2025 | Apogee Optocom Co.，Ltd. | ESG REPORT

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About this report

About this report

This report presents the performance and results of Apogee Optocom Co.・Ltd. (hereinafter referred to as "Apogee" or "the Company") in 2025 in key areas of corporate sustainability, including corporate governance, environmental protection, employee welfare, and social welfare.。

Issuance Overview

First Publication Date	Previous Edition Release Date	Current Edition Release Date
October 2013	August 2025	August 2026
Disclosure Period: January 1, 2012 to December 31, 2012	Disclosure Period: January 1, 2024 to December 31, 2024	(Disclosure Period: January 1, 2025 to December 31, 2025

Note: Apogee Optocom Co.・Ltd. regularly issues perpetual reports covering the period from January 1st to December 31st of the year preceding the publication year. Due to the varying degrees of data processing, verification, and third-party validation required for the information disclosed in these reports, they are published later than the Apogee Optocom Co.・Ltd. Group's financial statements.

The digital version of this report can be downloaded from our website (http://www.nextapogee.com.tw/ch/csr.php).

Basis for Preparation

Basis for Preparation This report is primarily prepared in accordance with the "GRI 2021 Standards" issued by the Global Reporting Initiative (GRI), the SASB Standards of the Sustainability Accounting Standards Board, and the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" stipulated by the Taiwan Stock Exchange. Our company has established procedures for the preparation and verification of sustainability reports in accordance with the aforementioned standards and guidelines, and discloses the operational status on the company website. This report does not restate information from past reporting periods.

Scope Boundary

1.The information disclosed in this report covers Apogee Optocom Co.・Ltd.'s actions and performance data in corporate governance, environmental protection, social participation, human resource management and training, business model and innovation from January 1, 2025 to December 31, 2025.。

2.The scope of this report covers Apogee Optocom Co.・Ltd. (Southern Taiwan Science Park Plant) and its subsidiary, Ferrule Precision Co., Ltd., and is no different from the scope of the consolidated financial statements for each quarter of 2025

3.All financial data cited are from publicly available financial reports certified by accountants and are calculated in New Taiwan Dollars.

4.Our website features an "ESG" section, where we produce and update an ESG report annually to reveal the effectiveness of our corporate governance initiatives

5.The 2025 ESG report has received a qualified opinion from Ernst & Young.

Contact Information

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Chairman's words

Looking back, we are grateful to all the groups and individuals who provided assistance. Adhering to the business philosophy of innovation, integrity, unity, and efficiency, we provide customers with satisfactory products and services, and realize our vision of "care and sharing," with "integrity" as the highest ethical principle in our business operations. We aspire to "contribute our R&D technology to not only enhance our customers' competitiveness but also create more added value to give back to our employees, shareholders, and society." Apogee is a collective effort of all shareholders and employees. Through the promotion of our business philosophy, we have gained the recognition of customers, shareholders, employees, and the general public, and we strive to play our role well to give back to all those who have supported us along the way.

Every year, we regularly and proactively engage with stakeholders such as customers, shareholders, employees, suppliers, regulatory authorities, and the general public through questionnaires, shareholder meetings, investor briefings, online announcements, and regular and ad-hoc customer/labor-management meetings to confirm key issues related to sustainable development.。The Board of Directors of Apogee Optocom not only investigates and identifies these key issues but also completed a comprehensive review of major issues in the areas of Environment (E), Society (S), and Governance (G) by 2025. We comprehensively plan from "Importance and Value," "Policy and Vision," "Partnership Providers," "Concrete Inputs and Actions," to "Performance Evaluation Indicators (KPIs)" to ensure that the company's strategic development aligns with the expectations of the public.

To fulfill our corporate social responsibility for sustainable operation, we are committed to enabling the world to use faster and clearer images. Moving forward, we will focus on continuous improvement in quality and stability through research and development, combining AI technology trends with the latest customer requirements to establish filter manufacturing technologies for different wavelengths. Our aim is to achieve technological breakthroughs and create new milestones in the optical communications industry. Any successful company requires years of dedicated effort to grow and thrive. While pursuing technological breakthroughs, sound corporate governance is our strongest support. In 2025, Apogee Optocom Co., Ltd. actively aligns with the governance and social orientation indicators of the "Corporate Governance Assessment," implements board performance evaluations, and deeply optimizes employee training content and future career prospects. Simultaneously, to establish an accountable corporate culture, the board is actively reviewing and developing a plan to institutionalize the organization's sustainable key performance indicators (KPIs) with the salary structure and bonus increases for management and employees, hoping to drive sustainable transformation through incentive mechanisms. Furthermore, facing the rapidly changing environment, we comprehensively strengthen our risk management mechanisms, employing different countermeasures and auditing measures in four core areas: finance, operations, climate change, and cybersecurity, to comprehensively enhance the organization's resilience against external shocks.

From a sustainable development perspective, the growth of Apogee Optocom requires the collective efforts of all its employees. Furthermore, from a corporate vision perspective, we are innovators in product design and manufacturing, focusing on improving the quality of human life, implementing social responsibility, and being environmentally friendly. To fulfill our commitment to being environmentally friendly, we took a crucial step in our green transformation in 2025, officially launching and completing a comprehensive greenhouse gas carbon inventory covering emissions of Scope 1 to 3, gaining an initial understanding of the company's sustainability indicators (CO2 equivalent and emission intensity). Based on this data, we have established a baseline year and are actively planning voluntary carbon emission reduction and energy-saving initiatives. In the future, we will gradually introduce low-carbon processes and energy management to respond to the global trend towards net-zero carbon emissions with concrete actions.

Apogee deeply understand that the Earth is a shared and constantly evolving living environment for all humanity. Related environmental sustainability issues are long-term, dynamic, and critical matters that require continuous adaptation; they cannot be addressed in isolation. Therefore, focusing on the future trend of green supply chains, we have conducted preliminary investigations into the sustainability practices of major suppliers. This not only helps us understand potential risks in the supply chain but also lays a solid foundation for Apogee 's comprehensive integration into the global sustainable supply chain system.

Looking ahead, we hope that Apogee Optocom' sustainable development philosophy can be more closely integrated with the company's vision. With the joint efforts of all colleagues, shareholders, and partners, we believe that the coming year will be fruitful, outstanding, and even more meaningful!

Chairman

Law Lee

General Manager's Remarks

With the escalating climate change and the global pandemic, people have gained a deeper understanding of the urgency of environmental and sustainable development. "Net-zero emissions by 2050" has become a global consensus, and issues such as carbon neutrality, carbon credits, and carbon tariffs are receiving increasing attention. If companies fail to rapidly transform and restructure their operational strategies, they risk being eliminated.

"Net-zero emissions and carbon neutrality" are unavoidable trends and pressing challenges. As members deeply involved in major international supply chains, we must proactively respond sooner or later. In particular, the full implementation of the EU's Carbon Border Adjustment Mechanism (CBAM), which uses tariffs to reduce carbon emissions, is not only rewriting global business rules but will also change the competitive landscape of industries. The sooner companies establish sound mechanisms, the more effectively they can address the challenges of carbon tariffs and prevent export carbon costs from becoming a "carbon risk" affecting operations.

Apogee Optocom will closely monitor global climate change trends and incorporate climate change risks into its major risk management strategy for sustainable operations. We are implementing a comprehensive carbon inventory covering scopes one through three to confirm carbon emissions within the company's boundaries. We are also developing and promoting voluntary energy conservation and carbon reduction programs, implementing energy-saving equipment, enforcing resource recycling and reuse, investigating the sustainability practices of major suppliers, and enhancing disaster prevention and management efficiency. In the context of low-carbon and zero-carbon trends, we are fulfilling our corporate sustainability responsibilities and making the best contribution to environmental sustainability.

"In the low-carbon era impacted by global warming, how can enterprises survive adversity?" This has become an urgent and pressing issue, an irreversible challenge and an inevitable trend under the vision of sustainable business operations. Apogee Optocom has already taken a crucial green step in early 2025. In the coming years, it plans to accurately grasp the carbon footprint of the entire value chain, based on the assessment and collection of company and value chain data, gradually reducing operational carbon risks, establishing sound internal carbon pricing mechanisms, and promoting sustainability from within the company to the outside, building a cohesive sustainable supply chain system.

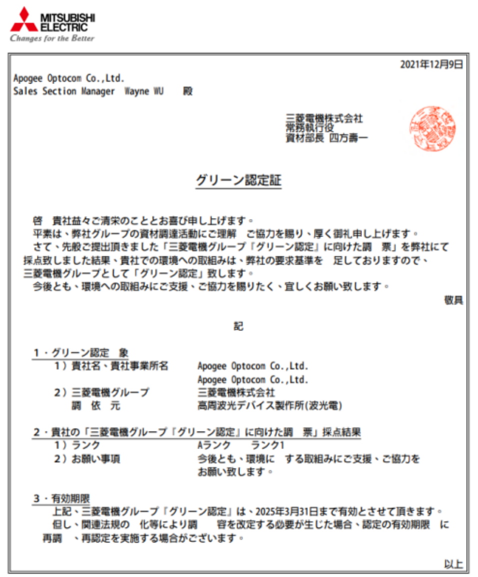
We are grateful for the Board's complete trust and support, the management team's self-discipline, and the hard work of all employees, which have enabled Apogee Optocom to successfully align with international ESG trends. Looking ahead, we will focus on corporate governance, leveraging our core functions and corporate values in our operations, and striving to care for and support our stakeholders. We will take a long-term perspective, avoiding short-term gains, and chart a suitable learning curve to gradually create long-term corporate value and make positive contributions to the environment and society.

General Manager

Rick Wei

Acknowledgement from Customers

Original Certificate in Japanese (グリーン認定証)



MITSUBISHI ELECTRIC
Changes for the Better

2021年12月9日

Apogee Optocom Co.,Ltd.
Sales Section Manager Wayne WU 殿

三菱電機株式会社
常務執行役
資材部長 四方壽一

グリーン認定証

啓 貴社益々ご清栄のこととお喜び申し上げます。
平素は、弊社グループの資材調達活動にご理解 ご協力を賜り、厚く御礼申し上げます。
さて、先般ご提出頂きました「三菱電機グループ『グリーン認定』に向けた調 票」を弊社にて採点致しました結果、貴社での環境への取組みは、弊社の要求基準を 足しておりますので、三菱電機グループとして「グリーン認定」致します。
今後とも、環境への取組みにご支援、ご協力を賜りたく、宜しくお願い致します。

敬具

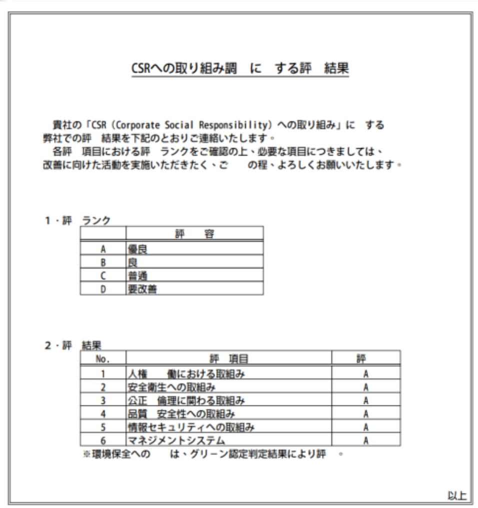
記

1・グリーン認定 象
1）貴社名、貴社事業所名 Apogee Optocom Co.,Ltd.
Apogee Optocom Co.,Ltd.
2）三菱電機グループ 三菱電機株式会社
調 依 元 高周波光デバイス製作所(波光電)

2・貴社の「三菱電機グループ『グリーン認定』に向けた調 票」採点結果
1）ランク Aランク ランク1
2）お願い事項 今後とも、環境に する取組みにご支援、ご協力をお願い致します。

3・有効期限
上記、三菱電機グループ『グリーン認定』は、2025年3月31日まで有効とさせて頂きます。
但し、関連法規の 化等により調 容を改定する必要が生じた場合、認定の有効期限 に再調 、再認定を実施する場合がございます。

以上



CSRへの取り組み調 に する評 結果

貴社の「CSR (Corporate Social Responsibility) への取り組み」に する弊社での評 結果を下記のとおりご連絡いたします。
各評 項目における評 ランクをご確認の上、必要な項目につきましては、改善に向けた活動を実施いただきたく、ご の程、よろしくお願いいたします。

1・評 ランク

	評 容
A	優良
B	良
C	普通
D	要改善

2・評 結果

No.	評 項目	評
1	人権 働における取組み	A
2	安全衛生への取組み	A
3	公正 倫理に関わる取組み	A
4	品質 安全性への取組み	A
5	情報セキュリティへの取組み	A
6	マネジメントシステム	A

※環境保全への は、グリーン認定判定結果により評 。

以上

Translated Green Certificate

MITSUBISHI ELECTRIC
Changes for the Better

Apogee Optocom Co.,Ltd.
Sales Section Manager Wayne WU 先生

2021年 12月 09日

三菱電機株式會社
常務執行役
資材部長 四方壽一

綠色認證書

敬啟者 恭賀貴司日益興隆。
素蒙您對於敝司集團的物資採購活動之理解與配合，深致謝忱。
先前您所提交的「三菱電機集團『綠色認證』調查表」，我司評分結果，貴司的環保倡議符合敝司的要求標準，獲得三菱電機集團的「綠色認證」。
日後就環境倡議，敬請繼續給予支持與合作。

謹啟

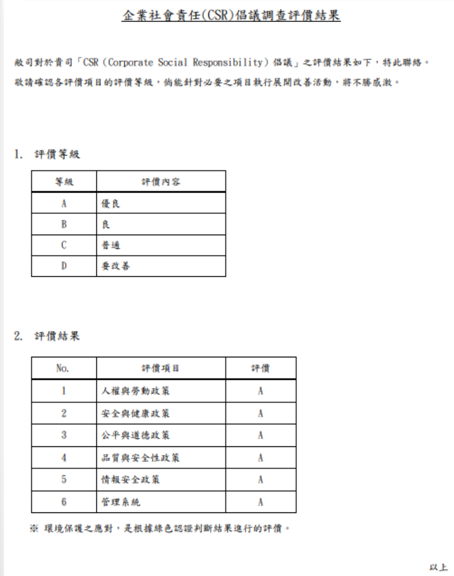
附錄

1. 綠色認證對象
1) 貴司名稱、貴司辦公室名稱 Apogee Optocom Co.,Ltd.
Apogee Optocom Co.,Ltd.
2) 三菱電機集團 三菱電機株式會社
調查委託者 高周波光 Device製作所（波光電）

2. 貴司的「三菱電機集團『綠色認證』調查表」評分結果
1) 等級 A 等級 等級 1
2) 請求事項 日後就環境倡議，敬請繼續給予支持與合作

3. 有效期限
上述三菱電機集團『綠色認證』，有效期至2025年3月31日。
但，在認證有效期內，因相關法律法規變化等需要修改調查內容時，將重新調查與重新認證。

以上



企業社會責任(CSR)倡議調查評價結果

敝司對於貴司「CSR (Corporate Social Responsibility) 倡議」之評價結果如下，特此聯絡。
敬請確認各評價項目的評價等級，俾能針對必要之項目執行展開改善活動，將不勝感激。

1. 評價等級

等級	評價內容
A	優良
B	良
C	普通
D	要改善

2. 評價結果

No.	評價項目	評價
1	人權與勞動政策	A
2	安全與健康政策	A
3	公平與道德政策	A
4	品質與安全性政策	A
5	情報安全政策	A
6	管理系統	A

※ 環境保護之應對，是根據綠色認證判斷結果進行的評價。

以上

CHAPTER 1

Overview of Apogee Optocom

Company Name / Address	**APOGEE OPTOCOM CO.， LTD.** 1 F., No. 5, Nanke 3rd Rd., Xinshi Dist., Tainan City
Company History	Listing date: 2021/3/24 OTC Listing date: 2014/12/17 Emerging Stock Date: 2013/10/18 Establish Date: 2004/8/1
Chairman	Law Lee
General Manager	Rick Wei
Paid-in capital	385 million
Company's industry category	Communications and Internet Industry
Main business items	Thin-film filters for active and passive optical communication components
Main operating areas	Tainan City, R.O.C.
Main Shareholders	World Top Investment Holding LTD. (16.48%), Sheng Lin Investment LTD. (14.25%)

1. Overview of Apogee Optocom

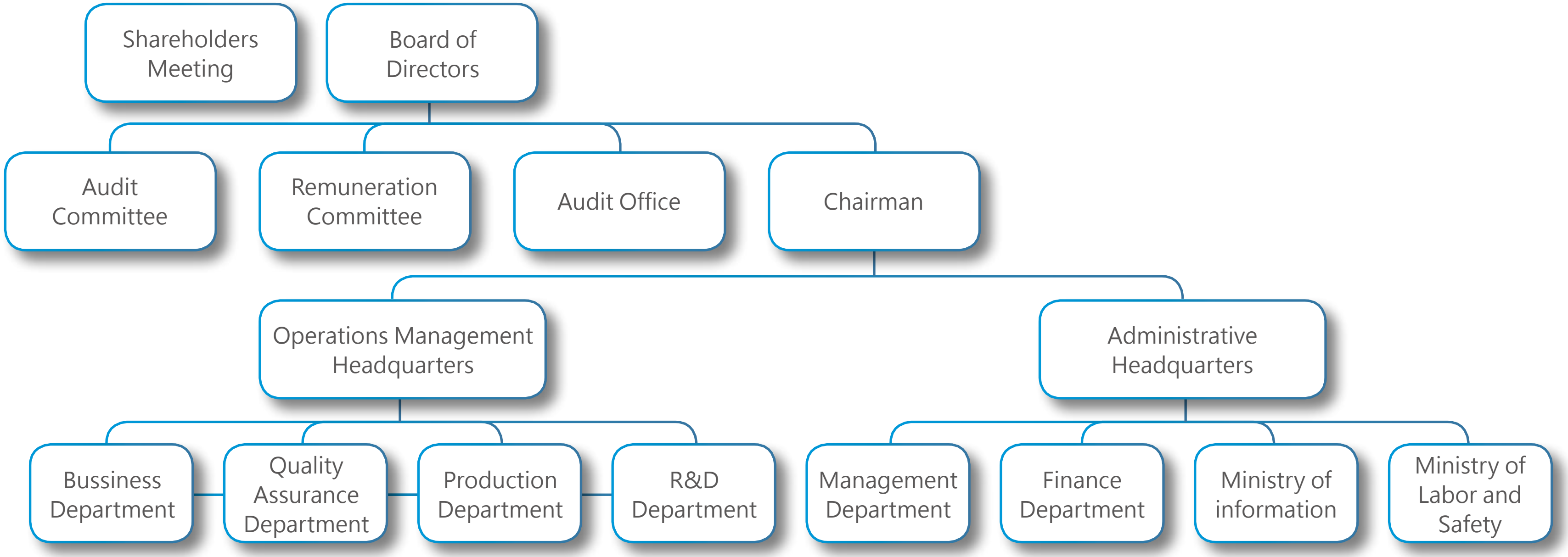
1.1 Company Introduction

Located in the Tainan Science Park of the Southern Taiwan Science Park, Apogee Optocom has been deeply involved in the field of optical communication thin-film filters for over a decade. During the generational shift in mobile communications, its superior quality, professional advice, responsible attitude, stable production, and fast delivery have earned it the favor and recognition of well-known domestic and international manufacturers, solidifying its leading position in the optical communication filter industry.

With the booming development of advanced technology applications, Taiwan's semiconductor industry has attracted international attention. Along with the rise of industries related to the metaverse and electric vehicles, Apogee Optocom, in addition to its existing optical communication fields, has expanded its research into medical, lighting, security, biometric sensors, communications, low-Earth orbit satellites, cloud data, and LiDAR sensors. From product design and prototype development to mass production; from precision machining of glass, plastic, and wafer coating, grinding, cutting, and polishing; to quality assurance from material procurement to product shipment inspection; strict control is maintained at every level to ensure optimal quality control. The management system is also ISO9001 and ISO14001 certified.

By leveraging high equipment uptime and high yield rates, we meet customers' immediate needs with high production capacity; through multi-variety, low-volume production, we achieve product diversification; and through collaborative development and design with customers, we enhance market share and competitiveness, creating a win-win situation. We will grow together with our customers, meet new challenges across industries, and usher in a new era for Apogee Optocom.

1.2 Company Organization



Note: The board of directors is the highest governing body of the company, responsible for coordinating discussions with stakeholders, investigating major issues, and formulating corresponding policies and related objectives.


1.3 Operational Performance

1.3.1 Financial structure and profitability

●The Company's net operating revenue for fiscal year 2025 was NT$487 million, an increase of 47.74% compared to fiscal year 2024; net profit for the period was -NT$30 million, an increase of 78.26% compared to -NT$138 million in fiscal year 2024.。

●In 2025, the renewed demand from the US 5G infrastructure plan boosted demand for passive components such as filters used in Dense Wavelength Division Multiplexer (DWDM) systems. Furthermore, higher-than-expected demand for active components such as ES4, EL4, and SE4 led to a 47.74% year-on-year increase in revenue, resulting in earnings per share of NT$0.78, a 78.21% increase compared to 2024.。

(Unit: NT$1,000)

Item \ Year	2024	2025	Percentage of Growth (Decrease) (%)
Net Operating Revenue	329,852	487,310	47.74%
Gross Operating Profit	2,708	145,745	5,282.02%
Operating (Loss)	(171,491)	(24,495)	85.72%
Net Profit Before Tax (Loss)	(140,012)	(23,250)	83.39%
Net Profit (Loss) for the Period	(137,943)	(29,986)	78.26%
Total Consolidated Profit or Loss for the Period	(138,342)	(34,271)	75.23%
Earnings Per Share(NTD)	(3.58)	(0.78)	78.21%

●The company's debt ratio has been very low in recent years, and the ratio of long-term funds to fixed assets has remained at a healthy level, indicating that the company's overall financial structure is sound and stable.

●Looking ahead, based on a sound financial structure, the company will pursue performance and profit growth while effectively controlling operational risks.

(Unit: NT$1,000)

Item/Year	2022	2023	2024	2025
Debt Ratio (%)	10.77	10.58	9.88	11.38
Net Profit Margin After Tax (%)	14.35	(28.48)	(41.81)	(6.15)
Return on Assets (%)	6.33	(7.60)	(11.89)	(2.84)
Return on Equity (%)	6.93	(8.56)	(13.31)	(3.22)

(Unit: NT$1,000)

Item/Year (Note)	2022年	2023	2024	2025
Total Assets	1,455,185	1,247,138	1,062,653	1,020,222
Total Liabilities	156,729	131,980	105,091	116,185
Shareholders' Equity	1,298,456	1,115,158	957,562	904,037
Paid-in Capital	385,090	385,090	385,090	385,090
Operating Revenue	623,993	362,789	329,852	487,310
Gross Profit	256,266	36,712	2,708	145,745
Operating Profit or Loss	73,002	(147,435)	(171,491)	(24,495)
Net Profit Before Tax	111,759	(136,234)	(140,012)	(23,250)
Net Profit After Tax	89,570	(103,355)	(137,943)	(29,986)

1.3.2 Management capabilities

- The accounts receivable collection policy is primarily based on consideration of factors such as customer creditworthiness, operational scale, and transaction frequency, granting appropriate credit lines and collection terms. The increase in accounts receivable turnover and the decrease in average collection days this period are due to the overall recovery in product demand, increased company-related transactions, and improved accounts receivable collection.

- Regarding accounts payable, these include accounts payable and notes payable. Except for some custom-made raw materials for which suppliers require prepayment, the remaining payment terms are generally 30-90 days from the end of the month. Overall, there are no outstanding payments to suppliers.

Item/Year	2021	2022	2023	2024	2025
Accounts Receivable Turnover	3.46	4.39	2.99	3.18	4.19
Average Cash Collection Days	105.49	83.14	122.07	114.77	87.11
Inventory Turnover	2.66	3.07	2.83	3.16	4.05
Accounts Payable Turnover	18.47	26.86	19.34	18.25	19.86
Average Sales Days	137.22	118.89	128.97	115.50	90.12
Building, Plant and Equipment Turnover	0.91	1.14	0.89	1.12	2.60
Total Asset Turnover	0.35	0.43	0.26	0.28	0.46

1.3.3 Repayment ability

- The company's working capital is primarily covered by its own funds, with relatively low bank borrowings and minimal annual interest payments, thus affecting the interest coverage ratio. The main factor influencing the interest coverage ratio is pre-tax profit (or loss).

- The Company's interest coverage ratio fluctuates due to changes in pre-tax net profit and the planned issuance of convertible bonds, while the current ratio and quick ratio are both above 300%, indicating that the Company's debt repayment ability is still reasonable.

Item/Year	2021	2022	2023	2024	2025
Current Ratio	712.37	761.77	755.58	812.18	716.83
Quick Ratio	594.50	653.75	633.50	711.78	641.32
Interest Coverage Ratio (times)	1,123.45	12,685.47	(16,413.21)	(20,859.88)	(4,559.31)

1.3.4 Direct economic value distributed (EVED) of Apogee Optocom

(Unit: NT$1,000)

Item/Year	2022	2023	2024	2025
Operating Costs (NT$1,000)	367,727	326,077	327,144	341,565
Employee Benefits (NT$1,000)	191,051	178,741	172,055	179,040
Tax Contributions to Government (NT$1,000) (Note 1)	22,423	232	230	205
Charitable Donations (NT$1,000)	270	256	252	246
Cash Dividends (NT$/share)	2.0	0.0	0.0	0.0
Cash Dividends (NT$1,000)	77	0	0	0

Calculation of the retaining economic value		2022	2023	2024	2025
Direct economic value	Revenue	696,014	404,949	377,185	535,807
Distributed economic value	Operating Costs	(392,935)	(362,186)	(344,891)	(379,952)
	Payment to investors (Note 2)	0	0	0	0
	Payment to government	(23,201)	(57)	(83)	(219)
	Community Investment	(270)	(256)	(252)	(246)
	Employee salary and benefits	(191,051)	(178,741)	(172,055)	(179,040)
Retained economic value		3,623	88,557	(136,291)	(23,650)

Note 1：T he tax revenue contribution to the government is the sum of corporate income tax, license tax, property tax, and fuel tax.

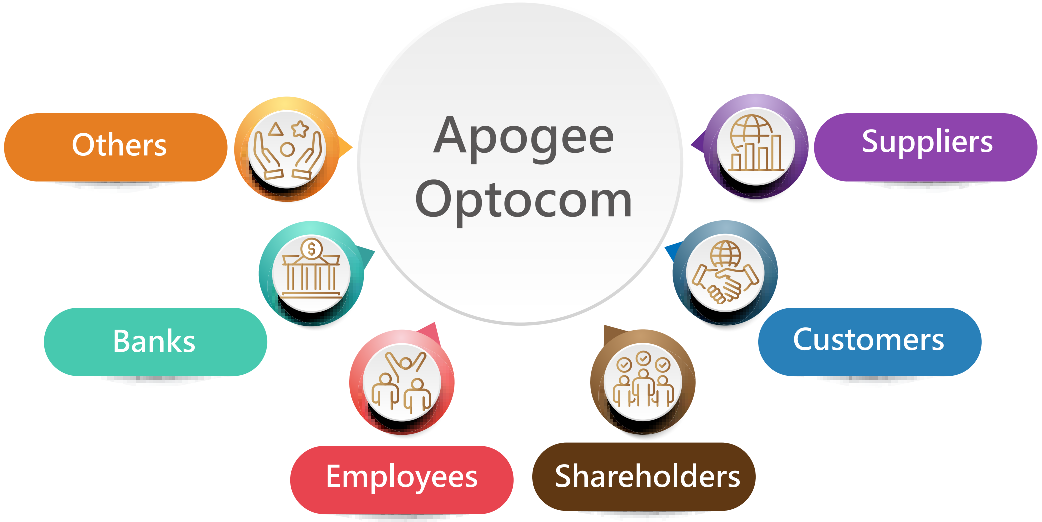
Note 2：The payments to investors consist of dividend expenses and shareholder loans. Since all company dividends are distributed from retained earnings, and the Apogee Group has no shareholder loans, the amounts for both are zero.

CHAPTER 2

Stakeholder Identification and Engagement

2.1 Stakeholder Engagement

- Apogee Optocom values feedback and opinions from stakeholders across all sectors. We first identify six major stakeholder groups: suppliers, customers, employees, shareholders, banks, and others, and rank them according to their importance to the company. Following this stakeholder ranking, starting in 2025, we will conduct questionnaire surveys to confirm and collect stakeholders' needs and expectations regarding ESG issues across all sectors. We will analyze and summarize the potential opportunities and risks associated with each issue, and maintain continuous and open communication channels with stakeholders.
- Based on the aforementioned inquiries with major stakeholders, we collected information on sustainability issues which various stakeholders concerned, conducted a questionnaire survey analysis, and weighted the scores according to the importance of each stakeholder to determine the company's major issues for 2025. ◦
- Through this year's questionnaire survey, we hope to expand communication with stakeholders in future years and obtain valuable feedback that will serve as the cornerstone of our internal management and sustainable development strategies.
- Our company believes that enterprises have a social responsibility to stakeholders. Therefore, we communicate with stakeholders through various channels to understand their needs and expectations of the company, which serves as an important reference in developing our corporate sustainability plan.



2.1.1 Identification of Stakeholders

●Apogee Optocom values stakeholder communication and feedback. After surveying department heads, six main categories were identified: suppliers, customers, employees, shareholders, banks, and others (industry peers, etc.). Internal questionnaires were conducted using the five principles of the AA1000 SES Stakeholder Engagement Standard (Dependency, Responsibility, Influence, Diverse perspectives, and Tension) to identify customers, suppliers, employees, and shareholders as stakeholders with significant impact on the company

●The Sustainability Committee's Provisional Sustainability Task Force, based on consensus criteria, surveys internal departments to determine the perceived importance of stakeholders as a basis for weighted calculation of the importance of major issues. Through diverse communication channels, it promptly receives and responds to stakeholders' needs, jointly promoting corporate sustainability.

2.2 Material Topics Analysis Process

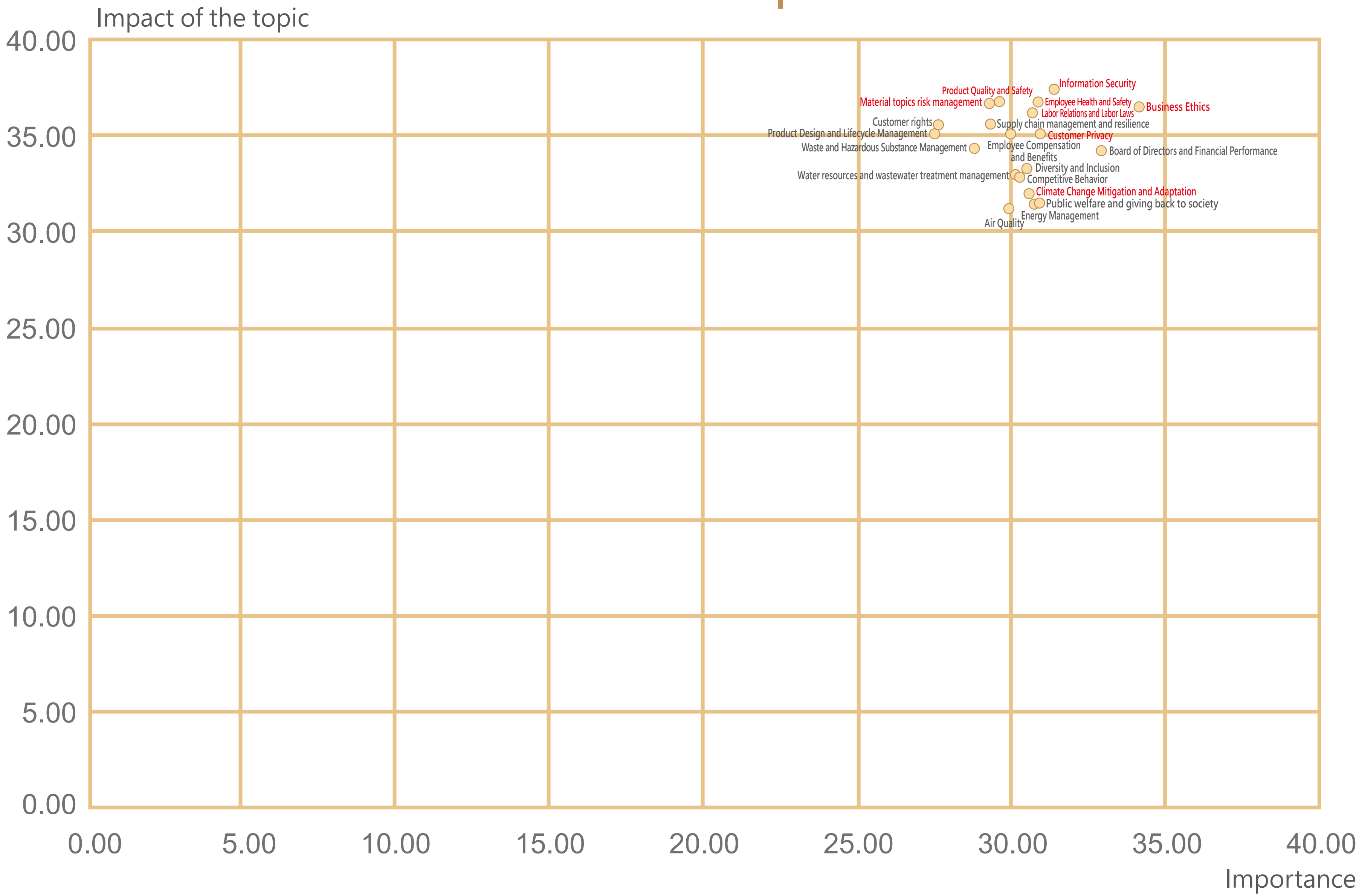
2.2.1 Identification and Analysis of Material Topics

●Based on the framework of our issue collection, we analyzed sustainability-related disclosure indicators, including Sustainable Development Goals and GRI Standards, SASB, and TCFD, to produce a list of sustainability issues. This list is divided into three main areas: corporate governance and economic issues, environmental issues, and social issues, encompassing a total of 20 issues.

●To assess the issues of concern to stakeholders, our company conducted a survey of stakeholders from the six categories identified in the aforementioned stakeholder analysis, distributing questionnaires and performing quantitative analysis:

1. In 2025, a total of 38 stakeholders participated in the issue identification survey, and 38 valid questionnaires were collected to understand the stakeholders' ranking of their concerns regarding sustainability issues;
2. The Sustainability Committee discussed the positive, negative, and actual/potential impacts based on the stakeholders' ranking of their concerns regarding sustainability issues;
3. The Sustainability Committee used the ESG Issue Operational Impact Analysis Risk Assessment Form to assess the severity, likelihood, and human rights issues, and then scored the risks. The scoring results were then used to create a material topics impact analysis matrix, ranking the impact priorities;
4. The material topics matrix is shown on the next page:

Matrix of Material Topics in 2025



● Based on the matrix assessment results above, the Apogee Sustainable Development Committee, together with the General Manager and the highest corporate governance unit—the Board of Directors—assessed the economic, environmental, and social impact of the issues raised. From the 20 issues across the economic, environmental, and social dimensions in the diagram, 8 material topics were identified based on stakeholder assessments of their high importance and impact (opportunity/impact) on the company. :

1. **Material Topics Risk Management** (Corporate Governance and Economic Aspects)
2. **Business Ethics** (Corporate Governance and Economic Aspects)
3. **Employee Health and Safety** (Social Aspects)
4. **Labor Relations and Labor Laws** (Social Aspects)
5. **Product Quality and Safety** (Corporate Governance and Economic Aspects)
6. **Customer Privacy** (Corporate Governance and Economic Aspects)
7. **Information Security** (Corporate Governance and Economic Aspects)
8. **Climate Change Mitigation and Adaptation** (Environmental Aspects)
While this topic received fewer points in the questionnaire, the Sustainable Development Committee, considering the need to balance information disclosure across different aspects with the timelines for climate change disclosure in regulations/ international standards, added it to the list of material topics.

● This period introduces two new major topics: "Business Ethics" and "Employee Health and Safety." The previously material topic, "Supply Chain Management and Resilience," remains a focus of the company's self-management efforts.

● The aforementioned eight material topics will be submitted to the General Manager and Chairman for decision-making and discussion. A total of 27 GRI Standard thematic guidelines will be compiled, and sustainable information will be collected and disclosed based on the reporting requirements and management policies for each theme. The remaining 12 issues will be managed and supervised by the company's various departments according to the current internal control system and related issue management procedures, as self-managed topics.

● Our company believes that enterprises have a social responsibility to stakeholders. Therefore, we communicate with stakeholders through various channels to understand their needs and expectations of the company, which serves as an important reference in developing our corporate sustainability plan.

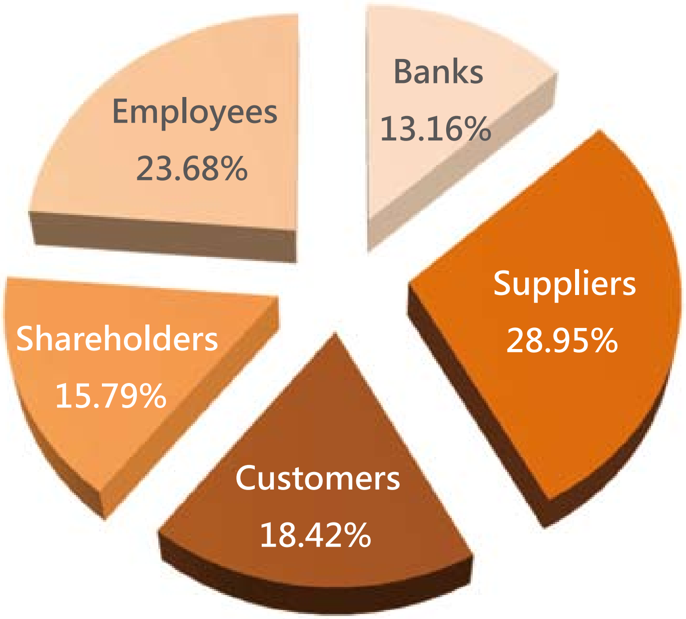
2.2.2 Stakeholder concerns and engagement

- The following is a summary of the stakeholder categories, their key concerns, engagement channels and frequency with Apogee, and the company's engagement channels and points of contact, based on the questionnaire responses

Stakeholder Type	Key Concern Topics	Engagement Channels	Frequencies	Point of Contact
Suppliers	Business Ethics、Supply chain management and resilience、Product Quality and Safety、Labor Relations and Labor Laws、Employee Health and Safety、Employee Compensation and Benefits	Supplier evaluation, Supplier audit	Irregular	Production Department
Customers	Business Ethics、Customer Privacy、Information Security、Climate Change Mitigation and Adaptation、Water resources and wastewater treatment management、Waste and Hazardous Substance Management	Customers hold regular meetings with Apogee; customers periodically inquire about product delivery times, prices, and quality; customer complaints.	Regular meetings with key clients every two months; Other meetings are irregular	Business Department
Employees	Information Security、Material topics risk management、Labor Relations and Labor Laws、Customer Privacy、Board of Directors and Financial Performance、Employee Health and Safety、Employee Compensation and Benefits	Labor-Management Conference	Once every three months	Management Department
		Employee Welfare Committee	Twice a year (excluding temporary representative re-elections)	Employee Welfare Committee
Shareholders	Material topics risk management、Information Security、Board of Directors and Financial Performance、Competitive Behavior、Business Ethics、Product Quality and Safety	Annual Shareholders' Meeting	Once a year	Finance Department
		Board of Directors	Once a quarter	
		Annual Corporate Statement Public Briefing	Twice a year	
		Monthly Revenue Announcement	Once a month	
Banks	Product Quality and Safety、Material topics risk management、Business Ethics、Board of Directors and Financial Performance、Information Security、Labor Relations and Labor Laws	The bank periodically inquires about the company's willingness to purchase financial products and raises questions regarding Apogee Optocom's financial statements.	Irregular	Finance Department
Others	None			

●The questionnaire was distributed to stakeholders, totaling 38 people, as shown in the pie chart below. The large proportion of stakeholders is due to the fact that the number of major suppliers, customers and employees is greater than that of major shareholders (mainly investment companies) and banks.

Percentage of stakeholders in the questionnaire



●To reflect the overall value chain of Apogee Optocom, the impact and significance of 8 material topics and 12 self-management topics on Apogee Optocom are identified. This is to define the scopes of impact, ensure the transparency of the value chain and its extended effects, and analyze the significance of major sustainability themes for Apogee Optocom, as well as management policies, short-, medium- and long-term goals. For complete information on management policies, goals and performance, please refer to the corresponding chapters.

Material Topics	Impact or opportunity of the issue	Corresponding GRI theme	Description of the GRI Disclosed	Interior Scopes	External Scopes				
				Employees	Suppliers	Customers	Shareholders	Banks	Others
Material topics risk management	1.Domestic and international political and economic situations, natural disasters, and currency fluctuations can lead to instability in the supply and sales of raw materials/products. 2.With the rise of clashes in international environmental protection, climate change, trade, business ethics, and human rights regulations and policies, as well as related trade disputes, potential "black swan" events are impacting companies' operating and R&D costs and even supply chains. 3.Increased hazards in the employee work environment raise significant safety concerns. 4.The company's software and hardware information and production equipment are relatively outdated, which are the main sources of information security, data access vulnerabilities, energy consumption and carbon emissions, respectively, which have a significant impact on information security, customers and the market. In the future, the company will design and implement short, medium and long-term goals to prevent and plug vulnerabilities, upgrade software and hardware equipment and enhance the carbon-saving efficiency of equipment production.	GRI 3 Material Topics The rest are detailed in the following points.	GRI 3-1 Process to determine material topics GRI 3-2List of material topics GRI 3-3Management of material topics The rest are detailed in the following points.	v	v	v	v	v	v
Business Ethics	The company is a manufacturer of customized, highly export-oriented optical coatings and filters. In the current complex international situation, in addition to domestic anti-competitive monopolies, conflicts of interest, insider trading, dishonesty, and corruption, international anti-dumping and insider trading regulations trends or developments may affect the company's revenue or operating expenses (fines and penalties) and other uncertain expenditures. The company plans to establish a risk assessment mechanism for dishonest behavior to identify upstream suppliers and ensure that ethical business practices are not merely lip service, but rather that the company becomes a responsible and trustworthy supplier in the supply chain.	GRI 2 General Disclosures GRI 205 Anti-corruption GRI 206 Anti-competitive Behavior	GRI 2-15 Conflicts of interest GRI 2-27 Compliance with laws and regulations GRI 205-2 Communication and training about anti-corruption GRI 206-1 Legal actions for anti-competitive behavior, antitrust, and monopoly practices	v	v	v	v	v	v
Labor Relations and Labor Laws、Employee Health and Safety	1.The global situation is constantly changing, influenced by complex factors such as trade, climate, and politics. The possibility of "black swan" events is not an exaggeration, and company operations and employee benefits are the first to be affected. Therefore, with the goal of operational stability and enhancing the quality of human resources, the company has designed a comprehensive education and certification program for employees to improve their professional skills and safety awareness, and to comply with regulatory and sustainable risk mitigation requirements. 2.In response to global trends in human rights regulations and due diligence, our company prioritizes occupational safety, employee mental and physical well-being, migrant worker rights, and a friendly workplace. Establishing a comprehensive, long-term process for identifying, managing, voicing, and tracking major human rights risks is crucial for effectively controlling and preventing operational human rights risks. This also presents a key opportunity to enhance supply chain resilience.	GRI 401 Employment, GRI 403 Occupational Health and Safety, GRI 406 Non-discrimination, GRI 408 Child Labor , GRI 409 Forced or Compulsory Labor , GRI 411 Rights of Indigenous Peoples	GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees, GRI 403-1 Occupational health and safety management system , GRI 403-5 Worker training on occupational health and safety , GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships, GRI 403-9 Work-related injuries , GRI 406-1 Incidents of discrimination and corrective actions Taken, GRI 408-1 Operations and suppliers at significant risk for incidents of child labor, GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor, GRI 411-1 Incidents of violations involving rights of indigenous peoples	v		v	v	v	v
Product Quality and Safety	Product quality and safety are primarily assessed through random sampling and customer feedback. The stability and applicability of optical communication filter products are fundamental to the company's operations. Current issues stem from inadequate integration or timely responses in measurement settings, either by the company itself or downstream suppliers, leading to unnecessary losses and resource waste. Strictly controlling the risks associated with downstream product end-use applications and related customer complaints is a top priority for the production line.	GRI 416 Customer Health and Safety	GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	v	v	v	v		v
Customer Privacy、Information Security	1.The production requirements and related data provided by clients involve their intellectual property rights and patents. Leakage of such information would severely impact clients' operations and the stability of the overall supply chain. 2.The company's production equipment and computer systems are outdated, data control and digitization are incomplete, and data storage needs improvement in terms of tiered management. This could allow hackers or other malicious users to exploit vulnerabilities or breach the company's systems using new AI technologies or older methods such as ransomware.	GRI 418 Customer Privacy	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	v	v	v		v	
Climate Change Mitigation and Adaptation	1.The company's carbon emissions are highly concentrated in the use of energy-intensive coating equipment and related refrigerants. The company needs to actively seek new energy-saving technologies/measures to reduce carbon emissions and keep abreast of relevant disclosures and emission regulations from regulatory authorities. 2.The Apogee plant is located in an area with potential for extreme weather impacts. Improving water use and process efficiency, strengthening plant protection measures, and controlling related operating costs and capital expenditures are crucial. In addition, with the increasing demand for climate change in the process environment and supply chain, the company needs to comprehensively develop countermeasures for the physical and transition risks disclosed in the TCFD.	GRI 102: Climate Change 2025 ; GRI 201 Economic Performance	GRI 102 will take effect in 2027; details not yet disclosed; GRI 201-2 Financial implications and other risks and opportunities due to climate change	v	v	v	v	v	v

●Following discussion, the highest governance body for this period provides the following overview of material issues (importance and value to the company, policies and vision, engagement parties, specific investments and actions, and performance evaluation indicators):

Overview of material issues	Definition and Planning / Actual Action
Name of material issues	Material topics risk management
Importance and value to the company	GRI 3 (Material Topics) is the core of the sustainability report. Through the principle of dual materiality, it assesses the company's operational impact on the environment, society, and economy (from the inside out), and the impact of these sustainability risks on the company's finances and operations (from the outside in). For Apogee, positioned as a key manufacturer of highly customized, export-oriented, and high-tech optical coatings and filters, with expansion into the outer space industry and AI computing centers, the implementation of GRI 3 has the following core importance and substantial value: 1.Assist in defining resource allocation priorities: The process of identifying critical issues helps Apogee identify core impacts—the impact of high energy consumption and pollution from inefficient equipment on climate change; and the information security risks posed by aging production line computer facilities. This provides management with clear data support when formulating energy-saving plans and implementing relevant energy or cybersecurity systems, ensuring that ESG capital expenditures accurately respond to core operational risks. 2.By investigating international regulatory trends, mitigate compliance and operational disruption risks: Traditional products are highly dependent on exports, placing them in the midst of complex international geopolitical tensions and global supply chain restructuring. GRI 3 emphasizes impact assessments on "corporate governance and economic aspects" and "social aspects," incorporating the latest international and domestic IFRS, SASB sustainability guidelines, anti-dumping regulations, anti-unfair competition and monopoly practices, and human rights due diligence trends into future annual corporate reform assessments; and integrating ethical and legal compliance into internal control systems to avoid and mitigate uncertain expenses arising from dishonest behavior. 3.Strengthening Client Trust: A Transparent and Substantive Response: Utilizing GRI 3, "Information Security" and "Customer Privacy" were identified as critical issues. The report disclosed the collaborative cybersecurity measures and the four-tier supplier assessment mechanism (A/B/C/D), and outlined a vision for more sophisticated future security measures and enhanced awareness among all employees. This demonstrated to the client that Apogee not only meets technical standards but is also an "Ethical Supplier" capable of ensuring the security of their intellectual property rights and possessing extremely high resilience to unforeseen circumstances.
Policies and Vision (Short- and Medium- to Long-Term Goals)	1.Increase interviews/surveys with stakeholders of varying scopes each year, and adjust questionnaire content to more accurately reflect the realities of the industry structure, deeply quantifying and discussing the "positive and negative" and "actual and potential" economic, environmental, and social impacts, making the impact matrix more valuable for financial and operational reference. 2.For self-management issues or areas not a priority this year, continue to investigate and optimize related procedures, including but not limited to ISO certification, green labeling, training, due diligence procedures, reasonable internal channels for expressing opinions and grievances, and contingency mechanisms for various extreme events.
Engagement parties (stakeholders) and responsible departments	Engagement parties: shareholders, employees, banks, customers, suppliers
Specific investments and actions	1.Conduct annual questionnaire surveys for department heads. Following this year's survey, six main stakeholder categories were identified: suppliers, customers, employees, shareholders, banks, and others (industry peers, etc.). Internal questionnaire evaluations were conducted based on the five principles of the AA1000 SES stakeholder agreement criteria (dependency, responsibility, impact, diversity of perspectives, and focus) to identify customers, suppliers, employees, and shareholders as stakeholders with significant impact and high importance to the company. 2.Conduct online surveys on identifying material topics for stakeholders in each area. After collecting valid questionnaires, understand the stakeholder ranking of their concern for sustainability issues, and discuss the positive, negative, and actual/potential impacts. 3.Draw a matrix diagram of the impact of major issues based on the scoring results in 2., arrange the priority of impact, analyze various material topics, propose relevant response strategies, establish evaluation indicators and implement objectives. 4.Maintain channels for consultation with stakeholders. We aim to effectively gather valuable feedback from stakeholders through various channels, including supplier evaluations and audits, regular or ad-hoc meetings with customers and the company, customer complaints, labor-management meetings, employee welfare committee meetings, annual shareholders' meetings, annual board meetings, annual corporate briefings, monthly revenue announcements, and ad-hoc communications with banks. This will serve as a basis for unified responses and improvements.
Performance Evaluation Indicators	1.Questionnaire distribution and return rate 2.Key performance indicators (KPIs) for achieving goals on material topics (see "Performance Evaluation Indicators" for other major issues below).

Overview of material issues	Definition and Planning / Actual Action
Name of material issues	Business Ethics
Importance and value to the company	As a key manufacturer of highly customized optical coatings and filters with a high export ratio, Apogee Optocom understands that in the current complex international landscape of geopolitical volatility and global supply chain restructuring, "Business Ethics" is no longer just a moral initiative but a core asset for maintaining business continuity, mitigating financial and legal risks, and a differentiating advantage for creating long-term value. Beyond domestic compliance with anti-competitive practices, insider trading, and dishonest behavior regulations, increasingly stringent international anti-dumping regulations and anti-corruption trends directly impact the company's overseas revenue and operating expenses. Facing litigation, sanctions, or hefty penalties could lead to unpredictable and uncertain expenses and a collapse in goodwill. To ensure that honest business practices and ethical standards do not become mere slogans, the company has fully integrated "Business Ethics" into its supply chain management system. We anticipate establishing a risk assessment mechanism for dishonest behavior in the future, using rigorous due diligence to eradicate risks such as insider trading, failure to avoid conflicts of interest, corruption, or illegal dumping at the source. Apogee will adhere to the highest standards of Business Ethics, aiming to demonstrate to global customers, investors, and the general public its commitment to maintaining fair market competition and transparency. Apogee's goal is to become a trusted "Ethical Supplier" in the global optoelectronics supply chain, fulfilling its sustainable responsibilities.
Policies and Vision (Short- and Medium- to Long-Term Goals)	1.Continuously enhance education, training, and outreach to directors, managers, and employees regarding insider trading, anti-corruption regulations, and conflict of interest avoidance, and extend this outreach to stakeholders. 2.The responsible supervisor and auditor should pay attention to the new international and domestic codes of conduct and institutional guidelines concerning corruption, insider trading, conflicts of interest, monopoly and dumping, etc., and conduct preliminary investigations and communications with upstream and downstream manufacturers and customers in the supply chain to design a risk control procedure for dishonest behavior (identify risks, investigation topics, and formulate a complete investigation, prevention and follow-up procedures).
Engagement parties (stakeholders) and responsible departments	Engagement parties: shareholders, employees, banks, customers, suppliers
Specific investments and actions	1.At least once a year, conduct training sessions on the relevant laws and regulations regarding "Prevention of Insider Trading Procedures" for current directors, managers, and employees. The training content includes the scope of insider trading regulations, the range of material internal information, disclosure procedures, handling of violations, and examples of transactions. Training sessions are also provided to newly appointed directors, managers, and employees as needed, and course brochures are sent to all directors (including independent directors), managers, and employees. No current directors, managers, or employees of the Company have violated insider trading, anti-corruption, or other conflict-of-interest avoidance regulations. 2.Our company identifies, monitors, and manages the risks of dishonest conduct that may result from conflicts of interest, in accordance with the Code of Conduct for Honest Business. Furthermore, the Board of Directors Rules of Procedure and practice require directors to explain the significant details of their interests to the Board of Directors regarding matters that are of interest to themselves or their legal representatives. Directors who believe such matters may be detrimental to the company's interests are prohibited from participating in discussions or voting and must recuse themselves from such discussions and voting. Thanks to the high ethical self-discipline of the directors and the sound mechanisms in place, our Board of Directors has not experienced any conflicts of interest since its inception.
Performance Evaluation Indicators	1.Number of training hours for insider trading education and awareness campaigns 2.Number of incidents involving violations of insider trading, anti-corruption, or other conflict-of-interest avoidance regulations (including publicly disclosed legal cases and internally undisclosed incidents) 3.Total number of incidents involving termination or non-renewal of contracts with business partners due to corruption or misconduct (currently none at the company)

Overview of material issues	Definition and Planning / Actual Action
Name of material issues	Labor Relations and Labor Laws、Employee Health and Safety
Importance and value to the company	1.Apogee considers its employees the foundation of the company, and outstanding employees are core assets that should be cultivated and promoted in all areas, including R&D, sales, finance, sustainability, and production. 2.Adhering to basic labor laws (maternal protection, employment of employees with disabilities, and absolute prohibition of discrimination or harassment, etc.) is a measure to respect the autonomy and self-realization of employees, to strengthen company cohesion, and to reduce the risk of penalties. 3.Based on regulations, we offer reasonable and generous employee salaries and related benefits, such as year-end bonuses, employee dividends, performance bonuses, scholarships for employee children, year-end parties, health checkups, and activities organized by the employee welfare committee, serving as the cornerstone for attracting top talent and ensuring smooth operations. 4.The education and training employees receive both inside and outside the company enhances their professional production/R&D/management skills and safety awareness, increasing the company's competitiveness and fostering a people-oriented spirit of mutual assistance and respect among employees. 5.Solid comprehensive education and training, along with certification requirements, not only reduce the incidence of occupational accidents but also enhance the company's resilience against "black swan" events by complying with regulations and sustainable risk avoidance requirements.
Policies and Vision (Short- and Medium- to Long-Term Goals)	Short-term: Continue to comply with relevant Taiwanese labor laws and regulations, provide benefits based on company operations, and actively protect employee rights through regular and ad-hoc labor-management communication and complaint channels. Medium to Long Term: 1.In future years, the company will continue to refer to international human rights conventions, UNGPs, and domestic laws to assess the impact of its operations and internal management on human rights, and revise corresponding procedures accordingly: (a)Establish human rights due diligence and review processes; (b) Define the scope of the aforementioned processes (company operational boundaries) and identify responsible units; (c) Identify major human rights issues; (d) Integrate and establish existing relevant procedures, preventative and remedial measures, and post-incident follow-up processes. 2.Actively track the latest international standards and regulations, and design training courses for each department to: (a)Enhance employee awareness, improve internal control systems, financial statements, sustainability reports, and the quality of related sustainability investigations (carbon inventory, human rights, etc.) to comprehensively improve the effectiveness of corporate governance assessments; (b)Promote cybersecurity training for all employees to strengthen their cybersecurity resilience and related identification and defense capabilities; (c)Deepen ISO 14001 environmental management, occupational health and safety, and fire emergency response drills (including climate change awareness education) to reduce operational risks and build a corporate culture with sustainability awareness and disaster resilience. (Current policy commitments and actual measures are publicly available at http://www.nextapogee.com.tw/ch/csr-1.php) 3.The company's salary policy will be adjusted to strengthen the link between the achievement rate of sustainability-related KPIs and the salary and bonus growth of each department. The issues that each department is responsible for will be adjusted according to the nature of the department.
Engagement parties (stakeholders) and responsible departments	Engagement parties: shareholders, employees
Specific investments and actions	1.We continuously comply with relevant labor laws and regulations in Taiwan and strengthen our internal management mechanisms to ensure employee rights and provide a high-quality workplace environment. We also ensure compliance through regular reviews and internal audits, enhancing our ability for sustainable development. (In 2025, the employee structure was reasonable, with no abnormal resignations or employee complaints, and no violations of labor rights.) 2.We actively guarantee employees' opportunities to participate in negotiations and propose solutions to improve their rights through various channels, including regular labor-management meetings, questionnaires, welfare committees, and ad-hoc communication and appeals. (All discussions in 2025 concerning employee leave, working hours calculation, and recruitment rights were passed.) 3.Through occupational safety and health protection measures, internal and external fire drills and inspections, detection of pollution indicators in the work environment, and regular audits and inspections of the environment, we ensure the physical and mental safety and health of our employees. In 2025, there were only 4 occupational accidents, and the circumstances were minor. The incidents did not occur on the production line or in the factory area. 4.In 2025, training focused primarily on key regulations and international and domestic standards (ESG matters, AI ethics, cybersecurity, fire safety, etc.), ensuring both new and existing staff fully understood the company's various values and the necessary skills for employees. 5.In 2025, a total of 7 employees (including the Deputy General Manager) were promoted, with 6 of them promoted based on performance evaluations. There was no discrimination based on gender in promotions; nor were there any employee complaints of human rights violations (employee rights and benefits, forced labor, incorrect calculation of wages and holidays, bullying, salary disputes, discrimination, harassment, etc.).
Performance Evaluation Indicators	Performance Evaluation Indicators 1. Average and median employee salaries; 2. Male-to-female employee basic salary ratio and total salary ratio; 3. Employee benefits expenditure; 4. Amount of retirement fund contributions; 5. Number of employees applying for parental leave without pay and their reinstatement, and reinstatement rate; 6. Labor-management meeting resolution approval rate; 7. Employee internal and education and training courses hours; 8. Number of valid employee licenses and permits; 9. Number of deficiencies in production environment/work safety during factory audits; 10. Work environment pollution indicators (chemical and physical factors); 11. Weighted correlation between sustainability KPI achievement rate and salary/bonus structure.

Overview of material issues	Definition and Planning / Actual Action
Name of material issues	Product Quality and Safety
Importance and value to the company	1.As a key manufacturer of precision optical coated filters in the optical communication industry supply chain, the company continuously invests in R&D to enhance its inherent process capabilities. Against the backdrop of increasing demand for data transmission bandwidth and the global strategic importance of 5G construction and AI computing centers, the company is building a cohesive and sustainable supply chain alliance with upstream suppliers of glass substrates, coating targets, chemical materials, and equipment; and downstream optical communication component and fiber optic module manufacturers, optical transceiver manufacturers, and related packaging and testing and wafer manufacturers. This alliance contributes to the overall communication industry and sustainable development, enhances the company's reputation and brand, increases revenue and profitability, and ensures operational continuity and stable production capacity (for large orders or new technology product demand). 2.The advanced Technology R&D team continuously develops new technologies such as silicon photonics (SiPh) and CPO key thin-film processes to position for future markets, increasing operational resilience and revenue profitability. 3.The ethical and sustainability requirements for upstream suppliers (hazardous substances, conflict minerals, employee labor compliance with due diligence standards, and future carbon neutrality and carbon footprint certification requirements in various regions) are crucial to the company's future operations and development. 4.For downstream customers in the optical communication module and even further in the chip wafer/space communication fields, accurate specifications and parameters are fundamental to product operation. As a reputable upstream manufacturer in the supply chain, Apogee maintains the highest level of responsibility for the operation and subsequent anomalies of its customers' optical communication components to enhance resilience in the face of emergencies and ensure that customer requirements and needs are met quickly. Apogee Optocom always maintains the highest level of accountability for the operational performance and subsequent anomalies of its customers' optical communication components. This sense of responsibility is not only reflected in the strict quality control at the factory but also permeates the entire product lifecycle management process. Apogee's goal is to be able to quickly eliminate potential operational risks with the fastest response speed and precise professional solutions when encountering supply chain fluctuations or technical bottlenecks, ensuring that all of its customers' high-quality requirements and strategic needs are perfectly met in the first instance.
Policies and Vision (Short- and Medium- to Long-Term Goals)	Short-term: 1.Three Major Strategies: (a)Technological Advancement: Leading the way in 1.6T high-end specifications, consolidating core competitiveness; (b)Architectural Innovation: Entering the key links of silicon photonics (SiPh) and CPO; (c)Diversified Momentum: Capitalizing on the broadband infrastructure boom and the new landscape of space communications, and strengthening the development and application of non-optical communication products. 2.Collaborating with suppliers to improve product compliance with green environmental standards, inspecting and controlling hazardous substances; continuously implementing quality-first management. 3.The production department continuously refines its strategies for dealing with non-conforming samples and reducing defect rates, promoting technological improvements in key processes, reducing process, measurement, and human error, and providing timely feedback to relevant supervisors and customers. Medium to long term: 1. Leveraging our core coating technologies, we will conduct research and development on coating materials, expanding into different wavelength coating fields (such as bio-detection and medical treatment), thereby broadening our product line and application scope. 2. We will collaborate with suppliers and downstream customers to conduct due diligence on supply chain carbon emissions, carbon footprint, conflict minerals, RoHS-related human rights and environmental issues, strengthening the bonds of a sustainable supply chain.
Engagement parties (stakeholders) and responsible departments	Engagement parties: employees, customers, suppliers
Specific investments and actions	1.We implement IQC, IPQC, and OQC procedures, hold weekly production meetings to integrate various departments, conduct regular feedback analysis, improve products, and track customer requirements. The company fully implements the above-mentioned quality-first management workflow to continuously ensure customer satisfaction with quality and service. 2.Our company values every customer complaint. Upon receiving a quality complaint, we immediately notify the sales department to handle the complaint. In accordance with the "Corrective and Preventive Action Procedures," we immediately take countermeasures and prepare a customer complaint tracking report, providing timely feedback to relevant supervisors and customers. In 2025, the Apogee Group did not experience any major product safety incidents that caused harm to customers. The customer complaint rate for Apogee Group product orders in 2025 was 0.33%, of which 65.79% were attributable to Apogee itself. Analysis revealed that the main causes were: process errors, human error, and incorrect measurement settings. 96.05% of the cases were rectified within the specified time and followed up with preventative measures according to standard procedures, which were approved by the customer.
Performance Evaluation Indicators	1. Types and number of customer complaints 2. Inspection rate of hazardous substances in raw materials and products

Overview of material issues	Definition and Planning / Actual Action
Name of material issues	Customer Privacy、Information Security
Importance and value to the company	1.The production requirements and related data provided by customers involve their intellectual property rights and patents. Leakage of such data would severely impact customer operations and the stability of the overall supply chain. Given that precise specifications and parameters are fundamental to Apogee's main product lines, including optical communication filters and active/passive components, the production requirements and technical data provided by customers not only heavily involve their intellectual property rights and core patents but also constitute the lifeline of the overall supply chain stability. As a reputable upstream producer in the supply chain, Apogee deeply understands the absolute importance of Customer Privacy—data breaches can cause irreversible and severe damage to downstream customer operations and the overall supply chain stability. Therefore, we maintain the highest level of responsibility for the operational performance of optical communication components and related services through robust security and privacy protection mechanisms beforehand. 2."Security is not an end point, but a continuous evolutionary process." The company reviewed various cybersecurity issues within its internal information systems, from system updates and endpoint protection to perimeter defense, authentication, and internal file access. It realized that improving cybersecurity is no longer simply about information upgrades, but a matter of survival concerning the continuity of business operations and supply chain commitments. The company must shift its cybersecurity mindset from "reactive patching" to "proactive resilience." Only through continuous dynamic evolution of defense mechanisms and deepening of employee awareness can the company ensure the absolute security of its core technology assets and build an unbreakable, sustainable defense line for the enterprise amidst the ever-changing digital landscape.
Policies and Vision (Short- and Medium- t o Long-Term Goals)	Short-term: 1.Design training courses tailored to actual operational situations to strengthen company-wide cybersecurity awareness, avoiding placing solely the burden and responsibility on the IT department. All aspects of production, management, IT, quality assurance, and R&D must pay equal attention to related issues. 2.Continuously and strictly control information security and the use of company and customer data to prevent potential problems. Multiple layers of usage restrictions and cybersecurity safeguards have been implemented. (No complaints of privacy violations or data loss from customers were received by the company's IT and sales departments in 2025.) Medium to Long Term: 1.Starting in 2026, gradually implement ISO/IEC 27001:2022 control items to establish a fully compliant sensitive data protection and user behavior review mechanism. 2.Digitalization of Data Control: Fully implement paper/physical management methods into automated system blocking and auditing to achieve "zero incidents" of confidential data leakage.
Engagement parties (stakeholders) and responsible departments	Engagement parties: employees, customers, suppliers
Specific investments and actions	1.Backup Defense: Ensure at least three backups of files to fundamentally defend against ransomware threats. 2.External Storage Device Control and Minimized Access: Prohibit the use of private external storage devices without permission to eliminate the risk of virus infection and data leakage; dial-in accounts can only access specific IPs/ports. 3.24/7 Cybersecurity Collaboration and Access Restriction Principle: Preemptive threat intelligence defense, 24/7 monitoring during incidents, real-time alerts, and post-incident analysis and recommendations; tiered access permissions for shared folders and files. 4.Network Isolation (VLAN): Implement strict isolation policies; all computers are equipped with antivirus software, and IT personnel conduct regular scans; block external connections to production line computers (severing network segments). 5.Cybersecurity Awareness Education: IT department managers actively arrange cybersecurity training courses (cloud security and zero trust, risk handling, defense concepts, AI precautions and advanced concepts, etc.). Future countermeasures will move towards regularly conducting company-wide cybersecurity training and social engineering drills to improve the identification rate of malicious links and fraudulent emails.
Performance Evaluation Indicators	1.Number of customer complaints regarding privacy violations or data loss 2.Unauthorized USB drive usage rate: Number of instances where unauthorized USB drives were inserted without permission. (Target: 0 cases/month) 3.Privilege approval overdue rate: The percentage of temporary written permission requests that were not reviewed within 24 hours or were not automatically closed after the deadline. 4.Cybersecurity incident Time to Response (TTR): The average time from when a suspected data breach alert is issued to when the IT team completes physical isolation. (Target: <30 minutes) 5.Vulnerability exposure rate of legacy equipment: The percentage of legacy systems not protected by firewalls out of all legacy equipment in the company. (Target: 0%) 6.Cybersecurity training completion rate: The percentage of employees in each department (including senior management and production line employees) who completed the mandatory cybersecurity course within the specified timeframe. (Target: 100% completion rate)

Overview of material issues	Definition and Planning / Actual Action
Name of material issues	Climate Change Mitigation and Adaptation
Importance and value to the company	1.Apogee is a fiber optic communications manufacturer that leases industrial buildings and purchases large amounts of electricity, relying primarily on high-energy-consuming, uninterrupted coating equipment for production. The carbon emissions from its electricity consumption and refrigerant usage (falling under Scope 2 and Scope 1 of ISO 14064-1:2018 respectively) are a key focus of the company's energy conservation and carbon reduction transformation plan. The company needs to actively seek new energy-saving technologies or renewable energy sources and keep abreast of relevant disclosure requirements from regulatory authorities and IFRS. (It is expected to switch to IFRS S2 (GHG Protocol) and submit 2028 data in fiscal year 2029.) 2.Apogee, together with upstream raw material suppliers and downstream communications and wafer manufacturers, should ensure operational continuity and stable production capacity. They should work together to enhance product competitiveness with a sustainable technology mindset, build a sustainable and low-carbon brand reputation, and jointly establish a cohesive sustainable supply chain alliance. This will contribute to the overall communications industry and sustainable development, enhance the company's reputation and brand, and increase revenue and profitability by adopting a circular economy model. 3.Apogee is located in the Southern Science Park, which may be subject to extreme weather events. Therefore, measures to improve water use and process efficiency, as well as to strengthen the protection of the plant, are crucial for controlling related operating revenue, costs, and capital expenditures.
Policies and Vision (Short- and Medium- to Long-Term Goals)	Short-term: 1.Promote energy conservation and carbon reduction programs, invest in energy-efficient equipment (air conditioners, chiller units, pumps, etc.), improve energy efficiency, and control equipment amortization periods. 2.Implement water-saving processes and projects, recycling wastewater for reuse in equipment operation or heat dissipation. 3.Review greenhouse gas inventories scopes 1, 2, and 3 for 2024-2025, determine and verify carbon emissions, and establish a baseline year. 4.Continue to invest in R&D to enhance R&D capabilities. 5.Strengthen disaster prevention education and preventative measures, improve factory fortification measures, monitor rainfall data in real time to activate emergency production and sales response coordination mechanisms, and adopt optimal inventory management and flexible transportation scheduling. Medium- to Long-term: 1.Implement a circular economy model and assess the feasibility of increasing the recycling rate of existing waste materials. 2.Actively seek renewable energy sources or low-carbon technologies to share production capacity and increase carbon reduction capabilities. 3.Participate in organizations such as industry-driven low-carbon alliances, and integrate with supply chain transformation; or actively apply for relevant government subsidies to meet the needs of new technologies and reduce self-funded costs. 4.Based on carbon inventory data, establish a baseline year-on-year carbon reduction roadmap, aiming to reduce emissions in scopes one to three in the short term and move towards carbon neutrality in the long term.
Engagement parties (stakeholders) and responsible departments	Engagement parties: shareholders, employees, banks, customers, suppliers
Specific investments and actions	1.Promote energy conservation and carbon reduction initiatives, investing in energy-efficient equipment (air conditioning, chiller units, pumps, etc.). 2.Implement water-saving processes and projects, recycling wastewater for reuse in equipment operation or for heat dissipation. 3.Review greenhouse gas inventories scopes 1, 2, and 3 for 2024-2025, determine and verify carbon emissions, and establish a baseline year. 4.Strengthen disaster prevention education and preventative measures to enhance the disaster resilience of the plant and its facilities. 5.Propose sustainable risk management for the park's operations, including a self-reduction plan or an advanced Energy Management system certification project, striving to increase equipment and carbon emission efficiency as a basis for corporate governance assessment and a potential source of carbon credits for future use.
Performance Evaluation Indicators	1. Process wastewater/waste recycling and regeneration rate. 2. Carbon emission intensity (intensity) and related emission coefficients in Scopes I to III (high-energy-consuming equipment should be replaced). 3. Score rate on climate change-related questions in the corporate governance assessment. 4. Disaster prevention education and training coverage rate. 5. Carbon fees and carbon taxes (medium to long term). 6. Annual milestone achievement rate of relevant sustainability verification/reduction plans.

●The table below summarizes the identification of stakeholders and the conclusions of discussions on material topics:

Identification of Stakeholders	Collection and analysis of sustainability topics	Attention Survey by Questionnaires	Determination of the Importance of Stakeholders	Decide on Material Topics
Six categories of stakeholders	20 ESG Topics	38 attention questionnaires	Eight senior executives participated in the process.	8 material topics
The stakeholders can be categorized into six main groups: suppliers, customers, employees, shareholders, banks, and others.	Taking into account the organization's internal sustainability goals, the GRI Standards, and sustainability-related disclosure indicators such as SASB and TCFD, as well as stakeholder expectations and needs, a total of 20 sustainability topics were identified (10 in corporate governance and economics, 5 in the environment, and 5 in society). These were used as the basis for the analysis of material topics , resulting in 8 material topics , while the remaining 12 issues were incorporated into self-management.	A stakeholder assessment was conducted, and an online questionnaire was used to investigate the level of concern. A total of 38 valid questionnaires were collected.	Through an online questionnaire, eight senior executives assessed the importance of six types of stakeholders to the company's sustainable operation.	After analyzing the level of concern and impact on operational opportunities/opportunities from stakeholder responses, senior executives, considering the importance of each stakeholder, identified 8 material topics, while the remaining 12 topics were incorporated into self-management.

CHAPTER 3

Corporate Governance and Leadership

3.1 Corporate Governance

- The Company's Board of Directors adopted the "Corporate Governance Practice Code" on March 12, 2020.
- The Company has a spokesperson and acting spokesperson to handle shareholder suggestions, disputes, and other issues.
- In accordance with Article 25 of the Securities and Exchange Act, the Company reports monthly on changes in shareholdings of insiders, managers, and shareholders holding more than 10% of the shares to the website of the Securities and Futures Bureau's designated MOPS.
- The Company has established various risk control mechanisms; relevant operating procedures have also been established for business and financial transactions with related companies, and the Company has guided its subsidiaries to establish written control systems in order to implement risk control mechanisms for its subsidiaries.
- The Company has established " Prevention of Insider Trading Management Operating Procedures" and "Code of Ethical Conduct", prohibiting company insiders from using non-public market information to trade securities.
- The Company's Board of Directors established the "Board Performance Evaluation Regulation" on November 4, 2020, and will conduct performance evaluations annually in accordance with this regulation and evaluation criteria.
- Our company conducts annual assessments of the independence and competence of our certified public accountants and submits these assessments to the Board of Directors for approval.

3.1.1 Corporate Governance Structure

Our company strictly adheres to laws and regulations, and is committed to governance principles such as respecting and protecting the rights and interests of stakeholders, strengthening the functions of the board of directors, leveraging the functions of the audit committee, and enhancing information transparency to structure our corporate governance system and realize our vision of sustainable business operations.

3.1.2 Board of Directors

- The highest level of corporate governance in this company is the Board of Directors. The Board exercises its powers in accordance with laws, the company's articles of association, and resolutions of shareholders' meetings regarding the various operations and arrangements of the corporate governance system. Board members also constitute the company's senior management.
- The Board of Directors considered the company's business development scale, the shareholding situation of major shareholders, and the diversity of its members.
- Based on the principles of fairness, impartiality, and transparency in the selection of directors, a "Director Election Regulation" was formulated, and the nomination and election procedures for directors were carried out in accordance with it.
- According to the "Director Election Regulation", the selection and composition of directors should take into account their qualifications and values (in line with the diversity policy), professional knowledge and skills (such as crisis/impact management, operational judgment, analysis and decision-making abilities, and supplementary relevant industry background knowledge).
- All members of the Company's Board of Directors possess the knowledge, skills, and qualities necessary to perform their duties.
- The Company has three independent directors, each with expertise in finance, management, or industry. Their academic backgrounds and experience are of considerable benefit to the Company's operations.

●Board Member Training Status

To ensure the directors continuously enhance their professional knowledge and legal literacy, the company arranges regular continuing education courses for them annually. In 2025, directors participated in a total of 105 hours of continuing education courses, covering the latest sustainability and financial reporting standards, relevant corporate governance practices, and geopolitical current events. In accordance with the "Directions for the Implementation of Continuing Education for Directors of TWSE Listed and TPEx Listed Companies", those reappointed should ideally participate in at least six hours of continuing education annually during their term of office; every director of the company has completed these courses. The continuing education courses and hours for 2025 are summarized below:

Types of Directors' Courses and Continuing Education Topics	Continuing Education Hours
Impact of Sustainability Disclosure Standards on Financial Statements	45
Impact of IFRS 18 on Financial Statements	15
Digital Transformation, Market and Policy Tools to Enhance Sustainability Governance	12
Corporate Governance - Laws and Regulations	18
Corporate Governance - Labor Issues, Talent Management	15
Total Hours	105

●The Company's "Prevention of Insider Trading Management Procedures" clearly stipulate that "in order to protect the rights and interests of shareholders and implement equal treatment of shareholders, the Company prohibits insiders from using non-public information in the market to buy or sell securities; the Company's stock trading control measures for insiders after the date of obtaining the Company's financial report or related performance information include (but are not limited to) directors not being allowed to trade stocks during the closed period of 30 days before the announcement of the annual financial report and 15 days before the announcement of each quarterly financial report."

●At least once a year, conduct training and education sessions on the relevant laws and regulations regarding " Prevention of Insider Trading Management Procedures " for current directors, managers, and employees. The content includes the targets of insider trading regulations, the scope of important internal information, disclosure procedures, handling of violations, and explanations of trading examples. Training and education sessions should also be provided to newly appointed directors, managers, and employees as appropriate.

●This year, in 2025, relevant training and briefings were conducted for 12 new employees in departments involved in insider trading opportunities (business, finance, and management departments). Course powerpoints were sent to all directors (including independent directors), managers, and employees. The content, target audience, and duration are summarized in the table below：

Participant's position	Content of Promotional Courses	Hours
Major Resolutions	Insider trading regulations	New employees will have a total of 6.5 hours; directors will conduct briefings during board meetings.
	Scope of major internal information	
	Explanation of public procedures, handling of violations, and trading examples.	

●Communication Methods between Independent Directors and Internal Audit Supervisor/Accountant for 2025

(1)The accountant provides annual professional development training for directors (including independent directors). The training courses explain and interpret current corporate issues, strategies, standards, and indicators for directors and independent directors.

(2)The company holds quarterly board meetings. The head of audit attends all board meetings and reports on the internal audit situation.

(3)The internal audit supervisor shall complete the audit report monthly according to the audit plan. The report shall be sent to all independent directors for review via email by the end of the following month.

(4)Communication, guidance, and responses shall be provided periodically via telephone, email, or in person.

●In 2025, the main matters discussed between the independent directors and the head of internal audit were audit results and follow-up on improvements, progress of audit reporting, progress of the annual internal control self-assessment, and the implementation status of the annual audit plan. The independent directors had no objections to any of these matters.

●To implement corporate governance and enhance the function of the board of directors, and to establish performance targets to strengthen the efficiency of board operations, the Company has established a "Board Performance Evaluation Regulation." In accordance with this regulation and evaluation methods, internal performance evaluations (primarily self-evaluation) are conducted annually, and the results are submitted to the board of directors for review and improvement. The aforementioned self-evaluation types, indicators, and results are as follows:

Assessment Frequency	Assessment Period	Assessment Scope	Assessment methods	Assessment content	Assessment Results
Once a year	2025/1/1 to 2025/12/31	Board of Directors	Board of Directors' Internal Self-Assessment	The scope of involvement in company operations, the quality of board decisions, the composition and structure of the board, the selection and continuing education of directors, and internal controls. 。	The Board of Directors and functional committees conducted a self-assessment of their performance in 2025, and all assessments were deemed satisfactory. The overall operation was deemed effective and has been submitted to the Board of Directors in its report dated March 6, 2026.
		Individual board members	Board members conduct their own (or peer's) assessments	The company's goals and tasks, directors' understanding of their responsibilities, degree of participation in company operations, internal relationship management and communication, directors' professional development and continuing education, and internal control are all aspects of the company's operations.	
		Functional Committees	Internal self-assessment by each functional committee.	This includes aspects such as the level of participation in company operations, understanding of the responsibilities of functional committees, improving the decision-making quality of functional committees, the composition and selection of members of functional committees, and internal control.	

●In 2025, the main matters communicated between the independent directors and the external accountants were:

(1)Communication with the independent directors regarding the summary of audit matters in 2024

(2)Communication with the independent directors regarding the audit plan for 2025

(3)All of the above matters included the scope and methods of the group's audit, the identification and response to significant risks, and key audit matters for individuals and consolidations. Neither the independent directors nor the accountants had any opinions on the above communication matters.

●Board Performance Evaluation: An external professional independent agency conducts an evaluation every three years. The most recent external evaluation was conducted in March 2026, and a report was submitted to the board of directors in the same month. The evaluation status and results are as follows:

Leading organization team and qualifications	External evaluation of the board's performance process, results, and recommendations	Company cooperating units	Evaluation of Board Performance and Recommendations	Company's expected response
The two consultants (manager and vice president) of Ernst & Young have accounting and auditing expertise, and their superiors are a partner accountant and a cooperating lawyer.	1.Issue Survey and Design: Provide a self-assessment questionnaire for some directors to respond to, and pre-establish an interview outline. 2.Direct face-to-face interviews with directors: Direct face-to-face interviews with key directors (General Manager, Chairman, and one independent director). 3.Issue Identification and Analysis: Based on the above survey/interview results, the performance of the Apogee Company's board of directors will be examined, identified, and evaluated from eight aspects: board structure and processes, composition of members, legal entity and organizational structure, roles and responsibilities, behavior and culture, director training and development, risk control and supervision, and disclosure and performance supervision. 4.Complete the performance evaluation documents and submit them to the company's highest governance body.	1.Issue Investigation and Design: Audit Department 2.Direct Face-to-Face Interviews with Directors: Directors and Independent Directors 3.Issue Identification and Analysis: Audit Department 4.Completion of Performance Evaluation Documents and Submission to the Company's Highest Governance Unit: Audit Department, Board of Directors	1.Starting in 2025, listed companies will be required to have at least one-third of their board seats held by either gender. It is recommended to plan ahead for board selection to accommodate this change. 。 2.It is recommended that the company establish a talent pool of directors through multiple channels to ensure a diverse board composition, and that it continue to invite professional directors with practical industry experience. 3.It is recommended that the board of directors include important domestic and international political, economic, legal, environmental and social development trends in its regular or ad hoc reports, and continuously establish clear management processes and strategic indicators for potential risks that are crucial to the company's sustainable operation. 4.It is recommended that when planning the number of hours for board education and training, the status of newly appointed directors should be taken into account, and that 12 hours of courses should be taken in accordance with regulations. 5.It is recommended to continue inviting external experts to provide continuing education courses for the board of directors. In addition to current business-related topics, the courses could also extend to forward-looking topics such as sustainability, AI, and geopolitics to facilitate strategic exchange among board members and establish a communication platform for industry-specific issues. 6.It is recommended that Apogee increase opportunities for direct interaction between board members and management to strengthen two-way communication channels. 7.In response to regulatory trends, it is recommended that Apogee deepen the training of its corporate governance personnel to strengthen their role as a communication bridge and information channel between management and the board of directors, and to enhance their professional capabilities to fully assist board members in fulfilling their functions.	1.In 2026, the Company aims to have one-third of its board seats filled by women as part of its diversity management objectives, and intends to prioritize this objective in subsequent annual board elections. 2.At the same time, we are actively building a diverse talent pool of experts with experience in optical communications, vacuum coating, silicon photonics cutting-edge technologies, and financial and legal practices through industry-academia collaboration and industry alliances, in order to meet the company's strategic development needs for new materials and new processes over the next five years. 3.Regarding the education and training of governance executives and personnel, we continuously track the latest developments and regulations of international sustainability standards such as IFRS, SASB, and GRI, including but not limited to corporate governance, environmental sustainability, human rights due diligence, and other social sustainability issues, as references for sustainability reports, internal control system design, KPI setting, corporate development strategies, and corporate governance assessments. 4.Following section 3, and in accordance with the aforementioned knowledge of sustainability trends and related training, the company is strengthening its efforts in two main directions: practical application and forward-looking strategy. It is actively inviting external experts to conduct sufficient hours and content for group training courses for the Board of Directors. The themes have been expanded to focus on global carbon reduction regulatory trends and responses, AI transformation, and the restructuring of the global semiconductor supply chain (geopolitics), thereby creating a platform for strategic exchange and dialogue among board members and governance personnel.

●The Board of Directors, as the highest corporate governance body, is responsible for making decisions and supervising the organization's impact on the economy, environment, and people. As the final assessment body for impacts, it identifies major issues related to sustainability and company development, and implements relevant improvement procedures to work with stakeholders to promote sustainable development. The data and information in this report were provided by the relevant departments and plants, compiled and edited by the Sustainability Temporary Project Team, reviewed and revised by supervisors, and then submitted to the General Manager and the Board of Directors for approval before being released.

●Regularly assess the independence of the CPAs, obtain their independence declarations, and submit them to the board of directors for approval.

●According to the "Board Meeting Procedures", the board of directors holds meetings once a quarter to review operating performance and discuss important strategic issues.

●In 2025, the Board of Directors held a total of 6 meetings, with an overall attendance rate of 92.86% for all directors.

●The following table shows the key resolutions of the Board of Directors for 2025:
(Excerpt of resolutions from the 17th meeting of the 9th Board of Directors and the 1st to 4th meetings of the 10th Board of Directors, total 5 times)

<table>
<tr><th>Board of Directors</th><th>The 17th meeting of the 9th Board of Directors (2025.03.11)</th><th>The 3th meeting of the 10th Board of Directors (2025.11.06)</th><th>The 4th meeting of the 10th Board of Directors (2025.12.23)</th></tr>
<tr><td rowspan="3">Major Resoltions</td><td>Amendments to the Articles of Association</td><td>Revision of the Company's "Procedures for Acquisition and Disposal of Assets"</td><td rowspan="2">Changes in the company's chief financial manager, chief accounting officer, and chief corporate governance officer</td></tr>
<tr><td>Changes in company and branch managers</td><td>Revision of the Company's "Sustainable Development Best Practice”</td></tr>
<tr><td>A complete re-election of the company's tenth board of directors (including independent directors)</td><td>Revision of the Company's "Internal control system - Payroll Cycle" and "Internal Audit System - Payroll Cycle"</td><td>The Company's proposal to establish "Personal Data Protection Management Regulations"</td></tr>
</table>

●The Board of Directors amended the Articles of Association at its 17th meeting of the Ninth Session. The main contents are summarized as follows: If the Company makes a profit in a year, it shall allocate 1% to 5% as employee compensation, of which at least 20% shall be allocated to the compensation of frontline employees (the proportion of compensation for frontline employees is a new addition, and the "Internal Control System - Payroll Cycle" and "Internal Audit System - Payroll Cycle" are amended as follows). The Board of Directors shall decide to distribute the compensation in the form of stock or cash, and the recipients shall include employees of subsidiaries who meet certain conditions.

●The Board of Directors has revised the Company's "Procedures for Acquisition and Disposal of Assets" for the 3rd time at its 10th meeting. The main contents are summarized below:
In the event of any of the following circumstances, the Company shall, according to the nature of the acquisition or disposal of assets, submit a public announcement (excerpt) on the website designated by the Financial Supervisory Commission within two days from the date of the event, in accordance with the prescribed format:
Acquisition or disposal of equipment or its right to use for business purposes, where the counterparty is not a related party, and the transaction amount meets one of the following criteria:
(1)When the Company's paid-in capital is less than NT$10 billion, the transaction amount is NT$500 million or more.
(2)When the Company's paid-in capital is NT$10 billion or more but less than NT$50 billion, the transaction amount is NT$1 billion or more.
(3)When the Company's paid-in capital is NT$50 billion or more, the transaction amount is 5% or more of the Company's paid-in capital.

●The Board of Directors revised the Company's "Sustainable Development Best Practice" for the 3rd time during the 10th session. The main contents are summarized as follows:
(1)The company should consider the impact of its operations on ecological benefits, promote and advocate the concept of sustainable consumption, and conduct its research and development, procurement, production, operations and services in accordance with the following principles to reduce the impact of the company's operations on the natural environment and human beings: enhancing the conservation of marine or terrestrial biodiversity and ecosystems, sustainable use of resources and fair and reasonable benefits. (Article 15, newly added point 7)
(2)Listed and over-the-counter companies should establish industry-academia collaboration programs to cultivate talent for the industry.
Companies should formulate and implement reasonable employee welfare measures (including salary, leave, and other benefits), and appropriately reflect operating performance or results in employee compensation to ensure the recruitment, retention, and motivation of human resources, and achieve the goal of sustainable operation. (Article 21 Amendment))

- At its 3rd meeting of the 10th Board of Directors, in accordance with the announcement of the competent authority, the Company revised its "Internal Control System - Payroll Cycle" and "Internal Audit System - Payroll Cycle". The main revisions to the key audit points (control points) of the payroll cycle are summarized below:
  (1)Reviewing recently announced legal provisions to confirm whether to revise the regular salaries of front-line staff.
  (2)The Company's Articles of Association stipulate that a certain percentage of annual profits will be allocated to adjust the salaries or distribute compensation to frontline employees.
  (3)Whether the scope of front-line employees has been approved by the Board of Directors.
  (4)Whether the scope of front-line employees is regularly assessed and adjusted.
  (5)Whether the recipients of employee compensation for frontline employees comply with the scope requirements.

- The Board of Directors revised the Company's "Personal Data Protection Management Measures" for the 4th time during the 10th session. The main contents are summarized below:
  (1)The company shall establish a personal data protection contact point to handle the following matters: a single contact window for the public regarding the theft, alteration, damage, loss, or leakage of significant personal data.
  (2)If the company transfers personal data internationally under any of the following circumstances, the competent authority may restrict its actions.
  i.Involving significant national interests.
  ii.Subject to special provisions in international treaties or agreements.
  iii.Lacking comprehensive regulations for the protection of personal data in the receiving country, potentially harming the rights and interests of the individuals involved.
  iv.Circumventing this law by transferring personal data to third countries (regions) through roundabout methods.
  (3)If a company violates the provisions of the Personal Data Protection Act, the competent authority may, in addition to imposing fines as stipulated in the Act, take the following actions:
  i.Prohibit the collection, processing, or use of personal data.
  ii.Order the deletion of processed personal data files.
  iii.Confiscate or order the destruction of illegally collected personal data.
  iv.Publicly disclose the circumstances of the violation, as well as the company's name and the responsible person.
  The company's top management will continue to pay close attention to announcements/interpretations from regulatory authorities such as the FSC and the Ministry of Economic Affairs, as well as revisions to regulations such as Act for Development of Small and Medium Enterprises, in order to comply with the regulations and improve the quality of corporate governance.

- The Company implements a policy of diversity in its Board of Directors, andregulates this policy in accordance with the "Code of Corporate Governance Practices," including but not limited to the following two main aspects.
  (1)Basic conditions and values: gender, age, nationality, race and culture, etc.;
  (2)P rofessional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

- The Company currently has seven directors (including three independent directors), all serving three-year terms. The board members possess diverse and complementary industry experience and professional capabilities in finance, accounting, law, and other related fields. This aligns with the Board's diversified management policy and safeguards the interests and right to know of relevant stakeholders (shareholders, banks, government authorities, etc.).

- All independent directors serve no more than three consecutive terms, and none concurrently serve as independent directors of more than three other publicly listed companies.

- 2025 Board Member Diversity Policy Management Objectives
  (1)Female directors comprise one-third of the board seats;
  (2)The number of independent directors exceeds one-third of the total number of directors;
  (3)No more than one-third of the total number of directors shall concurrently serve as the company's manager;
  (4)No more than two directors are spouses or relatives within the second degree of kinship.

- Status of Board of Directors' Objectives Achievement
  (1)The board of directors includes one independent female director, representing 14.29% of the board.
  (2)Independent directors accounted for 42.86%.
  (3)Directors who also serve as company managers account for 28.57% of the total..
  (4)None of the directors are spouses or relatives within the second degree of kinship..

- The board's target achievement rate is 75%. In order to promote gender equality among board members, increase women's participation in decision-making, and improve the board structure, the company aims to include women as one-third of the board members in the board's diversity management objectives in 2026, and plans to include this objective as a priority evaluation item in the subsequent annual board re-election.

- For basic information, capabilities, professional knowledge and skills of the Company's current directors, please refer to page 8 of the 2025 Annual Report on Directors' Professional Qualifications and Experience.

3.1.3 The Remuneration Committee

- To ensure a sound compensation system for directors, supervisors, and managers, the Company has established the "Remuneration Committee Organizational Regulations" for adherence. Its functions include, in a professional and objective capacity, evaluating the compensation policies and systems for the Company's directors, supervisors, and managers, and providing recommendations to the Board of Directors for their decision-making.
- The committee develops and periodically reviews the performance evaluation standards, annual and long-term performance targets, and salary and compensation policies, systems, standards and structures of the company's directors, supervisors and managers, and discloses the content of the performance evaluation standards in the annual report.
- Regularly assess the achievement of performance targets by the Company’ s directors, supervisors and managers, determine their individual remuneration and compensation based on the assessment results obtained from the performance assessment standards, and submit the proposed recommendations to the Board of Directors for discussion.
- According to the Articles of Association, at least two meetings shall be held annually.
- The Company's Remuneration Committee consists of three members. In 2025, the Remuneration Committee held two meetings with 100% attendance. The resolutions adopted are shown in the table below:

Session and Meeting	Proposal content	Resolution results
7th meeting of the 4th session (2025.3.11)	1.2024 Proposal for the Distribution of Directors' and Employees' Compensation. 2.Company Manager Change Case 3.Change of subsidiary manager	The proposals listed on the left were passed without objection by the Remuneration Committee and subsequently submitted to the Company's Board of Directors for approval.
1st meeting of the 5th session (2025.12.23)	1.Announcement of the company's managers' year-end bonuses and performance bonuses for 2025. 2.Announcement of changes in the company's chief financial officer, chief accounting officer, and chief corporate governance officer.	The proposals listed on the left were passed without objection by the Remuneration Committee and subsequently submitted to the Company's Board of Directors for approval.

- The remuneration policies for the Company's Board of Directors, senior management, and front-line employees are as follows:

Board of Directors	Directors' remuneration is in accordance with Article 25 of the Company's Articles of Association. Before distributing profits, the Company shall allocate no more than 5% of the profits for the period in which the profits are distributed as directors' remuneration (however, if the Company has accumulated losses, it shall reserve an amount in advance to make up for them before allocating employee remuneration and directors' and supervisors' remuneration in accordance with the aforementioned proportion). The part of concurrent employees shall be explained in detail below.
Senior Managemen	Compensation for senior management includes salary, bonuses, and employee benefits. Salary levels are determined based on the position held by the employee, the responsibilities undertaken, and the contribution to the company's operational goals, with reference to industry standards; related bonuses are also awarded based on the company's annual operating performance, financial condition, operating status, and individual work performance.
Distribution of Employee Compensation	In accordance with Article 25 of the Company's Articles of Association, before distributing profits, the Company shall allocate 1% to 5% of the profits for the distribution period as employee compensation, with at least 20% of this allocated to front-line employees. The compensation shall be distributed in the form of stock or cash, as resolved by the Board of Directors, and the recipients include employees of subsidiary companies who meet certain conditions.

- The Company's remuneration determination process follows its Articles of Association and salary-related management regulations. It considers not only the Company's overall operating performance, future industry risks and development trends, but also individual performance achievement rates and contributions to Company performance to determine reasonable compensation, which is positively correlated with operating performance. However, the Company's current remuneration policy is not yet linked to organizational sustainability goals (such as environmental and demographic shocks) and performance. The Company will review its remuneration determination process in fiscal year 2026 and plans to incorporate sustainability goals and performance into the process.

3.1.4 Audit Committee

- The Audit Committee consists of all three independent directors. The term of office for each independent director is three years, and they may be re-elected. However, to ensure that independent directors exercise their powers objectively and to avoid diminishing independence due to prolonged tenure, at least two independent directors should not serve more than nine consecutive years.
- The Audit Committee aims to assist the Board of Directors in fulfilling its oversight of the Company's quality and integrity in implementing relevant accounting, auditing, financial reporting processes, and financial controls.
- Article 3 of the Company's "Audit Committee Organizational Procedures" states: "The operation of this Committee is primarily aimed at overseeing the following matters":

i. The proper presentation of the Company's financial statements

ii. The selection (dismissal) and independence and performance of the auditing accountants

iii. The effective implementation of the Company's internal controls

iv. The Company's compliance with relevant laws and regulations

v. The management of existing or potential risks to the Company

vi. Mergers and acquisitions conducted by the Company in accordance with the Business Mergers and Acquisitions Act.

- This organizational code of conduct was established on April 23, 2020; the organization was established on June 9 of the same year; the code of conduct was first revised on August 6 and approved by the Board of Directors.
- The audit committee shall meet at least once per quarter and may convene meetings as needed.
- The Audit Committee held five meetings in 2025. All proposals were approved by all attending directors. A summary of the approved matters is shown in the table below:

Audit Committee Session	Main content of the proposal	Resolution results
The 15th session of the 2nd edition (March 11, 2025)	Review the 2024 financial statements, the 2024 "Statement of Internal Control System", the accounting firm's independence case, and the list of non-confidence services provided in 2025.	The following resolutions were passed by unanimous approval of the attending directors.
The 16th session of the 2nd edition (May 8, 2025)	Consolidated financial statements for the first quarter of 2025, and guarantee cases for loans to subsidiaries.	
The 1st session of the 3nd edition (August 5, 2025)	Election of the Audit Committee Convenor, Consolidated Financial Statements for the Second Quarter of 2025, and Cases of Providing Funding Loans to Subsidiaries	
The 2nd session of the 3nd edition (November 6, 2025)	Consolidated financial statements for the third quarter of 2025, and revisions to the Company's "Procedures for Acquisition and Disposal of Assets", "Sustainable Development Best Practice", "Internal Control System - Payroll Cycle" and "Internal Audit System - Payroll Cycle".	
The 3nd session of the 3nd edition (December 23, 2025)	Drafting the 2026 budget and establishing the company's "Personal Data Protection Management Measures".	

3.1.5 Sustainability Committee

●The functions and responsibilities of the Sustainability Committee are as follows::

(1)Board of Directors and General Manager: To coordinate and make decisions on the company's sustainable development strategy, determine the major sustainable issues that the company should focus on, supervise the company's sustainable governance practices, review the effectiveness of implementation and continuous improvement。

(2)The Sustainability Temporary Project Team, comprised of responsible managers from finance, operations, R&D, plant administration, procurement, and production, will be responsible for the following:

a.Compiling, compiling, and disclosing sustainability information on all major issues decided by the coordinator;

b.Planning and promoting greenhouse gas carbon inventory;

c.Developing and implementing internal control systems for sustainability information management, and subsequent tracking and improvement projects

3.1.6Audit Office

●Our company has an internal audit department, which is an independent unit with dedicated auditors who report directly to the Board of Directors. In addition to reporting at regular Board meetings, it reports monthly or as necessary to the Chairman and General Manager.

●Apogee establishes new internal audit implementation guidelines, conduct internal audits to review the company's internal controls over its operating procedures, and report on the appropriateness, effectiveness, and efficiency of the design and routine practices of such controls; its scope covers all company operations and its subsidiaries.

●The audit work is primarily carried out in accordance with the audit plan approved by the board of directors. This audit plan is formulated based on the identified risks. Special audits or reviews may also be conducted as needed.

●In summary, the above general audits and project executions provide management with information on the operation of internal control functions and timely provide management with alternative channels to understand existing or potential deficiencies.

●Internal audits review the self-inspections performed by each unit, including checking whether the work was carried out and reviewing the documentation to ensure the quality of execution, and summarizing the self-inspection results to report to the board of directors.

●The company's internal audit unit is staffed with dedicated audit personnel. The appointment and removal of the internal audit chief must be approved by more than half of all members of the audit committee and submitted to the board of directors for resolution.

●Please refer to section 3.1.2 for a summary of communications between independent directors and the head of internal audit.

3.1.7 Conflict of Interest Policy

●Article 19 of the "Code of Conduct for Honest Business" explicitly states, "The Company shall establish a policy to prevent conflicts of interest, thereby identifying, monitoring and managing the risks of dishonest conduct that may result from conflicts of interest, and providing appropriate channels for directors, supervisors, managers and other interested parties attending or participating in board meetings to proactively disclose any potential conflicts of interest with the Company."

●Article 15 of the Company's "Board of Directors Rules of Procedure" clearly states that "A director who has a conflict of interest with himself or a legal entity he/she represents regarding a matter at a meeting shall explain the material aspects of his/her conflict of interest at the meeting. If such conflict of interest is detrimental to the Company's interests, he/she shall not participate in the discussion or voting, and shall recuse himself/herself from the discussion and voting, and shall not act as a proxy for other directors in exercising his/her voting rights."

●Thanks to the high ethical standards and sound mechanisms of its directors, the Company's Board of Directors has not experienced any conflicts of interest since its inception.

3.1.8 Information Disclosure

●Our company has established a "Sustainability Information Management Procedure" to integrate the risk management of sustainability information into our internal control system and link it to overall operating indicators.

●According to the "Sustainability Information Management Procedure," the scope of external information such as annual reports, ESG reports, official websites, and public information observation stations is, in principle, the same as that of "consolidated financial statements."。

● Based on the "Sustainability Information Management Procedure," the process, implementation methods, and verification results of the sustainability information management procedure are shown in the table below.

Process Name	Overview	Practical Approach	檢核成果
Risk Assessment	By linking ESG factors as a sustainable business objective with the company's overall objectives, and taking into account the incentives and pressures of fraud, the principles for judging materiality are established.	With the overarching goals of reducing resource waste, conserving energy and resources, complying with customer or international regulations regarding product/production line sustainability, and optimizing relevant disclosures or employee training, it is planned to gradually implement the aforementioned indicators and link them to salaries and bonuses in future years.	The aforementioned risk assessments led to adjustments in KPI requirements following board meetings and internal discussions, with some aspects yet to be implemented.
Control Operations	Based on the risk assessment results, the characteristics of sustainability information should be considered, and relevant internal control systems should be established. The entire process, from data sourcing, collection, recording, processing, compilation, adjustment, approval to publication, should be controlled to ensure the integrity, accuracy, and reliability of sustainability information.	The control points are the actual situation of internal governance, information collection and disclosure, audit plan and reporting implementation, and continuous improvement.	Complies with the Sustainability Information Management Procedure and has no major issues or related concerns.
Information and Communication	It is essential to maintain auditable records and traces, and to establish internal and external communication mechanisms..	The records stored in accordance with the Sustainability Information Management Procedure include, but are not limited to, annual data reports, ESG reports, annual company website records, and internal audit plans.	Complies with the Sustainability Information Management Procedure and has no major issues or related concerns.
Supervision operations	Continuous or individual assessments should be conducted, and any deficiencies identified must be addressed and improved immediately. Internal auditors, acting as independent and objective entities, assist the company in reviewing and auditing its internal control systems and provide timely suggestions for improvement.	The control points included in the aforementioned data shall be audited once per year by the internal auditors.	Complies with the Sustainability Information Management Procedure and has no major issues or related concerns.

● The Board of Directors, operating under the "Sustainability Information Management Procedure," is the highest level of sustainable information management, responsible for overseeing and evaluating the design and effective implementation of internal control systems.

● Sustainability information management must be included in the "Annual Audit Plan." Audits must be promptly reported to management, the Audit Committee, and the Board of Directors regarding audit progress, internal control deficiencies, and follow-up improvements.

● Investors can access company financial and governance information on the company's website and MOPs.

● Our company has designated personnel responsible for collecting and disclosing company information, and a spokesperson/acting spokesperson will issue unified statements.

● Information disclosure channels

i.Spokesperson (and acting spokesperson): Communicates directly with the media, stakeholders, etc.
ii.Company website platform: Investor section webpage (http://www.nextapogee.com.tw/ch/investors1-0.php).
iii.Important Announcement: To keep the public and stakeholders informed of the company's latest developments and policies.
iv.Legal representative briefing: Explaining the company's operations, financial status, strategic development, and business management policies.

3.2 Integrity and Legal Compliance

3.2.1 Integrity Guideline

● To establish a corporate culture of integrity and promote sound development, our company provides a framework for good business operations by establishing the "Code of Conduct for Honest Business," preventing conflicts of interest, and setting up appropriate channels for disclosure. The management department oversees its implementation, and in the event of any dishonest behavior, the handling methods and subsequent review and improvement measures are reported to the board of directors.

● The company has established "Management Procedures for Preventing Insider Trading," providing education, training, and awareness campaigns to company directors, supervisors, managers, employees, relevant departments handling significant information, and recipients of important messages, and requiring them to sign confidentiality agreements. The company also periodically monitors insider stock transactions for any unusual activity. Furthermore, the company pays close attention to the management and preservation of important information, documents, files, and electronic records.

● Our company has analyzed business activities within its scope that carry a higher risk of dishonest behavior and has strengthened the following preventative measures:
(1)Offering and accepting bribes
(2)Providing illegal political donations
(3)Improper charitable donations or sponsorships
(4)Offering or accepting unreasonable gifts, hospitality, or improper benefits

● In 2025, the company did not engage in any of the matters listed in the above clauses, nor did it infringe upon the rights and interests of stakeholders or engage in unfair competition.

● To guide the conduct of the Company's directors, supervisors, and managers in accordance with ethical standards, and to enable the Company's stakeholders to better understand the Company's ethical standards, the "Code of Ethical Conduct of Apogee Optocom Co.,Ltd." (hereinafter referred to as the Code of Ethical Conduct) has been established.

● The Code of Ethical Conduct includes the following eight items:

(1)Prevention of Conflicts of Interest:
Prevent situations where one's own, spouse's, or relatives within two degrees of kinship receive undue benefits from lending funds to or providing guarantees for related companies, significant asset transactions, or purchase/sales dealings. Directors, supervisors, or managers should proactively disclose such matters.

(2)Avoid opportunities for personal gain:
The company should prevent directors, supervisors or managers from using company property or information or taking advantage of their positions to seek personal gain or compete with the company.

(3)Confidentiality Obligation:
Directors, supervisors, or managers are obligated to maintain the confidentiality of all information concerning the company or its customers, whether public or non-public, except where authorized or required by law.

(4)Fair dealing: Directors, supervisors or managers shall treat the company's customers, competitors and employees fairly, and shall not abuse information obtained in the course of their duties to obtain improper benefits.

(5)Protect and properly use company assets.

(6)Comply with laws and regulations:
The company should strengthen its compliance with the Securities and Exchange Act and other laws and regulations.

(7)Encourage reporting of any illegal or Code of Ethical Conduct violations:
Employees are encouraged to report any suspected or discovered violations of laws, regulations, or the Code of Ethical Conduct to the supervisor, manager, internal audit director, or other appropriate personnel. The company has established a specific anonymous whistleblowing policy.

(8)Disciplinary Measures:
If a director, supervisor, or manager violates the Code of Ethical Conduct, the company shall handle the matter in accordance with the disciplinary measures stipulated in the Code of Ethical Conduct and immediately disclose the relevant information on the public information observation platform. The company shall also establish a relevant appeal system.

- Article 25 (Information Disclosure) of the Company's "Code of Conduct for Honest Business" clearly states that "The Company shall establish quantitative data to promote honest business practices, continuously analyze and evaluate the effectiveness of its honest business policies, disclose its honest business practices, implementation status, and the aforementioned quantitative data and effectiveness on the Company's website, annual reports, and public prospectuses, and disclose the content of the Code of Conduct for Honest Business on the MOPs. The Company shall disclose company information on the MOPs in a timely manner to ensure the interests of investors."

- The specific measures for implementing the honest business policy and the plan for preventing dishonest behavior in 2025 are shown in the table below.

Implementing Unit	Participating Personnel	Specific Methods and Prevention of Dishonest Behavior	Results
Human Resources Department and Supervisors of New Employees	New employees in the current year	Conduct ethics and conduct training courses to understand the principles of conflict of interest avoidance, confidentiality, and non-compete agreements, along with relevant examples.	In 2025, a total of 12 employees of Apogee received 6.5 hours of training.
			All employees who participated in the ethics code training course have signed an ethics code statement regarding conflict of interest, confidentiality, and non-compete provisions
			There were no violations of the principles of conflict of interest avoidance, confidentiality, or non-compete agreements in 2025.

- To ensure the implementation of honest business practices, our company has established effective accounting and internal control systems, and internal auditors regularly review compliance with these systems. Internal audits ensure the effectiveness of the company's internal control systems by reviewing key data and confirming the implementation of control points, focusing on whether there are any significant risks of bribery, fraud, or violations of business ethics by internal personnel or external trading partners. To this end, the audit team conducts spot checks on supplier integrity commitments and internal records of employee conflict of interest avoidance. The 2025 audit results showed no major anomalies.

- Our company's conduct in accordance with the Code of Conduct for Honest Business is not materially different from that of listed companies; and we comply with the Company Law, the Securities and Exchange Act, Business Entity Accounting Act, relevant regulations for listing and over-the-counter companies, and other laws and regulations concerning business conduct as the basis for implementing honest business practices.

- Apogee Optocom operates in accordance with relevant competition laws and regulations, and does not share or divide the market by fixing prices, manipulating bids, restricting production and quotas, or allocating customers, suppliers, operating areas or business types.

- There were no violations of social and economic regulations in 2025; under strict management, Apogee Optocom was not subject to any hefty fines (over NT$1 million) by the competent authorities for violating regulations in 2025; and there were no cases of corruption or anti-competitive behavior in 2025.

- In 2025, no internal personnel were penalized by the company or government authorities for violating internal control regulations, which affected shareholder equity or securities prices.
  (The company defines a "major violation" as one that is determined in accordance with the regulations governing the verification and public disclosure of material information by listed companies, and that a single violation is defined as one in which the total amount of fines exceeds NT$1 million.)

- Apogee Optocom adheres to the principles of compliance with laws and regulations, and has formulated the Code of Conduct for Honest Business and Code of Ethical Conduct. In addition to regular reviews by the legal department, it also requires all business management units to regularly review and improve the system, and cooperate with the auditing unit's auditing operations to ensure full implementation of regulatory requirements.

3.2.2 Inquiry/Report Channels

●The company provides legitimate reporting channels in accordance with the "Code of Conduct for Honest Business" and ensures the operation of confidentiality mechanisms. Reporting channels, including: 1. a dedicated hotline; 2. a reporting email address; and 3. a physical mailbox, are posted on the company website and internal bulletin boards to provide internal and external personnel with information on and to handle cases of crime, fraud, or illegality. The Human Resources and General Affairs Department is the unit responsible for receiving reports, while the Administrative Management Headquarters is the unit responsible for investigating reports.

●Our company has internal and external reporting channels and a whistleblower protection mechanism. Information on the reporting channels is as follows:

(1)Whistleblower hotline : 0978217235
(2)Report email address:law@nextapogee.com.tw
(3)Physical mailbox for reporting:
Located near the door of 1 F., No. 5, Nanke 3rd Rd., the key is kept by the receiving unit.

●Personnel handling a whistleblower's complaint should provide a written statement to keep the whistleblower's identity and the content of the complaint confidential. The company also promises to protect the whistleblower from being mistreated as a result of the complaint.

●The responsible unit and the supervisor receiving the report should investigate the relevant facts. If it is confirmed that the reported party has indeed violated relevant laws or the company's integrity management policies and regulations, they should immediately require the reported party to cease the relevant behavior and take appropriate action. If necessary, they should report to the competent authority, transfer the case to the judicial authorities for investigation, or pursue legal action for damages to protect the company's reputation and rights. The entire process and results of the aforementioned reporting procedure should be documented in writing and retained for five years, and electronic storage is also permitted.

●If a complaint is verified, the relevant department within the company should be instructed to review its internal control systems and operating procedures, and propose improvement measures to prevent the recurrence of similar incidents. The designated department within the company should report the complaint, its handling, and subsequent review and improvement measures to the Board of Directors.

●The "Contact" section of the "Investors" on our website (http://www.nextapogee.com.tw/ch/investors3-4.php) provides information on Apogee spokespersons and stock service agents.

●We have set up a "Contact Us" section on the homepage of our website (http://www.nextapogee.com.tw/ch/contact.php) with a dedicated team to handle and respond to inquiries promptly (by phone, email, and online message). All inquiries are handled directly and properly by dedicated personnel.

3.3 Risk Assessment and Management

●The company has not yet established an assessment mechanism for the risk of dishonest behavior, and such a mechanism will be implemented and improved in subsequent years.

●The company faces risks in four main aspects of operation:

(1)Financial risks (Exchange rates, interest rates, currency fluctuations, investment gains and losses)

(2)Operational risks (operational production and technology, supply and marketing stability, customer privacy, company image)

(3)Climate change risks (greenhouse gas regulation, low-carbon technologies, resilient technologies, extreme climate impacts)

(4)Cybersecurity risks (system and credential control, data access and storage methods, employee cybersecurity awareness and internal control concepts)

●The Company's Response:

(1)Risk control mechanisms for each department: see sections 3.3.1 to 3.3.4 for details.

(2)Internal Audit Mechanism: In principle, internal auditors will assess major risks, review key data, confirm the implementation of control points, and establish follow-up improvement indicators to ensure the effectiveness of the company's internal control system. The key aspects of focus for various risks and the audit data to be sampled are shown in the table below:

Aspects	Financial risks	Operational risks	Climate change risks	Cybersecurity risks
Key Risks Focused on by Internal Auditors	Are there risks of customers defaulting on payments, or facing cash flow problems leading to default?	Production line shutdown due to unforeseen circumstances; production halted due to a single supplier's supply chain disruption.	Extreme weather events such as floods and power outages can cause production shutdowns, or the risk of being fined or excluded from international supply chains for failing to meet carbon reduction standards.	Core systems may be crippled by ransomware encryption, or customer data may be leaked, leading to huge claims and goodwill damage.
Documents Subject to Random Inspection by Internal Auditors	Derivatives transaction vouchers, customer credit limit review reports, accounts receivable aging analysis reports	Equipment maintenance records, production yield reports, and supplier evaluation and assessment records.	Documents that demonstrate environmental sustainability and business continuity, such as greenhouse gas inventory reports and ESG reports.	Randomly check firewall and system logs to confirm operational resilience and data privacy strength.

(3)Other: Relevant operating procedures have also been established for business and financial transactions with related companies, and subsidiaries have been guided to establish written control systems in order to implement risk control mechanisms for subsidiaries.

3.3.1 Financial Risk Management

- Employ a comprehensive risk management and control system to effectively control and measure market risk, credit risk, liquidity risk, and cash flow risk.

- The market risk management objective is to achieve optimal risk positioning, maintain appropriate liquidity, and centrally manage all market risks, taking into account the impact of the economic environment, competitive conditions, and market value risks.

- The company borrows funds using a combination of fixed and floating interest rates to effectively manage interest rate risk.

- Sales denominated in foreign currencies (mainly US dollars and Japanese yen) account for over 80% of revenue, while purchases denominated in foreign currencies account for about 50% of procurement. Therefore, the company is susceptible to exchange rate fluctuations due to geopolitical factors, inflation, and the monetary policies of various countries in recent years, resulting in exchange losses and additional operational risks. The accounting department has a thorough understanding of exchange rate trends, and sales staff consider exchange rate fluctuations when quoting prices, adjusting prices accordingly.

- The exchange rate hedging strategy involves monitoring exchange rate trends and consulting with banks to adjust foreign currency deposit positions appropriately based on actual funding needs and exchange rate fluctuations. Regarding pricing, it involves considering the impact of exchange rate changes and adjusting prices in a timely manner to ensure due profits.

- Our company uses hedging derivative financial instruments to manage certain foreign currency accounts, supplemented by natural hedging. Furthermore, our finance department maintains close contact with our banks and closely monitors exchange rate fluctuations to predict future trends and minimize the impact of exchange rate volatility on our operating profits.

- Transactions involving derivative financial instruments are conducted in accordance with the Company's "Procedures for Acquisition and Disposal of Assets". The Company's financial policy adheres to a prudent and conservative principle, and it does not engage in high-risk, high-leverage investments.

- Interest expenses for the Company in 2025 and 2024 were minimal, accounting for 0.10% and 0.20% of operating revenue, respectively, and 2.15% and 0.48% of pre-tax net (loss), respectively. Based on a prudent and conservative financial management approach, the Company's finance department maintains close contact with its banks and closely monitors interest rate changes to assess future interest rate trends and adjust capital utilization accordingly.

- As of the fiscal year 2025, the Company has not experienced any events that have had a material impact on its profit or loss due to inflation. In addition to closely monitoring market price fluctuations and actively developing sources of raw material supply to reduce production costs, the Company also maintains good relationships with its customers and reflects production costs in product prices in a timely manner. Therefore, it is able to effectively reduce the impact of inflation on the Company's profitability.

3.3.2 Operational Risk Management

●Operational and production aspect

(1)The major shareholders have stable shareholdings, and there has been no significant transfer or change of equity.

(2)Customized products are difficult to mass-produce using standardized methods.

Strategies:

(a)Continuously invest in R&D and process optimization capabilities to reduce process losses and improve yield, and work with customers to design specifications to reduce the time spent on process design.

(b)Hold regular and ad-hoc production and sales meetings to discuss how to proceed with standardized products, and how to allocate production capacity for non-standardized products to improve efficiency and meet customer needs.

(3)Recruiting professional technicians and laborers being not easy

Strategies:

(a)Continuously invest in R&D to cultivate the capabilities of both new and existing employees, and implement humanistic management.

(b)Implement a treasury stock transfer policy to attract outstanding talent.

(c)Implement an employee stock ownership trust program starting in 2022.

(d)Regarding professional on-the-job training, the company encourages R&D personnel to pursue self-study and further their education, and regularly participates in industry and academic workshops and technical exchanges.

●Supply aspect

(1)Our company is a professional manufacturer of optical coating components. The main raw materials are glass substrates and metal targets. We purchase from multiple suppliers at home and abroad. For key raw materials, we usually adopt the principle of supplying from at least two suppliers to avoid purchasing from a single supplier. At the same time, we actively seek new sources of supply in conjunction with new product development to ensure a stable supply without the risk of shortages and avoid the risks of monopoly or sudden stockouts.

(2)We periodically review the quality of raw materials supplied by our suppliers and explore the market for other reputable manufacturers that can cooperate in supplying materials to mitigate the risks of concentrated procurement.

●Marketing aspect

(1)Regarding our accounts receivable collection policy, we primarily consider factors such as the customer's creditworthiness, operating scale, and transaction frequency before granting appropriate credit limits and collection terms.

(2)Except for some new customers whose initial transactions are conducted on a prepayment basis, the collection terms for other customers are approximately monthly settlements of 30 to 120 days.

(3)Each customer has a credit limit based on their sales volume. Once the outstanding payment reaches a certain amount, shipments to that customer will be suspended. 。

(4)In recent years, our top ten customers have mostly been well-known large manufacturers, and the sales amount to any single customer has not exceeded 20% of the net revenue for any given year. We are also actively developing new customers and new products to increase customer diversification, and there is currently no risk of concentrated sales.

(5)The company's management and employees have not violated any intellectual property-related laws and regulations, the company's internal code of conduct for honest business operations, the code of ethical conduct, or contractual provisions, resulting in the leakage of information of suppliers/customers, their use by competitors, or infringement of intellectual property rights.

(6)Our company complies with relevant laws and regulations, actively strengthens internal management and improves management quality and performance, while maintaining harmonious labor relations to continuously uphold our excellent corporate image. As of the end of 2025, there have been no events that have affected our corporate image.

3.3.3 Climate Change Risk Management

●Our company has formulated an environmental protection strategy that combines energy conservation, carbon reduction, and greenhouse gas reduction principles.

The Company's current monitoring and management of climate-related risks and opportunities is summarized as follows:

(1)The Board of Directors is the highest-level climate governance body, and regularly oversees the company's overall corporate sustainability strategy, objectives, and outcomes. As of 2025, the Board of Directors has not yet established a dedicated unit for climate-related risks and opportunities; these are handled by the Sustainability Temporary Project Team.

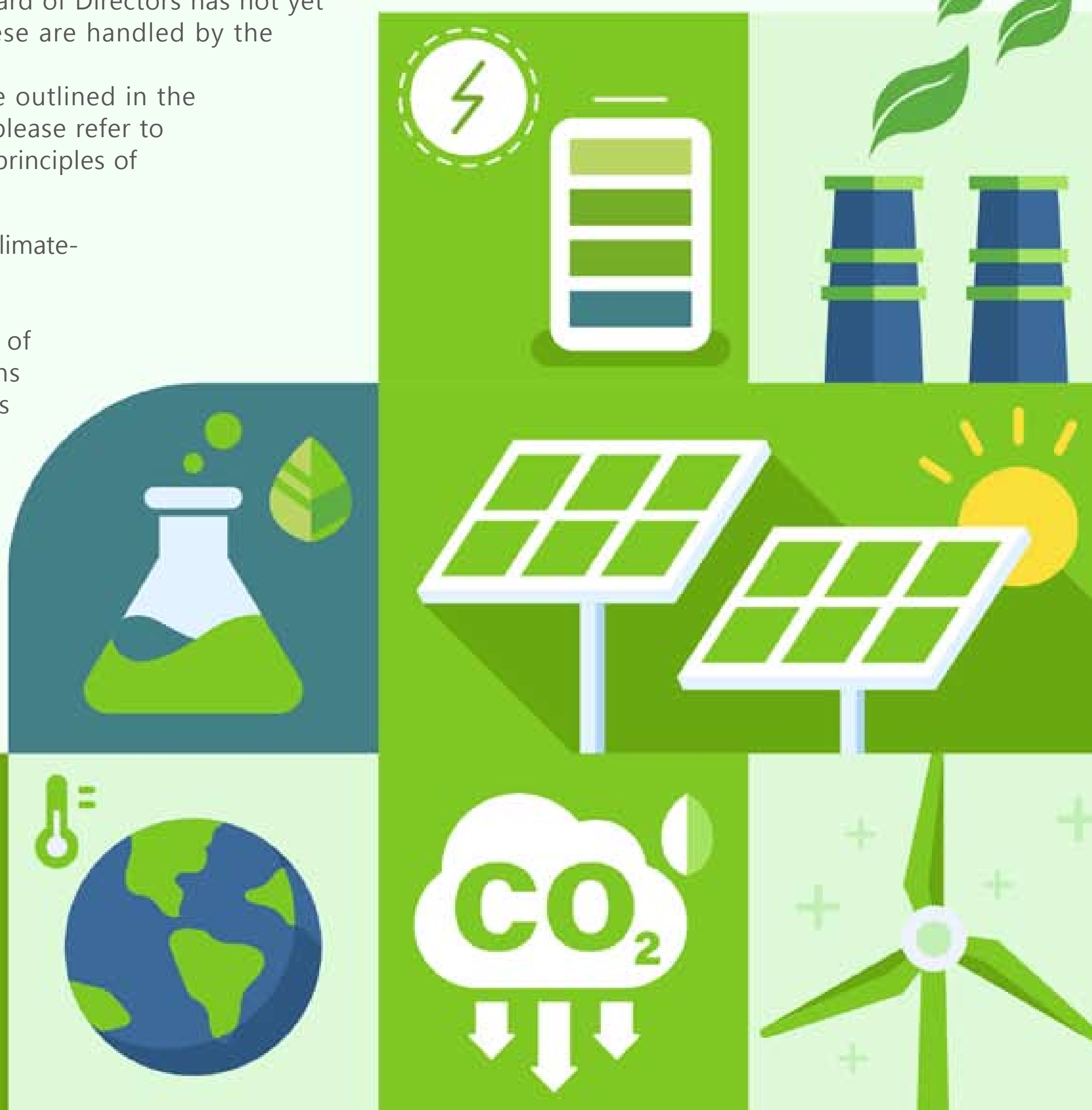
(2)For details regarding the greenhouse gas inventory and verification schedule outlined in the "Sustainable Development Roadmap for TWSE- and TPEx-Listed Companies," please refer to section 4.4. "Environmental protection strategies should be combined with the principles of energy conservation, carbon reduction, and greenhouse gas reduction. "

●The Company has identified the following risks and opportunities arising from TCFD climate-related issues, along with corresponding countermeasures.

(1)Greenhouse gas regulation (transition risk):

a.Key Risks: Total carbon emissions and carbon trading; implementation costs of carbon fees and carbon taxes; latest regulations and interpretations from the Ministry of Environmental Protection; relevant regulations and low-carbon technologies in the locations of our downstream customers' products; and increased investment costs in equipment and management.

b.Key opportunities: Potential profits from low-carbon production transformation and carbon trading; cost savings from smart low-carbon production driven by digital transformation of energy management; enhanced competitiveness through differentiation between low-energy-consuming, high-efficiency, and market-oriented products; and green product premiums and certifications.



c.Response Measures: In 2026, conduct an inventory of greenhouse gas categories 1, 2, and 3 for 2024-2025 to determine and verify carbon emissions. Relevant inventory data (note) and anticipated corresponding measures are shown below:

2024	Type1	Type2	Type3	Type4	Type5	Type6	Total
Emissions (tons CO_2e)	357.9841	5,115.2823	119.9072	1,551.9993	21.2165	-	7,166.389
Percentage of total emissions(%)	5.00%	71.38%	1.67%	21.66%	0.30%	-	100.00%
2024	Direct emissions	Indirect emissions					Total
Emissions (tonsCO_2e)	357.9841	6,808.4053					7,166.389
Percentage of total emissions(%)	5.00%	95.00%					100.00%
Greenhouse gas emission intensity	21.726 tons of CO_2e/million NTD of operating revenue						

2025	Type1	Type2	Type3	Type4	Type5	Type6	Total
Emissions (tons CO_2e)	358.5232	5,844.7371	116.938	1,753.3762	23.5207	-	8,097.095
Percentage of total emissions(%)	4.43%	72.18%	1.44%	21.65%	0.29%	-	100.00%
2024	Direct emissions	Indirect emissions					Total
Emissions (tonsCO_2e)	358.5232	7,738.5720					8,097.095
Percentage of total emissions(%)	4.43%	95.57%					100.00%
Greenhouse gas emission intensity	16.616 tons of CO_2e/million NTD of operating revenue						

Expected countermeasures	Explanation
Based on the carbon inventory results, 2025 has been designated as the carbon emission baseline year.	As the company's performance has rebounded in recent years, the absolute amount of carbon emissions cannot be directly reduced. The expected reduction target is the "carbon emission intensity of the base year" (i.e., total carbon emissions (unit ton CO2e) / operating revenue (unit million New Taiwan Dollars)).
Short-term goals of the carbon reduction roadmap	1.Replace energy-consuming process equipment, establish and implement energy-saving plans, and seek relevant subsidies or resources. 2. In the spirit of 1., reduce the carbon emissions of major power-consuming equipment such as refrigerants and chillers, as well as other equipment (mainly focusing on scopes 1 and 2).
Long-term goals of the carbon reduction roadmap	1. Introduce feasible self-built renewable energy facilities. 2. Based on the carbon credits that may be generated after the short-term goals are achieved, use them for offsetting or trading, and move towards carbon neutrality in the long term.

(note)

Sources of Carbon Emission Factor
2006 IPCC Guidelines for National Greenhouse Gas Inventories(refrigerant)
Calculation table of greenhouse gas emission factors (methane, gasoline and diesel) issued by the Ministry of Environment on February 5, 2024.
The factors for industrial and non-industrial electricity consumption in 2025, as announced by the Energy Administration, Ministry of Economic Affairs .
Carbon Footprint Information Platform -(Railway, MRT, Automobiles)、ICAO(Airplanes), Taiwan High Speed Rail website (High Speed Rail)
Carbon Footprint Information Platform -(Wastewater treatment, gasoline, diesel, electricity carbon footprint, electricity indirect carbon footprint)

d.Departmental and financial impacts: The Plant Administration Department, production line departments (cutting, testing, coating), and finance department will each incur capital expenditures and related personnel recruitment, training, certification and consulting fees, regulatory fees, and tax costs.

(2)Demand for low-carbon technologies (transition risks) :

a.Key Risks: Compliance with renewable energy regulations and relevant procurement ratio requirements (domestic and international), along with the upfront investment in the development of new technologies and the highly uncertain applicability, will all increase production costs.

b.Key Opportunities: New energy technologies/businesses; Increased use of renewable energy or carbon capture technologies, if mature, could have a positive impact on the company's operations.

c.Countermeasures: Invest in energy efficiency improvement equipment, new renewable energy sources, or small-scale pilot replacement technologies; actively apply for relevant government subsidies to meet the needs of new technologies and reduce out-of-pocket costs.

d.Departmental and financial impacts:

Increased capital expenditures (technology investment) for the Plant Administration Department and production line departments (cutting, testing, coating); changes in operating costs (fixed cost expenditures); and potential asset impairment risks (if new technologies are not adopted due to high iteration rates).

(3)Market demand for environmentally friendly and sustainable products, green supplier verification, and downstream customer sustainability (transformation risk):

a.Key risks: The cost of R&D technology and related investments.

b.Key opportunities: Establishing a green supply chain can enhance product competitiveness; building a sustainable and low-carbon brand reputation creates a "green premium" for the supply chain.

c.Countermeasures: Continuously invest in R&D to enhance R&D capabilities; actively improve product pass rates; plan to collaborate with value chain partners to continuously develop innovative designs, and continue to work with suppliers to improve product compliance with green environmental standards, incorporating green design and green procurement into the product lifecycle; introduce a circular economy model and assess the feasibility of increasing the recycling rate of existing waste materials.

d.Departmental and financial impact:

Increased capital expenditures and corresponding operating costs for R&D and production line departments.

(4)Extreme weather events, such as typhoons, earthquakes, and floods (physical risks):

a.Key Risks: Increased transportation and equipment maintenance costs due to heavy rainfall/typhoons, floods, or earthquakes; El Niño or uneven rainfall exacerbating water shortages in the company's location; and long-term sea-level rise reducing the operational stability of the plant area

b.Key Opportunities: Enhance the disaster resilience (safety and stability) of the plant and its equipment; improve process precision, controllability, and water efficiency.

c.Countermeasures: Implement real-time monitoring to establish an emergency response coordination mechanism for production and sales; utilize government information to formulate contingency policies; adopt optimal inventory management and flexible transportation scheduling; introduce water-saving processes and projects, and recycle wastewater for reuse in equipment operation or heat dissipation; strengthen relevant education and training to enhance awareness among all employees and strengthen the disaster prevention management system.

d.Impact on departments and finances:

Overall operating revenue (affecting shipments or damaged products; revenue may increase if product transformation in response to climate change is successful); increased burden on plant operations due to equipment maintenance costs, preventative measures, and reinforcement expenses.

●The above-mentioned risks/opportunities:

(1) How the identified climate risks and opportunities affect the company's business, strategy, and finances (short-term, medium-term, and long-term).

(2) The financial impact of extreme climate events and transformation actions.

(3) How the processes for identifying, assessing, and managing climate risks are integrated into the overall risk management system, as shown in the table below:

▲Risks/○ Opportunities/ #Extreme Climate Events and Transformation Actions	Event and Action Description	Probability of Impact (High/ Medium/ Low)	Impact Severity (High/ Medium/ Low)	Response Measures and Potential Financial Impact
▲Greenhouse gas emission control	Annual carbon inventory audit guidance or internal audits, and related expenses for engaging third-party verification agencies, including but not limited to audit and guidance fees and related training expenses for employees in various departments.	High	High	The estimated expenditure for external verification and guidance for carbon inventory in 2024-2025 is NT$980,000 in 2026; the estimated expenditure for related education and training for employees in various departments in 2025 is approximately NT$39,000.
	Promote energy conservation and carbon reduction initiatives, replace equipment with low-energy-consuming equipment, reduce process waste, improve equipment energy efficiency, and apply for relevant guidance programs from the Southern Taiwan Science Park Administration.			The energy-saving and carbon-reduction plan aims to replace outdated, high-energy-consuming equipment, improve energy efficiency, and control the amortization period of equipment. The following is a proposed equipment upgrade plan: a. Process pump upgrade – 5 process cooling/circulation pumps are expected to be replaced, totaling approximately NT$1,240,000. b. Air conditioning chiller system upgrade: 3 chillers and 1 cooling tower are expected to be replaced, totaling approximately NT$6,670,000. The total cost of this plan is approximately NT$7,910,000. However, the relevant details are still under development, and it is planned to apply for government-guided reduction plans to achieve reasonable cost recovery and substantial carbon reduction targets.
▲Demand for low-carbon technologies (renewable energy and carbon capture, etc.)	The capital expenditure for replacing or upgrading equipment in the short term is too high, and the financial impact of switching to new energy sources cannot be estimated due to the company's immature technology.	Low	Low	There are currently no clear plans in the assessment of low-carbon technologies (renewable energy and carbon capture, etc.).
▲Market demand for environmentally friendly and sustainable products and green supplier verification	The costs of green design and procurement, related R&D investment, validation expenses, implementation of circular economy models, and potential expenditures related to communication and cooperation with upstream manufacturers are too uncertain to quantify their financial impact.	Low	Low	Apart from known regulatory requirements, no other major customers have raised specific requirements for verification of environmentally friendly and sustainable products and green suppliers. Some clients have inquired about the progress and emissions of our carbon inventory checks/verifications through questionnaires, but this has not yet had a concrete impact on current orders.
▲Extreme weather events, such as typhoons, floods, and water shortages.	Non-operating losses due to disasters causing process interruptions and equipment damage; potential revenue decline due to process disruptions; and additional capital expenditures required to enhance disaster management systems.	High	High	Business interruption losses are currently mitigated by insuring buildings and business interruption insurance to reduce the impact on the company's operations. Related insurance expenses for 2025 amount to NT$1,552,000. Facility Management complies with the requirements of the competent authority by having a fire protection plan (including safety equipment, fire evacuation, fire prevention, night fire fighting, and self-defense fire brigade formation, etc.) and undergoes annual inspections without any major deficiencies.
○Potential profits from transitioning to low-carbon production and participating in carbon trading	Capital expenditures incurred in replacing or upgrading equipment in the short term, as well as pre-trade expenses required for participating in carbon market trading, and actual profits from carbon trading.	Low	Low	Since all facilities are leased from the Southern Taiwan Science Park's standard factory buildings (including power supply), considering the company's industry characteristics and the current status of the factory buildings, there are currently few opportunities for profit related to carbon trading.
○If new energy technologies or carbon capture technologies mature, they could have a positive impact on the company's operations.	The capital expenditure for replacing or upgrading equipment in the short term is too high, and the financial impact of switching to new energy sources cannot be estimated due to the company's immature technology.			There are currently no clear plans under evaluation for new energy technologies or carbon capture technologies.
○Establishing a green supply chain can enhance product competitiveness.	The costs associated with green design and procurement, related R&D investments, validation expenses, collaboration with upstream manufacturers to improve product compliance with green standards, and the implementation of circular economy models are too uncertain to quantify their financial impact.	Medium	Medium	Although some clients have inquired about the progress and emissions of our carbon inventory/verification through questionnaires, this has not yet had a concrete impact on current orders. However, given the clear trend of major international manufacturers building green supply chains, the company expects to continue moving towards carbon footprint verification once it is on track.
○Enhance the disaster resilience of the plant area and machinery; improve the precision and controllability of the manufacturing process; and increase water efficiency.	Enhancing disaster prevention and management systems, controlling water consumption, and installing relevant water-saving facilities may require additional capital expenditures.	High	High	The Facility Management Department has implemented a fire protection plan (including safety equipment, fire evacuation, fire prevention, nighttime firefighting, and self-defense firefighting organization) as required by the competent authorities, and has passed annual inspections without any major oversights; the plant also has its own RO water wastewater recycling facilities.

●How are the processes for identifying, assessing, and managing climate risks integrated into the overall risk management system? Currently, the company has established the Sustainability Temporary Project Team. After collecting opinions from responsible department heads, climate change has been identified as a material issue. Currently, strategies for addressing the identified "climate change risk management" are being planned and implemented, including greenhouse gas carbon inventory, energy-saving measures, improved energy efficiency, and the development and implementation of emergency response procedures by plant personnel. These strategies are being implemented by the responsible personnel in the finance department (sustainability officer), relevant plant personnel, and department heads. In December 2024, the company also established the "Sustainability Information Management Procedure", which will be formally incorporated into the company's audit plan starting in 2025 to confirm the implementation status of climate change risk management objectives and identify areas for improvement.

●Apogee Optocom will continue to closely monitor global climate change trends and incorporate them into its major risk management projects for sustainable business operations. Following a gradual approach and referencing frameworks such as GRI, SASB, and TCFD, Apogee Optocom will promote "extreme climate management" to enhance the company's resilience in adapting to climate change.

3.3.4 Cybersecurity Risk Management

●Apogee Optocom has five core cybersecurity risks, and the company's countermeasures and practical improvements are listed in the table below:

Risk Factors	Overview of Actual Risks	Company countermeasures	Situation of achievements
Outdated equipment systems and production line safety protection	The company's equipment is over 20 years old, and the old systems/programs have not been updated for a long time, leaving many vulnerabilities unpatched. Furthermore, the endpoints lack compliant antivirus protection, making them an excellent breeding ground for ransomware. Given today's overloaded production capacity, gradual changes may be necessary.	Network Isolation (VLAN): Deploy strict isolation policies to block external connections of production line computers (severing network segments).	Achieved by 2025
		Application whitelist: Import locking functionality to allow only specific production programs to execute.	Not yet achieved by 2025
		Antivirus system: New and old systems must run in parallel.	Achieved by 2025
		USB interface control: USB flash drives are disabled on production line computers; only keyboard and mouse are allowed.	Achieved by 2025
Credentials theft vulnerability	External connections heavily rely on static passwords, making them vulnerable to social engineering or border device vulnerabilities. Once logged in and compromised, the internal network becomes completely exposed.	Mandatory Multi-Factor Authentication (MFA): Thoroughly prevents account password leaks, adding a second line of defense for login.	Achieved by 2025
		Host Check: Restricts VPNs established by insecure devices or those without antivirus software.	Achieved by 2025
		Least Privilege: Dial-in accounts can only access specific IPs/ports.	Achieved by 2025
		Zero Trust Network Access: Moving towards ZTNA – never trust, always verify.	Not yet achieved by 2025
Excessive permissions and disorganized data	The file server's data structure is disorganized and haphazard, and users have excessive access privileges. Once an endpoint is infected with ransomware, the damage will spread to all computers in the domain in a very short time.	Access restriction principles: Folders in the intranet server's shared data area must be tiered; high-risk folders should be inventoried and access restricted. A "default denial" policy should be adopted, requiring employees to complete a formal authorization process before granting access permissions.	Currently, a restricted/general access classification can be achieved, but confidential information has not yet been isolated and changed to "default rejection".
		Backup defense: Ensure your files have at least three backups, are stored on two or more different media, and include at least one offline/unalterable backup to fundamentally defend against ransomware threats.	Achieved by 2025
		Connection restrictions: For terminals or high-risk systems located in high-risk areas, specific connection times must be restricted (e.g., connections are prohibited outside of working hours), and the source IP addresses allowed to connect must be limited.	Not yet achieved by 2025
Employees lack cybersecurity awareness and their related SOP concepts are outdated.	Employees have a weak understanding of data classification, firewalls, and VPN vulnerabilities, and are prone to using old habits to take shortcuts, leading to cybersecurity risks.	The IT department head actively organizes cybersecurity training courses, mainly covering cloud security and zero trust, risk handling, defense concepts, AI precautions, and advanced concepts. Future strategies will focus on regularly conducting company-wide cybersecurity training and social engineering drills to improve the identification rate of malicious links and fraudulent emails.	Achieved by 2025, with future progress expected towards increasing overall cybersecurity awareness.
The concept of cybersecurity internal control is relatively outdated.	The internal audit and third-party audit processes and requirements of accounting firms need improvement.	To comply with international cybersecurity standards, in the short term, the Information Technology Department plans to discuss with the relevant authorities the implementation of ISO/IEC 27001:2022 controls (fully compliant sensitive data protection and user behavior review mechanisms). In the medium to long term, after obtaining certification, the department will further refine its risk assessment and handling procedures according to the NIST SP 800-161r1, a more professional guideline for cybersecurity supply chain risks, to meet the challenges of the international market and achieve supply chain control and risk mitigation requirements. Internal and external audit standards will be updated and audited with additional control points as described above.	Not yet achieved by 2025

CHAPTER 4

Environmental sustainability

4. Environmental sustainability

●Our Company's Environmental Policy

The company commits to implementing its environmental management system in accordance with the following guiding principles:

01 Upholding the principles of energy conservation and carbon reduction, the company will comprehensively promote energy-saving measures, replacing factory and office equipment with energy-efficient equipment to improve energy efficiency.

02 The company will continuously and tirelessly promote water conservation, not only by improving facilities and equipment but also by educating employees on how to improve water efficiency through changes in water usage behavior.

03 The company will conduct employee training courses to promote the company's concepts of energy conservation, carbon reduction, and environmental protection, and to promote and strengthen employees' awareness and understanding of environmental protection and energy conservation.

04 The company will comply with relevant government environmental regulations and implement various controls to meet environmental requirements and fulfill its clean energy commitments.

05 The company will regularly audit its environmental management system, correct any non-compliance, and fulfill its commitment to continuously improve pollution control.

●We focus on environmental protection issues and are committed to improving the efficiency of resource utilization and adopting recycled materials with low environmental impact. Through continuous optimization of management, execution and production processes, we aim to reduce the use of environmental resources and reduce damage and pollution to the environment, so that the earth's resources can be used sustainably.

●Based on our concern for the increasingly warming global climate, the need to protect and utilize the Earth's finite resources, and our commitment to corporate social responsibility, our company continues to promote greenhouse gas emission reduction and provides a reference for future implementation of effective reduction and improvement plans. We conduct greenhouse gas emission assessments and effective monitoring in response to greenhouse gas regulation trends and future reduction requirements, while establishing internal record-keeping and verification procedures. Our aim is to achieve sustainable energy development that balances cost and resource efficiency, energy conservation, and environmental protection, working together towards a low-carbon economy and society.

●Our company adheres to Chapter 3 of the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" —Developing a Sustainable Environment —demonstrating our commitment to promoting corporate environmental sustainability. Article 15 of the Practice Principles states that "Our company should consider the impact of its operations on ecological benefits, promote and advocate the concept of sustainable consumption, and conduct its R&D, procurement, production, operations, and service activities in accordance with the following principles to reduce the impact of our operations on the natural environment and humanity:

01 Reduce the resource and energy consumption of our products and services.

02 Reduce the emission of pollutants, toxic substances, and waste, and properly dispose of waste.

03 Enhance the recyclability and reuse of raw materials or products.

04 Maximize the sustainable use of renewable resources.

05 Extend the durability of our products.

06 Increase the efficiency of our products and services.

07 Enhance the conservation, sustainable use of resources, and equitable benefits of marine and terrestrial biodiversity and ecosystems.

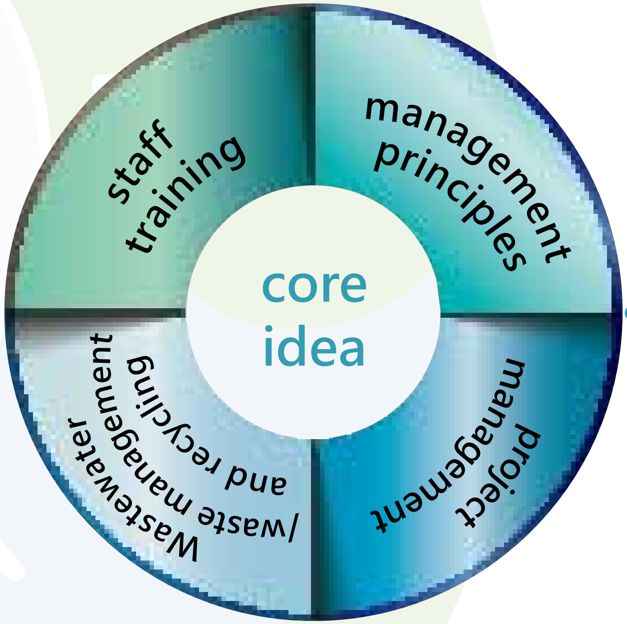
●Implement an environmental management system, obtain ISO 14001 environmental management system certification, and verify it regularly.

4.1 Energy Management

Our company adheres to the concept of energy conservation and carbon reduction, and comprehensively promotes energy-saving measures to improve energy efficiency.

staff training

Promote the company's concepts of energy conservation and carbon reduction, and environmental protection to save the planet.
Strengthen employees' awareness and understanding of environmental protection and energy conservation, and work together to create a sustainable environment.



management principles

Establish energy conservation management principles and implement the concept of energy conservation and carbon reduction.

Wastewater/waste management and recycling

Wastewater recycling, centralized waste storage management, effective treatment and tracking verification management principles

project management

Establish special project management to strengthen energy conservation

●The main management principles for energy conservation are as follows:

Item	Content
Evaluation and Procurement of New Equipments	In the decision-making and evaluation process, in addition to considering the equipment's functionality, the equipment's energy consumption should also be evaluated simultaneously.
Power Management	1. Turn off the power when electrical equipment is not in use. 2. Install infrared controls and timers on lighting equipment to reduce unnecessary lighting.
Lighting equipment	The lighting areas were redesigned, and energy-saving LED bulbs were used throughout the plant.
Coating machine equipment	The production and facilities departments plan to replace some of the oil-type diffusion vacuum pumps on the coating machines with turbine vacuum pumps (cooling and chilled water functions), and also replace the old cooling towers and chillers. This will save on the average current of the process and reduce the basic cooling power consumption caused by the aging process equipment.
The air conditioning system	The system uses the fan function when the temperature is below 27°C, and only turns on the air conditioner when the temperature reaches 28°C or above.
Exhaust ventilation equipment	Regularly inspect exhaust ducts and install fans according to airflow direction to enhance ventilation capacity.
Chiller cooling system	1.Install insulation material on pipelines to maintain a constant temperature of approximately 20 degrees Celsius; conduct regular inspections and repairs. 2.Increase the frequency of cooling tower cleaning to remove limescale, enhance heat dissipation, and lower temperatures. 3.Replace the refrigerant in the chiller in Plant 1 with R-134a refrigerant to improve energy efficiency.
Equipment heating and insulation measures	1. Control production scheduling to reduce standby and warm-up waste. 2. Install thermal insulation materials on equipment to reduce heat loss.
Motor System	Use variable frequency drives to adjust motor speeds and provide the optimal energy supply as needed.

●Energy Management Project

Project Name	Key Excerpts	Results
Chiller cooling system piping maintenance additive usage plan	Prevents limescale buildup on the chiller's heat exchanger, reduces algae growth in the cooling tower, and decreases evaporation and drainage.	Reduces the chiller's energy consumption and lowers its load.
Chiller upgrade	Replace one 60-ton and two 80-ton chiller units, saving electricity and cooling energy.	Compared to 2025, the monthly electricity consumption can be reduced by approximately 24,000 kWh, equivalent to 86.4 GJ, resulting in an electricity cost of approximately 101,000 * 12 months = 1,210,000 per year.
Power monitoring	Collect and analyze voltage and current information for each unit.	The information analysis results are stored, serving as a basis for various units to improve power supply.

●Electricity Power Management(Note 1)

Power	2024	2025
Total tissue electrical energy consumption (GJ) (Notes 2 and 3)	38,700.56	45,109.50
Energy intensity (GJ/number of employees)	183.41	210.79

(Note 1)The company uses 100% purchased electricity and has no renewable energy use (under consideration).
(Note 2)The fuel consumed in 2024 and 2025 is all non-renewable energy fuel, and the fuel consumed is all electricity (electricity sold by Taipower).
(Note 3)Total electricity consumption is converted to 1 kilowatt-hour (kWh, kilowatt-hour) equal to 0.0036 gigajoules (GJ).

●Energy Policy and Commitment: As disclosed in 3.3.3 Climate Change Risk Management, the company's major energy consumption as of 2025 will be externally purchased electricity to power production-related equipment such as coating machines and chillers that operate 24 hours a day. In the coming years, the company will (1) replace energy-consuming process equipment, purchase equipment to improve energy efficiency, establish and implement energy-saving plans, and seek relevant subsidies or resource/renewable energy investments; (2) thereby reduce the carbon emission intensity of major power-consuming equipment - power generation, refrigerant and chillers, and other process equipment, in order to promote energy reduction, improve energy efficiency, reduce the environmental impact of refrigerant and electricity consumption of coating equipment, and contribute to the transition to renewable energy.

4.2 Water Resources Management

●Our company's industry does not consume large amounts of water. All water used comes from the Taiwan Water Corporation; we do not draw water from ecologically protected areas or use groundwater.

●Our company's water consumption is mainly for domestic and cooling purposes. All wastewater is discharged through the Southern Taiwan Science Park Administration and treated in its wastewater treatment facilities. The Administration sends personnel monthly to collect water samples for quality testing. The wastewater discharge meets the requirements of the relevant authorities in each plant area and has no significant impact on the ecological environment.

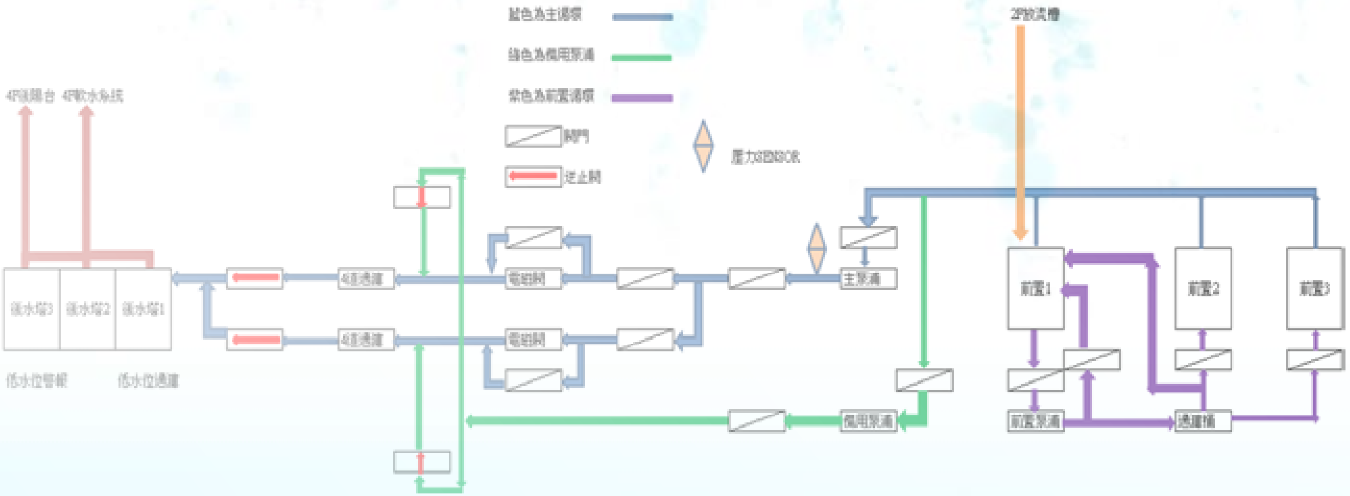
●Our company is committed to promoting water conservation. In water resource management, we implement various measures to reduce water consumption in our processes and improve the recycling rate of process wastewater. We also enhance water conservation by promoting changes in employee water usage habits.。

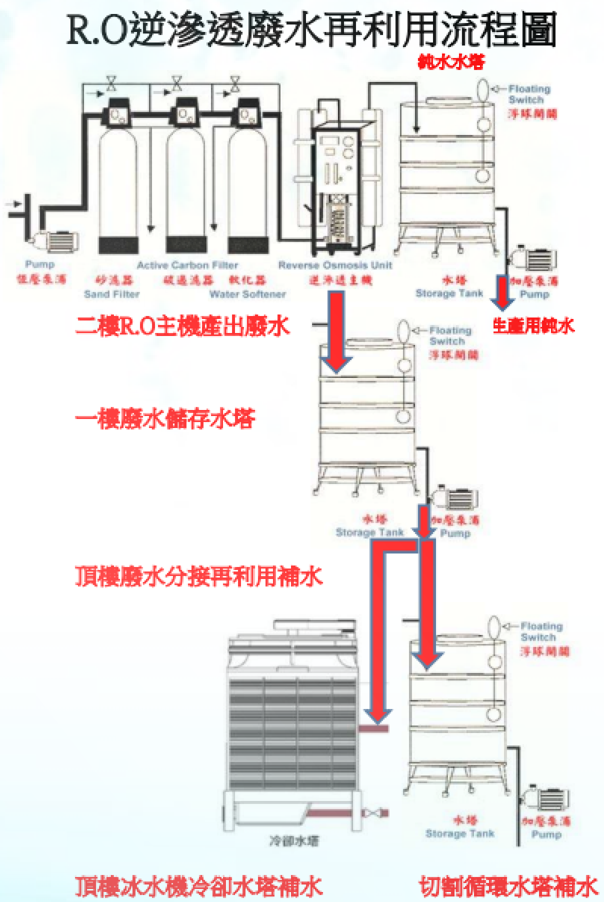
●In response to potential water emergencies, the company has installed three backup water towers on the roof of the plant, along with booster motors and hoses, to ensure emergency water supply in the event of extreme conditions (pipeline or road network damage, extreme weather, etc.). As of 2025, these contingency facilities have not yet been put into actual use.

●The company uses RO (reverse osmosis) water in its production and cutting processes, which is then recycled for heat dissipation. After the company connects its RO water purifier to the water supply authority, approximately half of the tap water produced per unit is RO wastewater.。

●Since September 2024, the plant has implemented a water-saving plan, integrating wastewater into a recycling system. Specifically, a stainless steel water tower was installed in the septic tank on the first floor to carry the aforementioned RO wastewater. After filtration with filter cotton, the wastewater is piped along with recycled water from the cutting process to a cooling tower on the roof of the plant for reuse. This improves the water quality in the cooling tower and reduces the need for adding new tap water and using the chiller cooling system. By 2025, 4,847 cubic meters of RO wastewater will be recycled, achieving a recovery rate of 43.87%.

The aforementioned RO water reuse process is shown in the following diagram.





●Water Resources Assessment: Our company's water resources all come from local waterworks. We used the World Resources Institute's publicly available online tool, Aqueduct Water Risk Atlas, to assess water resource stress, and determined that the area where our plant is located is in a low to medium water resource stress category.

●Water supply energy management

Tap Water	2024	2025
Total water intake (million liters)	27.94	29.81

Tap Water	2024	2025
Total water consumption (million liters))	5.64	6.02

●The company's water supply comes entirely from third-party tap water providers (Southern Taiwan Science Park Administration), and it does not source water from areas with water resource pressure; the same applies to water consumption.

4.3 Wastewater/Waste Management and Recycling

●Our company has established a dedicated management unit to formulate, promote, and maintain relevant environmental management systems and specific action plans, and regularly conducts environmental education courses to effectively manage and continuously achieve reduction targets.

●Waste Source Impact and Management

(1)Waste sources can be categorized into two main types: employee domestic waste and process waste (wastewater). The company did not discharge any hazardous waste in 2025.

(2)Company waste is classified into domestic waste and general industrial waste. The former mainly consists of general non-recyclable waste from the factory area and offices, and disposable items from the production line (rubber gloves, masks, cleanroom supplies, etc.), which are disposed of by incineration. The latter mainly consists of sandblasted glass, which is transported to an external landfill for disposal

(3)All of the above wastes are closely related to the company's business. The main environmental impact is the large amount of greenhouse gases generated by the decomposition of landfill waste. In the past three years, the company has strengthened its conservation and reduction programs, and the amount and density of waste have gradually decreased. (See below for waste management results.)

●Waste Management Results

1.The waste management principles are to reduce the amount of waste produced per profitable unit, increase the recycling rate, and continuously promote reduction and improvement.

2.The waste treatment volume, treatment methods, and carbon reduction achievements in the past three years are listed in the table below:

Types of waste disposal	2024	2025	Disposal methods
General industrial waste (Note)	0 tons	0 tons	Landfill
Household waste	15.44 tons	17.55 tons	I cineration
Wastewater treatment	22,299 tons	23,790 tons	Managed by Industrial Park
Sum	22,314.44 tons	23,807.55 tons	NA
Waste density	0.047 tons/ million NTD turnover	0.036 tons/ million NTD turnover	NA

(Note)General industrial waste is sandblasting waste, which is a type of process waste. Only when the accumulated amount reaches 10 metric tons or more, it must be sent to a third-party environmental protection company outside the Southern Science Park for landfill. The amount generated in this period did not meet the standard, so it is still placed in the company's factory area for future transportation and disposal.

●Centralized Waste Storage and Management

(1)After centralized collection, waste is handled by designated personnel. Effective sorting is employed to optimize waste classification and improve safety, thereby reducing waste volume.

(2)To optimize waste classification and improve safety, waste is centrally collected and managed by a dedicated unit, effectively controlling the source and output of waste.

(3)For recycling, cooperation with resource recycling companies is maintained to increase resource utilization value, with zero waste as the ultimate goal.

●Effective Processing and Tracking

For waste that cannot be recycled or reused, we outsource its processing. Our company signs waste collection contracts with the Bureau's recycling centers, selecting manufacturers with effective waste processing capabilities to carry out waste treatment.

●Wastewater Management

1. Wastewater recycling

(1)Apogee Optocom emphasizes the recycling and reuse of process wastewater through water resource management, thereby increasing the wastewater recovery rate.

(2)Starting in 2020, we began to recycle and filter the wastewater discharged from the cutting machine for reuse, thereby reducing the amount of pure water used and the amount of electricity used for heating.

2. Wastewater discharge

(1)All wastewater discharged is piped through the Southern Taiwan Science Park Administration and treated at the wastewater treatment facilities established by the Administration. 。

(2)

1.The Southern Taiwan Science Park Bureau conducts water quality tests on the plant's effluent outlet twice every six months on unscheduled dates. The tests measure suspended solids, temperature, chemical solvents, and chemical oxygen demand (COD) to ensure compliance with standards, and cross-compare the two sets of data. Additionally, the company commissions a third-party testing agency to conduct the same testing procedures every six months. As of 2025, tests conducted by the Southern Taiwan Science Park Bureau and third-party agencies have shown that the company's water quality meets standards, with no abnormalities detected, and the discharged wastewater has no significant impact on the ecological environment. The testing items and results are as follows:

Inspector/Inspection Items	hydrogen ion concentration	Water temperature	Suspended solids	Oxygen Demand	True Color Chroma in Water	Free Available Residual Chlorine	Conductivity in Water
Southern Taiwan Science Park Bureau	Qualified	Qualified	Qualified	Qualified	Not inspected	Not inspected	Qualified
Third-party environmental testing companies (first half of the year)	Qualified	Qualified	Qualified	Qualified	Qualified	Qualified	Not inspected
Third-party environmental testing companies (second half of the year)	Qualified	Qualified	Qualified	Qualified	Qualified	Qualified	Not inspected
Conclusion	The water's pH level was normal.	The water body's ecology and discharge meet the standards with no abnormal pollution.	Meets the discharge standards	No abnormal organic pollutants were found in the water.	The degree of staining in the discharged water is less than the standard.	The water sterilization function is normal.	No abnormalities found in process wastewater

●In 2025, Apogee did not violate any environmental laws or regulations and did not been subject to any major fines or non-monetary penalties.

4.4 Environmental protection strategies be combined with the principles of energy conservation, carbon reduction, and greenhouse gas reduction.

1.The environmental management system operates effectively, implementing the spirit of continuous improvement in environmental management and pollution prevention, and reducing environmental impact.

2.In 2026, conduct carbon emission assessments in scopes 1, 2, and 3, and establish future carbon reduction targets for the base year based on externally verified and confirmed survey data (reducing emission intensity, focusing on major emission patterns such as refrigerant emissions and purchasing electricity from external sources), gradually adopting low-carbon processes, improving energy efficiency, and strengthening the introduction of green electricity (including but not limited to renewable energy).

3.Strengthen the control of process improvement and pollution prevention equipment operation, conduct regular inspections in accordance with environmental protection requirements, and comply with legal requirements.

4.Our company is committed to implementing activities such as industrial waste reduction and resource sorting and recycling to protect Earth's resources and environmental hygiene.

5.Strengthen education and training to enhance the environmental awareness of all employees, so as to thoroughly implement environmental responsibilities.

6.Solar panels supply green energy, reduce direct sunlight, lower room temperature, and increase environmentally friendly energy use.

7.The Company has compiled statistics on water consumption over the past two years and has implemented several improvement measures, including:

(1)Continuously monitor the production process to reduce unnecessary waste in the cleaning procedures during the testing process;

(2)The recycling of RO water from cut optical communication filters for heat dissipation involves introducing wastewater into the recycling system and using recycled water in the process to reduce water consumption. While the Group's operating profit is expected to be higher in 2025, with increased water intake and consumption compared to 2023-2024, overall water conservation efforts are gradually yielding results thanks to the aforementioned measures.

8.Our company actively promotes various energy reduction measures and plans to replace high-carbon emission production equipment (see Chapter 4.1 Energy Management for details) with alternative equipment with lower carbon emission coefficients to implement pollution reduction policies.

4.5 Ecological Conservation

Our company hopes to contribute to the ecological environment surrounding our Tainan plant. In addition to adopting the flowerbed next to the factory, we also adopt the pond near the factory, raising koi fish and planting lotus flowers. This has transformed the previously smelly and mosquito-infested area, attracting insects and birds and making it a pleasant place for people to observe, stop, and chat.。




CHAPTER 5
Inclusive Growth

Inclusive Growth

●"Talents are the most valuable property toward Apogee." A corporation can keep growing and flourishing only by recruiting qualified and excellent talents, and to put them into the most suitable position to exert their ability.

●The company insists that to find the right person to do the right things can make things dealt with efficiently. "To explore, To understand and To solve problems" is the working atmosphere of "Creation" and "Respect" that we committed to bring in as well as entertainment, challenge and reasonable salary. "Trust" and "Responsibility" are the features of our cultural, care and feedback are the most priorities of our management.

5.1 Employee Hiring

●Our company regards its employees as the foundation of the enterprise and one of the most important core resources for its development. We believe that having excellent employees is equivalent to having superior strength and a sustainable future. Therefore, high-quality employees are the basis for achieving the company's strategic goals and the driving force for its continuous development

5.1.1 Employment Policy

●The company has established "Company Management Regulations" that strictly adhere to relevant laws and regulations regarding labor rights and obligations, and respect internationally recognized basic labor rights principles. Employees are recruited through a fair and open selection process, without discrimination based on gender, age, ethnicity, or religion. The company strives for equality and fairness in employment, hiring conditions, compensation, benefits, training, performance evaluation, and promotion opportunities for its employees.

●Our company prioritizes hiring local employees and does not employ child laborers or those under the age of 18.

●In 2025, all employment contracts between our company and each employee complied with local regulations, and there were no instances of discrimination, sexual harassment, violations of indigenous rights, or forced labor.

●The following lists the international standards and labor regulations that the company follows:

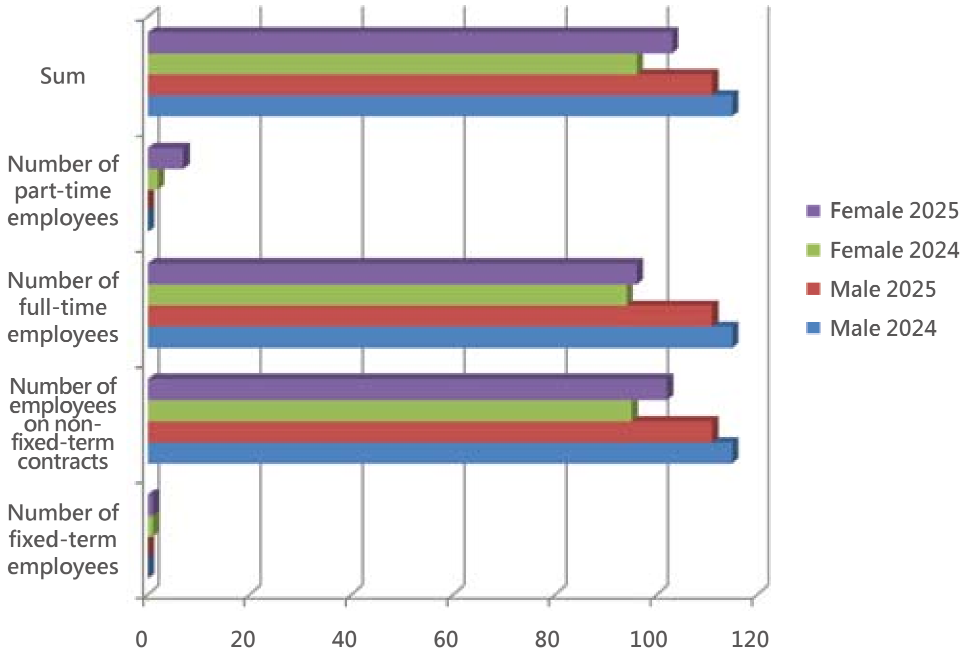
Regulation Name	Applicable Clauses	The Company's Corresponding Measures
The Universal Declaration of Human Rights (UDHR), t United Nations Global Compact (UNGC), and the International Labour Organization Conventions (ILO)	UDHR Articles 2, 3, 4, 23, 24, 25 UNGC Principles 1, 2, 4, 5, 6 ILO Conventions 1, 14, 29, 100, 105, 106, 111, 138, 155, 171, 182, 183, 187	1.Provide a safe and healthy working environment. 2.Eliminate illegal discrimination to ensure equal job opportunities. 3.Prohibit child labor. 4.Prohibit forced labor. 5.Assist employees in maintaining physical and mental health and work-life balance. 6.Prohibit pregnant or breastfeeding female employees from engaging in hazardous or dangerous work.
Employment Services Act	Article 5 (Prohibition of Employment Discrimination)	Implement fair employment policies and do not affect recruitment, salary, or promotion opportunities based on race, language, religion, place of birth, gender, sexual orientation, age, marital status, or disability.
Labor Standards Act	Article 30 (Working Hours Standards) Article 70 (Work Rules)	1.Regular day shift and three-shift employees: Daily working hours shall not exceed 8 hours, weekly working hours shall not exceed 40 hours, with two days off per week. Overtime work shall be paid in accordance with the law. 2.Four-shift, two-rotation employees: Daily working hours shall not exceed 10 hours, with two days on and two days off per week. Weekly working hours shall not exceed 40 hours, with overtime work paid in accordance with the law. 3.Establish work rules, clearly define working hours, wages, and various employee benefits, and provide competitive salaries. A performance bonus and employee compensation system shall also be in place.
Act of Gender Equality in Employment	Article 7 (Gender Equality in Employment) Article 13 (Prevention of Sexual Harassment)	1.The company will not discriminate based on gender or sexual orientation when recruiting, promoting, or evaluating employees. 2.The company has established a "Sexual Harassment Prevention and Management Regulations," set up channels for sexual harassment complaints, and regularly conducts gender equality education and training.
Labor Pension Act	Article 6 (Retirement Pension Allocation)	Each month, 6% of the employee's salary is contributed to the Labor Insurance Bureau's individual employee account as part of the Labor Retirement Fund. Employees can choose to receive a monthly retirement pension or a lump-sum retirement pension.

Apogee Optocom will continue to comply with Taiwan's labor laws and regulations and strengthen its internal management mechanisms to ensure employee rights and provide a high-quality workplace environment. At the same time, through regular reviews and internal audits, it will ensure compliance with regulations and enhance the company's sustainable development capabilities.

5.1.2 Employee Structure

●Employee structure presented by gender

Unit: person	Male		Female	
Reporting period	2024	2025	2024	2025
Number of fixed-term employees	0	0	1	1
Number of employees on non-fixed-term contracts	115	111	95	102
Number of full-time employees	115	111	94	96
Number of part-time employees	0	0	2	7
Sum	115	111	96	103



●Full-time employee structure

Unit: person	Taiwanese Male		Taiwanese Female	
Full-time employee structure	2024	2025	2024	2025
Age < 30	6	6	3	3
Age 30-50	71	68	62	66
Age > 50	14	13	9	8
Sum	91	87	74	77

Unit: person	Foreign Male		Foreign Femal	
Full-time employee structure	2024	2025	2024	2025
Age < 30	5	2	12	13
Age 30-50	19	22	8	6
Age > 50	0	0	0	0
Sum	24	24	20	19

The company employs three people with disabilities in 2025, representing approximately 1.4% of its total workforce.

●Part-time employee structure

Unit: person	Taiwanese Female		Foreign Female	
Part -time employee structure	2024	2025	2024	2025
Age < 30	0	2	0	3
Age 30-50	1	1	0	0
Age > 50	1	1	0	0
Sum	2	4	0	3

The company's part-time employees in 2025 were as follows: (1) One non-employee worker stationed at the factory in the Kaohsiung Coastal Industrial Park; (2) One employee is massage therapist; and (3) Five part-time foreign students. All part-time employees were female.

The company had no "non-employee" workers in 2025.

●New Employee Structure

Unit: person	Taiwanese Male		Taiwanese Female	
New Employee Structure	2024	2025	2024	2025
Age < 30	1	2	0	2
Age 30-50	1	5	0	10
Age > 50	0	0	0	1
Sum	2	7	0	13

Unit: person	Foreign Male		Foreign Female	
New Employee Structure	2024	2025	2024	2025
Age < 30	2	0	0	4
Age 30-50	2	1	0	1
Age > 50	0	0	0	0
Sum	4	1	0	5

Percentage of newly hired full-time employees	Percentage by place of household registration						
Place of household registration	Southern Taiwan	Central Taiwan	Northern Taiwan	Eastern Taiwan	Hong Kong	Vietnam	The Philippines
2024	33.3%	0%	0%	0%	0%	0%	66.7%
2025	50.0%	11.5%	11.5%	0%	0%	11.5%	15.5%

●Former Employee Structure

Unit: person	Taiwanese Male		Taiwanese Female	
Former Employee Structure	2024	2025	2024	2025
Age < 30	1	1	0	0
Age 30-50	15	14	5	7
Age > 50	2	3	0	3
Sum	18	18	5	10

Unit: person	Foreign Male		Foreign Female	
Former Employee Structure	2024	2025	2024	2025
Age < 30	0	0	0	2
Age 30-50	3	2	1	4
Age > 50	0	0	0	0
Sum	3	2	1	6

Former full-time employee	戶籍地別 比例					
Place of household registration	Southern Taiwan	Central Taiwan	Northern Taiwan	Eastern Taiwan	Vietnam	The Philippines
2024	81.5%	3.7%	0%	0%	3.7%	11.1%
2025	73%	0.0%	5%	0%	5.4%	16.2%

●Considering commuting time, costs, and family care convenience, the hiring principle prioritizes employing local and nationally-respected workers.

●Our company actively implements gender equality in the workplace, encourages the employment of employees with disabilities, and promotes innovative and friendly workplaces.

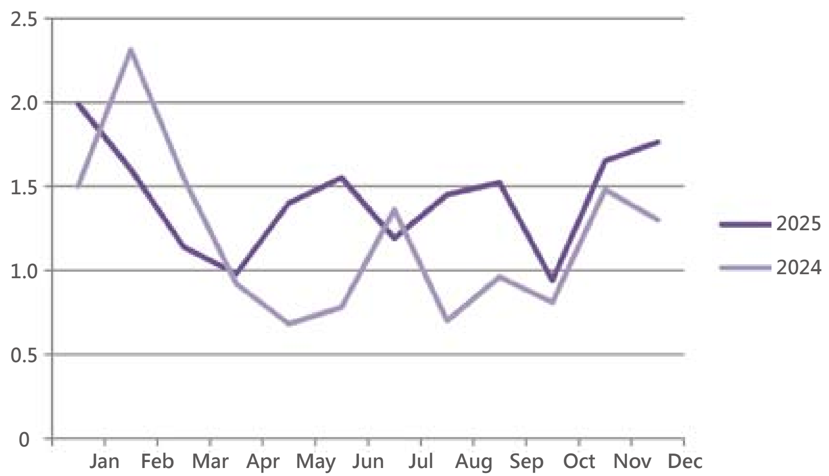
●As of the end of 2025, the company had a total of 214 employees, including 210 at the parent company, Apogee, and 4 at the subsidiary, Ferrule. Employment types were divided into indefinite and fixed-term contracts. Fixed-term contracts primarily consisted of contract massage therapists, while the remainder were full-time employees, employees residing in rented factory space in Kaohsiung, and part-time workers. Except for contract massage therapists, those residing in Kaohsiung, and part-time workers, all other employees were full-time, with no employees without guaranteed working hours. Compared to 2024, the company's headcount and composition remained largely unchanged.

5.1.3 Employee Absence Rate and Turnover Rate

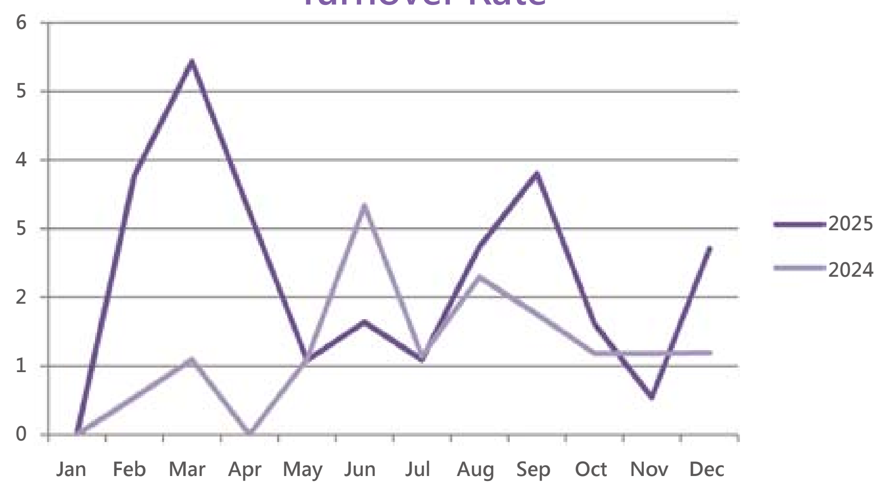
- Our company has established multiple communication channels to carefully listen to our employees' concerns. In addition to gaining a deep understanding of the difficulties and problems employees encounter in the workplace, we also pay attention to their attendance.
- We consider our employees important partners. If an employee submits a resignation, the Human Resources department will immediately arrange an interview with the employee to understand the true reasons for leaving, provide sincere care, and offer words of encouragement to retain them.
- Employee Absence Rate and Turnover Rate (Unit: %)

Item	Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Absence Rate	2025	1.99	1.60	1.14	0.98	1.40	1.55	1.19	1.45	1.52	0.94	1.65	1.76
	2024	1.50	2.31	1.55	0.92	0.68	0.78	1.36	0.70	0.96	0.81	1.48	1.30
Item	Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Turnover Rate	2025	0.00	3.78	5.43	3.24	1.08	1.63	1.09	2.73	3.80	1.61	0.54	2.70
	2024	0.00	0.54	1.09	0.00	1.10	3.33	1.14	2.29	1.75	1.18	1.18	1.19

Absence Rate



Turnover Rate



[Note]
(1)The above statistics only include domestic employees and do not include foreign employees.
(2)Absence rate = Actual number of days absent / Total number of scheduled working days for the workforce during the same period. Absence days include working days lost due to work-related injury leave, sick leave, and unauthorized absences. However, it does not include approved leave types such as annual leave, personal leave, marriage leave, bereavement leave, and maternity leave.
(3)Turnover rate = Number of employees leaving / Number of employees on duty during the same period.

5.1.4 Diverse Recruitment Channels

●We recruit talent through 104 Job Bank and related media, and also through various employment service stations. ◦

●In cooperation with the Southern Taiwan Science Park Administration and the Tainan City Government, we regularly participate in job fairs to contribute to local employment.

●Our company adheres to People with Disabilities Rights Protection Act and Act of Gender Equality in Employment, implementing gender equality in employment, encouraging the employment of employees with disabilities, and promoting a friendly workplace.

5.2 Employee salaries, benefits and care

5.2.1 Employee salaries

●The company's remuneration procedures are based on the company's articles of association and salary-related management regulations. In addition to considering the company's overall operating performance, future industry risks and development trends, the company also takes into account individual positions, responsibilities, performance achievement rates, and contributions to company performance to ensure reasonable compensation with a positive correlation to operating performance. Before distributing profits, the company shall allocate 1% to 5% of the profits for the distribution period as employee compensation, with at least 20% allocated to the compensation of frontline employees. The Board of Directors shall decide on the distribution in the form of stock or cash, and the recipients include employees of subsidiary companies who meet certain conditions.

●The aforementioned performance evaluations and the reasonableness of remuneration have been reviewed by the Remuneration Committee and the Board of Directors. The remuneration system will be reviewed in a timely manner based on the actual operating conditions and relevant laws and regulations in order to achieve a balance between the company's sustainable operation and risk control.

●In 2025, a total of 7 employees (including the deputy general manager) were promoted, of which 6 were promoted based on performance evaluation. There was no discrimination in promotion based on gender.

●Employee compensation includes base salary, year-end bonus, employee dividends, and performance bonuses. The criteria for determining salary levels are detailed in the aforementioned process, and salary standards will never differ based on race, religion, place of birth, gender, age, or other factors. The company's employee salaries and working conditions comply with Taiwanese labor laws and regulations, ensuring competitive compensation in the labor market.

●The following table shows the average and median salaries of full-time employees who are not in supervisory positions during the current period, and the changes in these two figures compared to the previous year:

Year/ Number of employees	Full-time employees not holding supervisory position	Average salary of full-time employees not holding supervisory positions (unit: NT$1,000)	Median salary (unit: NT$1,000) for full-time employees not in supervisory positions
2024	215	634	566
2025	199	712	650

●The following table shows the male-to-female salary ratio, basic salary ratio, and total salary ratio for the past three years:

Gender pay ratio								
Job Grade	2024				2025			
	Basic salary		Full salary		Basic salary		Full salary	
	Male	Female	Male	Female	Male	Female	Male	Female
Management Position	1.99	1	2.31	1	1.47	1	1.48	1
Non-Management Position	1.1	1	1.12	1	1.35	1	1.30	1

The basic salary and full salary for male management positions are both higher than those for female management positions. This is because, during the 2024-2025 fiscal year, the company only included deputy section chiefs and section chiefs as female management positions

●Total Compensation Ratio:

(1)In 2025, the highest-paid individual in the company was the general manager, whose total compensation (excluding retirement pension) was NT$3,467,000. The ratio of the general manager's annual salary to that of other Taiwanese employees (NT$563,000) was approximately 6.15.

(2)In 2024, the highest-paid individual in the company was the General Manager, whose total compensation (excluding retirement benefits) was NT$4,205,000. The ratio between the General Manager and the median annual salary of Taiwanese employees other than the General Manager (NT$549,000) was approximately 7.66.

(3)The highest-paid individual in the company, the General Manager, saw a 1.06% decrease in total compensation in 2024-2025 (Note), while the median increase in the average annual total compensation for all other employees (excluding the highest-paid individual) was 15.7%, resulting in a -6.75% ratio between the former and the latter.

(Note) The outgoing General Manager retired in February 2025, and a new General Manager took office in March. To ensure consistency in the comparison benchmark, the percentage increase or decrease in annual salary in 2025 compared to 2024 must be calculated based on the actual total compensation of NT$3,467,000 over the entire year.

5.2.2 Employee benefits and care

●Our company adheres to the Labor Standards Act and related laws, establishing various employee welfare measures and providing competitive salaries. We also offer various bonuses to employees, sharing the company's profits with our colleagues.

●Our company conducts an annual education and training plan survey, assesses the needs of different departments to determine the appropriate courses and training programs, aiming to establish effective career development training programs for our employees.

●The employee benefits and training programs and their implementation status are as follows:

1	The company has established an employee welfare committee, which provides welfare activities such as distributing birthday gift certificates, marriage, maternity and bereavement leave subsidies, maternity allowances, sick leave and injury condolence payments, holiday gift certificates or gifts, and organizing employee trips.
2	At the end of each year, a year-end party is held to reward employees for their hard work.
3	To ensure employee rights and provide adequate protection in the event of an accident, the company provides all employees with group welfare insurance (including accident insurance for business travelers). The insurance premium is paid by the company, and the maximum compensation can reach NT$3 million, depending on the nature of the job.
4	Pay attention to the health of employees, conduct health checkups for all employees every 3 years, and sign contracts with on-site nursing staff to provide on-site services for two days a month; for special workers, conduct 1-2 checkups per year.
5	The company distributes Dragon Boat Festival and Mid-Autumn Festival bonuses when revenue is at a normal level.
6	The company distributes year-end bonuses and employee dividends to employees annually based on operating performance.
7	When monthly revenue reaches a certain standard, performance bonuses are distributed according to the performance bonus policy.
8	Establish employee stock ownership trusts to enhance employee benefits through subsidies and public withdrawals, and assist employees in planning long-term financial management and retirement plans.
9	In addition to providing employees with a comprehensive education and training program and environment, supplement it with learning resources such as on-the-job training, project participation, job rotation, and external training opportunities. Combined with the performance management system, this will stimulate employee potential and achieve the goals of improving organizational performance and personal growth

● In addition to establishing an "Employee Welfare Committee" in accordance with the law, the Company has implemented the various welfare measures set out in paragraph (1) above. It provides basic welfare as stipulated by law, as well as diversified welfare programs, aiming to ensure that every member of the Apogee Optocom family can deeply feel the Company's attention and care for each colleague.。

● The total employee benefits expenditure in 2025 and 2024 was NT$45,556,000 and NT$51,217,000 respectively, accounting for 12.74% and 12.74% of the total manufacturing and operating expenses, as summarized in the table below:

Item	Insurance	Welfare Committee expenditures	Year-end party	Bonuses	Others	Sum
Detail	Labor insurance, health insurance and group welfare insurance	Birthday and holiday gift certificates or presents, marriage, maternity and bereavement leave allowances	Year-end party expenditures	Holiday bonuses, year-end bonuses, performance bonuses	Education and training, scholarships for employees' children	
2025 Amount (NT$ 1,000)	13,401	244	719	31,026	166	45,556
2024 Amount (NT$ 1,000)	15,545	244	730	34,569	129	51,217

● Post-employment benefit plan:

(1)The Company's Employee Retirement Reserve Oversight Committee is established in accordance with the Labor Standards Act and has established employee retirement rules. The employee retirement procedures stipulated in the "Labor Pension Act" are a fixed contribution plan. According to the Act, 6% of employee salaries are allocated monthly to the individual retirement fund account of the Labor Insurance Bureau.

(2)Employees may also voluntarily contribute to their retirement pension, up to a maximum of 6% in accordance with the law.

(3)The Company recognized expenses of NTD$6,166,000 and NTD$5,745,000 for the post-employment benefit plan in 2024 and 2025, respectively.。

● Maternity Protection and Parental Leave: In accordance with the Labor Standards Act, the Act of Gender Equality in Employment, and the Regulations for Implementing Unpaid Parental Leave for Raising Children, the company legally allows employees to apply for maternity leave, paternity leave, and parental leave.。

● The following table shows the number of employees who applied for parental leave without pay and the reinstatement rate in the past two years:

Year	2024年	2025年	2024年	2025年	2024年	2025年
Item (Unit: person & %)	男		女		合計	
Number of applicants for parental leave without pay	2	0	3	3	5	3
Number of employees who should have been reinstated during parental leave without pay	2	0	2	3	4	3
Number of employees actually reinstated during parental leave without pay	2	0	1	2	3	2
Reinstatement rate	100%	0%	50%	67%	75%	67%
R etention rate within one year of reinstatement during parental leave	100%	0%	100%	100%	100%	100%

5.2.3 Labor rights and work rights

- As stated in Section 5.1.1 Employment Policy, the company has established "Company Management Regulations," whose labor rights and obligations comply with labor laws and respect internationally recognized basic labor rights principles, without discrimination based on gender, age, ethnicity, or religion.
- The company upholds a principle of treating everyone equally and with respect. Employee promotions are based on education and experience, and are not based on factors such as gender or appearance.
- The company encourages employees to communicate directly with management and to appropriately reflect their opinions on major decisions concerning company operations or employee interests.
- As stated above, our company has established a stakeholder section on our website. The channels listed in the table below are typically used to communicate with shareholders, employees, customers, suppliers, and other stakeholders, respecting their legitimate rights and interests, and appropriately handling their feedback:

Communication channels	Stakeholders	Frequency	Main Concerns
Annual Sharholders' Meeting	Shareholders	Once a Year	Corporate governance, fundraising, financial status, and operational overview
Investor Conference	Shareholders	Twice a Year	Technology investment, operating results, market changes and acceptance, financial status
Regularly publish financial statements and annual shareholder reports	Shareholders	Four Times a Year(Lat Year Q4to This Year Q3)	Financial status
In accordance with the regulations of the competent authority, important information being announced.	Shareholders, Employees, Banks, Government Institutions etc.	Irregular	Corporate governance, fundraising, financial status
Official website information revealed	Shareholders, Employees, Customers, Suplliers and others	Irregular	Corporate governance, employee benefits, technology investment, operating results, market changes and acceptance
Sustainability Report Questionnaire	Shareholders, Employees, Customers, Suplliers and others	Once a Year	Corporate governance, employee benefits, technology investment, operating results, environmental protection

- In accordance with relevant regulations, we have formulated the "Sexual Harassment Prevention and Management Measures" and the "Internal Employee Grievance Channel," and established a Grievance Committee with managers as the receiving unit, thereby providing employees with a legitimate channel to express their grievances.
- To ensure that the voices of employees are effectively conveyed to management and that both sides can communicate and negotiate in a timely manner, a labor-management meeting is held regularly every three months. In accordance with the "Labor-Management Meeting Implementation Measures," for companies with more than one hundred employees, each side will send five representatives to participate. The main items discussed and approved at the 2025 labor-management meeting are shown in the table below:

Number of times/Date	First (2025/3/27)	Second (2025/6/17)	Third (2025/9/16)	Fourth (2025/12/1)
Items for discussion	To address the labor shortage, priority will be given to recruiting domestic talent.	The discussion will focus on adding three new national holidays in 2025 as compensatory leave; the number of national holidays will be fully guaranteed in accordance with the law, and if necessary due to the nature of the industry, leave will be scheduled on other dates.	Shift workers should have at least 11 hours of rest time when changing shifts.	The discussion focused on compensatory leave for national holidays in the 2025 calendar; and reiterated the requirement for consent to work hours under Article 30, Paragraph 3 (eight-week variation) of the Labor Standards Act.
Passing circumstances	Passed as per the plan	Passed as per the plan	Passed as per the plan	Passed as per the plan

- Both employers and employees adhere to the principles of harmony and good faith, and jointly resolve issues through consultation. Our company has established a complaint hotline and email address, adopts employee suggestions, and has established a systematic communication and complaint channel. We provide reasonable and appropriate responses and handling to employees' questions, grievances, and expectations. No complaints or appeals occurred in 2025.

● The employer-employee communication channels are summarized in the table below:

Labor-employment communication channels	Labor-management meetings	Welfare Committee	Communication and Appeals
Frequency	Once every three months	Twice a year (excluding temporary re-election of representatives)	Irregular
Items for discussion	Issues such as pay and leave	The following year's work plan and budget, and the current year's final accounts.	The main issues are working conditions and the environment.
Component	The labor and management sides take turns serving as chairpersons, with each side sending five representatives to participate.	The chairman, general manager, department heads, and employee representatives comprised a total of 12 people.	Unspecified employees and employers negotiate and discuss

● We regularly conduct employee safety and health training to provide and ensure a safe and healthy working environment for our employees.

● Our company ensures employee rights, upholds work dignity, and establishes a positive work environment.

● Apogee Optocom values employee rights and actively guarantees opportunities for participation in negotiations. Although we currently do not have collective bargaining agreements (such as labor unions), both labor and management can express their needs and propose solutions to improve employee rights through the aforementioned labor-management meetings, complaints, and welfare committees.

5.2.4 Employee Education and Training

● From the date of employee registration, training on company regulations, occupational safety, and workplace safety will be conducted, and experienced instructors will be assigned to provide guidance and mentorship

★Internal Education and Training Courses in 2025

Internal Education and Training Courses	Number of being lectured on		Teaching hour		Average Hours	
Department Type	Male	Female	Male	Female	Male	Female
Administration	10	61	26	175	2.60	2.87
Financial	17	33	50	111	2.94	3.36
Information	21	0	71	0	3.38	0.0
Sales	16	37	52	105.5	3.25	2.85
QA	38	23	140	85	3.68	3.70
Production	406	291	986.5	727	2.43	2.50
R&D	199	7	565	14	2.84	2.00
General Manager's Office	6	8	22	33	3.67	4.13
Audit	0	5	0	18	0	3.60
Sum	713	465	1,912.5	1,268.5	24.79	25.01

★Internal Education and Training Courses in 2024:

Internal Education and Training Courses	Number of being lectured on		Teaching hour		Average Hours	
Department Type	Male	Female	Male	Female	Male	Female
Administration	12	67	33	185	2.75	2.8
Financial	15	41	61	136	4.07	3.3
Information	41	0	146.5	0	3.57	0.0
Sales	52	16	187	49	3.60	3.1
QA	68	56	242.5	150	3.57	2.7
Production	567	477	1,469.5	1,130.5	2.59	2.4
R&D	553	12	2,081	30.5	3.76	2.5
General Manager's Office	7	23	21	94	3.00	4.1
Audit	0	25	0	100	0	4.0
Sum	1,315	717	4,241.5	1,875	26.91	24.82

● External Education and Training Courses

★External Education and Training Courses in 2025:

External Education and Training Courses	Number of being lectured on		Teaching hour		Average Hours	
Department Type	Male	Female	Male	Female	Male	Female
Administration	0	7	0	25.5	0	3.64
Financial	7	3	61	15	8.71	5.00
Information	24	0	121	0	5.04	0
Sales	0	1	0	6	0	6
QA	3	1	137	7	45.67	7
Production	9	4	39	25	4.33	6.25
R&D	9	0	66	0	7.33	0
General Manager's Office	0	0	0	0	0	0
Audit	0	2	0	12	0	6..00
Sum	52	18	424	90.5	71.08	33.89

● External Education and Training Courses

★External Education and Training Courses in 2024:

External Education and Training Courses	Number of being lectured on		Teaching hour		Average Hours	
Department Type	Male	Female	Male	Female	Male	Female
Administration	0	13	0	123.5	0	9.50
Financial	5	5	30	22	6.00	4.40
Information	26	0	153.5	0	5.90	0
QA	2	0	14	0	7.00	0
Production	18	0	123	0	6.83	0
R&D	1	0	6	0	6.00	0
General Manager's Office	0	0	0	0	0	0
Audit	0	3	0	15	0	5.00
Sum	52	21	326.5	160.5	31.74	18.90

● The 2025 education and training overview is as follows:

Course Type	Main Content	Hours
Advanced Courses for Each Department - Sustainability or Finance	ESG report writing, carbon inventory considerations, and updated financial standards.	54.5
Advanced Courses for Each Department - Administrative Digital Documentation or Interpersonal Relationships	AI tool usage, AI-assisted auditing, workplace interactions, work communication and mindset.	467
Advanced Courses for Each Department - Production Line Technology	Grinding and cleaning, production line process equipment operation, quality control	577
Advanced Courses for Each Department - Information Security	Information risk assessment and risk control, protection strength, counter-threat and cloud security	127
Regulations/Internal Basic Rules	New employee training (Code of Ethics including insider trading, gender equality, workplace misconduct, safety and fire protection)	2,470
Sum		3,695.5

● To cultivate outstanding professionals and maximize employee value, the following are the prospects for strengthening education and training in the coming years:

Course Type	Responsible unit	Expected target	Evaluation indicators for education and training KPIs
Financial/Sustainability and Corporate Governance	Financial Department	Continuously track the latest developments and regulations of international sustainability standards such as IFRS, SASB, and GRI, using them as a reference for sustainability reports, internal control system design, annual shareholder reports, and financial statements; in order to improve employee awareness, the quality of sustainability reports, internal controls, and financial statements, as well as corporate governance assessment scores and ratings.	ISSB, corporate governance assessments, and Financial Supervisory Commission regulations.
Cybersecurity	Information Department	Strengthening overall cybersecurity resilience: The design of education and training courses is moving towards regularly conducting overall cybersecurity training and social engineering drills to improve the identification rate of malicious links and fraudulent emails.	Cybersecurity Training Completion Rate: The percentage of employees in each department (including senior management and production line staff) who complete the mandatory cybersecurity education and training courses within the stipulated timeframe. (Target: 100% completion rate)
Production line safety and disaster prevention awareness	Facilities Department, Production Department	1. Environmental Scope: (a)Education and Training: Enhance employees' awareness of key environmental considerations (energy use, water use, wastewater and waste management) and related training on the ISO 14001 environmental management system to improve pollution prevention and resource utilization capabilities, reduce environmental impact, and enhance management performance. (b)Regulatory Compliance: Regularly disseminate the latest environmental regulations and compliance requirements to ensure all operations comply with government laws and the ISO 14001 management system. (c)Climate Change: In response to climate change trends in future years, conduct relevant education, training, and outreach programs to primarily raise employees' awareness of sustainability issues such as energy conservation, carbon reduction, and prevention of extreme weather disasters, and to implement appropriate action guidelines. 2.Safety, Health, and Emergency Response: Continuously conduct fire drills, emergency response training, and occupational safety and health training to improve employees' responsiveness and reduce environmental risks.	Training hours, ISO 14001 audit indicators, carbon inventory/carbon reduction/carbon credits, and other potential future sustainability indicators (including but not limited to TCFD & TNFD).

● External Consultant/Lecturer Training for Knowledge and Skill Enhancement

(1)Our company periodically invites experienced industry/administrative consultants to provide training, allowing employees to accumulate relevant knowledge and skills during their employment, in addition to the experience passed down from supervisors and senior colleagues, through professional guidance from external lecturers.

(2)By improving employees' professional skills, the company's overall technology is indirectly enhanced, thereby increasing its competitiveness.

5.2.5 Safe Working Environment

●Occupational safety and health management, occupational disaster prevention

1.Our company places great importance on the safety of the working environment. Our company has obtained ISO14001 certification, complies with the environmental management standards and their included sustainability indicators, and conducts regular verification. All companies within the scope of this report comply with ISO14001 and the provisions of the Occupational Safety and Health Act, the Fire Services Act, and related facility management and monitoring regulations and implementation rules.

2.The company conducts two fire drills (fire protection facility operation) and earthquake drills annually, as well as disaster prevention and safety education and training courses (with practical drills) to achieve the goal of zero risk and zero accidents (by 2025, all employees will have received a total of 832 hours of fire prevention and disaster prevention training). The company also posts safety and hygiene-related notices in prominent locations in all areas to improve the quality of the working environment.

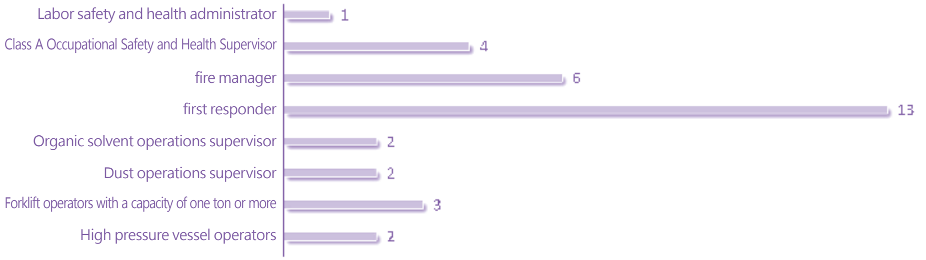
3.Designated personnel are responsible for maintaining the safety and hygiene of the work environment, conducting regular and focused inspections, and requiring immediate improvement upon any non-compliance. A "Safety and Hygiene Work Code" has been established for the management of the employee work environment and equipment, and its implementation is strictly enforced. 。

4.The company is committed to reducing the incidence of occupational accidents. The event patterns in 2025 are as follows:

Traits	Numbersof Events	Event Overview	Processing method (Note)
Occupational accidents in factories	1	Ankle injury while walking outside the production line area	Taking work injury leave and claiming group insurance.
Occupational accidents during commuting	3	Car accident during commuting	Taking work injury leave and claiming group insurance.
Total number of items as a percentage of employees	1.88%		

(Note) The occupational injury incident that occurred in 2025 was minor and there was no follow-up action by the factory or the employee's department supervisor.

●Number of valid licenses and permits in 2025



●The company's occupational safety and health management system measures and related assessment procedures are detailed in the table below:

Item	Content
Occupational safety protection measures	Personal Protective Equipment (PPE): Ensure employees wear appropriate protective equipment, such as N95 masks, earplugs (for sandblasting), activated carbon masks (for cleaning), etc.
Risk-related interview mechanism	Interview methods: physical mailboxes, email appeals, and individual interviews with the chairman.
	Application of interview results: Management proposes and implements solutions for high-risk safety or other health issues.
Fire drills and inspections	Twice a year, the company conducts self-defense and fire-fighting drills (with safety protection and evacuation guidance teams composed of R&D, production, plant operations, and sales departments guiding the entire site in evacuation drills), as well as fire extinguisher usage training and instruction. The company's 2025 fire protection plan includes self-inspections of fire prevention and evacuation facilities, fire prevention equipment, fire sources, and unobstructed passageways, as well as internal inspections and external fire safety inspections (performed quarterly). All inspections have been conducted without any oversights.
Work environment pollution index testing	The company complies with Article 12 of the Occupational Safety and Health Act and conducts regular occupational environment testing every six months. This includes noise testing, ambient carbon dioxide concentration testing, and environmental testing in dusty and organic solvent-containing work areas.
Temperature and humidity management	The temperature control range for cleanrooms is 25 ± 5 degrees Celsius, and the humidity control range is below 60%. The temperature control range for pharmaceutical refining rooms is below 50 degrees Celsius, and the humidity control range is below 50%. Each unit is responsible for recording daily temperature and humidity data in a temperature and humidity log. If the ambient temperature or humidity exceeds the control range, the relevant personnel are responsible for making adjustments to ensure a safe and hygienic production environment.
Occupational safety personnel audit workplace safety deficiencies	Occupational safety personnel conduct unscheduled inspections of various locations within the factory area to check for any obstructions to escape routes or sandblasting coverings that pose safety concerns in the work environment. If any such issues are found, an audit deficiencies notice is issued, requiring the relevant personnel to address them.

● Twice a year, the company commissions a professional technical consulting firm to test environmental pollution indicators according to relevant standards. The test results and recommendations are shown in the table below:

Item/Times	Test content	Test Results/Recommendations
2025 first time (2025/7)	Test contentChemical factors (solvents, dust, carbon dioxide), physical factors (noise)	Test results: Chemical factors were below the legally permissible concentration/exposure value; physical factors were within legal standards, and there were no significant concerns. Recommendations: Strengthen monitoring, ensure ventilation, and increase the use of hearing protection.
2025 second time (2026/1)	Test contentChemical factors (solvents, dust, carbon dioxide), physical factors (noise)	Test results: Chemical factors were below the legally permissible concentration/exposure value; physical factors were within legal standards, and there were no significant concerns. Recommendations: Strengthen monitoring, ensure ventilation, and increase the use of hearing protection.

CHAPTER 6

Business Models and Innovation

6.1 Summary of 2025 Business Plans

6.1.1 Business Policies

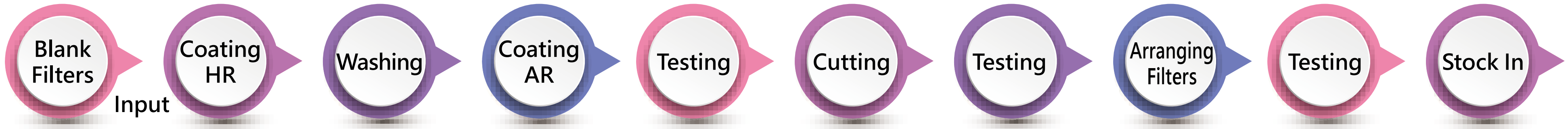
- Talent：Recruit outstanding professional personnel, enhance employee professional knowledge through education and training, and maximize employee value.
- Production Control：Improve coating output and yield, and reduce man-hours in the middle and back-end processes.
- Production Cost：Continuously test various materials and new suppliers in order to reduce production costs and maintain competitiveness.
- Customer Service：Provide customers with comprehensive solutions and proactively create win-win opportunities.
- Market Exploitation：Actively exploit overseas markets, increase customer sources, and maintain market competitivness and share.
- Expected Sales Volume and its Basis：The company's sales are expected to continue to grow, with estimated shipments of filters this year estimated to be approximately 9,541,,000 pieces。

6.1.2 Lifecycle management and Key Production Policies

- The company's main products and their uses are as follows:

Dense Wavelength Division Multiplexing (DWDM)	Coarse Wavelength Division Multiplexing (CWDM)	Gain Flattening Filters(GFF) thin-film filters	Narrow Band Pass Filter	Anti-Reflection Coating	Other products
high-frequency broadband thin-film filters, primarily used in backbone networks.	Low-bandwidth thin-film filter, mainly used in local area networks.	provide compensatory signal smoothing, extending transmission distances, and are currently used in triple-play systems.	With a bandwidth of less than 10nm, it can be used with various DWDM and CWDM technologies to improve system quality and bandwidth.	One type of optical element, used in lenses for photography, medicine, astronomical instruments and other fields.	cut-off filters, consumer electronics, etc.

●光通訊濾片產製過程如下-



The upstream and downstream value chains mainly involve the following stakeholders:
Upstream: Suppliers
Downstream: Customers, end-user consumers, and unspecified third parties

●Production technology: Continuously improving production technology standards includes not only improving and enhancing production skills and processes, but also developing automated equipment for production lines to reduce manpower and increase product production stability.

●Process improvements: Increase coating yield and usable area to reduce costs and increase added value; add AOI inspection equipment and multi-band measurement instruments to improve production efficiency and enhance measurement capabilities.

●Management System Improvement: Implementing a MES (Manufacturing Execution System) allows for the integration of process data, enabling data exploration and problem identification to increase production volume and yield.

●Value Chain Management: Actively seek and record feedback from customers and suppliers, integrating efficiency, sustainability, and competitiveness across all stages of the product value chain, from procurement and production to logistics and after-sales service.

6.1.3 Major Sales Policies

Passive Optical Components Market

The European and American infrastructure and B5G fronthaul markets are the main sources of revenue recently. Market fluctuations are greater than before, and construction may be delayed. We are monitoring competitor pricing to influence our pricing strategy. Additionally, some R&D resources are being allocated to developing relationships with US clients.

Cloud data market

AI continues to gain momentum, the 800G market is highly competitive and prices have dropped significantly, and we are working with customers to develop next-generation key components for 1.6TG & CPO (Co-Packaged Optics).

Non-optical communication product market development

Mainly focusing on coating applications related to semiconductor CIS, low-orbit satellites, virtual reality & LiDAR sensors, etc.

Biomedical Market

Flow cytometers offer a wide variety of fluorescence filters with wavelengths ranging from 300 to 850 nm. These filters are used in oncology, immunology, hematology, and pharmacology, making them an indispensable technology in the biomedical field. We continue to expand our customer base and develop new products.

6.1.4 Future Company Development Strategy and Innovation

- To maintain its leading position in optical coating technology, Apogee continues to invest heavily in R&D equipment and talent.

- While Apogee continues to advance its 800Gb/s and 1.6TGb/s optical module filter technology, its forward-looking R&D will focus on 25G-PON and 50G-PON filter technologies, silicon photonics (SiPh) waveguides, co-packaged optics (CPO) protective coatings, edge coupler anti-reflection coatings, and semiconductor low-resistance contacts, laying a solid foundation for future silicon photonics innovation platforms.

- Apogee Corporation's advanced silicon photonics co-packaging R&D is actively developing innovations in dichroic, beam-splitting, and DWDM components to further enhance advanced optical coatings for next-generation optical communication applications.

- The company continues to focus on new specialty process technologies, such as ultra-thin beam-splitting filters for micro-optical systems and optical matching films for fiber arrays. Apogee's advanced Technology R&D continues to develop new materials, processes, optical coating components, and optical modules that may be adopted in the next five years.

- Apogee's advanced Technology R&D continues to develop new materials, processes, optical coating components, and optical modules that may be adopted in the next five years. Apogee also continues to collaborate with external research institutions, including academia and industry alliances, to develop cost-effective optical thin-film technologies and vacuum coating manufacturing solutions for its customers. Its forward-thinking R&D team and its innovations in optical thin-film applications provide customers with competitive vacuum optical coating technologies, driving future business growth and profitability.

6.1.5 Company Outlook

- The optical communications market in 2024 is not significantly different from that of 2023, with the US-China rivalry becoming clearer and demand remaining at a low base. Based on US infrastructure development, it is expected that 5G application-related projects will gradually open for bidding starting in 2025, bringing revenue to the company.

- Looking ahead to future years, as a company in the optical communications industry, its operating performance will be affected not only by technological advancements and market competition, but also by global investment in telecommunications and data centers, relevant regulations and policies, and changes in the overall operating environment.

- Our company maintains a consistently proactive and prudent approach. In addition to close collaboration with key clients to continuously improve production efficiency and yield rates to reduce costs and establish mutually beneficial supply and sales relationships, we also continuously monitor market conditions, develop new products and adjust our operational direction in response to market demand trends, and pay close attention to the impact of laws and regulations on our operations.

6.2 Research and Development

6.2.1 Research and Development Focus

●The company has enhanced its optical communication filter manufacturing and assembly technologies for 800G and 1.6TG applications in cloud data centers. Utilizing its precision coating equipment, it has developed new process methods that precisely control film thickness, refractive index, and stress during thin-film fabrication. Combined with advanced processing and metrology technologies, this increases batch yield, enabling the delivery of the industry's highest quality optical communication filters.

●Semiconductor packaging applications utilize wafer-level vacuum optical coating to deposit various metal or compound thin film products on 6, 8, and 12-inch wafers, including IR-cut filters, waveguide distributed Bragg reflectors, broadband antireflection coatings, VIS bandpass filters, NIR low-shift bandpass filters, mid-far-infrared long-pass filters, and index-match ITO.

●With a well-established R&D team, the company not only continuously strives for excellence in the field of optical thin films, but also collaborates with customers using its precise analytical capabilities and solid coating expertise to develop new products that are competitive in the market and have diverse applications.

6.2.2 Incentive and Subsidy Programs

●Moving towards technological leadership through government incentive and subsidy programs.

Institution Name	Year Achieved	Government Institution and Subsidy Program
Ministry of Economic Affairs	2015~2016	Laser Digital Texturing Composite Machine Tool Technology Development Plan
Ministry of Economic Affairs	2012~2013	Low-k silicon wafer picosecond laser grooving technology development plan
Tainan City Government	2013~2014	Development of 100W High-Power Laser Coating Technology
Southern Taiwan Science Park	2022~2023	Development of optical modules for miniature spectrometers

6.2.3 Research and Development Funding

●In 2025, Apogee Optocom will continue to invest R&D resources as planned. The company believes that although market conditions may fluctuate due to external factors, continuous long-term R&D investment is essential for the company's sustainable development.

●Research and development expenses of Apogee are shown in the table below.

Item/Year	2021	2022	2023	2024	2025
R&D Expenses	99,770	97,995	94,040	96,294	84,085
Net Revenue	518,827	623,993	362,789	329,852	487,310
As percentages of net revenue (%)	19.23	15.70	25.92	29.19	17.25
Number of R&D personnel	37	40	38	18	18

6.2.4 Patents

Number	Patent Name	Application Location	Type	Registration Number	Application Area	Technical Contribution
1	Manufacturing method of optical filters	Taiwan	Invention	I495908	Optical component manufacturing, precision filter production	This provides process methods to improve filter yield and consistency, reduce scrap rates, and has positive benefits for resource utilization and environmentally friendly processes. Precise control of bending angles improves assembly accuracy and reduces human error, thereby reducing material waste and increasing production capacity.
2	Bending device for support plates	Taiwan	New	M479318	Optical module assembly, automation equipment	Precise control of bending angles improves assembly accuracy and reduces human error, thereby reducing material waste and increasing production capacity.
3	Shafts assembly	Taiwan	New	M478688	Precision mechanisms, motor/shaft modules	Improved bearing structure enhances stability and ease of maintenance, extends service life, and reduces maintenance resource consumption.
4	Laser power adjustment device	Taiwan	New	M454025	Laser applications (medical/ communications/processing)	Precise control of laser output power reduces component loss and improves processing accuracy and energy efficiency.
5	Light source or light source waveform processing with multi-piece gain correction filters, Methods for intensity or spectral waveforms	Taiwan	Invention	I226968	Spectral analysis, sensing applications, medical optics	Using multiple filters for spectral correction improves accuracy, reduces power consumption, and extends component lifespan.
6	Method for eliminating grating effects	Taiwan	Invention	I166684	Optical modules and light source control systems	Enhanced spectral and waveform processing capabilities; using optical filters to gain correction technology and optimize light source output accuracy; reduces redundant energy and losses.
7	Rotary vacuum multilayer coating equipment for simultaneous double-sided film deposition	Taiwan	New	M525934	High-precision filter manufacturing and vacuum coating production	By using a rotating mechanism with symmetrical target configuration, not only can the coating efficiency and film thickness uniformity be improved, but the flipping process and the risk of contamination can also be reduced.
8	Monitoring system and method for optical thin film deposition	Taiwan	Invention	I753477	Display modules, production process optimization	By compensating for differences between pixels through voltage correction signals, display uniformity is improved while reducing power consumption and color deviation.
9	Miniature Spectrometer	Mainland China	New	CN216746427U	AOI (Automated Optical Inspection) and Image Processing	Automatic adjustment of optical filters enhances AOI detection contrast and clarity, improves anomaly detection capabilities, and reduces false positives
10	Miniature Spectrometer	Taiwan	New	M624156	Optical filtering systems, multi-frequency laser applications	A switchable multi-filter structure precisely filters and enhances the target wavelength light source, improving system adaptability and reducing module power consumption.
11	Optical Filters	Taiwan	Invention	I765807	Precision positioning system, laser calibration equipment	Integrating optical and mechanical components for precise angle compensation and correction; Improving laser spot reproducibility and reduces calibration frequency.
12	Filters with adjustable spectrum	Taiwan	New	M628996	Filter testing systems and automated inspection equipment	Improve the efficiency of automatic filter inspection by integrating rapid classification and image comparison technologies to reduce manual operations and increase yield.
13	Filters and their manufacturing methods	Taiwan	Invention	I815674	Precision optical filter manufacturing	This invention provides a manufacturing process method to improve the structural stability and light transmission uniformity of optical filters, which helps to reduce deviations and improve finished product quality and yield.

6.2.5 Production

●Our company possesses various coating equipment, supplemented by self-developed high-efficiency automated process equipment, to increase production capacity, improve yield, and shorten processing time, meeting customers' needs for rapid delivery.

●Our company utilizes a self-developed real-time measurement and optical monitoring automatic film thickness compensation mechanism to monitor the spectrum and wavelength in real time, precisely controlling the film thickness distribution, with spectral differences of less than 1nm within a 150mm range. Combined with rigorous quality inspection procedures and precision measuring instruments, this provides the best guarantee for our quality commitment.

6.2.6 Awards

●Recent Awards and Internationally Renowned Achievements

2018 — Awarded "Excellent Supplier Award" by Sichuan Jiuzhou Optoelectronic Technology Co., Ltd.

2019 — Awarded "International Supplier Excellence Award" by Mitsubishi Electric Corporation (Japan)

2021 — Awarded "Excellent Supplier Award" by O-Net Technologies (Shenzhen) Group Co., Ltd.

2022 — Awarded "Excellent Supplier Award" by Shenzhen Flyin Group Co.,Ltd.

6.3 Business Resilience

- The design and lifecycle of the products of Apogee Optocom are deeply affected by international trade and economic conditions, technological development, and changes in market demand. In order to ensure the flexibility of supply chain management, the company needs to have a certain degree of resilience in order to respond quickly to changes in market demand or regulations.
- The following lists aspects of the product lifecycle where resilience should be strengthened, and the company's corresponding measures.

1	Optical Communication Filter Manufacturing Technology (Process Stage)	The international optical communication industry is embracing the new wave of 5G deployment, but is still in its early stages. Base station deployment and specification revisions are proceeding simultaneously. Operators and system providers are constantly adopting various solutions and making multiple adjustments and modifications to specifications. Fiber optic communication components and modules are customized products, with varying customer design specifications and channel numbers, resulting in a large number of product items and difficulties in standardizing requirements and specifications. To quickly meet customer requirements in terms of product variety, specifications, and delivery time, and to adapt to the rapidly changing market, our company proposes the following two countermeasures to simultaneously address customer needs and production line efficiency. (a)Continuously invest in R&D and process optimization capabilities to reduce process losses and improve yield, and collaborate with customers on specification design to reduce process design time. (b)Regular and ad-hoc production and sales meetings will be held to discuss how to proceed with standardized products, and how to allocate production capacity for non-standardized products (making minor adjustments based on market demand or regulatory requirements such as bandwidth) to improve efficiency and meet customer needs, thereby flexibly responding to the demands of emerging markets or changes in regulations.
2	Foreign Currency Exchange Risk (Sales Stage)	From 2018 to 2025, approximately 80% of the company's sales revenue will be denominated in foreign currency, and about 50% of its purchases will also be denominated in foreign currency. Transactions are primarily denominated in US dollars and Japanese yen. Therefore, the company is susceptible to exchange rate fluctuations, which could lead to significant exchange gains or losses and potentially increase operational risks. The company's accounting department maintains close contact with the foreign exchange departments of its banks to collect exchange rate analysis and related information, and to monitor domestic and international exchange rate trends to mitigate the negative impact of exchange rate fluctuations. Furthermore, sales personnel consider exchange rate trends when quoting prices and adjust product prices accordingly to protect the company's profits.
3	Special Process Technology R&D and External Collaboration	As described in Section 6.1.4 Future Company Development Strategy and Innovatio, Apogee Optocom proactively researches emerging optical coating components and modules that may emerge over the next five years, actively investing in R&D and continuously collaborating with external research institutions. Apogee Optocom's R&D team's collaborative relationships with the industry enable the company to quickly integrate emerging external technologies and rapidly incorporate them into product design. This flexible collaboration model allows the company to quickly adapt to technological changes and continue to provide products that meet market demands. As international requirements for environmental regulations and technological innovation continue to increase, through collaboration with external organizations, Apogee Optocom can quickly acquire new technologies and respond to new market demands and regulatory standards.
4	Green Manufacturing Technology and Sustainable Development	With increasingly stringent environmental regulations, Apogee Optocom continuously collaborates with its suppliers to improve product compliance with green standards. The company has established a supplier evaluation system and, since 2021, has encouraged suppliers to sign "Code of Ethics and Supplier Code of Conduct" to jointly enhance corporate social responsibility. It is anticipated that green manufacturing technologies will reduce waste and wastewater emissions and energy consumption. This enables the company to meet the challenges of new regulations and stand out in the international market by implementing green manufacturing technologies.

6.4 Supply Chain Management and Supplier Evaluation Management

1. To ensure that the company's procurement operations, including inquiry, comparison, negotiation, ordering, receiving materials, and payment, are conducted in a standardized manner, and to control the quality and delivery time of procured items to meet the company's requirements, so as to avoid delayed delivery, work stoppage, or material shortages, the company has established the "Procurement and Payment Cycle Internal Control Management Measures".

2. In accordance with the "Supplier Control Procedures," we effectively manage matters related to quality, delivery time, green products, and pricing. Our company actively develops and introduces raw material suppliers to avoid monopolistic supply from any single manufacturer, ensuring no supply shortages. We continuously collaborate with suppliers to improve product compliance with green environmental standards and have established a supplier evaluation system.

3. Our company continuously collaborates with suppliers to improve product compliance with green environmental standards and has established a supplier evaluation system. In accordance with the "Green Product Control Procedures" regarding hazardous substances, we verify the hazardous substance test reports of raw materials.

4. To effectively monitor supplier quality, price, delivery time, and green product offerings, ensuring efficient and compliant procurement and manufacturing operations, our company has established a supplier evaluation system. The supplier evaluation team assesses suppliers based on a supplier evaluation form, evaluating their price, product quality, delivery performance, service, and green product offerings to ensure they meet our requirements. Qualified suppliers with existing business relationships undergo annual re-evaluation; those whose products do not meet hazardous substance regulations are classified as unqualified suppliers.

5. Since 2021, our company has been encouraging suppliers to sign the "Code of Ethics and Supplier Code of Conduct" to jointly enhance corporate sustainability. By 2025, fourteen major suppliers have completed the signing.

6. The company actively develops and introduces raw material suppliers to avoid monopolistic supply from a single manufacturer, ensuring no shortage of materials. For raw materials that can be sourced locally in Taiwan (such as quartz rings), Apogee Optocom will uphold the principles of corporate social responsibility and sustainability, driving the sustainable development of the entire supply chain, actively implementing the localization of materials that can be sourced domestically, while reducing unnecessary air and sea freight costs and lowering the carbon footprint generated during material transportation.

7.The company's "Supplier Control Operating Procedures" have established relevant supplier self-assessment and audit regulations, and the implementation results by 2025 are as follows:

Management Phase	Core Forms/ Implementations	Source of Regulations	Reviewing Deapartment	2025 Implementation Results
Importing and evaluating new suppliers	(1)Supplier Management Card: Suppliers fill in basic information and the quality certification system they adopt.	Supplier Control Operating Procedures	Procurement Department	All conditions are compliant, and there are no major abnormalities.
	(2)Supplier Quality System Self-(Re)Assessment Form: After the company's purchasing unit completes the preliminary assessment or sample testing, it is used to allow suppliers to self-examine and summarize their quality system, green product management and control, and whether they use conflict minerals (the company conducts its own investigation, and the manufacturers will also declare/state that they do not use conflict minerals and RoHS 10 substances).	Supplier Control Operating Procedures	Procurement Department and Audit Department	All conditions are compliant, and there are no major abnormalities.
Purchasing from suppliers	(1)Hazardous substance inspection report, supplier's environmental management substance non-use guarantee, Apogee RoHS compliance declaration, supplier environmental hazardous substance data record form: During procurement, procurement personnel and quality assurance personnel should mainly request suppliers to provide RoHS third-party testing reports (focusing on conflict minerals, other raw materials, and main substances contained in packaging materials, such as the ten RoHS substances, etc.), and proactively investigate whether the source of key raw materials includes conflict minerals; for manufacturers that cannot provide relevant reports, the quality assurance department provides the latter three forms for manufacturers to judge and fill in.	Supplier Control Operating Procedures、Green Product Regulation Procedures	Procurement Department and Quality Assurance Department	All conditions are compliant, and there are no major abnormalities.
	(2)Supplier Incoming Goods Anomaly Statistics Form: When there are anomalies in the manufacturing process or incoming goods, the supervisor shall issue a return slip and record it. When there are delivery anomalies, the quality assurance department shall issue a notification, and the purchasing department shall handle the return or exchange and request the supplier to submit an improvement report.	Supplier Control Operating Procedures、Green Product Regulation Procedures	Procurement Department and Quality Assurance Department	All conditions are compliant, and there are no major abnormalities.
Annual performance appraisal plan and implementation	(1)Performance Appraisal: The Quality Assurance (QA) unit conducts performance appraisals based on supplier quality system self-assessments or survey responses, focusing on aspects such as quality, delivery, service, and green products. Suppliers rated A or B are considered qualified, C is considered under observation, and D is considered unqualified. Unqualified suppliers will not be partnered with	Supplier Control Operating Procedures、Green Product Regulation Procedures	Procurement Department and Quality Assurance Department	As of the end of 2025, none of the vendors rated C or D in the Supplier Management Card evaluation.
	(2)Supplier Quality System Appraisal Plan: In Q4 of each year, major material suppliers complete their annual supplier quality system appraisal plan, which is reviewed by the QA engineer or audited at the factory. The appraisal plan is prepared by the QA engineer and then confirmed by the QA supervisor.	Supplier Control Operating Procedures	Quality Assurance Department	All conditions are compliant, and there are no major abnormalities.

8.To obtain supplier commitments to comply with green or ESG guidelines, the company takes the following measures:
(a)Supplier assurance: Suppliers are required to provide green substance reports (RoHS or REACH).
(b)Regular audits: Suppliers are subject to regular audits, and their compliance is evaluated. Those failing to meet standards are required to rectify the issues.
(c)Guidance provision: The Quality Assurance Department will notify suppliers of any abnormalities in raw material quality/green standards, and both parties will discuss the causes of the abnormalities.

9.It has been confirmed that by 2025, some of the Company's major suppliers have made significant progress on numerous sustainability issues, including but not limited to reducing waste emissions, recycling resources, assessing greenhouse gas emissions, simulating expected financial impacts based on TCFD principles, and formulating relevant countermeasures. Their progress in areas such as R&D investment in green technologies, work safety and health and disaster prevention, community feedback, increasing the proportion of revenue from green products, and preventing corruption has been disclosed in their ESG reports. In summary, by 2025, some of our major suppliers had comprehensively deepened their ESG governance, demonstrating significant progress on key sustainability issues such as environment (waste reduction, carbon inventory, TCFD financial simulation and green technology R&D), society (work safety and disaster prevention, community feedback), and corporate governance (anti-corruption). These concrete results were prominently disclosed in their ESG reports, initially demonstrating that the vision of a sustainable supply chain has been largely realized. Moving forward, we hope to strengthen cooperation and information sharing in core areas to jointly build a more resilient and internationally compliant responsible green supply chain.

6.5 Green Products and Green Procurement

1. The company internally implements the "Environmental Consideration Formulation Procedures," "Environmental Program Implementation Management Procedures," and "Green Product Regulation Procedures," and these procedures have been audited by an external ISO 14001 documentation manager. The implementation methods and results of the 2025 audit are shown in the table below:

Regulation Type	Regulation Name	Review and Implementation Methods	Implementation Results and Practical Mechanisms for 2025
Internal Regulations	Develop operating procedures based on environmental considerations, Environmental Solution Implementation Management Procedures	Internally, the company conducts the following: 1. Reviewing environmental performance; 2. Identifying the company's pollution sources and environmental impact factors, and managing the risks of their environmental impact, serving as a basis for implementing the environmental management system and improving environmental performance. During environmental review and assessment, management considers all potential environmental impacts, including the organization's operational activities and key aspects of product and service processes that interact with the environment (environmental considerations). The assessment scope covers land acquisition and use, supplier manufacturing (including collaborators and stakeholders), raw material purchase and transportation, the company's manufacturing processes, and subsequent transportation and service processes. Impacts of particular concern to the company include, but are not limited to: (a) Air pollutants (b) Waste and land pollution (c) Resource use, noise, and odor (d) Other impacts generated by the products themselves and during service processes.	The internal audit covered compliance with applicable environmental regulations, major environmental considerations (electricity, water, wastewater, and waste), operation of pollution prevention facilities, wastewater monitoring results, waste disposal, relevant environmental permits and periodic reporting, and reviewed environmental objectives and improvement measures at the management review meeting. The audit results showed that no environmental pollution violations occurred in 2025, and there were no cases of non-compliance with regulations or penalties from competent authorities. All monitoring and regulatory requirements were met. The internal audit was conducted from October 1st to October 3rd, 2025. All deficiencies identified in the previous audit have been rectified and confirmed by the external ISO documentation manager.
External Regulations	ISO 14001 Environmental Management System (EMS)	The external ISO documentation manager is responsible for verifying: 1.That the client's management system continues to comply with the requirements of the relevant management system standard ISO 14001:2015; 2.That internal audits and management reviews are continuously planned and implemented, maintaining control levels and progressing on continuous improvement plans; 3.That corrective actions are taken for non-conformities identified in the last audit; 4.That the complaint/customer goal achievement handling process and its effectiveness are evaluated; and 5.That changes and certifications are used appropriately.	1.Plant and Equipment Management (a)Pollution prevention procedures are well managed. (b)No oil is used in machine maintenance, therefore there is no risk of leakage or environmental pollution. (c) Waste classification and storage area management are good. 2.Waste and Wastewater Management (a)The waste disposal company, waste disposal plan, and disposal contract are all compliant or within the stipulated time. (b)Waste has been legally declared and disposed of. (c)Process wastewater is treated in the sewer system, with no leakage incidents. Approved for inclusion in the Tainan Science Park sewage system.統 (d)Obtained a water pollution prevention measures plan and permit. (e)All parameters of water quality testing meet effluent water standards. 3. Life Cycle Perspective： The environmental impact assessment has been extended to the product lifecycle, including: raw materials (glass substrates), process consumption, waste generation and recycling (water), reusable items and end-of-life products. 4. Emergency Response: A fire drill is conducted every 6 months according to the fire response plan, and related records have been submitted to the Tainan City Fire Department. (For related information, please refer to 5.2.5 Safe Working Environment)

2.In 2025, there were no complaints regarding violations of international laws and regulations, the use of customer-defined environmentally restricted substances, or marketing and communication regulations.

3.Our company requires suppliers to submit test reports from third-party impartial bodies, Material Safety Data Sheets (MSDS), and signed commitments not to use environmentally restricted substances. If management regulations change, suppliers will be notified immediately to ensure products meet customer requirements and comply with international standards.

4.Our company continuously collaborates with suppliers to improve product compliance with green environmental standards and has a supplier evaluation system, working together to enhance corporate sustainability.

5.The purchasing department prioritizes products that have obtained environmental labels, energy-saving labels, water-saving labels, green building material labels, and carbon labels, effectively reducing greenhouse gas emissions through green procurement. We periodically review the quality of raw materials from suppliers. Our waste management principles are to reduce waste generation, increase recycling rates, continuously promote reduction and improvement, and gradually implement a shared commitment to environmental sustainability with suppliers.

6.6 Deepening Governance and Cross-Sectoral Response Mechanisms to Address the Substantive Impacts of Climate Change

1.Regarding the climate transition and physical risks identified in 3.3.3, our company goes beyond strategic assessment, statistical data collection, and the development of implementation measures. We plan to further internalize climate change issues into the organization's daily operations and cross-departmental collaboration mechanisms. By incorporating sustainability information into internal control systems and establishing real-time joint prevention mechanisms across production lines and factories, our company is accelerating the implementation of a climate-resilient transformation.。

2.Sustainability indicators being internally controlled:

(1)Cross-departmental daily promotion: At present, the Sustainability Temporary Project Team coordinates with the Finance and Management Departments (compiling, compiling, and reporting sustainability information including carbon inventory, planning community service activities, introducing accounting standards IFRS S1 S2 18, and reviewing capital budgets), the Plant Administration Department (water and electricity conservation and prevention of extreme climate disasters), the Procurement Department and the Sales Department - Green Supply Chain and Production Line Department (process waste reduction) to break down energy conservation and carbon reduction targets (KPIs) to each responsible unit, and is considering linking the targets to salary adjustments in future years.

(2)Formal Inclusion in Annual Audit: In December 2024, the Company established the "Sustainability Information Management Procedure" and, starting in 2025, formally incorporated objectives such as climate change risk management into the Company's audit plan. Through independent oversight by internal auditors, the Company ensures that all departments implement carbon intensity control for the 2025 baseline year, thereby substantially aligning climate governance with the Company's internal control system. For details regarding key risks and audit methods focused on by internal auditors, please refer to Section 3.1.8 Information Disclosure and Section 3.3 Risk Assessment and Management Preface.

3.Continuously monitor international climate change trends and requirements:

(1)Regularly track international regulations and climate policies: Closely monitor the Paris Agreement and related international regulations, as well as the latest international green initiatives since COP29, especially commitments to greenhouse gas emissions and carbon neutrality. Adjust the company's response strategies in accordance with international changes, understand changes in global carbon trading markets (such as the EU Carbon Trading System ETS) and carbon tax policies, and prepare for potential cost increases to reduce the impact on the supply chain and business operations.

(2)Tracking Climate Risk Assessment Indicators and Reporting Framework: Following the recommendations of the Working Group on Climate-Related Financial Disclosures (TCFD) and the Working Group on Nature-Related Financial Disclosures (TNFD) advocated by the Financial Stability Board (FSB), the Board of Directors (the company's highest governance and oversight body) should gradually identify, assess, and manage climate change risks, identify their long-term impact on the company's business, strategy, and finances, and track the achievement of climate change-related indicators and carbon emission targets.。

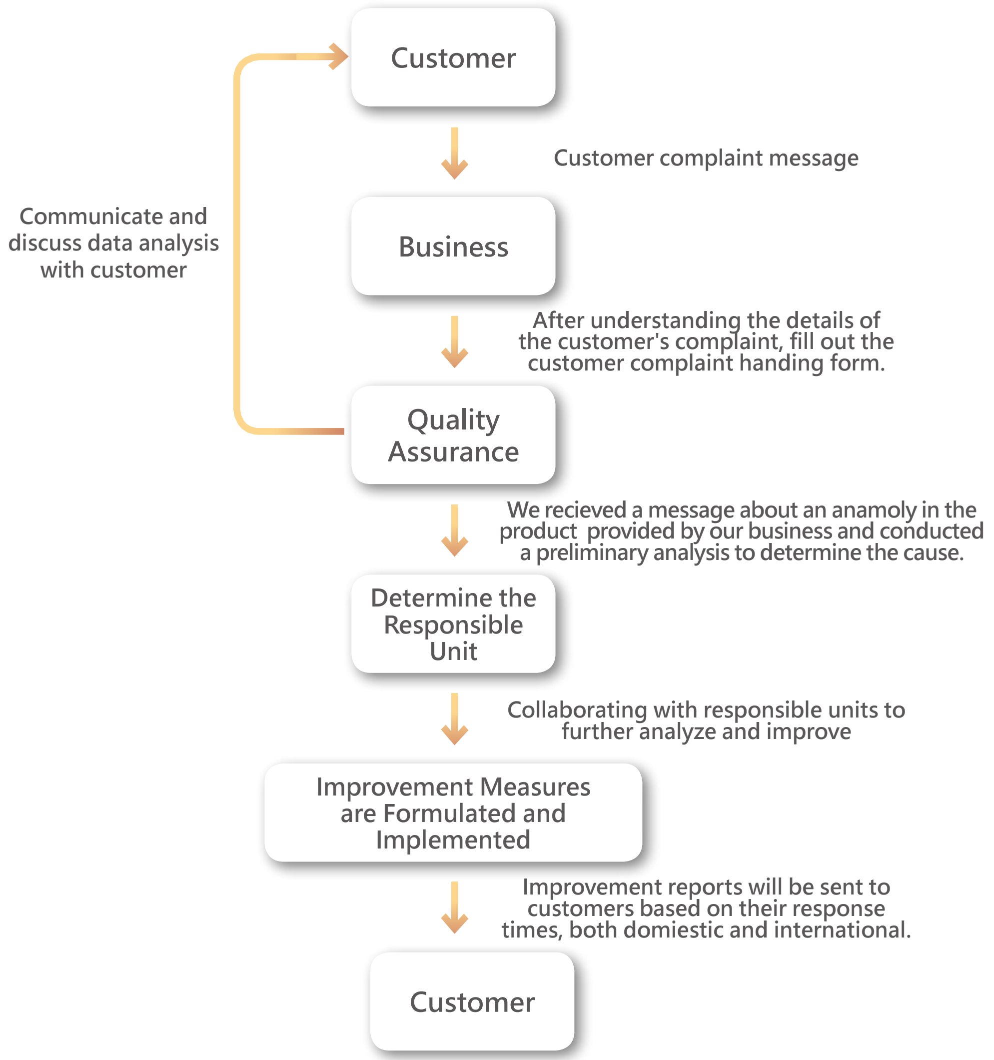
CHAPTER 7

Customer Satisfaction and Social Relations

7.1 Customer Satisfaction and Product Service

- The company has earned the long-term trust and support of our customers through stable quality and reasonable prices. Furthermore, through continuous innovation and R&D, we have expanded into thin-film filters for diverse applications, and we spare no effort in process improvement.
- We continuously strengthen the importance all employees place on product quality, aiming to reduce return rates year by year through highly conscious operational management, ultimately achieving the goal of zero returns and zero customer complaints. We are committed to thoroughly fulfilling our quality promise to customers, making quality one of the core values of the company.
- The company values every customer complaint. Upon receiving a quality complaint, we immediately notify the highest-ranking manager in the sales unit. In accordance with the "Corrective and Preventive Action Procedures" we promptly take action and prepare a follow-up report detailing the cause of the complaint, the incident's sequence of events, subsequent handling, and attribution of responsibility. This report is then promptly relayed to the relevant managers and the customer, aiming to minimize customer complaints and losses.
- The regulations of "Corrective and Preventive Action Procedures" are as follows:
  1. Quality Control (QC) conducts inspections according to the Quality Control Plan. If any non-compliance is found, an Abnormality Handling Form is issued. Sales receives customer complaints and, to determine internal responsibility, must issue a Customer Complaint Handling Form.
  2. Upon receiving an Abnormality Handling Form, the responsible unit must analyze the cause and propose corrective and preventative measures. Where feasible, parallel implementation to similar processes/products and updating of opportunities and risks should be considered. QC is responsible for tracking the implementation of countermeasures and confirming the effectiveness of improvements.
  3. When a sales unit receives a customer complaint, it must thoroughly understand the content of the complaint before filling out a customer complaint handling form and submitting it to the quality control unit for processing.
  4. When the quality control unit receives customer complaints from the sales department, it should first identify the responsible unit, and then work with the responsible unit to further analyze the complaint and formulate and implement improvement measures.
  5. The Quality Assurance (QA) department will send a preliminary improvement report to the client. Domestic and international clients have different response timelines. QA can assist clients by providing impartial, nationally accredited third-party testing reports.

Corrective and Preventive Action Procedures



● In 2025, Apogee Group did not experience any major product safety incidents that posed a threat to customers. A total of 76 cases were reported in 2025. The types and percentages of customer complaints are as follows:

Anomaly Classification	Numbers	Percentage
Human Error	15	19.74%
Client-Side Measurement Issues	24	31.58%
Process-Related Issues	24	31.58%
Packaging-Related Issues	2	2.63%
Measurement and Standards-Related Issues	6	7.89%
Cause of Issues not in Apogee	2	2.63%
Others	3	3.95%
Total Orders in 2025	23,183	
Customer Complaints as a Percentage of Orders	'0.33%	

Anomaly Classification	Overview of patterns
Human Error	Errors in testing, repackaging, ordering, unit price, or parameter labeling
Client-Side Measurement Issues	Anomalies in Process parameters, judgment procedures, production
Process-Related Issues	Damage or marks on materials or packaging during assembly or unpacking
Packaging-Related Issues	The new measurement settings are incorrect, or the client-side standards are unclear or incorrect
Measurement and Standards-Related Issues	Customer complaints caused by machine equipment within the factory (None in 2025)
Issues not attributable to Apogee	Issues not attributable to Apogee (including measurement errors between the parties and unclear standards occurring at the client's location)
Others	Liability attribution is being determined

● In summary, the customer complaint rate for Apogee Group's product orders in 2025 was 0.33%, of which 65.79% were attributable to Apogee itself. Analysis revealed the main causes to be: process errors, human error, and incorrect measurement settings. 96.05% of the cases were rectified within the specified timeframe and subsequently handled according to preventative action standards, with customer approval.

● We will strengthen customer service tracking in accordance with the "Customer Satisfaction Measurement Procedure".

(1)We will regularly send customer satisfaction surveys to the top 20 customers with the largest monthly transactions and sales volume every October.
(2)The evaluation items include service, delivery time, quality, etc. All issues raised by customers in 2025 were properly addressed and resolved by the sales department/production department.

● Implementation Results

(1)Measures to prevent recurrence of each anomaly are in place, along with corrective and preventative measures, which are strictly implemented by personnel according to regulations.
(2)Customer complaints have decreased, while the variety of products has increased.
(3)The main customer complaints this year were due to discrepancies between the actual specifications and appearanc of the shipped spectrum and the customer's expectations caused by the setting of measurement parameters, accounting for approximately 62%.
(4)Our process and quality assurance personnel write customer complaints and improvement plans in a briefing or customer-specified format. After production is improved or reproduced, the goods are returned or exchanged. The complaint content, cause, improvement measures and handling methods are recorded in the customer complaint handling form. Every customer complaint is properly filed and closed.

● Goals

(1)Improve the understanding of potential failure modes related to process issues and enhance risk assessment capabilities.
(2)Strengthen technical exchanges and communication with customers to gain a deeper understanding of their actual needs and grasp market development trends.
(3)Strengthen technological research and development capabilities, continuously collaborate with customers to develop new products, and expand applications in different fields.
(4)Enhance personnel's understanding of the characteristics of the assembled product, providing suggestions for customer evaluation and assistance in resolving usage issue.
(5)Ensure that customer requirements and needs are met promptly.
(6)Identify and address risks and opportunities that affect product and service quality and enhance customer satisfaction.

7.1.1 Product Quality

- The company's "Quality Policy" is based on the company's business philosophy, reviewed and established through quality management system discussion meetings, and promoted by management representatives. All departments cooperate in its implementation and maintenance, ensuring that all employees fully understand and execute it. Providing customers with satisfactory products and services is integrated into all aspects of our work, continuously improving product quality to provide customers with satisfactory products and services.
- The company has established a "Quality Environment Manual," designed based on the models of ISO 9001 and ISO 14001 international standards organizations. It serves as the highest guiding principle for our quality management system and the basis for the operational procedures of each department. The aim is to establish a complete, economical, and effective quality environment management system and provide customers with products of guaranteed quality.

7.1.2 Quality Management System

- In 2007, the company implemented the ISO 9001 Quality Management System and has continuously passed audits and certifications by international verification bodies.
- To avoid human-specific variations, our factory strictly implements measurement and monitoring using automated measuring instruments.
- To ensure that our products meet customer needs, all our measuring and calibration instruments are sent to reputable laboratories or qualified testing organizations for calibration on a regular basis. Through periodic calibration, we are able to produce the highest quality products that earn customer satisfaction and trust.
- We obtained ISO 14001 Environmental Management System certification in April 2009. The certification renewal was completed by the end of 2023.
- We strictly adhere to regulations regarding environmental protection, recycling, and related matters. We continuously pass audits and certifications by international verification bodies.

ISO 9001 Quality Management System Certificate

Certificate of Registration

Apogee Optocom Co., Ltd.

ISO 9001:2015

Scope of Registration:
Production of Optical Filters.

NSF International Strategic Registrations

ISO 14001 Environmental Management System Certificate

Certificate of Registration

Apogee Optocom Co., Ltd.

ISO 14001:2015

Scope of Registration:
EMS of Production of Optical Filters.

NSF International Strategic Registrations

7.1.3 Product quality improvement and control

●The company has established a comprehensive quality improvement and control mechanism, covering:

1. **Raw material incoming quality control (IQC) procedures**
incoming inspection, non-conforming product control, and product protection.

2. **In-process quality control (IPQC) measures**
process control, human resource allocation, quality planning, regular calibration of measurement and production equipment, digital document control, and outgoing quality control (OQC).

3. **Promote technological improvements in key processes**
In 2025, a precise full inspection and sampling inspection grading model will be adopted for filter products. Through two major countermeasures, namely "improving coating uniformity" and "introducing alignment fixtures to optimize the cleaning process", the process defect rate and customer complaint rate will be effectively reduced, and resource waste (products scattered in the process field) will be reduced.

4. **Strict traceability and verification**
Combine the labeling system with the manufacturing number, and implement the identification and traceability of the entire product life cycle according to the inspection requirements of each product.

5. **Automation Transformation**
Establish a dedicated automation department to independently develop and assemble automated machines and measurement equipment. Automating replacements for "monotonous and highly repetitive" work processes not only eliminates the risks of manual operation, reduces repetitive labor damage, and ensures the safety of employees, but also significantly improves production efficiency.

Quality Inspection

(1)Evaluate new inspection methods, statistical methods, and abnormal response handling methods.

(2)Implement IQC, IPQC, and OQC operations, complete relevant inspection reports, and archive them.

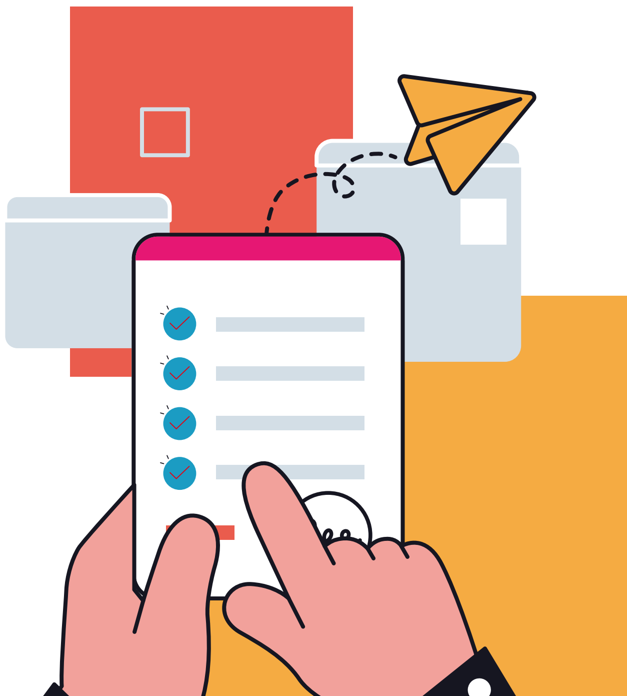
(3)Suppliers are required to collect, analyze, and verify the quality-related documents and information.

(4)Starting in 2025, hold weekly production meetings to integrate Advanced Technology R&D, Production, and Quality Assurance departments, conduct regular feedback analysis, and implement improvements and follow-ups.

(5)Implement a production line self-inspection model and IPQC patrol inspections. The audit defect rate will decrease month by month, improving process and production line deficiencies, and increasing capacity and quality.

(6)In 2025, the quality inspection model primarily focused on full inspection of filters. For products with more lenient specifications, only a certain number will be sampled for testing. Work orders with poor sample yield will then undergo full inspection.

(7)The production department can take the following two measures to address non-conforming samples and reduce the defect rate:
a. Improve coating uniformity and spectral coating degree to reduce the problem of non-conforming spectral samples.
b. Use alignment fixtures to avoid the problem of wax-cutting products scattering onto the cleaning fixture.



7.1.4 Green Products and Environmental Sustainability Commitment

●Same as 6.4 Supply Chain Management and Supplier Evaluation Management, the company, in accordance with the "Supplier Control Operating Procedures," requires all external suppliers to sign a "Guarantee of Non-Use of Environmentally Managed Substances," preventing harmful substances from entering products at the source.

●To ensure that manufactured products meet customers' green and environmentally friendly requirements, the company has established an "Environmental Policy Management Procedure." Through the selection of products free of harmful substances and the implementation of relevant personnel training, the company aims to produce green products, adopting more environmentally friendly practices to improve product quality and stability while fulfilling its corporate responsibility for environmental sustainability.

7.1.5 Product Development and Protection of Customer Confidential Information

●Our company is committed to product development and design. During the development process, we produce samples according to customer needs and provide timely improvement suggestions to give customers a better competitive advantage and a firm foothold in the market.

●We ensure the integrity, accuracy, and security of documents in accordance with the "Design and Development Control Procedure," "Design Change Management Procedure," "R&D FMEA Operating Procedure," "Manufacturing FMEA Operating Procedure," and "R&D Document Control Procedure".

●To ensure that internal company information is not leaked and does not endanger customers, our employees sign confidentiality agreements and non-compete clauses upon employment. We also strictly control personnel access to all factory areas and work sites through a 24/7 monitoring system and access control.

●Our company has a strict control mechanism for information disclosed by customers and information that may involve customers' intellectual property rights to ensure that there is no risk of data leakage. We also sign confidentiality agreements with clients and suppliers to ensure the security of confidential information.

●The main provisions of the confidentiality agreement signed with clients are as follows:

1.Any confidential information obtained by the company that relates to the client's production management, sales, human resources, or technology must be marked as confidential, and the company must maintain the confidentiality obligations with fiduciary duty of care.

2.The use of confidential information is limited to the scope authorized by the client and must not be disclosed to any third party.

3.The term of the confidentiality agreement is five years from the date of legal signing.

4.Confidential information (including intellectual property rights, patent rights, etc.) is the property of the client, and the client may retrieve/destroy it at any time.

5.Apogee shall be liable for damages if confidential information is damaged due to its own fault.

●Our company prioritizes information security and has established rigorous and clear preventative measures to prevent the use, disclosure, damage, modification, viewing, recording, and destruction of information. Access to and transmission of important data, as well as the use of USB drives and internal networks, are strictly limited to specific users and are protected by multiple layers of restrictions and security safeguards.

●In response to significant cybersecurity risks, the company's main countermeasures under the "Computer Data Control Regulations" and the cybersecurity department's new annual countermeasures/sustainable goals and evaluation indicators are shown in the table below.:

Corresponding Cybersecurity Risks	"Computer Data Control Regulations" and Implementation Measures	Future Annual Sustainability Goals	Sustainability Target Assessment Indicators	Corresponding Material ESG Issues
Excessive employee privileges and disorganized data	After the relevant application forms are completed and approved, the application will be released.	Continue to implement and adjust as needed.	Form pass rate	Material topics risk management, Customer privacy ,Information security
	System Data Backup: Each unit stores data in network storage areas that require backup or are open for public use. Folders are categorized as restricted/general access.	1. Digitalization of Data Control: Fully implement paper/physical management methods through automated blocking and auditing to achieve "zero incidents" of confidential data leaks. 2. Access Control Principle: Completely categorize and isolate confidential data. 3. Compliance with International Cybersecurity Standards: Starting in 2026, gradually implement ISO/IEC 27001:2022 controls to establish a fully compliant mechanism for sensitive data protection and user behavior review.	1.Confidentiality leakage rate 2. ISO/IEC 27001 standard achievement rate	
	Backup Defense: Ensure that files have at least 3 backups, on at least 2 different storage media, and include at least one offline/unalterable backup to fundamentally defend against ransomware threats.	Continue to implement and adjust as needed.	Archive backup rate	
Outdated equipment systems and production line safety protection	1. External Storage Device Control: Without permission from the supervisor of the applicant's department and the IT department supervisor, the use of personal external storage devices or media, such as USB flash drives, external hard drives, floppy disks, CDs, and tapes, is prohibited. IT personnel must verify that the applicant's work content matches the application requirements. 2.Firewall Installation for Internal and External Network Connections: All computers are equipped with antivirus software, and IT personnel regularly perform virus scans. A strict isolation policy is implemented to block external connections to production line computers.	1.High-Risk Asset Isolation: For legacy systems that cannot be upgraded (such as old production line machines and older versions of Windows), comprehensive network mitigation measures are established through firewall isolation technology. 2.Application Whitelisting: Implement locking functionality to allow only specific production programs to execute. 3.Zero Trust Transformation (ZTNA): Moving towards ZTNA—never trusting, continuous verification.	Unauthorized USB flash drive usage rate: Number of devices inserted into unauthorized USB flash drives without permission. (Target value: 0 items/month)	Material topics risk management, Customer privacy, Information security, Employee Health and Safety, Product quality and safety
Cybersecurity credential theft vulnerability	1.Mandatory Multi-Factor Authentication (MFA): Thoroughly prevents account password leaks, adding a second line of defense for login. 2.Endpoint Compliance Check: Restricts VPN access to insecure devices or those without antivirus software. 3.Minimum Access Control: Dial-in accounts can only access specific IPs/ports. 4.System Login, Username/Password, and Connection Time Control: Limits login attempts and connection time, and controls password security strength. 5.Mobile Endpoints: Prohibits employees from bringing unauthorized personal information devices to the company; disables unnecessary USB ports in high-risk departments. 6.Privileged Account Management: Privileged permissions require formal written/electronic authorization. Permissions must be immediately revoked upon employee job changes, resignation, or suspension; vendor maintenance and remote connection auditing are implemented. 7.Tamper-Proof Audit Logs: Protects logs from unauthorized alterations or deletions. Detailed records of administrator and operator activities (including time, involved accounts, and fault codes) are maintained and synchronized with system messages. 8.CIO SOC 7x24 All-Time Cybersecurity Collaboration: Pre-emptive threat and intelligence defense, 24/7 monitoring during incidents, real-time alerts, and post-incident analysis, suggestions, and forensic identification.	1.Zero Trust Transformation (ZTNA): Moving towards ZTNA—never trusting, continuous verification. 2.Least Privilege: Dial-in accounts can only access specific IPs/ports. 3.Digitalization of Data Control: The paper/physical management methods will be fully implemented through automated blocking and auditing to achieve "zero incidents" of confidential data leaks. 4.Compliance with International Cybersecurity Standards: Starting in 2026, ISO/IEC 27001:2022 controls will be gradually implemented to establish a fully compliant mechanism for sensitive data protection and user behavior review.	1.Privilege Approval Overdue Rate: The percentage of temporary write permission requests that are not reviewed within 24 hours or are not automatically closed after the deadline. 2. Mean Time to Respond (TTR): The average time from when the CIO SOC issues a suspected data breach alert to when the IT team completes physical isolation. (Target value: <30 minutes) 3.ISO/IEC 27001 Standard Compliance Rate	Material topics risk management, Customer privacy, Information security, Employee Health and Safety

- In 2025, the company's IT and business departments did not receive any complaints from customers regarding privacy violations or data loss.
- Product labeling and markings are handled in accordance with each product's characteristics, customer requirements, and relevant local regulations. There were no fines incurred in 2025 for violating product labeling regulations.
- The company fully implements a quality-first management system, continuously striving for customer satisfaction through quality and service. The sales department is responsible for handling customer complaints and grievances.

CHAPTER 8

Social feedback and participation

8.1 Social donations and participation

● Recognizing that single-parent families are often economically disadvantaged groups with limited incomes, and that children in such families lack access to the resources available to children from dual-income households, our company donates NT$20,000 monthly to the Single Parent Educational Foundation. This aims to help children from single-parent families regain a carefree and happy childhood, while also ensuring they have access to the educational and other resources available to children from working families.

● The company also encourages employees to participate in community service activities, such as beach cleanups and community cleanups, to give back to society, fostering harmony and allowing everyone around them to feel peace and joy.

● In 2025, apart from participating in the The Association of Allied Industries in Science Park(ASIP), our company did not participate in any other industry associations, member associations, or national or international advocacy organizations.

8.2 Charity activities

● Apogee Optocom hosted 2025 beach cleanup event

1. Event Date: November 15, 2025 (Saturday)
2. Event Address: Wangziliao Sandbank, in Lagoon of Qigu District, Tainan City
3. Apogee Optocom has organized a "Protecting the Ocean: Clean-up Campaign," urging everyone to recognize the importance of beach cleanup and marine conservation. During the clean-up, participants learned how to sort and recycle waste, avoid damaging the natural ecosystem, ensure garbage bags are sealed, and understand sustainable development. This aims to change everyone's habits and lifestyles, including reducing plastic use, recycling, and picking up litter, promoting a commitment to a sustainable environment.

8.3 Charitable donations and purchases

●The company regularly donates NT$20,000 monthly to the Single Parent Educational Foundation.

●Certificate of Appreciation from the Genesis Social Welfare Foundation

●Mid-Autumn Festival Charity Gift Box Order (220 boxes)

1.Event Date: October 2, 2025 (Thursday)

2.Event Site: Apogee Optocom Co., Ltd.

3.Continued support for corporate gift orders during the holidays demonstrates our care for employees. In addition to Mid-Autumn Festival bonuses, we also donate solid egg roll charity gift boxes to give back to society and care for every vulnerable group, supporting their growth together.

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External Assurance and Certification

Accountant's Limited Assurance Report

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Building a better working world

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會計師有限確信報告

統新光訊股份有限公司　公鑒

確信範圍

本會計師接受統新光訊股份有限公司(以下簡稱統新公司)之委任，對2025年度永續報告書中所選定之永續績效資訊 (以下稱「標的資訊」)，執行財團法人中華民國會計研究發展基金會所發布之確信準則所定義之「有限確信案件」並出具報告。

標的資訊及其適用基準

有關統新公司之標的資訊及其適用基準詳列於附件一。

管理階層之責任

統新公司管理階層之責任係參考適當之基準編製標的資訊，包括參考全球永續性報告協會(Global Reporting Initiatives, GRI)所發布之2021年GRI 準則(GRI Standards)，及依照永續會計準則委員會(Sustainability Accounting Standards Board, 簡稱SASB)針對科技及通訊(Technology&Communications)產業發布的揭露標準，統新公司管理階層應選擇所適用之基準，並對標的資訊在所有重大方面是否依據該適用基準報導負責，此責任包括建立及維持與標的資訊編製有關之內部控制、維持適當之記錄並作成相關之估計，以確保標的資訊未存有導因於舞弊或錯誤之重大不實表達。

本會計師之責任

本會計師之責任係依據所取得之證據對標的資訊作成結論。

本會計師依照財團法人中華民國會計研究發展基金會所發布之確信準則3000號「非屬歷史性財務資訊查核或核閱之確信案件」之要求規劃並執行確信工作，以發現標的資訊在所有重大方面是否有未依適用基準編製而須作修正之情事，並出具有限確信報告。本會計師依據專業判斷，包括對導因於舞弊或錯誤之重大不實表達風險之評估，以決定確信程序之性質、時間及範圍。

本會計師相信已取得足夠及適切之證據，以作為表示有限確信結論之基礎。

會計師之獨立性及品質管理

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

本事務所遵循品質管理準則1號「會計師事務所之品質管理」，該品質管理準則規定組織設計、付諸實行及執行品質管理制度，包含與遵循職業道德規範、專業準則及適用之法令規範相關之政策或程序。

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所執行程序之說明

有限確信案件中執行程序之性質及時間與適用於合理確信案件不同，其範圍亦較小，因此，有限確信案件中取得之確信程度明顯低於合理確信案件中取得者。本會計師所設計之程序係為取得有限確信並據此作成結論，並不提供合理確信必要之所有證據。

儘管本會計師於決定確信程序之性質及範圍時曾考量統新公司內部控制之有效性，惟本確信案件並非對統新公司內部控制之有效性表示意見。本會計師所執行之程序不包括測試控制或執行與檢查資訊科技(IT)系統內資料之彙總或計算相關之程序。

有限確信案件包括進行查詢，主要係對負責編製標的資訊及相關資訊之人員進行查詢，並應用分析及其他適當程序。

本會計師所執行之程序包括：

- 與統新公司人員進行訪談，以瞭解統新公司之業務與履行永續發展之整體情況，以及永續報導流程；
- 透過訪談、檢查相關文件，以瞭解統新公司之主要利害關係人及利害關係人之期望與需求、雙方具體之溝通管道，以及統新公司如何回應該等期望與需求；
- 與統新公司攸關人員進行訪談，以瞭解用以蒐集、整理及報導標的資訊之相關流程；
- 檢查計算標準是否已依據適用基準中概述的方法正確應用；
- 針對報告中所選定之永續績效資訊進行分析性程序；蒐集並評估其他支持證據資料及所取得之管理階層聲明；如必要時，則抽選樣本進行測試；
- 辨認及測試支持計算的假設；
- 針對來源資訊之相關文件，抽選樣本進行測試以檢查其正確性；
- 閱讀統新公司之永續報告書，確認其與本會計師取得關於永續發展整體履行情況之瞭解一致；

先天限制

因永續報告中所包含之非財務資訊受到衡量不確定性之影響，選擇不同的衡量方式，可能導致績效衡量上之重大差異，且由於確信工作係採抽樣方式進行，任何內部控制均受有先天限制，故未必能查出所有業已存在之重大不實表達，無論是導因於舞弊或錯誤。

結論

依據所執行之程序及所取得之證據，本會計師未發現標的資訊有未依照適用基準編製而須作重大修正之情事。

安永聯合會計師事務所

會計師：洪國森

民國一一五年八月二十八日

附件一：

編號	頁次	內文標題	標的資訊	適用基準	其他說明
1	55	4.3 廢水/廢棄物管理及回收再利用	廢棄物管理成效中2025年度之一般事業廢棄物、生活廢棄物、回收廢棄物及廢水處理之總量。	統新公司依據南部科學園區台南園區資源再生中心請款費率明細表以及南部科學園區繳款聯單統計各類別廢棄物處理之總量。	2025年度統新依循 GRI 306-5 所揭露之廢棄物處理總量。 ● 以公噸為單位計算從廢棄物處置中所轉移出的廢棄物總重，並依據廢棄物組成成分進行分類 ● 依據不同處置方式進行分類的非有害廢棄物總重（以公噸為單位）
2	51~55	4.1 能源管理 4.2 水資源管理	2025年度外購電力消耗總量及水資源數據之自來水總取水量。	統新公司依據台灣電力公司之電費單統計全公司全年度用電量，並依據台灣自來水公司統計全公司全年度取水量。	● 2025年度統新依循 GRI 302-1a、303-3a 所揭露之能源消耗量及自來水取水量。

External Assurance and Certification

Greenhouse Gas Verification Opinion (2024 & 2025) Issued by Third-party Verification Body in accordance with ISO 14064-1:2018.

OPINION STATEMENT

溫室氣體查驗意見聲明書

2024溫室氣體排放資訊

統新光訊股份有限公司

臺南市新市區南科三路7號4樓

經本公司依據 ISO 14064-3:2019 完成查驗並符合下列標準要求

ISO 14064-1：2018

類別1 直接溫室氣體排放量
357.9841公噸二氧化碳當量
類別2 能源間接溫室氣體排放量
5,115.2823公噸二氧化碳當量
類別3~6 其他間接溫室氣體排放量
1,693.1230公噸二氧化碳當量
溫室氣體排放總量7,166.389公噸二氧化碳當量

Opinion No.: ARES/TW/F2607729G
Date: 2026-07-16
Version: 01

意見中須含完整的查驗範圍、目標、標準和調查結果，否則意見無效。

Authorized by :

ARES International Certification Co., Ltd.
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OPINION STATEMENT

溫室氣體查驗意見聲明書

2025溫室氣體排放資訊

統新光訊股份有限公司

臺南市新市區南科三路7號4樓

經本公司依據 ISO 14064-3:2019 完成查驗並符合下列標準要求

ISO 14064-1：2018

類別1 直接溫室氣體排放量
358.5232公噸二氧化碳當量
類別2 能源間接溫室氣體排放量
5,844.7371公噸二氧化碳當量
類別3~6 其他間接溫室氣體排放量
1,893.8349公噸二氧化碳當量
溫室氣體排放總量8,097.095公噸二氧化碳當量

Opinion No.: ARES/TW/F2607706G
Date: 2026-07-16
Version: 01

意見中須含完整的查驗範圍、目標、標準和調查結果，否則意見無效。

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