and connecting learning through technology.
2. At ISE 2024, a major international audiovisual and system integration event, the AIR6N0 AI computing platform stunned the audience with its outstanding performance and flexibility, winning the Best of Show Award. This is a testament to Yuan's excellence in product design, engineering capabilities, and market insight, and is the result of meticulous efforts by the entire team.
3. At Computex, one of the world's most renowned technology trade shows, the Best Choice

Golden Award represents a significant honor. Once again, AIR6N0 stood out, demonstrating Taiwan's leading strength in AI computing and showcasing the Company's relentless pursuit of innovation and quality to the world.

4. In a globally recognized AI accuracy competition, Yuan High-Tech's facial recognition technology achieved the highest ranking in Taiwan. This represents not only a victory in speed and accuracy, but also the highest affirmation of the R&D team's continuous push beyond limits and pursuit of perfection.

Award Title	Trophy/Certificate Photos
HolonIQ 2023 Taiwan EdTech 50 Honor	
AIR6N0 AI Computing Platform: ISE 2024 Best of Show Award	
AIR6N0 AI Computing Platform: 2024 Computex Best Choice Golden Award	
Ranked No. 1 in Taiwan in the World Facial Recognition AI Accuracy Competition	

2.4 Participation in External Organizations

In addition to enhancing its own product competitiveness, Yuan High-Tech actively communicates with various stakeholders. Through participation in industry-related associations, the Company maintains constructive interaction with fellow members, gains insight into the latest industry developments, and stays abreast of market trends. As of now, the Company has not signed on to any external initiatives.

External Associations	Membership Status
Taipei Computer Association	Member

Taiwan Electrical and Electronic Manufacturers' Association	Member
Taiwan External Trade Development Council	Member
Taiwan Automation Intelligence and Robotics Association	Member
Institute for Information Industry	Member
Institute for Biotechnology and Medicine Industry	Member
Digital Content Protection LLC	Member
HDMI Licensing LLC	Member
Via Licensing Corporation	Member
Audinate PTY LTD	Member

Chapter 3 Ethical Governance

A sound corporate governance system includes a robust Board of Directors, stringent internal controls, and stable financial management. In addition to helping reduce business risks, it enhances competitiveness and builds brand value. By fostering a corporate culture grounded in integrity and accountability and by complying with all relevant regulations, a well-functioning governance structure ensures the Company's sound operations and protects the rights and interests of investors and other stakeholders.

Yuan High-Tech has established a corporate governance system in accordance with Taiwan's Securities and Exchange Act and related regulations. To strengthen the protection of shareholders' rights, enhance board functions, respect stakeholder interests, and improve information transparency, the Board of Directors adopted the "Corporate Governance Best Practice Principles." The Company adheres to fair, impartial, and open procedures for director elections and has appointed independent directors to strengthen board oversight. The Board has also approved the "Procedures for Handling Material Internal Information and Prevention of Insider Trading," prohibiting directors, managers, and employees from profiting through access to non-public information. Yuan High-Tech also upholds the principles of accurate, timely, and fair disclosure. It has established a comprehensive information disclosure system, providing operational, financial, Board, and Shareholder Meeting information via the Company's website and the Market Observation Post System to ensure shareholders have access to the latest updates.

The Company has also established multiple grievance channels. In the Stakeholder section of the corporate website, it provides dedicated contact points for various stakeholder categories. Through two-way communication, the Company seeks to understand stakeholders' expectations and make efforts to meet them.

Corporate Governance Best-Practice Principles



<https://www.yuan.com.tw/zh-tw/investor/important-internal-regulations>

Stakeholder Section



<https://www.yuan.com.tw/zh-tw/investor/stakeholders>

3.1 Governance Practices

Corporate Governance Achievements

- In November 2021, the head of the Finance & Accounting Department was appointed concurrently as the Corporate Governance Officer.
- The average performance evaluation score for the Board of Directors and functional committees was 4.99 out of 5.
- Female directors accounted for 11%; independent directors accounted for 33%.

The Shareholders' Meeting, composed of all shareholders, makes decisions on major matters and receives periodic reports from the Board. As the highest governance body, the Board exercises a duty of care and fiduciary responsibility. The President assists the Chairperson in formulating the Company's business strategies and sustainable development plans, which are reviewed by the Board along with financial performance and ESG strategies to ensure regulatory compliance. To enhance governance operations and competitiveness, the Board has established an Audit Committee and a Remuneration Committee. An independent Internal Audit Office reports its findings regularly to both the Audit Committee and the Board.

Yuan High-Tech places high importance on governance, seeks sustainable growth and ethical operations, and continues to strengthen its governance structure. With a transparent information policy and an effective internal control system, the Company safeguards the rights of stakeholders. In accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies, Yuan High-Tech designs and implements its internal control systems based on its operational activities, regularly reviewing and adjusting them to adapt to internal and external changes. Through effective management mechanisms, the Company aims to improve performance and achieve long-term sustainability.

To support the Board in performing its duties and enhancing board effectiveness, the Board resolved in November 2021 to appoint the head of the Accounting Department concurrently as the Corporate Governance Officer. This officer assists directors in carrying out their duties, provides necessary information, arranges continuing education, handles matters related to Board and Shareholders' meetings in accordance with the law, ensures compliance with Board/Shareholders' resolutions, and maintains investor relations. In 2021, the Corporate Governance Officer completed 12 hours of governance-related professional development. The Company will continue to enhance overall governance effectiveness and strengthen stakeholder confidence in Yuan High-Tech.

The Company's financial statements are regularly audited and certified by an external CPA firm. All disclosures required by law are made accurately and in a timely manner. Designated personnel are responsible for external information disclosures, and a spokesperson system is in place to ensure that all material information is disclosed promptly and appropriately for the reference of shareholders and stakeholders.

Looking ahead, Yuan High-Tech will continue to improve Board operations, enhance transparency, and progressively integrate sustainability strategies into its governance framework.

3.1.1 Board of Directors

**Rules of Procedure of
the Board of Directors**

**Board of Directors and
Functional Committees
Performance Evaluation
Policy**



<https://www.yuan.com.tw/zh-tw/investor/important-internal-regulations>



<https://www.yuan.com.tw/zh-tw/investor/important-internal-regulations>

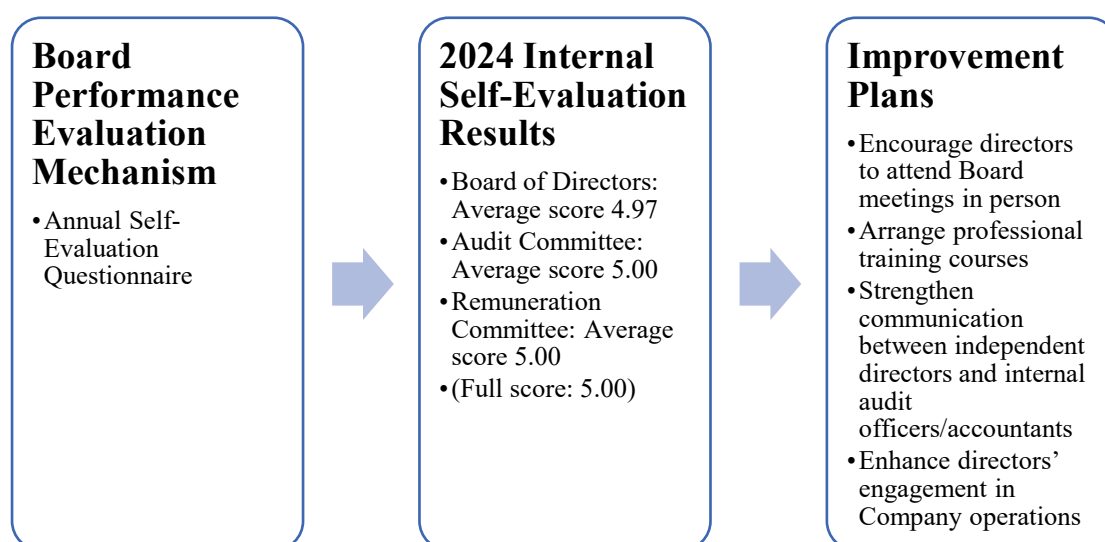
The Board of Directors is responsible for formulating the Company's business strategies and is accountable to shareholders and other stakeholders. Directors are expected to faithfully execute their duties and fulfill their fiduciary responsibilities with due care. Except for matters that must be resolved by the shareholders' meeting in accordance with the law or the Articles of Incorporation, decisions related to the execution of company operations and governance mechanisms shall be made by the Board. According to the Company's Articles of Incorporation, the election of directors adopts a candidate nomination system and is conducted through regular re-elections. In line with the Corporate Governance Best Practice Principles, the number of directors concurrently serving as managers of the Company shall not exceed one-third of the total seats. The Company promotes a board diversity policy to strengthen corporate governance and optimize board composition and structure, believing that diversity enhances overall board performance. The selection of Board members is based on merit, with emphasis on complementary capabilities across industries. In addition to age, gender, and nationality, Board members possess industry experience (e.g., professional services and marketing, information and technology, finance and accounting) and professional expertise (e.g., law, accounting, risk management). To strengthen the Board's functions and achieve the goals of sound governance, Article 20 of the Company's Corporate Governance Best Practice Principles stipulates that the Board should collectively possess the following capabilities: business judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market perspective, leadership, and decision-making ability. Directors of the Company possess both professional industry expertise and extensive practical experience, with a strong grasp of industry trends. As of 2024, the Board consists of nine directors (including three independent directors), each serving a three-year term. The Chairperson and President are not the same person. In compliance with regulations, at least one board meeting is held quarterly. A total of five board meetings were held in the reporting year, with an average attendance rate of 100%.

Note: For detailed information on the academic and professional backgrounds of directors, concurrent positions held, and major shareholders, please refer to the Company's website.

Diversity Statistics/Year			2022		2023		2024	
			Number of shareholders	Percentage	Number of shareholders	Percentage	Number of shareholders	Percentage
Director	Gender	Male	8	88.9%	8	88.9%	8	88.9%
		Female	1	11.1%	1	11.1%	1	11.1%
	Age	Under 50	2	22.2%	2	22.2%	2	22.2%
		50~65	4	44.4%	4	44.4%	4	44.4%
		65 and above	3	33.3%	3	33.3%	3	33.3%
	Education background	Graduate School	7	77.8%	7	77.8%	7	77.8%
		College/University	2	22.2%	2	22.2%	2	22.2%
		Others	0	0.0%	0	0.0%	0	0.0%

Note: Percentage of female directors = (number of female directors at year-end/total number of directors at year-end) * 100%.

To establish sound board operations and supervisory functions, and to ensure the independence of independent directors in performing their duties, the Company has adopted the “Rules of Procedure of the Board of Directors” which clearly define the responsibilities of independent directors for compliance purposes. All directors adhere to high standards of self-discipline and observe conflict of interest avoidance principles. Directors with an interest in a Board meeting agenda item, or representing an interested legal entity, must disclose the nature of their interest at the meeting. If such interest is likely to harm the Company’s interests, the director must refrain from participating in discussion or voting and may not act as a proxy for other directors. To enhance the quality of Board decision-making, the Company has adopted the “Board Performance Evaluation Policy.” Each year, an internal assessment is conducted on the Board as a whole, individual directors, and functional committees. Questionnaires are distributed for self-assessment, and once every three years, evaluations are conducted by an independent professional institution or external experts. Results of the Board’s performance evaluation serve as a reference for future director nomination or selection, while individual director evaluations may inform decisions on remuneration.



In day-to-day operations, each department at Yuan High-Tech regularly or occasionally engages with stakeholders through designated communication channels. In the event of a potential major adverse impact between the Company and any stakeholder, the responsible unit will conduct due diligence across various dimensions including financial status, business conduct, legal compliance, environmental impact, labor rights, and health risks. The results are reported to the President and Chairman. If the Chairman deems the issue to significantly affect Company operations, the matter is reported to the Board, which will then deliberate and assign the responsible units for execution. In 2024, no such incidents occurred; thus, no reports were submitted to the Board. This mechanism enhances the Company’s stakeholder due diligence and the Board’s role in addressing potential major risks.

To effectively manage risk and encourage qualified professionals to serve as directors, the Company has taken out Directors’ Liability Insurance to protect directors from personal liability while performing their duties, thereby reducing the potential impact of errors or omissions on the Company and its shareholders.

Recognizing the regulatory and governance challenges faced by directors in operational decision-making, the Company encourages and arranges relevant professional training courses. In the reporting year, the Board collectively completed 18 hours of training. The Corporate Governance Officer will continue to arrange additional courses focused on corporate sustainability in the future. Yuan High-Tech believes that a Board guided by integrity and rich

industry experience will lead the Company toward more robust operations and long-term sustainable growth.

3.1.2 Functional Committees

To strengthen its supervisory and management functions, the Board of Directors has established an Audit Committee and a Remuneration Committee. Except where regulations require independent execution of authority, functional committees are accountable to the Board and submit proposals for Board resolutions.

Audit Committee

The Audit Committee assists the Board in supervising the quality of the Company's accounting, auditing, financial reporting processes, and internal controls, and submits evaluation results to the Board for discussion. Yuan High-Tech's Board has adopted the "Audit Committee Charter" and established an Audit Committee composed of three independent directors. One serves as the convener, and at least one member possesses expertise in accounting or finance. Meetings are held at least once per quarter. In the reporting year, five Audit Committee meetings were held, with a 100% attendance rate.

The head of internal audit holds closed-door meetings with all independent directors at least once per quarter to report on the execution of internal audit tasks. In the reporting year, four such meetings were conducted between the independent directors and the internal audit supervisor. Additionally, the independent directors held one meeting with the external auditor. During the meeting, the auditor reported the audit results of the financial statements and also conducted legal compliance briefings and exchanged opinions with the directors. Overall, communication between the independent directors, the internal audit supervisor, and the external auditor was smooth and effective.

Audit Committee Resolutions in the Reporting Year (Operational Overview)



<https://www.yuan.com.tw/zh-tw/investor/committees-audit>

Remuneration Committee

In order to establish a sound remuneration system for directors and managerial officers, and to assess whether their performance and compensation are fair and reasonable, YUAN High-Tech has established a Remuneration Committee under the Board of Directors, in accordance with the "Remuneration Committee Charter" approved by the Board. The Committee shall include at least one independent director among its members. As of the reporting year, all three committee members were independent directors, and the committee convened two meetings during the year with a 100% attendance rate.

The primary responsibilities of the Remuneration Committee include formulating and regularly reviewing the performance evaluation policies, compensation systems, and standards

for directors and managerial officers, as well as conducting regular performance and remuneration evaluations. When conducting evaluations, the Committee shall comprehensively consider the following principles: the Company's compensation must comply with applicable laws and regulations and be competitive enough to attract outstanding talents; evaluations and remuneration for directors and managerial officers shall take into account prevailing industry practices, the time and responsibilities undertaken by each individual, their performance in achieving personal goals, their role performance, historical remuneration for similar roles within the Company, the Company's short- and long-term business objectives, financial condition, and the reasonableness of the correlation between individual performance, corporate results, and future risks. Compensation policies shall not encourage directors or managerial officers to engage in actions beyond the Company's risk appetite in pursuit of higher remuneration. In determining the proportion of short-term performance-based compensation and the timing of variable payments for directors and senior executives, the nature of the industry and the Company's business characteristics shall also be considered.

In practice, the Remuneration Committee fulfills its duties with due care and diligence, regularly reviews and sets policies, systems, standards, and structures related to performance evaluations and remuneration for directors and managerial officers, and submits its proposals to the Board for discussion.

The Company's Articles of Incorporation stipulate that, in the event of profit in a given year, no less than 2% shall be allocated as employee compensation, to be distributed in stock or cash, as resolved by the Board of Directors. Eligible employees of subsidiaries may be included as recipients. Additionally, no more than 2% of the annual profit may be allocated as directors' remuneration, as resolved by the Board. However, if the Company has accumulated losses, the necessary amount must be retained to offset such losses before making the above allocations. Both the employee compensation and directors' remuneration distribution plans must be passed by a special resolution of the Board of Directors and reported at the shareholders' meeting.

As the Company is currently in the early stage of ESG implementation, ESG development goals and performance have not yet been linked to the individual remuneration of directors or managerial officers. However, the Company continues to monitor ESG trends and will consider incorporating ESG performance into the remuneration evaluation framework once internal ESG initiatives are more mature.

**Remuneration Committee
Resolutions in the
Reporting Year
(Operational Overview)**



<https://www.yuan.com.tw/zh-tw/investor/committees>

3.1.3 Internal Audit

The purpose of the internal audit function is to assist the Board of Directors and managerial officers in examining and reviewing deficiencies in the internal control system, assessing operational effectiveness and efficiency, and providing timely recommendations for improvement to ensure the continuous and effective implementation of the internal control

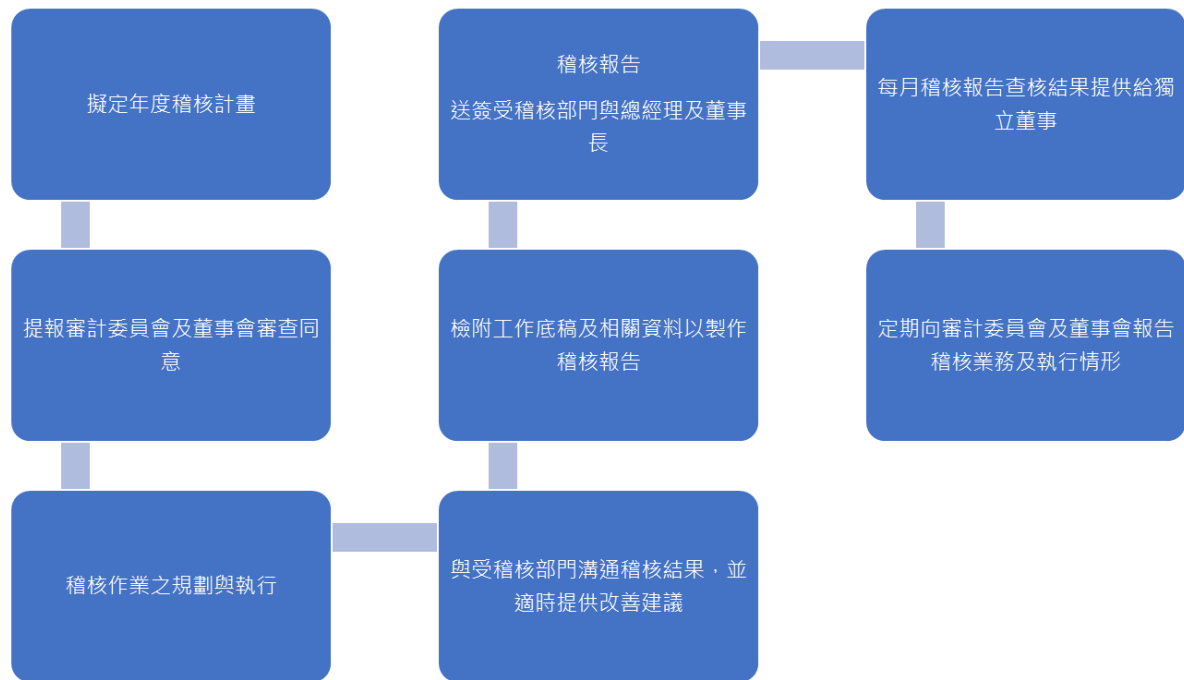
system. It also serves as the basis for reviewing and revising the internal control system. In accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies, YUAN High-Tech has established an effective internal control system based on its own and its subsidiaries' overall operations. The system is reviewed and improved continuously in response to internal and external changes to ensure that the design and implementation of internal controls remain effective. To ensure that audit personnel maintain an impartial and independent position when performing audit tasks, YUAN High-Tech has established an independent Internal Audit Office under the Board of Directors. The "Internal Audit Office Operating Procedures" stipulate that the appointment and dismissal of the chief audit officer must be approved by the Audit Committee and resolved by the Board of Directors. The appointment, evaluation, and remuneration of internal auditors are submitted by the chief audit officer to the Chairperson for approval.

In addition to conducting regular self-assessments of its internal control system, the Board of Directors and management review the self-assessment results of each department and the audit reports issued by the Internal Audit Office at least once per year. The chief audit officer shall attend Board meetings to report on the execution status of audit work and is required to attend Audit Committee meetings at least once per quarter to report to the independent directors on the Company's internal audit status and internal control operations.

Furthermore, the Internal Audit Office conducts annual reviews of the internal control self-assessment reports from all departments and subsidiaries, along with findings on deficiencies and anomalies in internal controls and the status of corrective actions. These are submitted to the Board of Directors and the President as a basis for evaluating the overall effectiveness of the internal control system and for issuing the Internal Control System Statement. To enhance the professional competency of auditors, YUAN High-Tech arranges for internal auditors to participate in ongoing training and attend internal audit courses conducted by competent authorities or designated institutions, thereby improving and maintaining the quality and effectiveness of audit execution. In the reporting year, internal auditors participated in 2 training sessions, totaling 59 hours.

YUAN High-Tech relies on internal auditors to continuously monitor the Company's compliance with operational procedures, to establish sound governance practices and risk control mechanisms, and to help create a sustainable operational environment. In the reporting year, the Internal Audit Office conducted 51 audit projects, with a 100% audit compliance rate. No material non-compliance issues were identified, and all identified deficiencies were rectified and closed within the prescribed timeframe.

Audit Process Flow



擬定年度稽核計畫	Formulate the annual audit plan
提報審計委員會及董事會審查同意	Submit the plan for review and approval by the Audit Committee and the Board of Directors
稽核作業之規劃與執行	Plan and execute audit operations
稽核報告送簽受稽核部門與總經理及董事長	Submit audit reports for sign-off by the audited departments, President, and Chairman
檢附工作底稿及相關資料以製作稽核報告	Attach working papers and relevant documents to produce audit reports
與受稽核部門溝通稽核結果，並適時提供改善建議	Communicate audit results with audited departments and provide improvement suggestions as needed
每月稽核報告查核結果提供給獨立董事	Monthly audit findings are shared with independent directors
定期向審計委員會及董事會報告稽核業務及執行情形	Regularly report audit activities and execution status to the Audit Committee and the Board of Directors

3.1.4 Ethics and Integrity

YUAN High-Tech upholds legal compliance and integrity as the foundation of its core corporate values. The Company conducts its business with honesty and in accordance with the law. To ensure that the principle of ethical business operations is fully implemented internally, YUAN High-Tech places great emphasis on employee character. At the onboarding stage, the Human Resources Department promotes the Company's internal regulations on integrity to new employees, fostering awareness of ethical conduct. Management is also expected to lead by example and strictly adhere to principles of integrity, thereby shaping a corporate culture of honesty through everyday influence.

Internally, YUAN High-Tech designates the Finance and Accounting Department as the unit responsible for promoting ethical business policies. The Company has established its “Ethical Corporate Management Best Practice Principles,” which have been approved by the Board of Directors. The regulations are published on the Company’s official website for stakeholders to access. A corresponding contact channel is also provided for stakeholders to submit feedback. If employees have questions regarding the internal rules on integrity, they may refer to the website or consult with their department supervisors or HR personnel via email, phone, or other means.

YUAN High-Tech has also established multiple reporting channels. Stakeholders can file reports via the Stakeholder Section on the Company’s website. The Internal Audit Office designates responsible personnel to conduct investigations. In principle, whistleblowers are required to provide their real names and supply relevant information about the reported incident, including but not limited to the name of the accused, date and location of the incident, details of the violation, and supporting evidence. However, if an anonymous whistleblower provides specific and relevant evidence, the assigned personnel may also proceed with the investigation. If the responsible personnel have a conflict of interest with the whistleblower or the accused, or if any relationship might influence the handling of the case, they must disclose the matter and recuse themselves, allowing another person to take over the investigation. The investigation process must be handled impartially and kept strictly confidential. The identity of the whistleblower must not be disclosed. YUAN High-Tech is committed to protecting whistleblowers from improper treatment due to their reports. If the reported person is a supervisor at the managerial level or above, the case must be reported to the independent directors. In the reporting year, YUAN High-Tech did not receive any whistleblowing or complaint cases.

In terms of business interactions, YUAN High-Tech employees, in the course of performing their duties, must explain the Company's ethical business policies and regulations to their business counterparts and explicitly reject the offering, promise, request, or acceptance of any form of improper benefit, whether directly or indirectly. Employees must also avoid conducting business with agents, suppliers, customers, or other parties known to engage in unethical conduct. If unethical behavior is discovered among current business partners, an evaluation must be conducted to determine whether they should be blacklisted, thereby implementing the Company’s ethical business policy. When entering into contracts, YUAN High-Tech must fully understand the counterparty's record of ethical conduct and include clauses requiring compliance with YUAN High-Tech's ethical business policies. These contractual terms should include, but are not limited to, obligations that require either party, upon discovering that any personnel have violated the prohibition on receiving commissions, kickbacks, or other improper benefits, to promptly notify the other party of the identity of such personnel, the form, method, amount, or nature of the benefit, and to provide relevant evidence and cooperate with the investigation. Should one party suffer damages as a result, it may claim a percentage of the contract amount as compensation and deduct the amount from the contract payment. If either party is involved in unethical conduct during the course of business, the other party reserves the right to terminate or cancel the contract unconditionally at any time.

To further embed ethical and integrity values into employees' daily operations, YUAN High-Tech arranges for senior executives to regularly emphasize the importance of corporate integrity culture during meetings. The designated unit is also responsible for reviewing and assessing the effectiveness of the Company’s internal controls related to ethical business practices, evaluating regulatory compliance in relevant business procedures, and reporting the results to the Board of Directors annually. The Internal Audit Office supervises the Company’s overall implementation of ethical practices and reports to the Board as necessary.

**Ethical Corporate
Management Best Practice
Principles for the
Company**



<https://www.yuan.com.tw/zh-tw/investor/important-internal-regulations>

Multiple Reporting Channels	Cases Handled During the Reporting Year	Cases Processed	Cases Closed
Company Official Website	0	-	-
HR Mailbox	0	-	-

3.2 Risk Management

YUAN High-Tech adopts the principle of materiality to identify environmental, social, and economic issues relevant to its operations through online surveys. The Company develops corresponding response strategies for potential negative impacts associated with material topics. The Company's risk management framework is centered on the respective responsible departments, which implement subsequent risk control measures. ESG risk assessments and corresponding response actions are reported to the Board of Directors at least once a year. Risk management policies and procedures are formulated to enable the corporate governance unit to supervise the effectiveness of the Company's internal control systems and oversee the control of actual or potential risks.

YUAN High-Tech Risk Management Framework

Risk Items	Responsible Department	Risk-Related Matters
Strategic Risk	Office of the Chairman	<ul style="list-style-type: none"> Formulating future operational policies for the Company.
Operational and Market Risk	Office of the President Sales Department Relevant Departments	<ul style="list-style-type: none"> Executing product R&D, production, and sales in accordance with corporate strategies; striving to improve production technologies, enhance quality, and reduce costs to increase profitability.
Financial and Liquidity Risk	Finance Department	<ul style="list-style-type: none"> Managing interest and foreign exchange hedging, credit line management, and banking relationships.
Customer Credit Risk	Finance Department	<ul style="list-style-type: none"> Establishing and reviewing customer credit lines; managing and collecting accounts receivable.
Legal Risk	Legal Department	<ul style="list-style-type: none"> Reviewing contracts, corporate authorizations, and minimizing legal risks to protect tangible and intangible corporate assets.
Environmental, Health, and Safety Risk	Engineering Department	<ul style="list-style-type: none"> Managing workplace hazards and specific risk factors; enhancing safety and health performance.

Risk Categories	Risk Descriptions	Risk Management Strategies
Sustainable Environment	Low proportion of recycled materials used in the plant	<ul style="list-style-type: none"> Conduct regular surveys of suppliers' recycled material usage rates. Select outstanding suppliers to enhance quality stability.
	Greenhouse gas emissions control	<ul style="list-style-type: none"> Gradually phase out outdated, energy-consuming equipment; Encourage lights-off during lunch breaks and control air conditioning temperatures to effectively reduce energy costs. Implement green procurement by prioritizing suppliers with certified green practices and replacing office equipment with energy-efficient alternatives.
	Failure to effectively conserve energy	

	Increase in wastewater discharge	<ul style="list-style-type: none"> ● Although classified under the computer and peripheral equipment manufacturing industry, the Company primarily conducts R&D and design operations without manufacturing processes, hence currently has no wastewater discharge issues. In alignment with environmental protection and sustainability, water-saving valves have been installed at various water outlets in the building to reduce water usage.
	Increase in waste volume/decrease in recycling rate	<ul style="list-style-type: none"> ● Develop a reduction plan and gradually switch to recyclable and environmentally friendly materials in the future, such as recycled copy paper and eco-friendly shipping materials, and replace office equipment with energy-saving models.
	Power shortage response	<ul style="list-style-type: none"> ● Install UPS (uninterruptible power supply) systems in critical server rooms to prevent data loss or corruption.
	Typhoons and floods	<ul style="list-style-type: none"> ● Monitor weather updates and develop tailored prevention and response plans for different natural disasters. ● Avoid locating operational sites in low-lying coastal areas and ensure facilities have flood and earthquake resistance. ● Purchase group accident insurance and fire insurance for employees, buildings, and goods to transfer and mitigate risks.
	Inability to reduce water intensity in the plant	<ul style="list-style-type: none"> ● As the Company is located in a managed office building with shared water usage, it is difficult to manage water consumption independently; internal water conservation campaigns are implemented for employees.
Employee Care	Reducing accidents	<ul style="list-style-type: none"> ● If an employee is injured due to a workplace incident, commuting accident on an approved route, or a statutory infectious disease, the following actions are taken: <ul style="list-style-type: none"> ■ In the event of an occupational accident, the necessary first aid measures shall be taken on site. Then, an investigation will be conducted to prevent the incident from happening again. ■ Report to the labor inspection agency within 8 hours upon knowledge of incidents involving fatalities, three or more injuries, or two or more hospitalizations. ■ Provide support in applying for insurance, labor insurance injury/illness benefits, and health education. ■ Labor health service personnel assess employee symptoms and refer them to occupational medicine specialists as needed.
	Overwork (long working hours)	<ul style="list-style-type: none"> ● To prevent overwork-related illnesses caused by prolonged working hours, the Company has adopted the following preventive measures and regulations: <ul style="list-style-type: none"> ■ Established preventive measures for diseases triggered by abnormal workloads, in order to safeguard employees' health and well-being. ■ Employed occupational health nurses to assist in identifying and assessing high-risk groups. ■ Arranged on-site physician consultations and health guidance every three months.

		<ul style="list-style-type: none"> ■ Conducted regular health checkups to enable early detection and treatment, with the goal of promoting physical health. ■ Encouraged employees to maintain a balance between work and life.
	Incidents of human rights violations (e.g., workplace bullying, sexual harassment...)	<ul style="list-style-type: none"> ● Enhanced policy advocacy (relevant laws and regulations on workplace bullying and sexual harassment). ● Established confidential whistleblowing channels.
	Labor shortages	<ul style="list-style-type: none"> ● Increased industry-academia collaborations with universities. ● Utilized intelligent systems to simplify labor-intensive operational processes.
Operational Performance	Revenue decline	<ul style="list-style-type: none"> ● The increasing complexity of customer applications has extended the time required for product planning and design. ● Under the B2B business model, regional instabilities may lead to revenue decline.
	Strengthening business ethics and integrity	<ul style="list-style-type: none"> ● Internal: Promoted ethical conduct and integrity among employees. ● External: Communicated the Company's ethical principles and relevant policies to OEM partners and customers.
	Insufficient supply chain resilience	<ul style="list-style-type: none"> ● The Company proactively maintains strong relationships with OEMs and invests FAE resources to support design-in efforts that benefit OEMs, ensuring a mutually beneficial partnership. In addition to maintaining relationships with existing OEMs, the Company actively develops potential product agency opportunities to diversify its product portfolio and prepare for uncertainties arising from OEM mergers or poor operations. ● In recent years, the world has been impacted by the global pandemic of COVID-19, which has caused inconveniences in daily life and significant effects on various industries. In response to the pandemic, the Company fully stocked its inventory to meet customer demand and prevent insufficient supply from original manufacturers. The Company also developed various transportation methods to ensure related products were delivered on time.
	Product Quality Stability	<ul style="list-style-type: none"> ● Optimized OEM quality control and return/exchange mechanisms. ● Strengthened agreements with customers to inform internal procurement planning. ● If clients have specific technical standards, the Company should communicate with the OEMs to comply with and meet the customer's requirements. ● Immediately reported any detected hazardous substance anomalies from OEMs to management and followed their directives.

	Enhancement of market competitiveness	<ul style="list-style-type: none"> ● The Company maintains close interactions with upstream and downstream customers through periodic client visits, information exchanges, and participation in international exhibitions to stay abreast of market trends and introduce products that meet global demand.
	Information transparency	<ul style="list-style-type: none"> ● Disclosed relevant information on the Market Observation Post System (MOPS) in accordance with regulatory requirements for investors' reference.
	Cybersecurity incidents	<ul style="list-style-type: none"> ● Implemented controls on software and hardware downloads and usage. ● Conducted internal awareness campaigns and phishing email drills for employee training.

3.2.1 Climate Change Risk Management and Response

In response to increasingly frequent extreme weather events in recent years, Yuan High-Tech has not only identified operational risks but also, in 2024, referred to the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. Based on the four core pillars: Governance, Strategy, Risk Management, and Metrics and Targets, the Company has established a risk framework to assess the impact of climate change on its operations and to formulate corresponding response measures.

Core Pillar	Explanation	Actions Taken	
Governance	The Sustainable Development Task Force is the primary authority responsible for governing climate-related risks and opportunities.	Yuan High-Tech has established an ESG Task Force chaired by the President, composed of the Corporate Governance Team, Environmental Sustainability Team, and Social Engagement Team. Each team is responsible for specific topics. Depending on the issue and its significance, designated team leaders convene regular meetings to discuss matters such as potential climate risks to operations, resource efficiency, and environmental impacts throughout the product lifecycle. Climate-related topics and execution status are reported to the Board annually.	
Strategy	Actual and potential impacts of climate-related risks and opportunities on business, strategy, and financial planning.	Identified short-, medium-, and long-term climate-related risks and opportunities as follows:	
		Short-term	<p>Transition Risks: Changes in local regulations where YUAN High-Tech operates may increase operational costs.</p> <p>Physical Risk: (1) High Temperature. (2) Water Shortage. (3) Power Restrictions. (4) Typhoons and floods.</p> <p>Opportunities: By initiating GHG inventories prior to 2026 and conducting annual inventories thereafter, with 2025 set as the base year, the Company adopts rolling management to reduce energy consumption.</p>
		Mid-term	<p>Transition Risk: Reduced customer demand may decrease YUAN High-Tech's orders.</p> <p>Opportunity: Improve resource efficiency.</p>

		Long-term	Transition Risk: Increased R&D expenditure by YUAN High-Tech. Opportunity: Develop new products/technologies with lower energy consumption to meet customer demands.
--	--	-----------	---

Core Pillar	Explanation	Actions Taken
Risk Management	Processes for identifying, assessing, and managing climate-related risks.	<p>In line with industry characteristics, YUAN High-Tech has identified the following risks and formulated corresponding action plans:</p> <ol style="list-style-type: none"> 1. Response to Transition Risks: Monitor regulatory updates in real time; assess compliance and implement necessary measures to ensure adherence. Integrate the concept of reducing environmental impact into all stages of the product life cycle; collaborate with upstream and downstream industries to develop energy-saving products. 2. Response to Physical Risks: Continue monitoring energy usage, collect relevant data, and implement improvements to mitigate risks to a controllable level. 3. Response to Climate Opportunities: Continue to focus on energy-saving technologies.
Metrics and Targets	Metrics and targets used to assess and manage climate-related risks and opportunities.	<ol style="list-style-type: none"> 1. Product Energy Consumption Improvements: In line with government policies, YUAN High-Tech's R&D department incorporates energy-saving designs and continuously improves and innovates energy efficiency performance. 2. GHG Emission Reduction: Although currently not required to disclose, YUAN High-Tech will conduct a GHG inventory for 2025 in 2026. 3. The computer and peripheral equipment industry is not among the early-stage CBAM taxable industries; YUAN High-Tech continues to monitor related developments.

3.3 Legal Compliance

Legal compliance is the foundation of corporate operations. At Yuan High-Tech, integrity policies are communicated to all new hires during onboarding. Given the breadth of applicable laws and regulations, each department is responsible for monitoring updates through interactions with government agencies or media reports and conducting internal and external training accordingly to ensure compliance in business operations.

First, in terms of corporate governance, Yuan High-Tech has established functional committees to oversee financial operations and the internal control system. The Company has adopted the “Corporate Governance Best-Practice Principles” and the “Performance Evaluation Measures of the Board of Directors and the Functional Committee” to ensure that the Board actively participates in major decision-making. A corporate governance officer is appointed to assist the Board’s operations and provide professional advice, thereby enhancing the effectiveness of the Board. Going forward, Yuan High-Tech will continue to follow the Corporate Governance Evaluation indicators and best practice principles to raise employee awareness of regulatory compliance.

Second, in terms of personnel management, the Company has formulated internal integrity policies and repeatedly emphasized that integrity is a core value. Through a comprehensive system of policy formulation, strict implementation, internal review, and well-established whistleblowing mechanisms that protect whistleblowers, Yuan High-Tech has built a robust compliance firewall. The management team leads by example and requires all employees to ensure their business conduct complies with relevant laws, company policies, and internal regulations. Compliance is monitored through annual internal control self-assessments and internal audits. The Company has also established operational guidelines that all employees across the group must follow, regardless of their position, rank, or location. These include the “Code of Ethical Conduct” and the “Code of Business Conduct and Ethics,” covering work environment standards, equal opportunity, confidentiality, prohibition of part-time work, avoidance of conflicts of interest, gift and hospitality protocols, respect for employees and clients, whistleblower protection, and immunity provisions. These measures help build public trust, enhance corporate image, and ensure the Company’s sustainable operation and development. In addition, to prevent and avoid violations of fair competition practices and antitrust laws, Yuan High-Tech has implemented a dedicated code of conduct as a behavioral guideline for managers and employees engaging in commercial activities, thereby reducing the risk of legal violations. The Company adheres to the principles of integrity and fairness in market competition, fosters a law-abiding corporate culture, and aims to build a trusted and respected corporate reputation.

Furthermore, in terms of employee training, Yuan High-Tech enhances awareness of ethical conduct and regulatory compliance by providing regular training tailored to different departments and job levels. These trainings are jointly conducted by the Legal Department and other responsible units and include onboarding programs, in-person courses, internal briefings, and external training sessions. Regulatory guidance is also made available through posters and the Company intranet to ensure timely access to compliance knowledge.

Lastly, regarding environmental, health, and safety (EHS) aspects, Yuan High-Tech has established monitoring, measurement, and performance management mechanisms to ensure that all processes in the product lifecycle comply with environmental and occupational safety regulations. An effective environmental and occupational safety management system is implemented to identify potential issues through a continuous improvement cycle and adopt timely control measures to avoid operational losses.

Overall, Yuan High-Tech has had no significant violations in recent years related to corporate governance, securities trading, environmental protection, labor and human rights, occupational safety, customer privacy breaches, marketing and labeling, or product liability.

Note: “Significant violations” refer to any penalties imposed by competent authorities totaling NT\$1 million or more.

3.4 Operational Performance

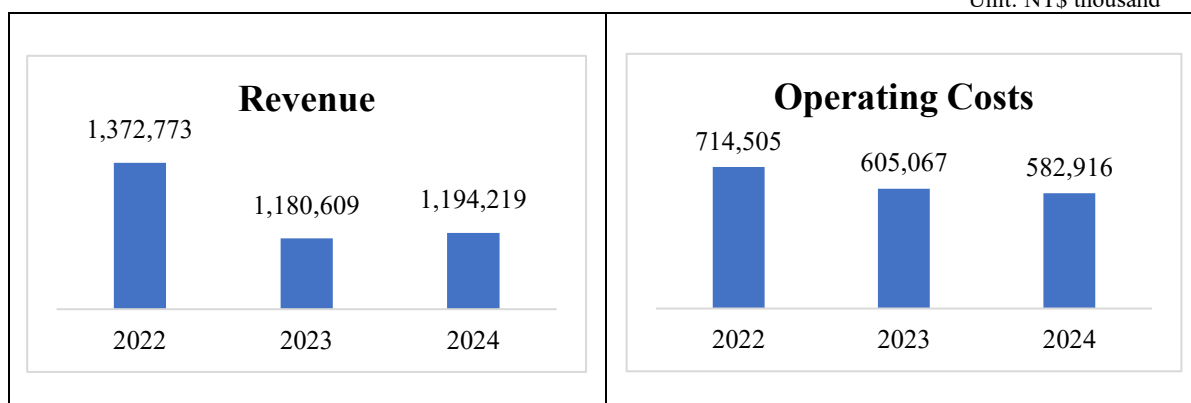
Policy/Commitment		<ul style="list-style-type: none"> ● Research and develop new products. ● Integrate resources to maximize value.
Goals	Short-term	<ul style="list-style-type: none"> ● Continuously optimize and expand the existing video and audio product line, including image capture cards, image capture boxes and video conversion boxes. ● Track market dynamics and technology trends, and actively cooperate with chip suppliers to develop more high-quality and innovative audio-visual products. ● Optimize production processes, improve production efficiency, reduce costs, and improve product quality and competitiveness. ● Strengthen B2B cooperation with end customers in various industries to expand market share and brand awareness.
	Mid- to long-term:	<ul style="list-style-type: none"> ● Expand the global sales network, actively participate in international exhibitions and industry activities, and enhance the brand image. ● Strengthen the technical support team to provide customers with more comprehensive after-sales service and technical support. ● Deepen B2B cooperation with end customers in various industries to jointly develop customized professional audio and video solutions. ● Actively lay out emerging markets and open up more business opportunities. ● Become a brand of ODM/OEM in the global professional audio-visual market, with excellent products, technologies and services. ● Continue to develop innovative technologies and expand product lines to meet the needs of different industries and markets. ● Establish a close relationship with global industry leaders to jointly promote the development of the professional audio-visual market. ● Develop a professional team, provide continuous education and training opportunities for employees, maintain corporate competitiveness and enhance overall strength.
Responsible Department/Grievance Mechanism		<ul style="list-style-type: none"> ● Sales Department/Contact Channel
Resources Invested in the Fiscal Year		<ul style="list-style-type: none"> ● Revenue grew by 1.15% compared to the previous year. ● Enhanced competitiveness, expanded customer base, integrated upstream and downstream operations, strengthened global logistics capabilities, and expanded international clients. ● Continued investment in expanding the R&D team, accelerating new product development, and increasing production lines in factories to maintain cost advantage and manufacturing flexibility.
Evaluation Mechanism/Outcomes		<ul style="list-style-type: none"> ● With the Company's years of accumulated cutting-edge research and development capabilities, we are constantly taking the lead in new product hardware and software development. Moreover, well-known brands and channel

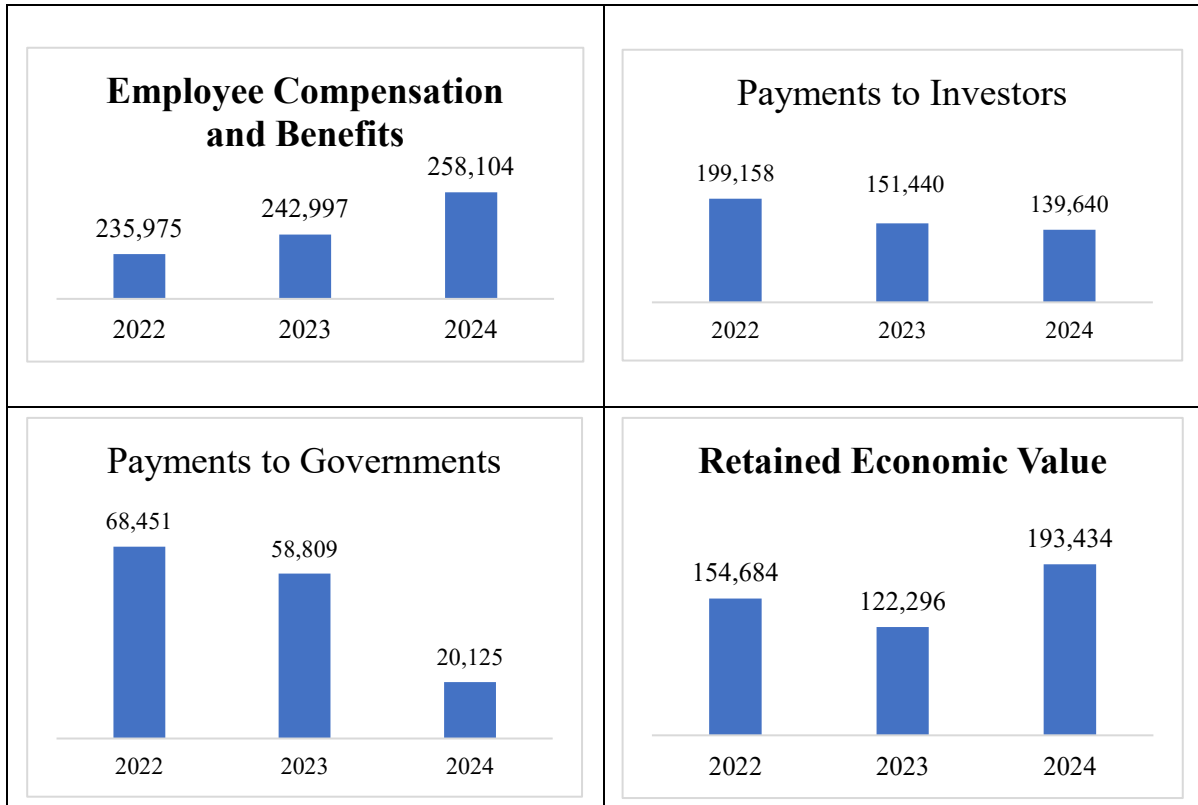
	customers worldwide have long recognized our stringent requirements for product quality. In the future, we will continue to innovate our products and explore new market applications in response to market demand and technology development. The Company expect to gain a foothold in the audio-visual multimedia and digital surveillance industry.
--	--

With the rapid development of science and technology and the popularity of the global network, the audio-visual market has shown unprecedented activity and diversification. In the coming years, the audio-visual market will face many new challenges and opportunities. The following is an analysis of the future supply and demand situation and growth of the audio-visual market:

- **High-quality content demand:** As consumer demand for high-quality audio and video content continues to increase, the future audio and video market will pay more attention to the production and dissemination of high-resolution content such as HD, 4K and 8K. In addition, technologies such as HDR, high frame rate and stereo will also play an important role in the audio-visual market.
- **Live and streaming:** In recent years, the rise of live and streaming platforms has fundamentally changed the way video content is consumed. In the future, live streaming and streaming media will continue to expand their market share and become an important competitive force in the audio-visual market.
- **5G networks and edge computing:** With the popularity of 5G networks and the development of edge computing technology, the audio-visual market will usher in faster data transmission and lower latency, providing a better basis for the dissemination of high-quality audio-visual content.
- **Virtual Reality and Augmented Reality:** Virtual Reality (VR) and Augmented Reality (AR) technologies will bring new experiences to the audio-visual market, making audio-visual content more immersive and interactive. In the future, VR and AR will play an increasingly important role in entertainment, education, medical and other fields.
- **Artificial intelligence and big data:** Artificial intelligence (AI) and big data technologies will play an important role in the audio-visual market, such as content recommendation, speech recognition and image analysis. Through AI and big data technology, the audio-visual market will be able to analyze consumer needs more accurately and provide more personalized content.

Unit: NT\$ thousand





Notes:

1. Revenue is defined as the net sales plus income derived from financial investments and asset sales.
2. Operating costs are defined as cash expenditures paid to external entities for the purchase of raw materials, product components, facilities, and services.
3. Employee salaries and benefits include the total amount of salaries (including employee compensation and the amounts paid on behalf of employees to the government), plus total benefits (excluding training costs, protective equipment costs, or other costs directly related to employee work responsibilities).
4. Includes all dividends paid to shareholders plus interest payments to lenders.
5. Includes all taxes and fines paid by the organization based on international, national, and local regulations. Taxes may include business tax, income tax, and property tax.
6. As the data disclosure mechanism is not yet established, this item is not disclosed.

3.5 Cybersecurity Protection

Policy/Commitment		<ul style="list-style-type: none"> ● Regular data backup. ● Software and hardware updates, system maintenance.
Goals	Short-term	<ul style="list-style-type: none"> ● Server upgrades and replacements. ● Continued optimization of information security software infrastructure. ● Regular firmware and software updates, enhanced network security. ● Daily (incremental) and weekly(full) backups.
	Mid- to long-term:	<ul style="list-style-type: none"> ● Use of licensed software and regular internal and external audits to ensure full implementation of information security operations. ● Ensure a certain level of system availability for the Company's core systems. ● Protect business activity information from unauthorized access and modification, ensuring its accuracy and integrity.

Responsible Department/Grievance Mechanism	<ul style="list-style-type: none"> ● IT Department/Company Grievance Mailbox
Resources Invested in the Fiscal Year	<ul style="list-style-type: none"> ● Two personnel in the IT department participated in regulatory training to stay updated on the latest information security requirements. ● Completed inventory of existing assets, including servers, networks, system access, databases, and other hardware and software, as the baseline for continued improvements in 2025. ● Completed system upgrade, integration, and access control for document files to prevent data leakage, and established backup and off-site storage mechanisms. ● Conducted vulnerability scanning and penetration testing.
Evaluation Mechanism/Outcomes	<ul style="list-style-type: none"> ● Annual execution of security assessments and cybersecurity checkups. ● Strengthened staff awareness of information security threats and the ability of IT staff to respond promptly and effectively to detect and block their spread. ● Conducted at least 1 hour of information security training for each new employee. ● No cybersecurity incidents occurred during the year that impacted operations or infringed on customer privacy.

Yuan High-Tech places great importance on cybersecurity protection and has established a comprehensive information security protection and data protection system to prevent risks such as confidential information leakage or data damage. Internally, mechanisms for information security control, technical applications, and data security standards are formulated. Backup mechanisms for critical company systems are in place, and restoration tests are conducted periodically each year to ensure system recovery in case of natural disasters or human errors, minimizing unplanned downtime and meeting the Company's defined recovery objectives.

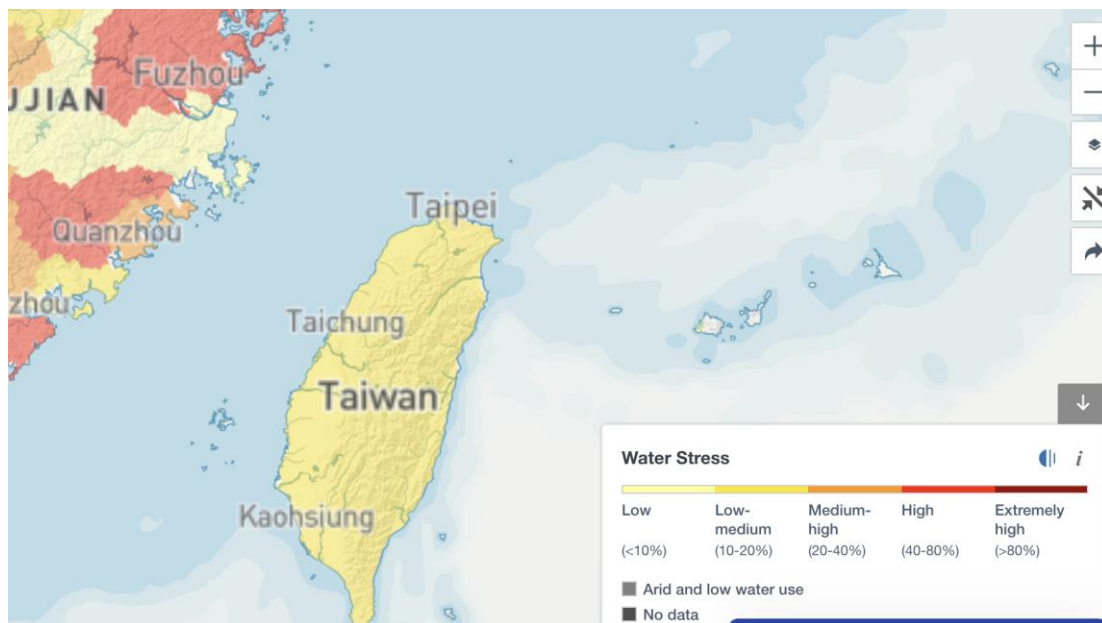
Yuan High-Tech's current cybersecurity protection measures are implemented in accordance with its information security policy. Security control meetings are held regularly, attended by designated information security personnel. Each meeting includes specific security topics, with discussions and status reports. This management system effectively enhances the Company's cybersecurity protection capabilities on cybersecurity, ensuring confidentiality, integrity, and availability of information, preventing misuse, leakage, tampering, destruction, or loss of assets due to human error, intentional sabotage, or natural disasters. No cybersecurity incidents occurred during the year.

Information Security Course Name	Information Security Training Hours	Number of Participants in the Year
New Employee Information Security Training	1 hour	16
Guidelines for Information Security Control of Listed and OTC Companies (E-Course)	6 hours	1

Chapter 4 Sustainable Environment

4.1 Water Resource Management

Water resources are a critical element for maintaining ecological balance and supporting human life and economic development. The Company does not use water for production processes, only for general domestic use. Yuan High-Tech headquarters is located in Taipei and primarily uses third-party water supplied by the local tap water company, sourced from the Feitsui Reservoir. Since the Company shares water resources with other tenants on the same floor and water fees are included in the management fees, the water withdrawal volume is calculated based on the ratio of the office floor area to the total floor area of the building. According to the scenario simulation analysis using the World Resources Institute (WRI) Aqueduct tool, Taiwan's water stress index is approximately 10%–20%, indicating that the Company's operation site is not located in a high water-stress area and thus has limited impact on water resources and the surrounding ecosystem. In the event of water shortages or related issues, the Company will follow governmental water usage policies and actively cooperate with relevant adjustment measures.



Water Usage Statistics for the Past Three Years

Year	Water Withdrawal (Million Liters)	Water Discharge (Million Liters)	Water Consumption (Million Liters)
2022	1.8461	1.8461	0
2023	1.9854	1.9854	0
2024	1.9282	1.9282	0
Note 1: Water withdrawal = Total annual water withdrawal of the commercial office building x (Total area of the Company's office/Total building area).			
Note 2: Calculated based on annual total water withdrawal invoices provided by the building management committee.			
Note 3: Office space was expanded in December 2024.			

4.2 Energy Conservation and Carbon Reduction

4.2.1 Energy Management

The Company's entire internal energy consumption is derived from non-renewable energy

sources. No renewable energy has been produced or utilized. The overall energy usage structure consists of electricity required for operations and gasoline used for company vehicles. Due to the increase in product variety and staff expansion between 2022 and 2023, the existing office space could no longer meet operational needs. As a result, an additional office floor was leased in October 2023, leading to a 9.06% increase in electricity consumption compared to the previous year, with total energy consumption increasing by 86.9773 GJ. Additionally, one company vehicle was decommissioned in February 2023, resulting in a decrease of 96.5088 GJ in gasoline consumption compared to 2022.

Energy Usage Statistics for the Past Three Years

Year		2022	2023	2024
Electricity	(kWh)	266,545	290,701	287,872
	(GJ)	959.7347	1,046.7120	1,036.5257
Gasoline for Vehicles	(liters)	6,016.16	3,060.94	2,684.20
	(GJ)	196.4700	99.9612	87.6580
Total Energy Consumption	(GJ)	1,156.2047	1,146.6732	1,124.1838
Operating Income	(NT\$ millions)	1,373	1,181	1,194
Energy Intensity	(GJ/NT\$ millions)	0.8421	0.9709	0.9415
<p>Note 1: The calorific values are based on the “Net Calorific Value of Energy Products” published by the Ministry of Economic Affairs: purchased electricity = 3,600 GJ per million kWh, gasoline for vehicles = 7,800 kcal/L.</p> <p>Note 2: Financial data for operating revenue (NT\$ millions) is consistent with the Company's Parent Company Only Financial Statements.</p> <p>Note 3: Electricity data is based on Taipower utility invoices.</p> <p>Note 4: Gasoline (for vehicles) consumption is based on actual fuel receipts.</p>				

4.2.2 Greenhouse Gas Management

Although the Company is not included in the first or second batch of “Regulations Governing the Reporting of Greenhouse Gas Emissions from Stationary Pollution Sources at Public and Private Premises” as announced by the Environmental Protection Administration, Executive Yuan, and does not emit ozone-depleting substances, nitrogen oxides, sulfur oxides, or other major gases in its operations, the Company recognizes the environmental and social impact of climate change and embraces its responsibility toward sustainable corporate development. From 2022 to 2024, Yuan High-Tech has proactively conducted self-initiated GHG inventories and, in line with the Financial Supervisory Commission’s “Sustainable Development Roadmap for TWSE/TPEX Listed Companies,” is planning to disclose GHG emissions and obtain assurance, in order to enhance environmental management, reduce carbon footprint, and respond to stakeholder expectations in building a low-carbon and sustainable future.

Material Topics	Greenhouse Gas Management
Materiality to the Company	Greenhouse gas emissions have far-reaching implications for climate change. Although the Company itself is not a high-emission industry, its supply chain, including semiconductor manufacturing, metal processing, assembly, and logistics, still generates a carbon footprint. Therefore, reducing GHG emissions is of critical importance to the Company.

Policy/Commitment	The Company is committed to gradually reducing GHG emissions within its operations and supply chain and to achieving net-zero emissions by 2050.
Short-term Goals	<ul style="list-style-type: none"> ● Complete the 2025 GHG inventory by 2026. ● Complete third-party assurance of 2027 GHG emissions by 2028. ● Disclose the Company's GHG inventory and assurance in line with the schedule of FSC's "Sustainability Development Roadmap for TWSE and TPEX Listed Companies". ● Maintain GHG emissions intensity below 0.12. ● Encourage employees to use public transportation and reduce unnecessary business travel. ● Reduce waste generation by encouraging the use of personal water bottles and eco-friendly utensils.
Mid- to Long-Term Goals	<ul style="list-style-type: none"> ● Complete comprehensive carbon inventory for the Company and key suppliers, and publish transparent reports. ● Improve operational efficiency through technological upgrades to reduce energy consumption. ● Promote energy conservation by fully replacing lighting with LED fixtures.
Resources Invested and Actions Taken in 2024	<ul style="list-style-type: none"> ● Promoted paperless operations, encouraged public transportation use, and maximized resource utilization. ● Partially digitized internal forms. ● Rented modular exhibition booth setups and reused backdrop materials to reduce waste generation. ● Conducted self-initiated GHG inventories for 2022 through 2024.
Performance Results	<ul style="list-style-type: none"> ● Voluntarily conducted GHG inventories for 2022 to 2024. The results are as follows: 2022 Scope 1: 14.1860 metric tonsCO_2e Scope 2: 131.9398 metric tonsCO_2e 2023 Scope 1: 7.2144 metric tonsCO_2e Scope 2: 143.6063 metric tonsCO_2e 2024 Scope 1: 6.3257 metric tonsCO_2e Scope 2: 136.4513 metric tonsCO_2e ● In 2024, the greenhouse gas emission intensity was 0.1196 metric tonsCO_2e/NT\$ million in revenue.
Responsible Department	Department of Finance and Accounting

Direct GHG emissions (Scope 1)

- The Company's owned or controlled emission sources primarily include direct emissions from gasoline consumption in vehicles; no biofuel sources are used.

Energy indirect GHG emissions (Scope 2)

- The Company's indirect emissions are mainly derived from purchased electricity, covering energy usage by equipment, offices, and common areas.

Other indirect GHG emissions (Scope 3)

- For other indirect emissions resulting from company activities, Yuan High-Tech will disclose the relevant data in future reports in accordance with the timeline set forth in the sustainability roadmap by the competent authority.

◆ GHG Emission Equivalents and Emission Intensity Over the Past Three Years

Year	2022	2023	2024
Scope 1 Equivalent of GHG Emissions (metric tonsCO ₂ e)	14.1860	7.2144	6.3257
Scope 2 Equivalent of GHG Emissions (metric tonsCO ₂ e)	131.9398	143.6063	136.4513
Total Equivalent of GHG Emissions (A) (metric tonsCO ₂ e)	146.1258	150.8207	142.7770
Operating Income (B) (NT\$ millions)	1,373	1,181	1,194
Emission Intensity (A/B) (metric tons CO ₂ e /NT\$ millions)	0.1064	0.1277	0.1196
Note 1: The electricity emission factors are based on announcements by the Bureau of Energy, Ministry of Economic Affairs: 0.495 kg CO ₂ e in 2022, 0.494 kg CO ₂ e in 2023, and 0.474 kg CO ₂ e in 2024.			
Note 2: Data is sourced from the Mandatory Greenhouse Gas Reporting System of the Climate Change Administration, Ministry of Environment. (https://ghgregistry.moe.gov.tw/EPA_GHG/calcaulate/03_2_info_edit.aspx)			
Note 3: Operating revenue (NT\$ millions) is consistent with the Company's Parent Company Only Financial Statements.			

4.2.3 Energy Conservation and Carbon Reduction Measures

In 2024, a reduction of 8.0437 metric tonsCO₂e of emissions was achieved compared to the previous year. The Company's operational site is primarily located in an office building, and sunshades have been installed to reduce direct sunlight and minimize heat buildup, thereby lowering air-conditioning electricity usage. Additionally, the Company promotes energy-saving practices, such as turning off lights during the one-hour lunch break, to effectively reduce power consumption and support carbon reduction goals. Yuan High-Tech plans to launch a comprehensive GHG inventory for the parent company starting next year, followed by

the formulation of emission reduction actions.

4.3 Waste Management

The Company's primary waste includes packaging cartons from upstream suppliers, general domestic waste generated during operations, scrapped fixed assets, and obsolete electronic components. No hazardous waste is produced. General domestic waste is collected daily by janitorial staff and transported to the building management office for centralized processing and subsequently handled by licensed third-party waste disposal contractors. Additionally, the Company also conducts periodic document destruction and recycling of obsolete electronic components, which are processed by licensed contractors to ensure regulatory compliance and environmental protection.

To minimize waste generation, the Company actively promotes resource reuse. Packaging cartons received from upstream suppliers are reused until they can no longer be used. Furthermore, when participating in trade shows, the Company utilizes standard booth packages provided by organizers to reduce single-use waste and promote sustainable environmental practices.

Before engaging any third-party waste disposal vendors, the Company verifies through relevant government platforms whether the vendors have obtained valid licenses for the designated waste categories and confirms that the licenses are still within their effective period. Contracts are signed only after the permits have been reviewed to ensure that all waste management procedures comply with legal requirements and contractual obligations. By ensuring that all waste disposal and transportation flows comply with legal regulations and the Company's contractual requirements, we contribute our efforts to environmental protection. In 2024, Yuan High-Tech did not experience any violations or pollution incidents due to improper waste disposal.

Waste Volume Statistics for the Past Three Years (Unit: Metric Tons)

Waste Items	2022	2023	2024	Treatment Method	Off-site/On-site Treatment
General Waste (Domestic Waste) (Note 1)	15.3859	15.4573	16.7587	Incineration	Off-site
Electronic Waste (Inventory Scrap) Scrapped Products and E-waste (Note 2)	0.02	0	0.92	Recycling	Off-site
<p>Note 1: As the space for domestic waste disposal is shared with other companies on the same floor, the Company estimates its waste volume based on the Ministry of Environment's "Amounts of Municipal Waste Generated in the Nation." The calculation is: average daily general waste generated per person x number of employees as of December 31 of the year x number of scheduled working days in the year x ratio of actual working hours (total hours worked ÷ total scheduled working hours) ÷ 1,000.</p> <p>Note 2: Scrap inventory weight is calculated based on triplicate forms provided by licensed third-party waste disposal contractors.</p>					

Waste Management Measures

1. When participating in trade shows, the Company utilizes standard booth packages provided by organizers to reduce single-use waste and promote sustainable environmental practices.
2. Promote digitization of document forms and workflows; encourage double-sided printing using previously printed paper.
3. Advocate the use of reusable tableware, personal water bottles, and reusable shopping bags, along with the reuse of plastic bags.
4. Conduct regular awareness campaigns on proper waste sorting and recycling.
5. Purchase large refill packs for cleaning agents and reuses containers.
6. Reduce the use of product packaging materials.

4.4 Sustainable Supply Chain

Material Topics	Sustainable Supply Chain
Materiality to the Company	The industries related to video capture cards, video converters, and streaming encoders rely heavily on supply chains involving semiconductors, electronic components, and metal materials. The sustainability of these supply chains is critical to the Company's long-term competitiveness. Our efforts focus on reducing environmental and social impacts to maintain supply chain stability.
Policy/Commitment	The Company is committed to building a supply chain that balances environmental friendliness, social responsibility, and corporate governance (ESG). Suppliers are required to provide a safe and healthy working environment, promote occupational health and safety standards, and ensure compliance with green manufacturing and carbon reduction goals.
Short-term Goals	<ul style="list-style-type: none"> ● Establish a sustainability evaluation system for new suppliers. ● Sign the "Supplier Sustainability Commitment" with key suppliers to ensure that processes from production to transportation meet environmental and social standards, with a return rate of 70%. ● Require key suppliers to complete the "Supplier Sustainability Assessment Questionnaire" annually, with a return rate of 70%. ● Prioritize suppliers with environmental, ethical, and human rights certifications to meet the Company's sustainability standards.
Mid- to Long-Term Goals	<ul style="list-style-type: none"> ● Sign the "Supplier Sustainability Commitment" with key suppliers to ensure that processes from production to transportation meet environmental and social standards, with a return rate of 100%. ● Require key suppliers to complete the "Supplier Sustainability Assessment Questionnaire" annually, with a return rate of 100%. ● Develop a performance scoring system for sustainable supply chains. ● Conduct on-site or document-based audits based on the contents of the "Supplier Sustainability Assessment Questionnaire".

Resources Invested and Actions Taken in 2024	<ul style="list-style-type: none"> ● Identified key suppliers. ● Established the “Supplier Sustainability Commitment.” ● Established the “Supplier Sustainability Assessment Questionnaire.”
Performance Results	<ul style="list-style-type: none"> ● Identified the top 30 key suppliers based on prior-year transaction amounts of raw material suppliers. ● Established the plan to implement the “Supplier Sustainability Commitment” in 2025. ● Established the plan to implement the “Supplier Sustainability Assessment Questionnaire” in 2025.
Responsible Department	Procurement Department

The primary raw materials for the Yuan High-Tech's products are chips, memory and other electronic components, which domestic and foreign manufacturers supply with stable quality. The Company maintain good cooperative relationships with domestic and foreign suppliers and pay attention to our suppliers' financial and operational status at all times to achieve a stable supply of goods.

In 2024, Yuan High-Tech developed the “Supplier Sustainability Assessment Questionnaire,” which covers key ESG topics including environmental protection, human rights, corporate governance, and occupational safety. This helps the Company understand each supplier’s sustainability practices and risk management. Simultaneously, the Company also created the “Supplier Sustainability Commitment” to clearly convey its expectations and commitment to sustainable operations.

Both the questionnaire and the commitment are scheduled to be formally issued in the following year to the top 30 suppliers by transaction volume from the previous year as well as to new suppliers. Through a systematic evaluation and commitment mechanism, Yuan High-Tech will strengthen sustainable supply chain management and promote improved environmental, social, and governance performance among its suppliers, fostering responsible and mutually beneficial partnerships.

Critical Material Risk Management

Risk Issues	Countermeasures
Rising Raw Material Costs	<ul style="list-style-type: none"> ● Maintain adequate inventory of key materials: Advance procurement and storage of critical raw materials to mitigate the impact of short-term shortages or price volatility. ● Flexible cost adjustment: Reflect changes in raw material costs through product pricing strategies to maintain reasonable profit margins. ● Source alternatives: Proactively develop and qualify substitute materials or diversify sourcing channels to spread procurement risk and improve supply flexibility.
Discontinuation of Key Materials	<ul style="list-style-type: none"> ● Stock up materials in advance: Pre-purchase and hold safety stock of known discontinued materials to ensure uninterrupted production. ● Customer demand statistics: Proactively assess future customer orders to accurately evaluate material usage, thereby avoiding over- or under-purchasing. ● Support early customer orders: Coordinate with customers to place early orders and ensure stable sourcing, thereby reducing risks. ● Product transition and alternatives: Develop new products or introduce replacement components to help customers switch to new specifications smoothly, ensuring continued service.

Conflict-free Minerals Declaration

Yuan High-Tech adopts and implements a “No Conflict Minerals” policy and does not use minerals sourced from the Democratic Republic of Congo or its neighboring regions. To meet customer requirements, the Company requires suppliers to trace the origin of their materials to prevent the use of conflict minerals. The Company will continue to strengthen its management system to ensure the validity of supplier disclosures.

Chapter 5 Social Care

5.1 Employee Overview

All employees of Yuan High-Tech are permanently employed (i.e., full-time staff). Employees are mainly categorized into management and R&D personnel. Management staff are primarily administrative roles and mostly female, while R&D personnel mainly handle development, quality control, and sales-related tasks and are primarily male. In terms of age distribution, as of 2024, the majority of both management and R&D staff are under 50 years old, accounting for approximately 86.75% of total employees. Due to product diversification, staffing has expanded over the past three years. In 2024, the workforce grew from 141 to 151 employees. New hires accounted for 10.6% of total staff, while employee turnover was only 3.97%, indicating a low rate of personnel changes.

Yuan High-Tech is deeply rooted in the Taiwan market and is committed to local operations and development. All senior executives at its Taiwan operating sites are local nationals, representing 100%, which fully leverages the advantages of local management and market insight to lead the team and ensure decisions align with market needs.

Employee Statistics

Statistics/Year		2022		2023		2024	
Total Number of Employees <small>(Note 1)</small>		141		141		151	
Employment Contract Type <small>(Note 2)</small>		Permanent Employees	Temporary and Non-guaranteed Hours Employees	Permanent Employees	Temporary and Non-guaranteed Hours Employees	Permanent Employees	Temporary and Non-guaranteed Hours Employees
Gender	Male	80	0	84	0	92	0
	Female	61	0	57	0	58	1
Region	Taiwan	141	0	141	0	150	1
Employment Type <small>(Note 3)</small>		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Gender	Male	79	1	83	1	91	1
	Female	61	0	57	0	58	1
Region	Taiwan	140	1	140	1	149	2
Note 1:		Based on the total number of employees as of the end of each year (December 31).					
Note 2:		The employment contract distinguishes between permanent employees (full-time) and temporary employees, as well as those without guaranteed hours (including those hired for short-term, seasonal, or specific projects; additionally, those hired to temporarily fill a position while an original employee is on maternity or parental leave also fall into this category.)					
Note 3:		Employment types are divided into full-time employees (working hours reaching the legal maximum per week) and part-time employees (working hours below the legal maximum, such as interns and hourly-based workers).					

Employee Diversity Statistics

Diversity Statistics/Year				2022		2023		2024	
				Number of shareholders	Percentage	Number of shareholders	Percentage	Number of shareholders	Percentage
Employee	Management Staff	Gender	Male	11	7.80%	11	7.80%	16	10.60%
			Female	37	26.24%	34	24.11%	35	23.18%
		Age	Under 30	8	5.67%	6	4.26%	6	3.97%
			Aged 30 to under 50	33	23.40%	32	22.70%	37	24.50%
			50 and above	7	4.96%	7	4.96%	8	5.30%
		Education background	Graduate School	6	4.26%	6	4.26%	6	3.97%
			College/University	41	29.08%	38	26.95%	44	29.14%
			Others	1	0.71%	1	0.71%	1	0.66%
	R&D personnel	Gender	Male	69	48.94%	73	51.77%	76	50.33%
			Female	24	17.02%	23	16.31%	24	15.89%
		Age	Under 30	18	12.77%	19	13.48%	14	9.27%
			Aged 30 to under 50	66	46.81%	68	48.23%	74	49.01%
			50 and above	9	6.38%	9	6.38%	12	7.95%
		Education background	Graduate School	37	26.24%	40	28.37%	44	29.14%
			College/University	52	36.88%	52	36.88%	52	34.44%
			Others	4	2.84%	4	2.84%	4	2.65%

Note: The calculation method is as follows

Percentage of managers under the age of 30 = (Number of managers under 30 as of year-end/Total number of employees as of year-end) x 100%.

Percentage of R&D personnel with a graduate degree = (Number of R&D personnel with graduate degrees during the year/Total number of employees as of year-end) x 100%.

New Hire Statistics

New Hire Statistics/Year		2022		2023		2024	
		Total	Proportion (Note 2)	Total	Proportion (Note 2)	Total	Proportion (Note 2)
Total Number of Employees in 2024 (Note 1)		141	-	141	-	151	-
Age	Under 30	9	6.38%	6	4.26%	9	5.96%
	Aged 30 to under 50	9	6.38%	4	2.84%	7	4.64%
	50 and above	0	0.00%	0	0.00%	0	0.00%
Gender	Male	6	4.26%	6	4.26%	11	7.28%
	Female	12	8.51%	4	2.84%	5	3.31%
Education background	Graduate School	3	2.13%	3	2.13%	4	2.65%
	College/University	15	10.64%	7	4.96%	12	7.95%
	Below high school	0	0.00%	0	0.00%	0	0.00%

Note 1: Data compiled based on the total number of employees as of the end of the year (December 31).

Note 2: New hire rate = (Number of new hires in the specified category during the year/Total number of employees at year-end) x 100%.

For example, female new hire rate = (Number of newly hired female employees during the year/Total number of employees at year-end) x 100%.

Turnover Statistics

Turnover Statistics/Year		2022		2023		2024	
		Total	Proportion (Note 2)	Total	Proportion (Note 2)	Total	Proportion (Note 2)
Total Number of Employees in 2024 (Note 1)		141	-	141	-	151	-
Age	Under 30	5	3.55%	5	3.55%	4	2.65%
	Aged 30 to under 50	8	5.67%	3	2.13%	1	0.66%
	50 and above	0	0.00%	2	1.42%	1	0.66%
Gender	Male	9	6.38%	2	1.42%	3	1.99%

	Female	4	2.84%	8	5.67%	3	1.99%
Education background	Graduate School	0	0.00%	1	0.71%	1	0.66%
	College/University	13	9.22%	9	6.38%	5	3.31%
	Below high school	0	0.00%	0	0.00%	0	0.00%

Note 1: Data compiled based on the total number of employees as of the end of the year (December 31).

Note 2: Turnover rate = (Number of employees in the specified category who left during the year/Total number of employees at year-end) x 100%.

For example, turnover rate of employees under 30 = (Number of employees under 30 who left during the year/Total number of employees at year-end) x 100%.

5.2 Right Person for the Right Position

5.2.1 Compensation and Benefits

Material Topics	Compensation and Benefits
Materiality to the Company	Compensation and benefits serve as the cornerstone for attracting, motivating, and retaining top talent, and play a critical role in employees' job satisfaction and quality of life. The Company believes that fair and competitive compensation and benefits not only enhance employee loyalty and engagement, but also foster a positive corporate image, further boosting the Company's market appeal and competitiveness.
Policy/Commitment	The Company is committed to offering a market-competitive salary structure and strives to ensure transparency and fairness in its benefits system. We place importance on comprehensive welfare coverage, including health, education, family support, and career development. The Company conducts regular reviews of its compensation and benefits policies to ensure alignment with industry standards and employee needs, and adjusts salaries as needed to maintain quality of life in response to inflation and market changes.
Short-term Goals	<ul style="list-style-type: none"> ● Conduct market salary surveys and perform annual salary reviews to ensure compensation remains at or above market averages. ● Provide welfare subsidies for employees under specific conditions (e.g., rent subsidies, child-rearing subsidies for children under age six).
Mid- to Long-Term Goals	<ul style="list-style-type: none"> ● Establish a "compensation transparency mechanism" by gradually disclosing compensation structure standards and growth rules, allowing employees to understand career paths and salary advancement opportunities. ● Implement a highly performance-based compensation system, with annual salary adjustment indicators tied to individual performance, company results, and market changes. ● Develop a comprehensive pension system to ensure financial security during the latter stages of employees' careers and after retirement.
Resources Invested and Actions Taken	<ul style="list-style-type: none"> ● Resources Invested in the Fiscal Year: Employee gatherings, company trips, occupational safety and health initiatives Conducted market surveys and made corresponding salary adjustments ● Concrete Outcomes: Some employees received salary adjustments. On-site nurses assist the Company in caring for employees and providing consultations. At least one company trip is held annually to help relieve work-related stress and enhance mutual understanding and camaraderie among colleagues.
Evaluation Mechanism/Outcomes	<ul style="list-style-type: none"> ● Annual market salary surveys ensure the Company's compensation levels remain aligned with market trends.

	<ul style="list-style-type: none"> Compensation adjustments and benefits policy updates are reviewed and announced annually to enhance transparency and fairness of the compensation system.
Responsible Department	Human Resources Department

The Company's salary system is fair and transparent. Employee salaries are primarily determined based on objective criteria such as years of service, academic background, professional experience, and capabilities, ensuring both fairness and reasonableness. We are committed to respecting diversity and inclusion. Compensation is not affected by any physical or psychological differences, ensuring all employees have equal opportunities for growth. As employees accumulate years of service, their industry knowledge and practical experience deepen. The Company is committed to sharing operational results with its employees, as reflected in the continued growth in both the average and median annual salaries for non-supervisory employees in Taiwan. This approach not only affirms employees' professional contributions but also supports personal financial stability and strengthens organizational identification and cohesion.

The Company places great emphasis on pay equity and continues to review and optimize its salary structure. Among YUAN High-Tech employees of different genders, the ratio of base salary to total compensation for management and research and development personnel shows gender differences in Taiwan from 2022 to 2024. Base salary and total compensation differ between management and R&D personnel of different genders, with male figures being relatively higher. This is largely due to the fact that the majority of senior and core engineers are male. However, this gap has gradually narrowed over the past three years. The Company will continue to strengthen policies for salary equity, ensuring that compensation is determined based on job role, capability, and performance, without unreasonable gender-based differences. Yuan High-Tech also actively promotes a culture of diversity and inclusion, aiming to build a fair, just, and competitive work environment that attracts and retains top talent. In addition, regarding base-level employee wages, the Company ensures that the standard salaries of non-managerial staff (regardless of gender) are higher than the local minimum wage.

Furthermore, to improve work efficiency and employee satisfaction, the Company offers a range of welfare measures and a comfortable office environment that not only alleviates work-related stress but also fosters positive interpersonal relationships among colleagues.

Salary Statistics for Full-Time Non-Managerial Employees

Year	Number of Employees	Average Annual Salary (NT\$ thousand)	Median Annual Salary (NT\$ thousand)
2023	138	1,335	1,097
2024	133	1,400	1,183
Difference	-5	+65	+86

Gender-Based Basic Salary/Compensation Ratio

Ratio of basic salary and compensation			Ratio					
			2022		2023		2024	
Key Operating Site	Employee Category	Item	Male	Female	Male	Female	Male	Female
Taiwan	Management Staff	Basic Salary (Note 1)	1.19	1	1.15	1	1.18	1
		Compensation (Note 2)	1.21	1	1.04	1	1.13	1

	R&D personnel	Basic Salary	1.70	1	1.77	1	1.68	1
		Compensation	2.21	1	2.05	1	1.86	1

Note 1: Basic salary refers to the minimum fixed amount paid to an employee for performing their job duties and does not include any additional compensation such as overtime, bonuses, or allowances.

Note 2: Compensation includes basic salary plus additional amounts paid to the employee, such as seniority bonuses, bonuses (including cash and equity), benefits, overtime pay, compensatory leave, and other subsidies (e.g., transportation, living expenses, and child-rearing subsidies).



Comparison of Base-Level Employees' Standard Salary vs. Local Minimum Wage

Operating Site	Gender	Standard Salar/Local Minimum Wage
Taiwan	Male	1.86
	Female	1.65

Note: Standard salary for base-level full-time employees refers to the regular monthly salary provided to non-managerial personnel.

Full-Time Employee Benefits

Category	Item
Insurance Benefits	Group insurance, labor insurance, labor pension, national health insurance, business travel accident insurance for traveling personnel
Family Support Benefits	Marriage/funeral subsidies, partnered childcare facilities, parental leave
Health Benefits	Health checkups, on-site healthcare services, wellness newsletters
Other Benefits	Mid-Autumn Festival bonus, year-end bonus (based on annual performance), employee birthday gifts, occasional company trips

Nursing Room	Company Employee Trip with a Commitment to Cleanliness and Environmental Friendliness
	

Parental Leave Statistics

Item	Gender	Statistics		
		2022	2023	2024
Number of employees eligible for parental leave	Male	3	6	7
	Female	5	4	5
Number of employees who applied for parental leave	Male	0	0	0
	Female	2	1	1
Number of employees scheduled to return from parental leave (A)	Male	0	0	0
	Female	1	1	1
	Male	0	0	0

Number of employees who actually returned from parental leave (B)(including early return)	Female	1	1	1
Return-to-work rate (B/A)	Male	0.00%	0.00%	0.00%
	Female	100.00%	100.00%	0.00%
Number of employees who remained employed for 12 months after returning from parental leave (C)	Male	0	0	0
	Female	0	1	1
Retention rate (C of the current year/B of the previous year)	Male	0	0	0
	Female	0.00%	100.00%	100.00%

Note: Return-to-work rate = (Total number of employees who returned from parental leave in the current year/Total number scheduled to return in the current year) x 100%.

Retention rate = (Number of employees who remained employed for 12 months after return/Number of employees who returned in the previous year) x 100%.

Finally, to safeguard employees' retirement financial planning, Yuan High-Tech provides two types of pension schemes: a Defined Benefit Plan (The Old Fund) and a Defined Contribution Plan (The New Fund).

Defined Benefit Plan (The Old Fund)

- The retirement system of Yuan High-Tech fully complies with the Labor Standards Act. Employees who have served for more than 15 years and are aged 55 or older, or those who have served for more than 25 years, may apply for voluntary retirement. Retirement benefits are calculated based on the length of service: two base units are granted for each year of service for the first 15 years, and one base unit for each additional year thereafter, with a maximum of 45 base units.

Defined Contribution Plan (The New Fund)

- Since July 1, 2005, Yuan High-Tech has been contributing no less than 6% of employees' monthly wages to individual pension accounts in accordance with the Labor Pension Act.

5.2.2 Talent Cultivation

The Company actively promotes professional talent development. In compliance with regulations, external training is provided annually to accounting and audit personnel. In addition, professional and industry-aligned training programs are offered to various departments to enhance workforce competitiveness. A comprehensive onboarding program is provided for new hires, covering corporate culture, work processes, workplace ethics, and regulatory compliance, to help them quickly adapt and enhance their job competencies.

The Company also cares about employee rights and provides consolation payments in accordance with legal requirements to employees who leave involuntarily, demonstrating support and ensuring appropriate assistance during career transitions. Looking ahead, the Company will continue optimizing its talent development system to foster a friendlier and more supportive work environment.

5.2.3 Labor-Management Communication

Yuan High-Tech strictly adheres to relevant labor laws. All personnel and administrative management practices comply with the labor regulations of each operational site. In accordance

with the law, labor-management meetings are held at least once every three months. Management representatives include department heads, while labor representatives are selected from each department. This regular dialogue mechanism helps coordinate labor relations, promote cooperation, and ensure employees can voice their opinions and advocate for better working conditions and enhance overall labor rights. The Company has established diverse communication channels to facilitate two-way communication, allowing employees to fully express their views. Reasonable suggestions are incorporated into policy-making and execution. No labor disputes have occurred in recent years.

In the event of significant operational changes, the Company is committed to strictly following relevant laws to protect employee rights. Notifications will be provided in accordance with the Labor Standards Act and the Act for Worker Protection of Mass Redundancy. During the 2024 reporting period, Yuan High-Tech did not experience any significant operational changes.

5.3 Occupational Health and Safety

Yuan High-Tech complies with the Occupational Safety and Health Act and relevant regulations. It has established an occupational safety and health management system to provide employees with a safe working environment, offering protection and health services beyond regulatory requirements. The occupational safety management system covers all 151 employees at the Taipei headquarters, achieving 100% coverage.

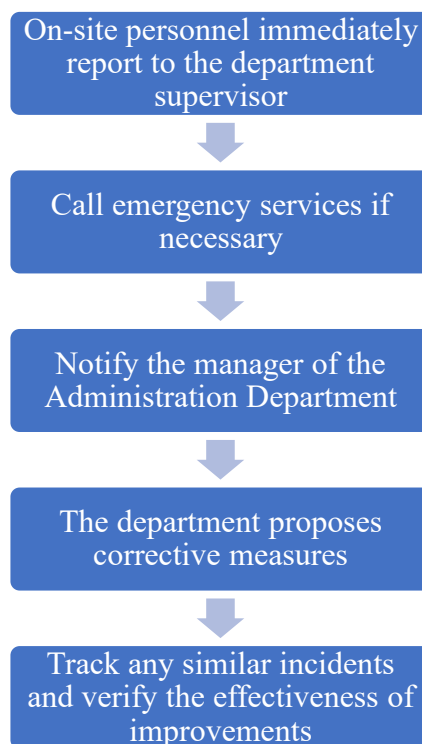
In addition to internal employee safety and health management, the Company also values the safety and health of all personnel entering its operational sites. When external visitors, suppliers, or maintenance personnel enter the site, they are accompanied by designated staff at all times. The Company actively explains evacuation routes and emergency response procedures, providing evacuation maps to help individuals identify exits in emergencies and ensure safety.

5.3.1 Hazard identification, risk assessment, and incident investigation

Yuan High-Tech operates in an office-type work environment. Potential hazards include ergonomic risks, abnormal workloads, and external threats. To maintain a safe work environment, the management team conducts periodic inspections in collaboration with all departments to identify and control risk factors. The Company also collaborates with medical institutions to implement the four major labor health protection programs and distributes annual online surveys to assess employees' physical and mental health, ensuring follow-up and improvement measures are in place.

According to Article 18 of the Occupational Safety and Health Act, if an employee perceives danger in the workplace, they may stop work and evacuate to a safe location, and must immediately report the situation to their direct supervisor.

Incident Reporting and Response Procedure



5.3.2 Worker Participation, Consultation, and Communication

Yuan High-Tech is not legally required to establish an occupational safety and health committee. However, any OSH-related issues may be discussed in labor-management meetings or supervisors' meetings to ensure timely reflection and handling of employee concerns. Employees may also raise OSH-related questions or suggestions during internal meetings, via supervisors, or through employee complaint channels. The management department will respond and follow up appropriately. This system enhances the efficiency of OSH communication and ensures that employees continue to grow in a safe and healthy workplace, demonstrating the Company's commitment to workplace safety.

5.3.3 Health Services and Health Promotion

Yuan High-Tech prioritizes employee health and well-being. In addition to providing biennial health checkups, the Company also arranges regular on-site medical services to help employees monitor their health and receive recommendations for improving their work environment. In collaboration with healthcare institutions, professional nurses conduct health seminars, such as a 2024 session on the "Three-Hypers" (Hypertension, Hyperglycemia, and Hyperlipidemia), to raise health awareness and promote self-management. The Company also promotes health knowledge via wellness newsletters. For example, during the Dragon Boat Festival, employees were reminded to "eat rice dumplings in moderation and maintain a balanced diet," encouraging healthy habits and lifestyle choices to foster a healthier and friendlier workplace.

Dengue Fever E-Newsletter	Dragon Boat Festival Health E-Newsletter
---------------------------	--



5.3.4 Occupational Safety and Health Training

Yuan High-Tech promotes workplace safety education for employees by regularly conducting fire drills to improve emergency response capabilities. During drills, roles are clearly assigned (e.g., reporters, guidance teams, and first-aid teams). Employees rotate through roles for hands-on training, ensuring all staff acquire basic emergency knowledge and practical experience.

The Company appoints a certified fire safety manager who undergoes professional training and obtains relevant qualifications to strengthen internal fire safety management and meet regulatory requirements. The Company fully subsidizes all related training and certification costs, lowering barriers and encouraging more employees to engage in OSH training and help create a safe work environment. Photos of fire drills are recorded and used for educational promotion and future improvements.

5.3.5 Occupational Accident Statistics

From 2022 to 2024, Yuan High-Tech achieved the goal of zero occupational accidents, with no work-related fatalities or occupational diseases (including recordable occupational illnesses) occurring among all employees.

5.4 Public Welfare Participation

Yuan High-Tech actively contributes to society through practical actions. In 2020, the Company partnered with academic institutions on industry-academia collaboration research projects. In 2021, the Company participated in various charity events and resource contributions, including encouraging employees to join the “Good Liver Foundation Volunteer Program,” supporting community health through direct action. It continued donating to academic institutions to support education and research, and contributed to charitable organizations to assist underprivileged groups and promote diverse social causes. Through diverse public

welfare initiatives, Yuan High-Tech aims to exert a positive corporate influence and co-create a sustainable future with society.

2020 Industry-Academia Research Project

Partner School: I-Shou University, Department of Electronic Engineering
Project Title: Research and Application Development Project of the Next-Generation Video Compression Standard H.266

2021 Industry-Academia Research Project

Partner School: I-Shou University, Department of Electronic Engineering
Project Title: Accelerated Development of the H.266 Video Encoder

2021 Good Liver Foundation Volunteer Program

In October 2020, our Vice Chairman led the entire staff to organize a free hepatitis and liver cancer screening program with Taipei Long-Shan Temple, Taiwan Liver Disease Research Foundation, and Realtek Semiconductor Corp. to help early detection and treatment of hepatitis B and C carriers and to raise awareness of liver cancer prevention. This initiative received accolades from the judges and was honored with the Health and Hygiene Promotion Award. Furthermore, it achieved a Guinness World Record with over 10,000 individuals completing the health questionnaire within a span of 12 hours.

2021 Charitable Donation Recipients

2021/06/04	Zenan Homeless Social Welfare Foundation
2021/06/04	Do you a Flavor
2021/06/04	Homeless Taiwan Association
2021/12/10	Kun-Yen Education Fund - College of Medicine, National Cheng Kung University

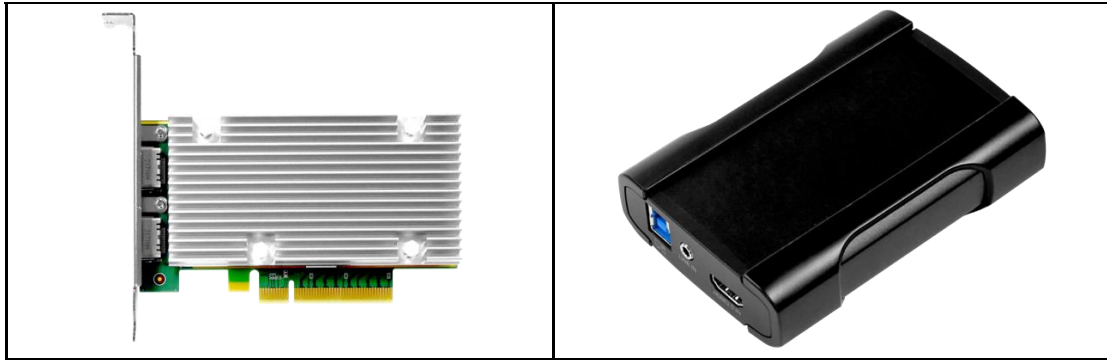
5.5 Product Responsibility

Material Topics	Product Responsibility
Significance to the Company	<ul style="list-style-type: none"> Strategic integration: Integrate product responsibility into the core of corporate strategy to ensure product compliance with safety and environmental standards, thereby enhancing brand reputation and market competitiveness. Risk management: Enforce strict product quality control to mitigate the risks of product recalls or legal disputes, ensuring the Company's long-term, stable development.
Policy/Commitment	<ul style="list-style-type: none"> Formulate a product responsibility policy: Establish clear policies on product safety, quality, and environmental protection, with a public commitment to comply with relevant laws and standards. Supply chain management: Require suppliers to adhere to the same product responsibility standards to ensure quality and safety across the entire supply chain.
Short-term Goals	<ul style="list-style-type: none"> Product compliance improvement: Within 1 to 3 years, ensure all products comply with relevant safety and environmental regulations and obtain the necessary certifications. Enhancing customer satisfaction: Reduce customer complaint rates and improve consumer satisfaction through improved product design and quality control.
Mid- to Long-Term Goals	<ul style="list-style-type: none"> Innovation and sustainability: Within 3 to 10 years, develop environmentally friendly and sustainable products to reduce environmental impact and meet market demand for green products. Brand leadership: Build industry leadership and a strong brand image through consistent product responsibility practices. Customer Service Phase <ol style="list-style-type: none"> Carbon footprint management: Certified with ISO 14067 to offer low-carbon footprint customer services. Digital services: Promote electronic documentation to reduce paper usage and support green finance initiatives.
Resources Invested in the Fiscal Year	<ul style="list-style-type: none"> Funding: Allocate financial resources for product safety testing, quality improvement, and R&D of environmentally friendly materials. Human resources: Establish a professional team, adding one product manager each in 2022 and 2024 to formulate and implement product responsibility strategies. Product compliance: Ensure that core materials, casing components, and packaging meet safety and environmental standards and provide necessary product certificates in accordance with export country regulations.
Responsible Department	PM

5.5.1 Product Service Introduction

- Image capture card:** Up to 8K60/4K120 image capture, support for a variety of video signals.

SC750N1 HDMI2.1	UB700G HDMI2.1
-----------------	----------------



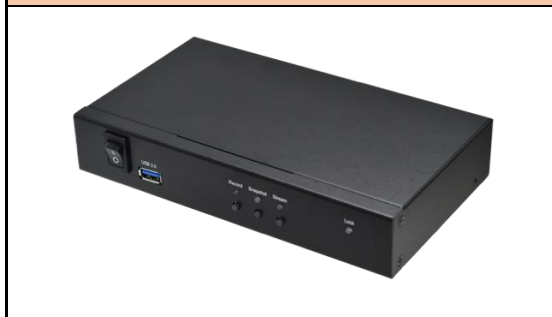
2. **Image Converter:** Supports 4K image format conversion.

12G-SDI to HDMI2.0-S converter



3. **Like a streaming codec:** Supports various network streaming protocols such as RTSP/RTMP, NDI, SDVoE, Dante AV-H, etc., providing low latency, high compression rate, and high compatibility image streaming.

SC6F0N1 HDMI2.0 Plus



SDVoE to 12G-SDI V2



4. **Image Analyzer:** Supports a variety of artificial intelligence technologies, providing real-time analysis, insight, and optimized image analysis capabilities.

AIR6N0-C-W 8CH GMSL

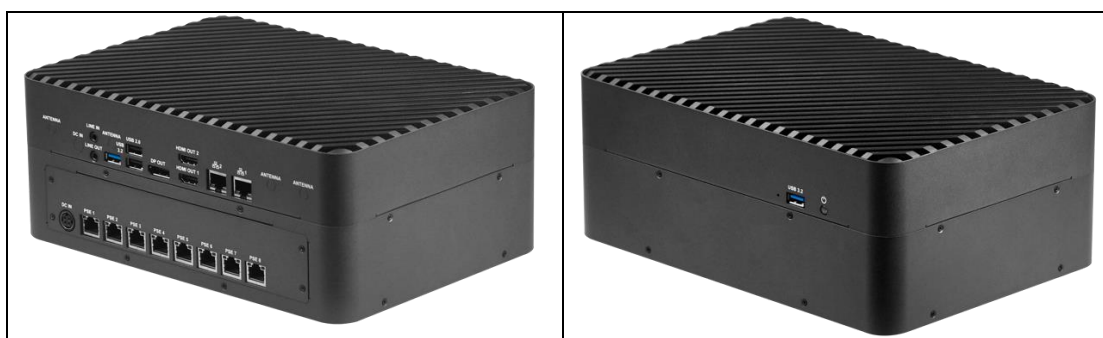


MINI6N0





VPP6N0- S-AGX 8CH PSE

VPP6N0-S-AGX 8CH PSE



5. Video Cameras:

EYE6N0-D678	EYE6N0-S678
	

5.5.2 Regulatory Compliance for Products

Yuan High-Tech strictly complies with all applicable domestic and international regulations across all operations. During the reporting period, we achieved the following in regulatory compliance:

- No incidents of violation of regulations or voluntary standards concerning the health and safety impacts of products and services.
- All product and service labeling complied with applicable regulations and voluntary codes.
- No violations of regulations or voluntary codes concerning marketing communications.
- No complaints concerning breaches of customer privacy and losses of customer data
- No product recall incidents.

5.5.3 Product Safety

Using the Pandora product as an example, material selection and design are conducted in accordance with applicable regulations, and necessary declarations are obtained (e.g., RoHS declaration, REACH declaration, MSDS (MCD), SGS test reports from component suppliers, and other documents as required by customers).

The product has passed international certifications such as CE, FCC, and UKCA for safety and electromagnetic compatibility, meeting both market and customer technical requirements. To fulfill the demand for domestic sales in Taiwan, BSMI certification has been arranged and is currently under testing. In the future, to meet the needs of customers in different countries, the Company will assess and obtain the necessary product certifications in accordance with local regulations and market standards. In this way, we will ensure that our products meet local safety, electromagnetic compatibility, and environmental protection requirements. This will improve our products' market adaptability and global competitiveness.

To ensure product stability in real-world applications, the Company conducts burn-in testing internally (e.g., high-temperature testing at 60°C, long-term operation at room temperature) to meet customer requirements for reliability and product lifespan. During product development, optimization is carried out based on actual use scenarios to ensure safety and convenience for customers. For instance, the Type-C port design was adjusted to improve insertion/removal smoothness and durability, reducing damage risks due to misuse or design flaws, and enhancing users' sense of safety and confidence.

In terms of packaging design, paper boxes are selected as the main material to reduce plastic pollution, aligning with global initiatives to reduce single-use plastics and adhering to green design and sustainable development principles.

The Company prioritizes materials that comply with international environmental regulations (e.g., RoHS) to meet customers' sustainability requirements and help ensure product safety and health compliance.

Major Products Assessed for Negative Health and Safety Impacts over the Past Three Years

Year	Description of Major Product or Service Categories	Standard Testing	Percentage of Products Assessed for Negative Health and Safety Impacts
2022	Capture Card Converter Box Embedded Product (AV OVER IP) Platform Product	RoHS	100%
2023	Capture Card Converter Box Embedded Product (AV OVER IP) Platform Product	RoHS	100%
2024	Capture Card Converter Box Embedded Product (AV OVER IP) Platform Product	RoHS	100%

Software Testing

- (1) **Static Source Code Scanning:** Tools such as Fortify are used to perform static scans during development to identify and fix security vulnerabilities such as SQL injection, cross-site scripting (XSS), buffer overflows, unvalidated inputs, weak encryption, and exposure of sensitive data.
- (2) **Software Vulnerability Scanning:** The Company utilizes the Nessus Professional Scanner, developed by Tenable, for vulnerability assessments. This tool offers over 100,000 vulnerability scan items, along with associated CVE and Bugtraq information, providing the latest and most comprehensive threat and vulnerability database with real-time updates. The scan covers a wide range of operating systems, malware, and network devices, and includes but is not limited to: Network port scanning, detection of system misconfigurations and known vulnerabilities, scanning for various types of malware, trojans, backdoors, and viruses, as well as identification of unpatched operating system vulnerabilities.
- (3) **Software Penetration Testing:** Penetration testing is conducted in accordance with international standards, specifically using the OSSTMM (Open Source Security Testing Methodology Manual) and OWASP (Open Web Application Security Project) web application security testing checklist. Basic metrics are assessed through FIRST or NIST, and the evaluation results are entered into the Common

Vulnerability Scoring System Version 3.1 (CVSS 3.1 Calculator) to determine the final risk score of each identified vulnerability.

- (4) Open Source License Compliance Scanning: The Company performs scanning of open-source software (OSS) component packages to understand their associated licenses and usage terms, ensuring that all OSS used in products is legally compliant and non-infringing. This ensures both the legitimacy and security of the Company's software offerings.
- (5) Support for Software Validation Reports for Medical-Grade Products: During the certification process for medical products, the Company follows the guidelines of ISO 13485 for the implementation of quality management systems. This is especially critical for healthcare equipment that includes embedded software. The software validation process directly impacts the efficacy and safety of the product. Furthermore, the validation procedures are carried out in conjunction with risk management principles, to ensure effective control and mitigation of potential hazards.

Appendix 1. GRI Content Index Table

★ indicates material topic					
Statement of Use	Yuan High-Tech Development Co., Ltd. has reported the information cited in this report for the period from January 1 to December 31, 2024, in accordance with the GRI Standards.				
GRI 1 Used	GRI 1: Foundation 2021				
Applicable GRI Sector Standards	No applicable GRI sector standards currently available				
Topic	Disclosure Items	Description	Chapter	Page Number	Reason for Omission/Necessary Explanation
GRI 2: General Disclosures 2021					
Organization and Reporting Practices	2-1	Organizational details	2.1 Company Profile	18	
	2-2	Entities included in the organization's sustainability reporting	Reporting Guidelines/ESG Information	3	
	2-3	Reporting period, frequency and contact point	Reporting Guidelines/ESG Information, Publication Frequency/Feedback	3	
	2-4	Restatements of information	Reporting Guidelines/Reporting Framework and Information Verification Method	3	
	2-5	External assurance	Reporting Guidelines/Reporting Framework and Information Verification Method	3	
Activities and Workers	2-6	Activities, value chain and other business relationships	2.1 Company Profile	18	
	2-7	Employee	5.1 Employee Overview	54	
	2-8	Workers who are not employees	-		Not applicable/Yuan High-Tech has no non-employee workers
Governance	2-9	Governance structure and composition	3.1 Governance Practices	25	
	2-10	Nomination and selection of the highest governance body	3.1.1 Board of Directors	26	
	2-11	Chair of the highest governance body	3.1.1 Board of Directors	26	

	2-12	Role of the highest governance body in overseeing the management of impacts	1.1 Sustainable Development Task Force 3.1.1 Board of Directors	5 26	
	2-13	Delegation of responsibility for managing impacts	1.1 Sustainable Development Task Force	5	
	2-14	Role of the highest governance body in sustainability reporting	1.1 Sustainable Development Task Force	5	
	2-15	Conflicts of interest	3.1.1 Board of Directors	26	
	2-16	Communication of critical concerns	3.1.1 Board of Directors	26	
	2-17	Collective knowledge of the highest governance body	3.1.1 Board of Directors	26	
	2-18	Evaluation of the performance of the highest governance body	3.1.1 Board of Directors	26	
	2-19	Remuneration Policy	3.1.2 Functional Committees/Remuneration Committee	28	
	2-20	Process to determine remuneration	3.1.2 Functional Committees/Remuneration Committee	28	
	2-21	Annual total compensation ratio	3.1.2 Functional Committees/Remuneration Committee	28	
Strategy, Policies, and Practices	2-22	Statement on sustainable development strategy	Message from the Management	1	
	2-23	Policy Commitments	4.4 Sustainable Supply Chain	51	
	2-24	Embedding policy commitments	4.4 Sustainable Supply Chain	51	
	2-25	Processes to remediate negative impacts	3.1.1 Board of Directors	26	
	2-26	Mechanisms for seeking advice and raising concerns	1.3 Stakeholder Communication Channels and Key Topics of Concern	7	
	2-27	Legal Compliance	3.3 Legal Compliance	39	

	2-28	Membership associations	2.4 Participation in External Organizations	23	
Stakeholder Engagement	2-29	Approach to stakeholder engagement	1.3 Stakeholder Communication Channels and Key Topics of Concern	7	
	2-30	Collective bargaining agreements	-		Not applicable/Yuan High-Tech has not established a labor union nor signed collective agreements, but engages in two-way interaction with employees through quarterly labor-management meetings. Labor relations remained harmonious during the year, with no disputes reported.
GRI 3: Material Topics 2021					
Material Topics	3-1	Process to determine material topics	1.4 Material Topic Identification	11	
	3-2	List of material topics	1.4 Material Topic Identification	11	
Economic					
★ Economic Performance					
GRI 3: Material Topics (2021)	3-3	Management of material topics	3.4 Operational Performance	41	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	3.4 Operational Performance	41	

	201-2	Financial implications and other risks and opportunities due to climate change	3.2.1 Climate Change Risk Management and Response Appendix II: Climate-related Information for TPEX-listed Companies	38 80	
	201-3	Defined benefit plan obligations and other retirement plans	5.2.1 Compensation and Benefits	57	
	201-4	Financial assistance received from government	3.4 Operational Performance	41	
Market Presence					
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5.2.1 Compensation and Benefits	57	
	202-2	Proportion of senior management hired from the local community	5.1 Employee Overview	54	
Procurement Practices					
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	4.4 Sustainable Supply Chain	51	
★ Cybersecurity Protection (Information Security and Personal Data Protection)					
GRI 3: Material Topics (2021)	3-3	Management of material topics	3.5 Cybersecurity Protection	44	
Cybersecurity Protection (custom topic)		Information Security Education Training Hours	3.5 Cybersecurity Protection	44	
Environmental					
Energy					
GRI 302: Energy 2016	302-1	Energy consumption within the organization	4.2.1 Energy Management	47	
	302-3	Energy Intensity	4.2.1 Energy Management	47	
	302-4	Reduction of energy consumption	4.2.3 Energy Conservation and Carbon Reduction Measures	50	
Water and effluents					

GRI 303: Water and Effluents 2018 Management Approach	303-1	Interactions with water as a shared resource	4.1 Water Resource Management	46	
	303-2	Management of water discharge-related impacts	4.1 Water Resource Management	46	
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	4.1 Water Resource Management	46	
	303-4	Water discharge	4.1 Water Resource Management	46	
	303-5	Water consumption	4.1 Water Resource Management	46	
★ Emissions					
GRI 3: Material Topics (2021)	3-3	Management of material topics	4.2.2 Greenhouse Gas Management	47	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	4.2.2 Greenhouse Gas Management	47	
	305-2	Energy indirect (Scope 2) GHG emissions	4.2.2 Greenhouse Gas Management	47	
	305-4	GHG emissions intensity	4.2.2 Greenhouse Gas Management	47	
	305-5	Reduction of GHG emissions	4.2.3 Energy Conservation and Carbon Reduction Measures	50	
Waste					
GRI 306: Waste 2020 Management Approach	306-1	Waste generation and significant waste-related impacts	4.3 Waste Management	50	
	306-2	Management of significant waste-related impacts	4.3 Waste Management	50	
GRI 306: Waste 2020	306-3	Waste generated	4.3 Waste Management	50	
	306-4	Waste diverted from disposal	4.3 Waste Management	50	
	306-5	Waste directed to disposal	4.3 Waste Management	50	
★ Supplier Environmental Assessment					
GRI 3: Material Topics (2021)	3-3	Management of material topics	4.4 Sustainable Supply Chain	51	

GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	4.4 Sustainable Supply Chain	51	
	308-2	Negative environmental impacts in the supply chain and actions taken	4.4 Sustainable Supply Chain	51	
Social					
★ Employment					
GRI 3: Material Topics (2021)	3-3	Management of material topics	5.2.1 Compensation and Benefits	57	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	5.1 Employee Overview	54	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.2.1 Compensation and Benefits	57	
	401-3	Parental leave	5.2.1 Compensation and Benefits	57	
	Salary	Disclosure shall include the number of full-time employees not in managerial positions, the average and median salaries of such employees, and the differences in these three figures compared to the previous year.	5.2.1 Compensation and Benefits	57	
Labor Relations					
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	5.2.3 Labor-Management Communication	61	
Occupational Health and Safety					
GRI 403: Occupational Health and Safety 2018 Management Approach	403-1	Occupational health and safety management system	5.3 Occupational Health and Safety	62	
	403-2	Hazard identification, risk assessment, and incident investigation	5.3.1 Hazard identification, risk assessment, and incident investigation	62	
	403-3	Occupational health services	5.3.3 Health Services and Health Promotion	63	

	403-4	Worker participation, consultation, and communication on occupational health and safety	5.3.2 Worker Participation, Consultation, and Communication	63	
	403-5	Worker training on occupational health and safety	5.3.4 Occupational Safety and Health Training	64	
	403-6	Promotion of worker health	5.3.3 Health Services and Health Promotion	63	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.3 Occupational Health and Safety	62	
GRI 403: Occupational Health and Safety 2018	403-8	Workers covered by an occupational health and safety management system	5.3 Occupational Health and Safety	62	
	403-9	Work-related injuries	5.3.5 Occupational Accident Statistics	64	
	403-10	Work-related ill health	5.3.5 Occupational Accident Statistics	64	
Diversity and Equal Opportunity					
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	5.1 Employee Overview 3.1.1 Board of Directors	54 26	
	405-2	Ratio of basic salary and remuneration of women to men	5.2.1 Compensation and Benefits	57	
★ Supplier Social Assessment					
GRI 3: Material Topics (2021)	3-3	Management of material topics	4.4 Sustainable Supply Chain	51	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	4.4 Sustainable Supply Chain	51	
	414-2	Negative social impacts in the supply chain and actions taken	4.4 Sustainable Supply Chain	51	
★ Customer Health and Safety					
GRI 3: Material Topics (2021)	3-3	Management of material topics	5.5 Product Responsibility	66	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	5.5.3 Product Safety	69	

	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	5.5.2 Regulatory Compliance for Products	68	
--	-------	---	--	----	--

Appendix 2. Climate-related Information of TPEx-listed Companies

Item	Implementation Status
1-1 Describe the Board's oversight and the management's role in assessing and managing climate-related risks and opportunities.	Yuan High-Tech has established an ESG Task Force chaired by the President, composed of the Corporate Governance Team, Environmental Sustainability Team, and Social Engagement Team. Each team is responsible for specific topics. Depending on the issue and its significance, designated team leaders convene regular meetings to discuss matters such as potential climate risks to operations, resource efficiency, and environmental impacts throughout the product lifecycle. Climate-related topics and execution status are reported to the Board annually.
1-2 Describe the impact of climate-related risks and opportunities on the Company's businesses, strategy, and financial planning (over the short, medium, and long term).	<p>Short-term:</p> <p>Transition Risks: Changes in local regulations where YUAN High-Tech operates may increase operational costs.</p> <p>Physical Risk:</p> <ul style="list-style-type: none"> (1) High temperature. (2) Water shortage. (3) Power restrictions. (4) Typhoons and floods. <p>Opportunities: By initiating GHG inventories prior to 2026 and conducting annual inventories thereafter, with 2025 set as the base year, the Company adopts rolling management to reduce energy consumption.</p> <p>Mid-term:</p>

	<p>Transition Risk: Reduced customer demand may decrease YUAN High-Tech's orders.</p> <p>Opportunity: Improve resource efficiency.</p> <p>Long-term:</p> <p>Transition Risk: Increased R&D expenditure by YUAN High-Tech.</p> <p>Opportunity: Develop new products/technologies with lower energy consumption to meet customer demands.</p>
1-3 Describe the impact of extreme weather events and transition actions on the Company's finances.	<p>Transition Risks:</p> <ol style="list-style-type: none"> 1. Changes in local regulations where YUAN High-Tech operates may increase operational costs. 2. Reduced customer demand may decrease YUAN High-Tech's orders. 3. Increased R&D expenditure by YUAN High-Tech. <p>Physical Risk:</p> <p>To mitigate water shortage risks and in response to energy conservation policies</p> <ol style="list-style-type: none"> 1. Use high-efficiency, low-energy-consuming equipment or power tools. 2. Conserve water. <p>Market Opportunities:</p> <p>Improve resource efficiency and develop new products/technologies with lower energy consumption to meet customer demands.</p>

<p>4. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the Company's overall risk management.</p>	<p>In line with industry characteristics, YUAN High-Tech has identified the following risks and formulated corresponding action plans:</p> <ol style="list-style-type: none"> 1. Response to Transition Risks: <ol style="list-style-type: none"> (1) Monitor regulatory updates in real time; assess compliance and implement necessary measures to ensure adherence. (2) Integrate the concept of reducing environmental impact into all stages of the product life cycle; collaborate with upstream and downstream industries to develop energy-saving products. 2. Response to Physical Risks: Continue monitoring energy usage, collect relevant data, and implement improvements to mitigate risks to a controllable level. 3. Response to Climate Opportunities: Continue to focus on energy-saving technologies.
<p>5. If scenario analysis is used to assess the resilience of the Company's business strategy to climate-related risks, disclose the scenarios considered, including parameters, assumptions, and analytical choices, and the projected principal financial impacts on the Company's business strategy under each scenario.</p>	<p>Under development</p>
<p>6. If a transition plan has been adopted as part of the Company's climate-related risk management strategy, describe the plan, including relevant metrics and targets used to identify and manage physical and transition risks.</p>	<p>Under development</p>
<p>7. If an internal carbon price is used as a planning tool, disclose the rationale for selecting the internal carbon price.</p>	<p>Internal carbon pricing has not yet been implemented.</p>

8. If any climate-related targets have been set, disclose the scope of activities and emissions included in the target, the defined time horizon of the target, and information demonstrating any progress toward achieving these targets each year. If carbon offsets or renewable energy credits or certificates (RECs) have been used to achieve climate-related targets, disclose the source and amount of the offsets or the amount of generated renewable energy represented by the RECs.	Under development
9. Greenhouse gas inventory, assurance status, reduction targets, strategies, and action plans (Also reported in Sections 1-1 and 1-2)	Refer to the section below

Basic Information of the Company <input type="checkbox"/> Companies with paid-in capital of NT\$10 billion or more, or operating in the steel or cement industries <input type="checkbox"/> Companies with paid-in capital of NT\$5 billion or more but less than NT\$10 billion <input checked="" type="checkbox"/> Companies with paid-in capital of less than NT\$5 billion			Disclosure Requirements Based on the Sustainability Development Roadmap for TWSE and TPEX Listed Companies <input type="checkbox"/> Parent company only GHG inventory <input type="checkbox"/> Consolidated subsidiaries' GHG inventory <input type="checkbox"/> Parent company only assurance <input type="checkbox"/> Consolidated subsidiaries' assurance	
1-1 Greenhouse Gas Inventory and Assurance Status in the Past Two Years				
Item/Year	2023		2024	
	Total Emissions (tonnes CO2e/year)	Intensity (tonnes CO2e/NT\$ million)	Total Emissions (tonnes CO2e/year)	Intensity (tonnes CO2e/NT\$ million)
Scope 1				
YUAN High-Tech Development Co., Ltd.	7.2144	0.0061	6.3257	0.0053

Total	7.2144	0.0061	6.3257	0.0053
Scope 2				
YUAN High-Tech Development Co., Ltd.	143.6063	0.1216	136.4513	0.1143
Total	143.6063	0.1216	136.4513	0.1143
Scope 3				
YUAN High-Tech Development Co., Ltd.	-	0.0000	-	0.0000
Total	-	0.0000	-	0.0000
Grand Total	150.8207	0.1277	142.7770	0.1196
Assurance Statement:				
According to the Sustainability Development Roadmap, the Company, with a paid-in capital of less than NT\$5 billion, is required to complete third-party assurance for its 2027 greenhouse gas emissions by 2028. The Company's 2024 emissions data have not yet been verified by an external assurance provider.				
1-2 Greenhouse gas reduction targets, strategies, and action plans				
<ol style="list-style-type: none"> Product Energy Consumption Improvements: In line with government policies, YUAN High-Tech's R&D department incorporates energy-saving designs and continuously improves and innovates energy efficiency performance. GHG Emission Reduction: Although currently not required to disclose, YUAN High-Tech will conduct a GHG inventory for 2025 in 2026. The computer and peripheral equipment industry is not among the early-stage CBAM taxable industries; YUAN High-Tech continues to monitor related developments. 				