

台灣櫻花 2024年 永續報告書

Taiwan Sakura Corporation 2024 ESG Annual Report

SAKURA **AI** NOW



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About The Report

Taiwan Sakura Corporation (hereinafter referred to as "Taiwan Sakura or the Company") upholds the principles of openness, transparency, integrity and completeness to present Sakura's stakeholder engagement and involvement in ESG issues in 2024 to the public honestly, and prepares the 2024 ESG Report (hereinafter referred to as the "Report".) Through the Report, we hope to explain the results of the Company's efforts in ESG, namely Environmental, Social and Governance, and to facilitate stakeholders' understanding about Taiwan Sakura's vision and philosophy and also determination to move towards sustainable development. We also work with consumers to build a happier and better home life for the society and environment.

□ Report Boundary and Scope

Scope of information disclosure: The disclosure focuses on the Taiwan headquarters and manufacturing sites. Certain information covers the consolidated subsidiaries of Taiwan Sakura. If any areas not included in said descriptions are involved, they will be marked and explained in the Report.

□ Report Disclosure Issuance

Information disclosure period: January 1, 2024 to December 31, 2024
Issue date: Issued in August 2025/Previous version: Issued in August 2024. Once a year.

□ Report Preparation Principles

The Report was prepared and disclosed in accordance with the requirements of the 2021 GRI Standards issued by the Global Reporting Initiative (GRI), the "TWSE Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies," the Task Force on Climate-Related Financial Disclosures (TCFD), and the "Electrical Manufacturing" standards and indicators issued by the Sustainability Accounting Standards Board (SASB). The financial data in the Report are based on the annual financial report certified by EY Taiwan.

□ Report Management Principles

Information Compilation

The information contained in the Report is provided, verified and confirmed by the responsible departments of Taiwan Sakura to ensure the accuracy and completeness of the data that can meet the expectations of stakeholders. The Business Planning Division is responsible for the overall planning, management, and information compilation of the Report.

Internal Review and Approval

The complied report is checked and proofread by the responsible departments of Taiwan Sakura for its completeness and correction to ensure meeting the "TWSE Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies" and "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies."

External Verification/Audit

The Report has not yet been subjected to external verification/audit.

□ Contact Information

For any comments, inquiries, or suggestions regarding the Report or the sustainable development of Taiwan Sakura, please feel free to contact us:

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Message from the Chairman



Yung-Chieh Chang, Chairman of Taiwan Sakura Group

2024 was called as a "global election year" marked by dramatic political upheavals, rising geopolitical tensions, restructuring international order, transformation in energy policy, and frequent trade conflicts. These plunged the global landscape into uncertainty and intensifying industrial competition. Faced with these unprecedented challenges, Taiwan Sakura, adhering to our "consumer-oriented" business philosophy and our long-term commitment to "lifelong service," persevered through this adversity and fully demonstrated our resilience and adaptability. Our keen insight into market changes and our ability to quickly respond to diverse consumer requirements have driven us to grow continuously and solidify our market leadership.

However, while growing, we are keenly aware of the significant challenges of climate change and global warming that we are facing. According to the "Global Risks Report 2025" issued by World Economic Forum in January, 2025, environmental risks such as natural resource depletion, extreme weather events, and loss of biodiversity will remain ranking among the top five high-

risk issues for the next two to ten years. Furthermore, the widening social divide and rapid development of artificial intelligence have made it more difficult to identify misinformation and disinformation, and this further weakens the foundation of global collaborative governance and increases the uncertainties and risks in business operations.

As a socially responsible corporate citizen, Taiwan Sakura continues to align with international sustainability trends, support the United Nations Sustainable Development Goals (UN SDGs), and further implement our ESG vision roadmap announced in 2023 under the three core pillars: "building a positive inclusive society proactively," "promoting a green and sustainable value chain," and "strengthening the control over environmental impact governance," with four corresponding practical aspects: promoting social welfare, promoting net-zero waste reduction, creating a diverse and inclusive workplace, and improving corporate governance transparency. This will serve as our concrete action guidelines for implementation of our core sustainability values. We will continue to deepen the ESG concept in our daily operations, implement a sustainable transformation from internal governance to the external value chain, and prudently lead the Company towards the long-term goal of sustainable development.

Chairman of Taiwan Sakura Group

A handwritten signature in black ink, likely belonging to Yung-Chieh Chang, the Chairman of Taiwan Sakura Group. The signature is stylized and cursive.

Honor & Recognition



Best Consumer Brands
of 2021

1st place in the “ideal
brand” among consumers
A champion for 36
consecutive years
(2021)



Taiwan Excellence
Award for 22 consecutive
years
(2004~2025)



IDA International Design
Awards
(2024)



NY Product Design
Awards
(2024)



European Product Design
Award
(2024)



BLT Built Design
Awards
(2024)



4 Future Awards
(2024)



French Design Awards
(2024)



reddot winner 2024

Red Dot Design Award
(2024)



Wild Design Awards
(2024)



Melbourne Design
Awards
(2024)



Milan Design Awards
(2024)



Berlin Design Awards
(2023)



Paris Design Awards
(2023)



Novum Design Award
(2022)



















Muse Design Awards
(2022)



Golden Pin Design Award
(2021)

2024 ESG Highlights

We have selected and implemented the UN SDGs based on our Sustainable Vision and Strategic Roadmap. The key results are presented below to demonstrate Taiwan Sakura's commitment to improving and strengthening our corporate performance in the Environmental, Social, and Governance (ESG) aspects, enhancing our sustainability competitiveness, reducing operational risks, and ultimately achieving long-term stable development of the Company and contributing to global sustainability goals.

Environmental		Social		Governance	
	5,157.3434 Mt CO2e Total GHG emissions		1,072 persons Total number of employees		NT\$9.601 billion The Group's consolidated revenue
 	6,410,711.7419 kWh Total electricity consumption		23 persons Female managers		15.2% Operating profit margin
	13,715.6568 degrees Total amount of intake water		0.46 Lost-Time Injury Rate (LTIR)		NT\$5.94 Earnings per share
	2,853.3190 metric tons Total waste disposal		3.05 Percentage of lost days		11% Percentage of female directors
			1.41 million persons Total number of consumers receiving the service		185 cases Number of valid patents (Note 1)
		  	NT\$9,208,454 Amount spent in public interest and social care		0 cases Information security incidents (personal information disclosure and hacking incidents)

Note 1: Statistical data available until December 2024.

Note 2: Total GHG emissions covered up to Scope 3

Overview of Taiwan Sakura

Since the establishment in 1978, Taiwan Sakura has been headquartered in Taiwan and steadily expanded the global deployment. Now, our operation territories cover mainland China, Hong Kong, the United States, Canada, Vietnam, and Myanmar. We operate local markets through overseas subsidiaries and flexibly utilize diverse models such as brand agency and ODM (Original Design Manufacturing) for international expansion. In 2024, Sakura Taiwan officially launched the "SAKURA AI KITCHEN," marking the beginning of a new era in AI smart applications and ushering a new level in the Taiwanese kitchen and bathroom appliance market. This product not only comprehensively upgrades the cooking experience, but also integrates smart sensing and data analysis technologies to significantly improve the operation and energy efficiency of kitchen equipment and truly realizing an "efficient, comfortable, and intelligent" modern home life. In the future, we will continue to deepen the application of AI technology in our products and services, accelerate the implementation of the "HOME in O.N.E" one-stop integrated kitchen and bathroom solution to meet the diverse needs of families in all aspects, and further enhance market penetration and brand competitiveness in response to the rapidly changing global consumer trends.

Location of headquarters	Date of establishment	Paid-in capital	Total number of employees
Taichung	1978	NT\$2.2 billion	1,072 persons

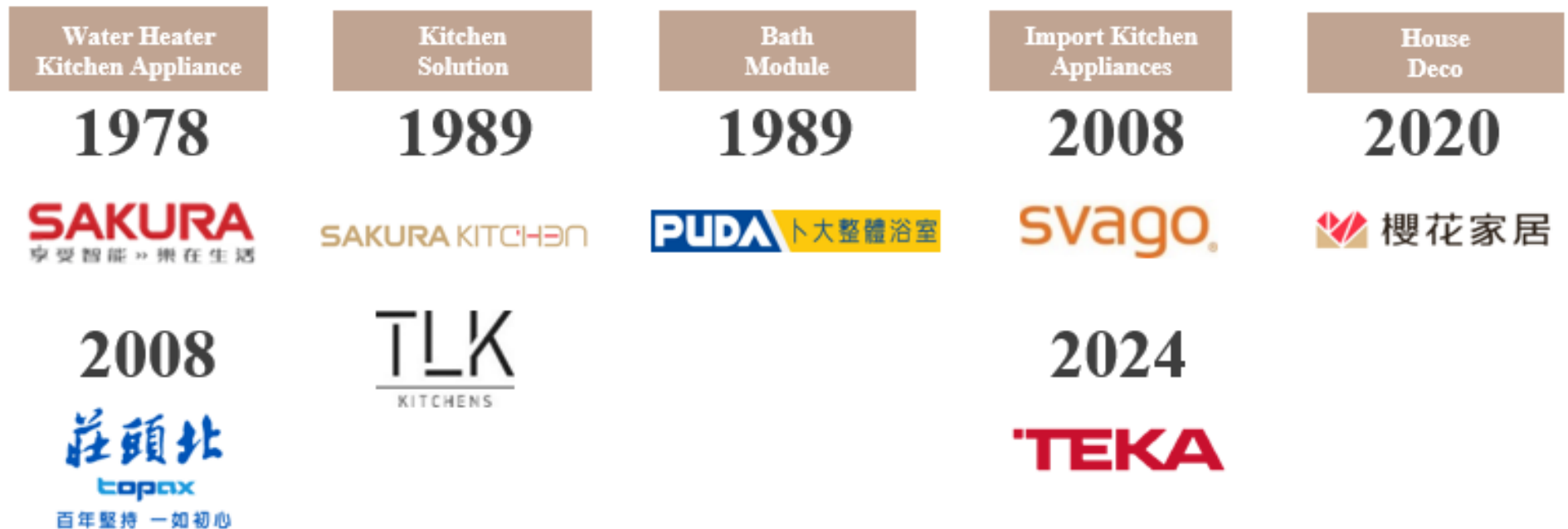
Global Business Layout



Brand Business Deployment

As domestic consumers increasingly demand a higher quality of life, Taiwan Sakura proactively responds to the diverse needs of different consumer groups and continuously enhances our "multi-brand, multi-category" operating model. Taiwan Sakura flexibly expands into different markets by integrating the resources of the Group, leveraging the core competitiveness of the own brands, and combining brand agency and ODM strategies. Driven by the three key capabilities of "brand power," "sales power," and "service power," Taiwan Sakura deepens market penetration and improves customer experience and value recognition. Looking ahead, Taiwan Sakura will gradually transform from a traditional manufacturing-oriented model to a "servitization of manufacturing" business model to drive increase of added value, enhance the competitive advantage of the entire supply chain, and consolidating our leading position in the market.

SAKURA GROUP



Vision ■ Mission ■ Core Value

<p>Vision</p> <p>The creator of a wonderful home life</p>	<p>Sakura is more than just a provider of products and services. We believe that in the future, Sakura will make it easy for everyone to realize a better life and continue to create new possibilities for a happy family.</p>
<p>Mission</p> <p>Create high quality family life wholeheartedly with overall solutions</p>	<p>In order to achieve a better life for every family, we have started from the service spirit that we are proud of, and began to imagine everything needed for family life to provide better, more convenient, and smarter one-stop solutions, and also provide and create better life options for every family.</p>
<p>Core Value</p> <p>Integrity, Prospect, Enthusiasm, Professionalism, and Sharing</p>	<p>The six core values upheld by Sakura constitute the foundation of what Sakura people do. We encourage every employee of Sakura to continue learning as the nourishment for continuous growth, and also continue to accumulate the capacity for innovation to face the unknown in the future without fear of difficulties and challenges. With Sakura's vision and mission, we will work together, take responsibility, and share with each other to shape Sakura from the inside out, making our services more humane and more understandable.</p>



Sustainable Vision and Practice

CHAPTER 1

- 1.1 Sustainable Vision and Strategic Roadmap
- 1.2 Sustainable Governance Organization
- 1.3 Stakeholder Engagement and Materiality Analysis

- 1.4 Sustainable Value Chain and Impact
- 1.5 Sustainable Development Goals & Policy Promotion and Performance Management

1.1 Sustainable Vision and Strategic Roadmap

GRI 2-1, 2-6

Taiwan Sakura is dedicated to achieving the aspirationsof every family for a beautiful home life. Starting with diverse brands and comprehensive services, we meet different needs, accompany everyone in creating a warm and safe home, and fulfill our commitment to become a "creator of wonderful home life." In the global wave of sustainability,we actively take actions in response to the future responsibilities and expectations. In 2024, with our three core strategies of "Environmental Sustainability, Social Inclusion, and Corporate Governance" combined with the United Nations Sustainable Development Goals (SDGs), Taiwan Sakura was steadily moving towards our 2050 sustainability vision through scientific indicators and continuous monitoring. We focus on the quality of current home life, and even more on the protection of resources for the future generations. We integrate sustainability values into every detail of our design and service, and thereby allowing the dream of a home to sprout from this moment and blossom into the future. This is our commitment to the society and also the driving force for our growth.

Corporate Vision: Creator of Wonderful Home Life

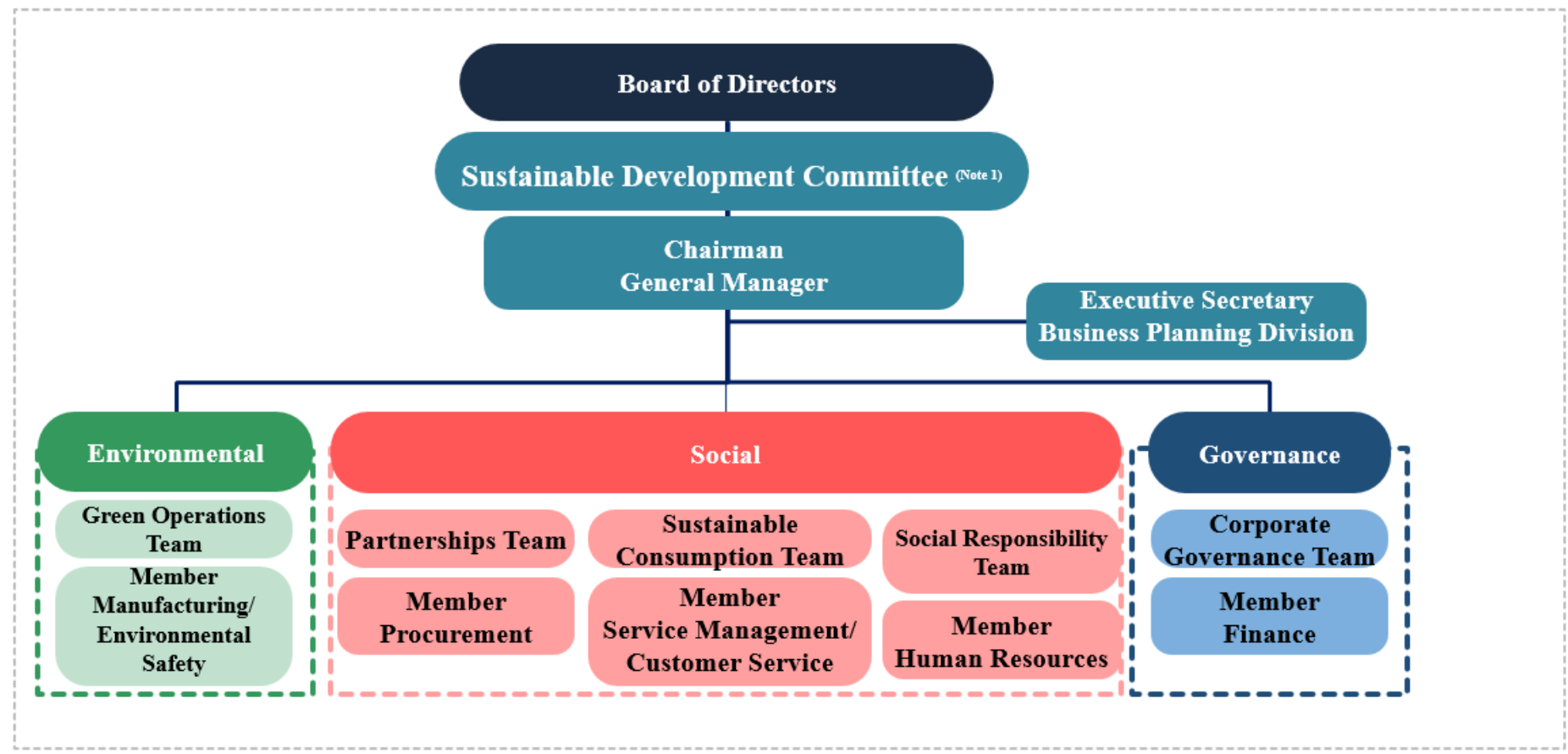
Corporate Mission: Create high quality family life wholeheartedly with overall solutions



1.2 Sustainability Governance Organization

GRI 2-13, 2-14, 2-16, 2-22

The Board of Directors is the highest guiding unit for our sustainable governance and strategic planning. The General Manager serves as the chairman of the Sustainable Governance Organization, which coordinates resources from various departments within the Group and external collaborations through the Business Planning Division to collaboratively promote sustainable strategies and tasks across the three aspects of Environment (E), Society (S), and Governance (G). The Group has an ESG taskforce composed of the representatives from various functional units. It is responsible for collecting and analyzing sustainability issues, continuously tracking key performance indicators, and regularly discussing issues of concern to stakeholders. The team assists in formulating and continuously adjusting the Group's short-, medium-, and long-term sustainability goals, strengthening internal execution, ensuring the implementation of sustainability work, and continuously improving the performance to meet expectations of all sectors of the society. Furthermore, the Greenhouse Gas Management Team integrates resources from production, sales, and operation units to promote energy conservation and carbon reduction and implement greenhouse gas inventory. It extends environmental governance to the supply chain and gradually achieves the Group's goal of transition to net-zero carbon emissions. Through the effective operation of the sustainable governance organization as well as the cross-departmental collaboration and systematic management, we continue to deepen our sustainable actions to achieve our 2050 sustainability goals in a systematic and steady way, and demonstrate our corporate responsibility as a "creator of a wonderful home life" through concrete actions.



Note 1: Sustainable Development Committee: Currently, the Business Planning Division (concurrently) promotes the Company's ESG governance and development affairs.

1.2.1. Operation Status of the Sustainability Governance Organization

In 2024, Taiwan Sakura continued to strengthen the sustainable governance structure and deepen the vertical oversight and horizontal coordination mechanisms between the decision-making and implementation. The Business Planning Division served as the core unit for the implementation of sustainability. It coordinated cross-departmental resource integration and regularly reported the progress and result of the implementation to the Board of Directors to ensure transparency in the decision-making process and effective implementation. Furthermore, the efficiency of the sustainable governance and the transparency of the organizational operations were improved through systematic management and clear division of responsibilities. With this solid foundation, we continued to implement our 2050 sustainable development roadmap and achieve our dual vision of corporate growth and social well-being.

The Board of Directors' motions regarding supervision of sustainable development in 2024 are as follows:

Board meeting date	Description of motions
2024.03.13	2023 Q4 Sustainable Development Implementation Progress Report, Explanation of ESG International Ratings, ESG Strategy Objectives, Introduction of ISO 14064-1 Project
2024.05.07	2024 Q1 Sustainable Development Implementation Progress Report, ISO 14064-1 Project Introduction Progress
2024.08.07	2024 Q2 Sustainable Development Implementation Progress Report, 2023 Sakura Group ESG Sustainability Report Submission, Sakura Group ESG Sustainability Vision and Blueprint.
2024.12.18	2024 Q3 Sustainable Development Implementation Progress Report, Introduction of ISO 14064-1 Project Results.

1.3 Stakeholder Engagement and Materiality Analysis

GRI 2-12, 2-29, 3-1, 3-2, 3-3

1.3.1 Stakeholder engagement

Taiwan Sakura understands the importance and forward-looking nature of corporate ESG responsibility. To achieve sustainable operations, the Company actively listens to the stakeholders and take actions in response to their expectations and needs. The Company has identified seven major stakeholders: consumers, employees, investors, government agencies, local communities and non-profit organizations, competitors in the same industry, and suppliers. Through regular communication and collection of information on their needs, the Company identifies the issues of concern to each party and uses these as a basis for internal evaluation and planning of sustainability strategies. Regarding communication with stakeholders, Taiwan Sakura has established diversified communication channels, including the official website, investor conference (two were held in 2024), annual shareholders' meeting, annual report, and ESG report (published annually), to strengthen transparent dialogue and build long-term trust. For the issues collected, the Company conducts a materiality analysis based on three dimensions: "stakeholder concern," "organizational impact," and "sustainable development impact," and further assesses their high, medium, and low impact levels and creates a matrix of major issues to provide a reference for the disclosures in the ESG report and operational decisions. Through institutionalized engagement mechanisms and continuous responses, Taiwan Sakura is dedicated to creating value with stakeholders and working together towards a more resilient and sustainable future.



Methodology for the Construction of Taiwan Sakura’s Sustainability Strategy				
Three aspects of sustainability		Three main axes of sustainability		Materiality analysis
E		Environmental sustainability		Stakeholders' concern Impact on organization and management Sustainable Development Impact
S		Social Inclusion		
G		Corporate Governance		
Taiwan Sakura’s Sustainable Strategy Roadmap 9 Sustainable Strategy Topics and 19 Sustainable Strategy Goals				Goals at various stages
Environmental sustainability		Social Inclusion	Corporate Governance	Short-term 2023 Mid-term 2025 Long-term 2030
Climate change	Environmental Opportunities	Human Resources	Sustainable Governance	
Natural Resources	Product Liability	Human Rights (Employee) Care		
Pollution and Waste		Social Opportunities		

1.3.2 Procedures for stakeholders' assessment on material issues

Taiwan Sakura conducts a major issue assessment process every two years to understand the level of concern to stakeholders regarding Taiwan Sakura's ESG sustainability issues and the changes in the impact of various ESG issues on the operations of the Company. After completing the “procedures for stakeholders' assessment on material issues” in the first year, we reviewed the changes in major issues in the following year and grasped the interrelationship between the major issues and the action plan to ensure the effectiveness of the actions.

Steps	Contents
Assessment on sustainability issues	Collection and identification of issues Based on the analysis on international standards (GRI and SASB, etc.) and Taiwan Sakura's Sustainable Strategy Roadmap, we also interacted with stakeholders through the daily operation process to understand the issues of their concern. Meanwhile, we also evaluate the international sustainability rating organizations (Sustainalytics, FTSE, etc.), international industry trends, and benchmarking companies, etc. to include them into the issues comprehensively.
	Identification of potential issues Establish 26 sustainability issues: environmental (9 issues), governance (8 issues), and social (9 issues).
Evaluation on significance impacts	Impact posed by sustainability issue development The ESG Taskforce assesses the issues and evaluates the probability and scale of positive and negative impacts on the internal and external economic, environmental, and human rights impacts of various sustainability issues in reference to the Taiwan Sakura's Sustainability Strategy Roadmap.
	Ranking of Sustainability Issues The ESG Taskforce and senior managers engage in professional discussion about the issues, and analyze the results in terms of the three major aspects including stakeholders' concern about the issues, impact on organization and management and impact on sustainable development to prioritize the sustainability issues.
Verification of material issues	Definition and ranking of material issues 24 material sustainability issues are confirmed and prioritized based on the above results
Disclosure and Supervision of Material Issues	Setting of sustainability goals The ESG Taskforce formulates management policies and sets short-, mid- and long-term goals for material issues in reference to the GRI. The achievement status is reviewed regularly every year.

1.3.3 Significance impact on sustainability issues

Taiwan Sakura conducted an impact assessment on the significant impacts of the Company's sustainability issues according to the 2021 GRI. Continuing with the results of the material topic identification completed in the previous year, in combination with the Company's sustainability strategies, the ESG taskforce and senior management analyzed the level of impact that each of the 26 sustainability Issues produced on the value chain and scope in terms of "target of impact," "degree of impact and likelihood of occurrence," "aspect of impact," and "scope of impact" in 2024. In addition to identifying the items disclosed in this report, incorporation of the considerations for planning of our operating activities was conducted appropriately.

Level of impact: ● Direct impact ○ Indirect impact

Sustainability Issues Value Chain and Scope	Targets of Impact							Degree of Impact and Likelihood of Occurrence		Impact Aspect			Scope of Impact			Chapter
	Employees	Consumers	Investors	Government agencies	Local communities, non-profit-seeking organizations	Competitors in the same trade	Supplier	Positive (+)	Negative (-)	Environment	Society	Human Rights	Organizational Operations	Product/Service	Supply chain	
Business performance	●		●				●	+				●	●		●	
Greenhouse Gas Management			●	●			○		-	●	●		●	●	○	
Customer Relationship Management		●			●			+			●			●		
Climate Change Risk Management				●					-	●			●	●		
Green Products and Consumption		●			●	○	○	+		●	●		●	●	○	
Environmental protection and opportunities					●			+		●			●			
Product Safety and Quality	●	●			●		●	+		●	●		●	●	●	
Talent Attraction and Retention	●							+			●	●	●			
Talent and skill development	●							+			●	●	●			
Service Quality		●			●	○		+			●			●	○	
Energy Management				○			○	+		●			●	●	○	
Information security		●	●	●			●	+				●	●		●	
Legal Compliance	●	○	●	●			○	+				●	●		○	
Financial performance	●		●				●	+				●	●		●	
Social welfare					●			+			●		●	●		
Water resource management				○	●				-	●	●		●			
Waste Management				○	●				-	●	●		●			
Supply Chain Policy and Management							●	+				●	●		●	
Stakeholder Policy and Management	● ○	● ○	● ○	● ○	● ○	● ○	● ○	+				●	●			
Diversity and Tolerance in the Workplace	●							+			●		●			
Distribution partners					●	●		+			●		●			
Communication channel	●	●	●	●	●	●	●	+			●		●		●	
Corporate Governance			●	●				+				●	●			
Employee Health and Welfare	●			●				+			●		●			
Fulfill tax obligations				●				+				●	●			
Policy compliance				●				+				●	●			



1.3.4 Stakeholders' Concern, Impact on Organization and Management, and Impact on Sustainable Development of Sustainability Issues



Based on the identification and impact assessment results, Taiwan Sakura further considered the corporate sustainability strategy. After the discussion between the ESG Taskforce and senior managers, 26 sustainability issues were assessed based on the “impact posed by sustainability issues on enterprises,” “stakeholders’ concern about issues” and “impact posed by sustainable development,” and also prioritized subject to their materiality to ultimately establish 24 major sustainability issues for 2024. Since internal and external stakeholders have increasingly higher expectations for the “corporate governance transparency,” “communication and interaction effectiveness,” and “employee care”, reflecting the Company's efforts in the continuous deepening of the sustainable governance and emphasis of human-centered management, the issues related to corporate governance, stakeholder policy and management, communication channels, and employee health and well-being have risen in the rankings compared to the previous year. Meanwhile, the importance of this issue has naturally decreased due to a significant increase in the attention to the overall sustainability-related issues such as “climate risk,” “environmental impact,” and “product safety.”




Sustainability Issues		Stakeholders' concern			Impact on organization and management			Impact on sustainable development		
		Low	Medium	High	Low	Medium	High	Low	Medium	High
Environmental Aspect (E)	Greenhouse Gas Management			●		●				●
	Climate Change Risk Management		●		●					●
	Water resource management		●		●				●	
	Green Products and Consumption		●			●				●
	Waste Management		●		●				●	
	Energy Management		●		●				●	
	Environmental protection and opportunities		●			●				●
	Product Safety and Quality		●				●	●		
Social Aspect (S)	Diversity and Tolerance in the Workplace		●			●		●		
	Talent Attraction and Retention		●			●			●	
	Talent and skill development		●			●			●	
	Employee Health and Welfare		●			●		●		
	Distribution partners	●				●		●		
	Communication channel		●			●			●	
	Social welfare		●		●				●	
	Service Quality		●			●			●	
	Customer Relationship Management		●				●		●	
Governance Aspect (G)	Business performance			●			●		●	
	Corporate Governance		●			●			●	
	Information security			●		●				
	Legal Compliance			●		●				
	Fulfill tax obligations		●		●					
	Policy compliance		●		●					
	Supply Chain Policy and Management		●			●		●		
	Financial performance		●			●			●	
	Stakeholder Policy and Management		●			●			●	

Sustainability aspect	Material Issues	Prioritization
● (G) Governance	Business performance	1
● (E) Environment	Greenhouse Gas Management	2
● (E) Environment	Green Products and Consumption	2
● (E) Environment	Environmental protection and opportunities	2
● (S) Society	Customer Relationship Management	2
● (E) Environment	Climate Change Risk Management	6
● (E) Environment	Product Safety and Quality	6
● (G) Governance	Corporate Governance	6
● (G) Governance	Financial performance	6
● (G) Governance	Stakeholder Policy and Management	6
● (S) Society	Talent Attraction and Retention	6
● (S) Society	Talent and skill development	6
● (S) Society	Communication channel	6
● (S) Society	Service Quality	6
● (E) Environment	Water resource management	15
● (E) Environment	Waste Management	15
● (E) Environment	Energy Management	15
● (G) Governance	Information security	15
● (G) Governance	Legal Compliance	15
● (G) Governance	Supply Chain Policy and Management	15
● (S) Society	Diversity and Tolerance in the Workplace	15
● (S) Society	Employee Health and Welfare	15
● (S) Society	Social welfare	15
● (S) Society	Distribution partners	24

1.3.5 Summarization of stakeholder communication mechanism and issues of concern

Stakeholders	Importance of Communication	Material Issues	Communication practices and channels	Frequency of communication	Disclosure chapters
 Consumers	<p>With consumer service as the core of its management philosophy, Taiwan Sakura continues to understand consumers' needs and keep improving itself to create a better quality life for consumers.</p>	<ol style="list-style-type: none"> 1. Customer Relationship Management 2. Green Products and Consumption 3. Product Safety and Quality 4. Service Quality 5. Information security 6. Communication channel 	Customer Service Center	Open all year round	
			Media promotion, e-news	Irregularly	CH1.3 CH2.6 CH3.5 CH4.5
			Consumer Satisfaction Survey	Year	
			Third-party audit	Irregularly	
 Employees	<p>Taiwan Sakura regards its employees as the Company's assets, and really understands that only through the continuous innovation and efforts of its employees can Sakura continue to gain a foothold in the industry.</p>	<ol style="list-style-type: none"> 1. Talent deployment and structure 2. Talent development and cultivation 3. Friendly and safe workplace 4. Diverse communication channels 	Employee feedback mailbox	Irregularly	
			Monthly employee mobilization meeting	Monthly	
			Employee Welfare Committee	Quarterly	
			Internal announcements and e-news	Irregularly	CH1.3 CH4.3 CH4.4 CH4.6
			Improvement proposal activity	Irregularly	
			Sexual Harassment Complaint Mailbox	Irregularly	
			Departmental meeting	Monthly	
			Occupational Safety Committee	Quarterly	












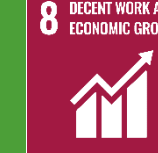



Stakeholders	Importance of Communication	Material Issues	Communication practices and channels	Frequency of communication	Disclosure chapters
 Investors	Taiwan Sakura values the communication with investors, and actively explains the business results and performance, in order to maximize the rights and interests of investors.	<ol style="list-style-type: none"> Business performance Financial performance Corporate Governance Information security Legal Compliance Communication channel 	<p>Shareholders' meeting</p> <p>Annual report</p> <p>Quarterly report</p> <p>Disclosure of financial information on the Company's website and the MOPS</p> <p>Spokesperson Mechanism</p> <p>Investor conference</p>	<p>Year</p> <p>Year</p> <p>Quarterly</p> <p>Irregularly</p> <p>Irregularly</p> <p>At least twice a year</p>	<p>CH1.3</p> <p>CH2.2</p> <p>CH2.5</p> <p>CH2.6</p>
 Government agencies	Taiwan Sakura identifies ethical management as the core foundation of its employees' code of conduct, and has established the legal affairs department to continue to work with government agencies to contribute to the sustainable development of Taiwan.	<ol style="list-style-type: none"> Greenhouse Gas Management Climate Change Risk Management Energy Management Information security Legal Compliance Water resource management Waste Management Corporate Governance Communication channel 	<p>Cooperate with the competent authority in supervision and audit</p> <p>Comply with the policies of the competent authorities</p> <p>Education and training on relevant laws and regulations</p>	<p>Irregularly</p> <p>Irregularly</p> <p>Irregularly</p>	<p>CH1.3</p> <p>CH2</p>

Stakeholders	Importance of Communication	Material Issues	Communication practices and channels	Frequency of communication	Disclosure chapters
 local communities, Non-profit-seeking organization	Adhering to the spirit of taken from the community, giving back to society, Taiwan Sakura has cared the disadvantaged groups in society permanently and worked with the local community to fulfill its social responsibilities as a citizen.	<ol style="list-style-type: none"> 1. Customer Relationship Management 2. Green Products and Consumption 3. Environmental protection and opportunities 4. Social welfare 5. Distribution partners 6. Communication channel 	<p>Official website as an online communication platform</p> <p>Participation in and sponsorship of public welfare activities</p> <p>Student Internships and Visits</p> <p>Uplifting Relatives and Good Neighborhood Activities</p> <p>Talent Cultivation - SAKURA AWARD</p>	<p>Irregularly</p> <p>Irregularly</p> <p>Irregularly</p> <p>Irregularly</p> <p>Year</p>	<p>CH1.3</p> <p>CH3.5</p> <p>CH3.6</p> <p>CH4.2</p> <p>CH4.5</p> <p>CH5.1</p>
 Competitors in the same trade	Taiwan Sakura joins the industry association in the hope of jointly establishing a market environment of healthy competition and creating a high-quality experience for consumers.	<ol style="list-style-type: none"> 1. Green Products and Consumption 2. Communication channel 	<p>Join relevant associations</p> <p>Market survey</p> <p>Communication via telephone</p> <p>Industry Exchange</p> <p>Compliance with the Code of Conduct</p>	<p>Irregularly</p> <p>Irregularly</p> <p>Irregularly</p> <p>Irregularly</p>	<p>CH1.3</p> <p>CH3.5</p>
 Suppliers	Suppliers are important partners of Taiwan Sakura. We have established a relationship of mutual trust and mutual assistance with suppliers to provide consumers with better quality products.	<ol style="list-style-type: none"> 1. Greenhouse Gas Management 2. Green Products and Consumption 3. Supply Chain Policy and Management 4. Information security 5. Communication channel 	<p>Business meetings</p> <p>Supplier Evaluation</p> <p>Education and training</p> <p>Fair and impartial procurement process and expressly defined procurement operation management procedures.</p>	<p>Irregularly</p> <p>Quarterly</p> <p>Irregularly</p> <p>Irregularly</p>	<p>CH1.3</p> <p>CH2.6</p> <p>CH2.7</p> <p>CH3.5</p>

1.4 Sustainable Value Chain and Impact

GRI 2-22, 2-23, 2-25, 2-29, 3-1~3, 201-2, 203-1, 302-1, 302-4, 305-1~305-5, 308-1~2, 414-1~2, 419-1





By following our "Sustainable Vision and Strategic Roadmap," we have formulated short-, medium-, and long-term goals covering the three dimensions of Environment (E), Society (S), and Governance (G) from the period from 2023 to 2030. These goals align with those of the United Nations' 17 Sustainable Development Goals (SDGs) that focus on the indicators highly relevant to our core business and capable of exerting substantial impact, such as SDG 9 (Industry, Innovation and Infrastructure), SDG 12 (Responsible Consumption and Production), and SDG 13 (Climate Action), and are used as the basis for implementation of our sustainable development actions. By aligning our sustainability strategy with international goals, we continue to deepen our commitment to environmental protection, social inclusion, and corporate governance to realize our three core visions of "promoting a green and sustainable value chain," "building a positive inclusive society," and "strengthening the control over environmental impact governance." Through a rolling review and stakeholder dialogue, Taiwan Sakura consistently responds to societal expectations; creates the greatest positive impact on the environment, society, and economy; and moves towards a more resilient and responsible sustainable enterprise.





Three main axes of sustainability		Environmental – Environmental Sustainability	Social – Inclusive Society	Governance – Corporate Governance
Strategy and SDGs		Promoting a green and sustainable value chain	Building a positive inclusive society	Strengthening the control over environmental impact governance
		   	     	    
Social impact	Internally	Promote low-carbon and sustainable transformation of the value chain	Build a friendly, healthy, diverse and inclusive happy workplace	Mitigate the impact on business operations and enhance the Company's competitiveness
	Externally	Achieve net-zero emissions across the company by 2050.	Exerting positive impact mobility	Practice the forward-looking and control over diversified environmental impacts






1.5 Sustainable Development Goals and Policy Promotion and Performance Management






GRI 2-12, 2-13, 2-22, 2-29, 3-3, 201-1






Taiwan Sakura has set long- and mid-term goals for sustainable development, and will continue to take an inventory of and invest in resources to adjust the long-term goals and corresponding action plans accordingly.



Sustainability Strategy	UN Sustainable Development Goals (SDGs)	Specific Goals Corresponding to UN SDGs	Summary of Taiwan Sakura’s Contributions	Strategic Aspect	Issues	KPIs	2024 Goals	Target Achievement Status	2025 Goals	2026 Goals	2030 Goals	
Promoting a green and sustainable value chain Environmental Protection (E)    	SDG13 Climate Action	13.3 Improve education, raise awareness, and enhance the capabilities of individuals and organizations in the risk migration, adaptation, impact reduction, and early warning related to climate change.	Implement and promote greenhouse gas management strategies and indicators, and identify and conduct rolling assessment of climate-related risks and opportunities in accordance with the TCFD framework.	Climate Strategy	Greenhouse Gas Management	Group Carbon Reduction Goals	Set the Group's Carbon Reduction Goal	Under implementation	Continue with the 2024 Goals and Achieve the group's Carbon Reduction Goals.	Plan the implementation of the Group's 2050 Carbon Neutrality (Net Zero) Goal		
					Climate Change Risk Management	Task Force on Climate-Related Financial Disclosures (TCFD)	Identify significant climate change risks, complete RCP scenario simulation for physical risks, and formulate transition risks based on the target scenario simulation results.	Completed	Taiwan Headquarters conducted the operations at the second stage of TCFD (risk response).	Review the Group's climate change risks and opportunities on a rolling basis and respond to the risks.		
	SDG 6 Clean Water and Sanitation	6.b. Support and enhance participation of local communities to improve water and sanitation management.	Continuously invest resources in the prevention, improvement, and certification of environmental quality.	Environmental Opportunities	Environmental Management Measures	Water pollution prevention inspection	Continue water quality testing to ensure compliance with environmental protection laws and regulations	The substances contained in the discharged water exceeded the effluent standard this year, resulting in a fine of NT\$153,000.	0 case: There was no loss or disposal due to wastewater pollution.			

Sustainability Strategy	UN Sustainable Development Goals (SDGs)	Specific Goals Corresponding to UN SDGs	Summary of Taiwan Sakura’s Contributions	Strategic Aspect	Issues	KPIs	2024 Goals	Target Achievement Status	2025 Goals	2026 Goals	2030 Goals
Promoting a green and sustainable value chain Environmental Protection (E)    	SDG8 Decent Work and Economic Growth	8.4 Progressively improve global energy use and production efficiency by 2030, and, with the leadership of the developed countries, strive to reduce the link between the economic growth and environmental degradation in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production (10YFP).	Continuously invest resources in the prevention, improvement, and certification of environmental quality.	Environmental Opportunities	Environmental Management Measures	Environmental management system certification	Continue to pass the ISO14001 environmental management system certification	Completed	Continue to pass the ISO14001 environmental management system certification		
							Introduce the ISO 14064-1:2018 Greenhouse Gas Inventory Management System	Completed	Establish the ISO 14064-1:2018 Greenhouse Gas Inventory Management Mechanism	Pass the third-party certification for ISO 14064-1:2018 greenhouse gas inventory in 2026	
	SDG12 Responsible Consumption and Production	12.2 Achieve sustainable management and efficient use of natural resources by 2030.	Provide safe and quality-compliant products	Product Liability	Safety and Quality	Quality management system certification	Continue to pass the ISO9001 quality management system certification	Completed	Continue to pass the ISO9001 quality management system certification		
			Continue to promote energy-efficient products	Natural resources	Green consumption	Compliance with energy product certification	Compliance with energy product certification	Completed	Continue to obtain and comply with energy product certification.		

Sustainability Strategy	UN Sustainable Development Goals (SDGs)	Specific Goals Corresponding to UN SDGs	Summary of Taiwan Sakura's Contributions	Strategic Aspect	Issues	KPIs	2024 Goals	Target Achievement Status	2025 Goals	2026 Goals	2030 Goals
Building a positive inclusive society Social Responsibility (S) <div>      </div>	SDG4 Quality Education SDG5 Gender Equity	4.3 By 2030, ensure that all men and women have equal, affordable, and high-quality access to vocational, technical, and higher education, including university education. 5.1 Eliminate all forms of discrimination against women in all places.	Eliminate discrimination and provide equal job opportunities and a platform for equal communication.	Human Resources	Labor-management relations	Employee communication coverage rate	100%	100%	100%	100%	100%
					Employee development	Promote employee development-related policies and plans	Share the implementation progress and result of employee development policies and plans through internal communication channels.	The company-wide monthly meetings are conducted as follows: <ul style="list-style-type: none"> In January, the explanation of the [TMO Innovation Workshop] helped employees understand the Company's efforts in the promotion of employee and talent development. In April and June, the explanation of the [TMO Employee Experience Event] helped employees understand the Company's progress and result in the improvement of employee working environment. In September, the implementation of the [TMO 2 Launch Plan] helped employees understand the match between their professional skills and job requirements. In December, the organization of the courses on [Interaction and Communication at the Workplace], [Use of AI Tools], and [Application of Digital Learning Platforms] helped employees understand the Company's efforts in the promotion of employee and talent development.	Continue to promote and implement employee development-related policies and plans.		

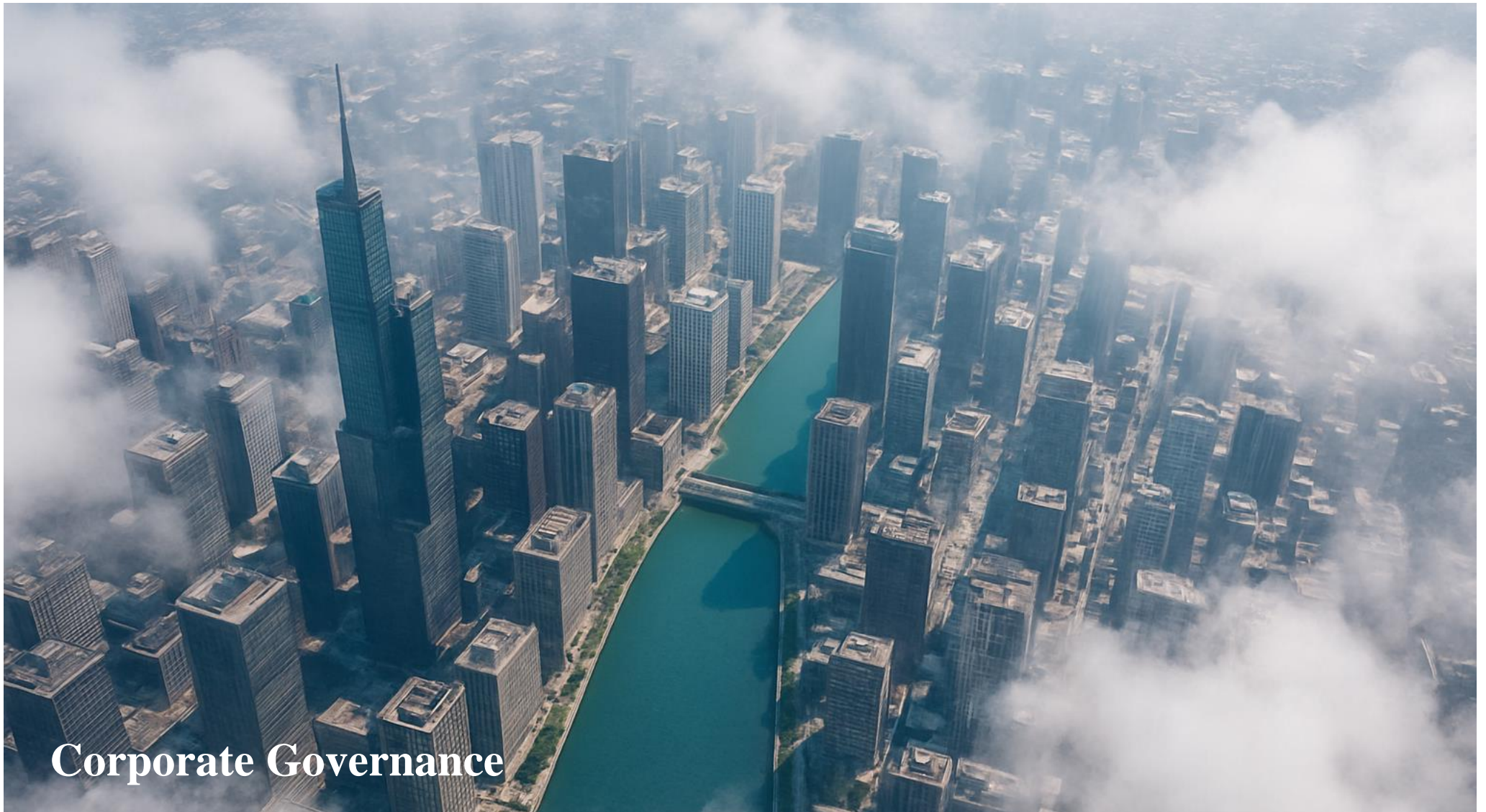
Sustainability Strategy	UN Sustainable Development Goals (SDGs)	Specific Goals Corresponding to UN SDGs	Summary of Taiwan Sakura's Contributions	Strategic Aspect	Issues	KPIs	2024 Goals	Target Achievement Status	2025 Goals	2026 Goals	2030 Goals
Building a positive inclusive society Social Responsibility (S) <div>      </div>	SDG4 Quality Education SDG5 Gender Equity	4.3 By 2030, ensure that all men and women have equal, affordable, and high-quality access to vocational, technical, and higher education, including university education. 5.1 Eliminate all forms of discrimination against women in all places.	Eliminate discrimination and provide equal job opportunities and a platform for equal communication.	Human Resources	Employee development	Establish the Group's ESG culture.	Disclose the Group's annual ESG information to all employees.	1. The company-wide monthly meetings are conducted as follows: <ul style="list-style-type: none"> In March, the organization of the [Diverse Sakura Water Purification Promotion Event] in combination with a road race to convey a healthy and refreshing product image. In May, the explanation of the [Manufacturing/Factory Environment Improvement Event] helped employees understand the Company's actual progress and result in the improvement of on-site working environment. In August and November, the explanation of the [Second-hand Recycled Bag Project] allowed employees to participate in recycling and reuse events. In September, the [Diversity & Inclusion: Online Sports Meet] allowed employees to collectively respond to SDGs through sports. 2. 2024 Q2 HR e-quarterly published an article on the topic of "ESG Sustainability and Net Zero Transformation".	Continue to complete the Group's annual ESG information disclosure through the Group's internal channel.		

Sustainability Strategy	UN Sustainable Development Goals (SDGs)	Specific Goals Corresponding to UN SDGs	Summary of Taiwan Sakura's Contributions	Strategic Aspect	Issues	KPIs	2024 Goals	Target Achievement Status	2025 Goals	2026 Goals	2030 Goals
Building a positive inclusive society Social Responsibility (S) <div>      </div>	SDG3 Good Health and Well-Being SDG8 Decent Work and Economic Growth	3.d Strengthen the early warning and risk reduction of all countries and the health risk management capabilities of all countries and globally, particularly developing countries. 8.8 Protect workers' rights and promote safe working environments, including for migrant workers, especially women and workers performing hazardous work.	1. Proactively provide employees with comprehensive health checkups, maternal health protection measures, and a healthy working environment. 2. Provide a safe workplace environment.	Human Resources	Employee health and safety	Healthy lifestyle	Health promotion activities and care information are shared through internal communication channels to achieve a coverage rate of 100%.	1. A case study sharing session on the [Diversity & Inclusion: Online Sports Meet] was held at the monthly meeting of the Company in October to help employees understand the benefit of exercise. 2. Various health precautions and management methods were disseminated through internal public channels, such as the [Sakura Folk LINE] and [Mail]. 3. In summary, the coverage rate of the health promotion activities and care reached up to 100%.	Health promotion activities and care coverage rate of 100%		
						Annual employee health management completion rate	Annual employee health checkup	Completed	Annual employee health checkup		
					Friendly Workplace	Maintain a low LTIR	100%	100%	100%		
						ISO 45001 Certification	Pass ISO 45001 certification	Completed	Continue to pass ISO 45001 certification		
	SDG12 Responsible Consumption and Production	12.8 By 2030, ensure that people everywhere have the information and awareness about sustainable development, as well as a way of life that is in harmony with the nature.	Provide sustainable (green) products and services.	Social Opportunities	Customer (& consumer) rights	Increase consumer satisfaction by over 90%	Consumer satisfaction above 90%	93 points	Consumer satisfaction above 90%		

Sustainability Strategy	UN Sustainable Development Goals (SDGs)	Specific Goals Corresponding to UN SDGs	Summary of Taiwan Sakura’s Contributions	Strategic Aspect	Issues	KPIs	2024 Goals	Target Achievement Status	2025 Goals	2026 Goals	2030 Goals
Strengthening the control over environmental impact governance Corporate Governance (G)  	SDG16 Peace, Justice and Strong Institutions SDG 8 Decent Work and Economic Growth	16.6 Develop effective, accountable, and transparent systems at all levels. 8.5 Achieve full productive employment by 2030 and ensure that every adult, including youth and people with disabilities, has access to decent work and equal pay for equal work.	1. Implement ethical management practices and eliminate unethical behavior. 2. Eliminate discrimination and provide equal job opportunities.	Sustainable Governance	Operation of the Board of Directors	Improve the diversity of the Board of Directors and enhance the governance aspect of the Board.	Establish the Sustainable Development Committee	Under implementation	Continuing with the 2024 goals and improve the authority and responsibilities of the Committee.	Increase the number of members of the Board of Directors with diverse experience	
	SDG16 Peace, Justice and Strong Institutions	16.6 Develop effective, accountable, and transparent systems at all levels. 16.5 Significantly reduce all forms of corruption and bribery. 16.6 Develop effective, accountable, and transparent systems at all levels.	Implement ethical management practices and eliminate unethical behavior.		Legal compliance	Number of major violations (with a fine exceeding NT\$1 million)	No major violations	Completed	No major violations		
						Continue to promote the ethical management culture	Implement ethical management courses	The [Ethical Management Promotion] course at the monthly meeting of the Company in November.	Continue to implement ethical management courses		
					Information security	Number of cases involving personal data breach	Number of cases involving no personal data breach	Completed	Number of cases involving no personal data breach		
						Conduct the information security education and training seminars for all employees	1 session	The company-wide monthly meetings are conducted as follows: • The [Information Security Promotion] course in May and November. • The [Personal Data Promotion] course in August	1 session		

Taiwan Sakura is dedicated to creating a premium and sustainable home living experience for consumers. Adhering to a value-oriented approach, we incorporate six core capital assets (financial, intellectual, human, manufacturing, natural, and social assets) as the basis of input, in connection with the three strategic cores of Environment (E), Society (S), and Governance (G), to systematically promote a sustainable management mechanism of value chains. Through a comprehensive assessment and management of the substantial impacts and potential risks that the Company's upstream and downstream value chains bring about to stakeholders, we enhance resource integration efficiency and create a positive cycle to improve the overall output efficiency and achieve a sustainable value that benefits both enterprises and the society.

Investment of six major capitals		Finance	Smart	Manpower	Manufacturing	Nature	Society
		Create the feedback of economic value through sound financial and management systems.	Continue to invest in innovative R&D of products and services to meet customers' needs.	Strengthen and cultivate the capabilities of talents, and unleash the value of talents by applying suitable talents.	Upgrade and transform plant equipment and resources constantly to develop sustainable operations.	Practice energy conservation, carbon reduction, and circular economy to slow down the consumption of natural resources.	Leverage the core profession to exert social impact and move towards an inclusive society.
Three major axes		Environmental Sustainability (E)		Social Inclusive (S)		Corporate Governance	
Three major strategies		Promoting a green and sustainable value chain		Building a positive inclusive society		Strengthening the control over environmental impact governance	
Sustainable Value Chain Management	Nine Sustainability Material Topics	Pollution and Waste, Climate Change, Environmental Opportunities, Product Liability		Human Resources, Human Rights (Employee) Care		Social Opportunities, Sustainable Governance, Natural Resources	
	Seven Major Stakeholders	Investors, employees, consumers, government agencies, local communities, non-profit organizations, competitors in the same industry, and suppliers.					
Sustainable Value		Consolidated operating revenue, NT\$9.610 billion Earnings per share, NT\$5.94	R&D expenses, NT\$91,432 thousand Account for 0.95% of the turnover	Training expenses, NT\$3,813 thousand Number of trainees, 2,165 persons Training time, 19,625 hour	Kitchen equipment, 642,977 units (sets) Water heaters, 341,354 units (sets) System kitchen equipment, 37,587 units (sets) Others, 339,094 units (sets) Total sales volume, 1,361,012 units (sets)	Electricity consumption reduced, 123,042 kWh	Public welfare expenditure, NT\$9,208,454



Corporate Governance

CHAPTER 2

2.1__ Corporate Governance
Organization

2.2__ Financial Performance

2.3__ Ethical Management and
Compliance

2.4__ Intellectual Property
Management System

2.5__ Risk Management and Internal
Control Mechanism

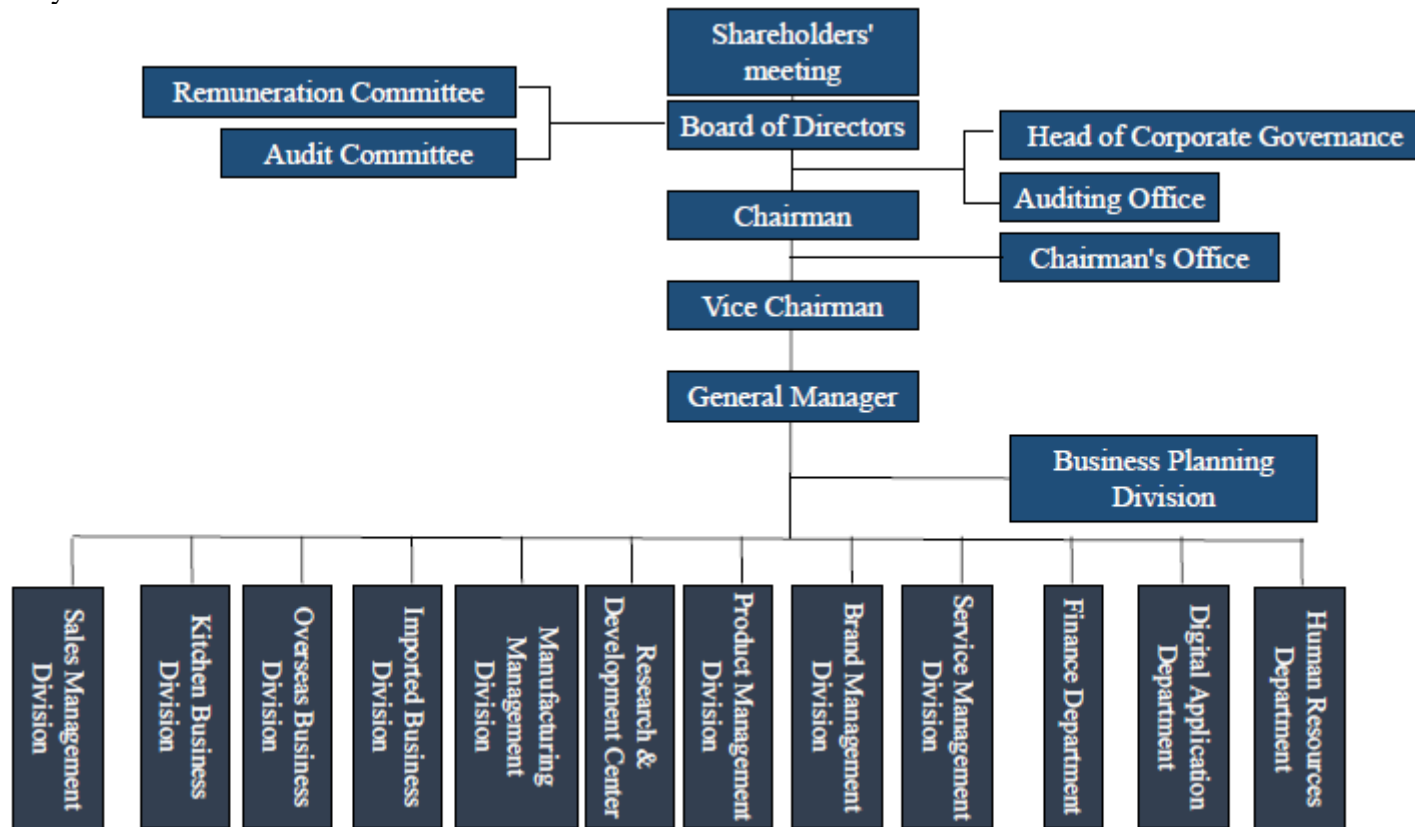
2.6__ Information Security

2.7__ Sustainable Supply Chain

2.1 Corporate Governance Organization

SDGs	SDG 5, SDG 9, SDG 16, SDG 17
GRI	102-18, 102-22, 102-25, 102-27, 102-30, 102-40, 102-42, 102-45

Taiwan Sakura's Board of Directors is the highest governance body of the Company and is responsible for appointing and overseeing the management team, monitoring business performance, preventing conflicts of interest, and ensuring the Company's compliance with all applicable laws, regulations, and the Company's Articles of Incorporation.. In order to implement the organizational management effectively, two functional committees are established under Board of Directors, namely, the "Audit Committee" and "Remuneration Committee," which regularly report their activities and resolutions to the Board of Directors. The organizational structure of Taiwan Sakura^(Note 1) is subdivided into different business groups from the General Manager to implement corporate governance and improve business quality.



Note 1: On November 11, 2024, the 13th Board of Directors of Taiwan Sakura approved the appointment of the Company's Chief Brand Officer and Chief Sustainable Officer, with the Chairman and Vice Chairman assuming office on January 1, 2025, respectively.

2.1.1 Composition and operation of the Board of Directors

The Board of Directors of Taiwan Sakura is the highest governing body and responsible for formulating operational strategies, supervising the management, and reviewing major decisions to ensure the operations of the organization comply with the Company's Articles of Incorporation, laws, regulations, and sustainable governance principles. The Board members exercise their powers independently. The existing system can ensure the transparency and accountability. The Board of Directors has two subordinate functional committees - Audit Committee and the Remuneration Committee. They give assistance in supervising the financial reporting procedure, internal control systems, and the performance and compensation arrangements for the senior management to ensure the governance quality and implementation. The Board of Directors held six meetings in 2024, with an average attendance rate of 96.30%; when proxy attendance is included, the attendance rate reached 100%. Major resolutions are immediately announced on the MOPS to ensure transparency.

The election (inauguration) date of all the directors for the current term (13th) is June 17, 2022. For the nomination and selection of all the directors, the "Regulations for Election of Directors" should apply to the reelection of directors under the candidate nomination system and the cumulative voting system to ensure fairness and transparency of the election mechanism. Nine Board members were elected for this term, including three independent directors and one female director. In addition to following laws, regulations and internal review standards, the nomination and selection process of directors emphasizes the professional background, industry experience, and governance capability of the candidate. Professionalism and experience have always been the primary considerations in the selection of directors. Important information such as the shareholding ratio of directors, restrictions on share transfer, and creation of pledge rights are also fully disclosed on the MOPS for the investors' reference, demonstrating the integrity and timeliness of information disclosure.

To strengthen the effectiveness of governance and improve the function of the Board of Directors, Taiwan Sakura continuously reviews the core competencies of the Board members, including eight key areas of business judgment, business management, crisis management, industry insight, international market perspective, leadership, and decision-making. Regular internal and external performance evaluations are conducted to continuously improve the overall performance and contribution of the Board of Directors. Furthermore, in accordance with the Company's "Corporate Governance Best Practice Principles" and the Board diversity policy, the composition of the Board of Directors should consider the background, expertise, gender, age, and international perspective. An appropriate diversity composition policy should be established based on the Company's business nature, development stage, and operational strategy. As of 2024, female directors occupied 11% of all the Board members. The Company will continue to strengthen gender balance and move towards diversification, professionalization, and internationalization.

Board Members and Structure

Job Title Distribution	2023		2024	
	Number of people	%	Number of people	%
Director	6	67%	6	67%
Independent director	3	33%	3	33%
Total	9	100%	9	100%

Gender Distribution	2023		2024	
	Number of people	%	Number of people	%
Male	8	89%	8	89%
Female	1	11%	1	11%
Total	9	100%	9	100%

Age distribution	2023		2024	
	Number of people	%	Number of people	%
Aged 41 - 50	2	22%	2	22%
Aged 51 - 60	2	22%	2	22%
Aged 61 - 70	5	56%	5	56%
Total	9	100%	9	100%

2.1.2 Management of recusal from conflict of interest among directors and governance oversight and communication

To implement corporate governance and strengthen the supervisory function of the Board of Directors, Taiwan Sakura has clearly established a conflict of interest avoidance system in accordance with the "Rules of Procedure for Board of Directors Meetings." This system requires that directors voluntarily disclose significant information regarding any conflict of interest involving themselves or their represented entities in a proposal, and explain the nature and extent of such conflict at the meeting. If such a conflict of interest may harm the interests of the Company, the director concerned must recuse himself/herself from discussion and voting in accordance with the law, and should not act as a proxy for other directors in exercising their voting rights to ensure the objectivity and fairness of the decision-making process and effectively reduce the risk of damage to the Company or shareholders' interests due to personal interests. The Company has also established a comprehensive governance communication mechanism to ensure the transparency and effectiveness of the supervision system. Independent directors and the chief internal auditor regularly communicate with each other at the quarterly meeting of the Audit Committee. The chief internal auditor explains the implementation status of the internal audit plan, the audit findings, and the follow-up improvement results, and exchanges opinions on the overall effectiveness of the internal control system. In 2024, the communication between independent directors and the chief internal auditor was smooth and no significant abnormalities occurred.

In addition, independent directors and CPAs communicate at least twice a year, primarily through the Audit Committee meetings. The CPAs regularly report to the Committee on the results of the audit or review results of the financial statements and conduct thorough discussions on significant issues of finance, tax, internal control, or revisions of regulations to ensure information symmetry and audit quality. In 2024, the communication between the Company's Audit Committee and the CPAs was smooth, and no major anomalies occurred. The Company also continuously strengthened the audit quality management, conducted annual assessment of the independence and professional performance of the CPAs. With reference to the 13 "Audit Quality Indicators (AQIs)" provided by the accounting firm and the relevant guidelines issued by the competent authority, the Company comprehensively reviewed the performance quality of the audit teams. After being reviewed by the Audit Committee, the assessment results were submitted to the Board of Directors for approval. These will be used as a basis for continuously improving the audit quality and the transparency of the information disclosure. The communication channels between the Company's directors, independent directors, chief internal auditor, and CPAs remained smooth, allowing for timely communication as needed to maintain the efficiency and transparency of governance operations and strengthen the overall supervision system.

2.1.3 Board diversity policy

Taiwan Sakura Corporation upholds the spirit of good corporate governance and, continues to strengthen the function and composition of the Board of Directors in accordance with the "Corporate Governance Best Practice Principles." In addition to complying with the Company's overall operational strategies and long-term development needs, the composition of the Board of Directors promotes the diversity in professional background, gender, age, and industry experience based on the characteristics of the industry and the global trends, and thereby enhances the overall decision-making quality and supervision effectiveness of the Board of Directors. Currently, the Board of Directors comprises nine members (including three independent directors) who possess diverse expertises and experiences covering the areas of operational decision-making, organizational leadership, business management, finance and banking, marketing strategies, corporate governance, international market insights, and industry expertise. Among them:

- (1) Chairman Yung-Chieh Chan and directors Yu-Tu Lin, Hui-Hsun Li, Wen-Shu Tsai and Ching-Wen Chang possess extensive practical experience in brand management, professional service, marketing promotion, and strategic development, providing solid support for the operations of the Company.
- (2) The independent directors strengthen corporate governance, financial monitoring, and risk management functions:

- Independent Director Chi-Jen Chen serves as the convener of the Audit Committee and has over 30 years of senior management experience. His expertise covers corporate governance, integration of financial information, and analysis of industry strategies, and can provide forward-looking recommendations on corporate governance and sustainable development issues.
- Independent Director Yu-Cheng Chen acts as the convener of the Remuneration Committee. He is currently a professor at the Department of Finance, National Chung Hsing University, specializing in financial analysis, corporate valuation, and performance management, assisting the Company in building a reasonable compensation mechanism and long-term incentive system.
- Independent Director Ming-Yuan Cheng has a background in finance and education. He ever acted as a lecturer at Shu-Te University. Currently, he is a teacher at Feng Chia University, Mr. Ming-Yuan Cheng possesses practical experience in insurance and finance, and participates in the operation of the Remuneration Committee, providing institutional professional advice.

Overall, Taiwan Sakura's Board of Directors possesses both strategic perspective and professional depth. In addition to covering all key functions required for business management, it is gradually moving toward structural diversity in terms of gender and age, strengthening the resilience of the Board governance, and ensuring the Company can respond to the changes in the industry and rigorously pursue the sustainable business goals.

The diversity goals set for this year are as follows:

- (1) Gender Diversity: The Board of Directors has at least one female director.
- (2) Director Independence: The number of the independent directors exceeds one-third of the total Board members, and no independent directors serve more than three consecutive terms.
- (3) Professional Diversity: Directors possess the capabilities in operational judgment, leadership decision-making, business management, international market perspective, and crisis management, covering industry experience such as professional services and marketing, finance and banking, as well as professional capabilities such as business management, international market perspective, and leadership decision-making.

The continuing education means for directors includes:

(1) The head of corporate governance shall arrange political, economic, or law-related continuing education courses for directors^(Note 1). (2) Each director may participate in external training courses as needed. Therefore, in 2024, Taiwan Sakura's directors have attended the training related to corporate governance and corporate sustainability governance for 54 hours averagely. The hours of continuing education courses match the directives for continuing education for the current year in a rate of 100%.

Course name	Training hours	Number of participants
Domestic and International ESG Policies and Corporate Governance Trends	24	8
How the Board of Directors Supervises the Management Mechanisms after a Merger	21	7
Global Economic Outlook for the Second Half of 2024	3	1
Steer the Direction of Corporate Intelligence: Corporate Governance Leads the Way	3	1
Starting with TIPS: How Enterprises Can Build Intellectual Property Risk Prevention and Control	3	1

Note 1: At Sakura Taiwan, the head of corporate governance is Ms. Hsiu-Chi Chan, the manager of the Finance Department, who is responsible for the matters related to Board and shareholders' meetings, and assisting directors in complying with laws and the Articles of Incorporation of the Company to improve corporate governance standards and strengthen the functions of the Board of Directors.

2.1.4 Functional Committees

To enhance the corporate governance and comply with international standards, Taiwan Sakura actively builds a comprehensive and effective Board governance structure. The Company has established the Audit Committee and Remuneration Committee in accordance with relevant laws and regulations of the competent authorities and the “Corporate Governance Best Practice Principles” of the Company. The committees operate in accordance with the Articles of Incorporation of the Company, legal provisions, and interpretations made by the competent authorities. Through the clear division of responsibilities and the establishment of operating rules, the Company implements professionalization and institutionalization in the decision-making process. This mechanism not only enables the Company to strengthen the function and governance system of the Board of Directors, but also effectively combines the implementation and supervision to create dual performance, helps continuous movement towards the goals of transparent governance, sound operations, and sustainable development.

Name of Committee	Operation status	Operation status in 2024	Reference information
Audit Committee	<ol style="list-style-type: none"> The Company established the Audit Committee in 2019. The Committee meets at least once a quarter. The Company's Audit Committee consists of three independent directors and is responsible for: <ol style="list-style-type: none"> (1) Fair presentation of the Company's financial statements. (2) Appointment (dismissal), independence, and performance of the external auditor. (3) Effective implementation of the Company's internal control. (4) The Company's compliance with relevant laws and regulations. (5) Control over existing or potential risks of the Company. 	The Company's Audit Committee convened 6 meetings in 2024, with the members' attendance rate of 100%.	Please refer to the annual report or the Company's website for the details about the implementation status.
Remuneration Committee	<ol style="list-style-type: none"> The Company established the Remuneration Committee in 2011 to review the Company's overall remuneration policies and plans. The Committee convenes at least two meetings a year. The Company's Remuneration Committee consists of 3 members. Two of the Committee members are served by independent directors to maintain the independence, professionalism, and impartiality of the Remuneration Committee and avoid the risk over conflict of interest between the Committee members and the Company. They are also responsible for formulating and regularly reviewing the following: Annual and long-term performance targets and remuneration policies, systems, standards and structures for directors and managers, and regularly assess the achievement of performance targets by the Company's directors and managers, and determine the contents of their individual remuneration. In a professional and objective position, the Committee assesses matters related to the remuneration of the Company's directors and managers and makes recommendations to the Board of Directors for reference in decision-making. 	The Company's Remuneration Committee convened 6 meetings in 2024, with the members' attendance rate of 100%.	Please refer to the annual report or the Company's website for the details about the implementation status.

2.1.5 Performance evaluation on the Board of Directors and functional committees

To strengthen the effectiveness of governance and improve the function of the Board of Directors, Taiwan Sakura has formulated the "Regulations on Performance Evaluation of the Board of Directors and Functional Committees" in accordance with the regulations of the competent authority to establish an institutional objective evaluation mechanism. These regulations clearly define the evaluation items, indicators, implementation cycles, and application of results, ensuring that the operation of the Board of Directors is transparent, effective, and in line with the Company's long-term development. Therefore, the Company conducts regular annual performance evaluations at three levels of the Board of Directors, functional committees, and individual directors. These evaluations cover the aspects of governance structure, participation level, decision-making quality, risk management, internal supervision, legal compliance, and continuing education. The evaluations are completed before the end of the first quarter of the following year and the compiled analysis results are submitted to the Board of Directors for review. Furthermore, the evaluation results will be used as a crucial basis for key decisions, including considerations for nomination and reappointment of directors in the future, compensation and salary setting for individual directors, adjustment and optimization of committee's operation, enhancement of the Board's professional functions, and continuing education planning. Through this institutional performance evaluation cycle, Taiwan Sakura is dedicated to enhancing the professionalism of the Board of Directors, continuously optimizing the corporate governance mechanism, strengthening operational supervision, and improving the overall competitiveness of the Company and the foundation of the sustainable development.

Assessment cycle	Assessment period	Assessment scope	Assessment method	Assessment aspect		Assessment item		Assessment result Weighted score
Once a year	01.01.2024 to 12.31.2024	Performance evaluation on the Board of Directors	Internal self-assessment on the Board of Directors	1. Participation in the Company's operations 2. Improvement of the decision-making quality of the Board of Directors 3. Composition and structure of the Board of Directors	4. Election and continuing education of directors 5. Internal control	45 items		99.9 points
		Performance evaluation of individual directors	Self-assessment by individual directors	1. Understanding of the Company's goals and missions 2. Awareness of the duties of directors 3. Participation in the Company's operations	4. Internal relationship management and communication 5. Expertise and continuing education of directors 6. Internal control	23 items		98.9 points
		Performance evaluation of the Audit Committee and the Remuneration Committee	Internal self-assessment on functional committees through internal questionnaires	1. Participation in the Company's operations 2. Awareness of the responsibilities of the functional committee 3. Improvement of the decision-making quality of functional committees	4. Composition of functional committees and election of members 5. Internal control	Audit Committee	22 items	99.7 points
						Remuneration Committee	19 items	100.0 points
Result	The 2024 performance evaluation on the Board of Directors, individual directors, the Audit Committee and the Remuneration Committee showed positive results. The evaluation results have been reported to the Board of Director, the Audit Committee, and the Remuneration Committee on March 11, 2025. The relevant evaluation results have been disclosed on the Company's website for investors' reference.							

2.1.6 Remuneration payment policy

To establish an incentive-based and reasonable compensation system, Taiwan Sakura has established a comprehensive compensation policy for its directors and managers, including compensation structure, decision-making procedures, and risk assessment mechanisms. The Company operates in accordance with relevant laws and regulations and the Articles of Incorporation, and with reference to industry standards and domestic and international governance practices to attract, retain, and motivate outstanding management talents, thereby strengthening overall business performance and the sustainable competitiveness of the Company.

1. Taiwan Sakura has established the Remuneration Committee for regular reviews and deliberations to ensure that the compensation policy is linked to business performance and risk management and that the compensation of directors and managers is commensurate with the Company's overall operating results and risk tolerance. The Committee holds meetings at least once a year. The specific responsibilities are as follows:
 - (1) Assessing the compensation policy, structure, and market competitiveness of directors and managers.
 - (2) Analyzing their educational background, experience, scope of responsibilities, and actual contributions. The operational risk of the Company (such as financial, market, and transaction risks) is taken into account to make a comprehensive assessment.
 - (3) The review results are submitted with specific recommendations to the Board of Directors for resolution to ensure that the compensation system is fair, incentive-based, and risk-adapted while avoid aggressive behavior and potential significant risks.
2. Compensation policy for directors: In accordance with Article 17 of the Company's Articles of Incorporation, the compensation to directors is determined by the Board of Directors with reference to applicable industry standards. Particulars are described below:
 - (1) The Chairman's compensation is 1.5 times that of the General Manager.
 - (2) The Vice Chairman's compensation is equivalent to that of the General Manager.
 - (3) Other directors are remunerated according to the standards for managerial executives.

In addition, according to Article 20 of the Articles of Incorporation, if there is an annual operating surplus, the Company shall allocate no more than 5% as director compensation. The allocation of director compensation comprehensively considers director's contribution to the corporate governance, level of participation, responsibility risk, and actual level of engagement. It is reviewed by the Remuneration Committee and submitted to the Board of Directors for resolution, ensuring the reasonableness and transparency of the compensation.

3. Compensation system for employees and managers: The compensation system of the Company is implemented in accordance with the "Salary Management Regulations" and the Articles of Incorporation of the Company, including fixed salary, work allowance, year-end bonus, and performance bonus. Particulars are described below:
 - (1) As for employee compensation, according to Article 20 of the Articles of Incorporation, if there is an annual operating surplus, the Company shall first allocate 2% to 8% as employee compensation to be distributed based on factors such as seniority, job grade, and performance evaluation results.
 - (2) The performance bonus is distributed based on multiple indicators, including the Company's overall operating and financial performance, the operational status of each business unit, the achievement of individual annual goals, and the performance evaluation result.

The following table shows the percentage of after-tax net profit to the total compensation paid by Taiwan Sakura to the Company's directors, general manager and deputy general manager for the last two years. This is used to disclose the Company's compensation payment structure for the senior management and explain the association between the compensation policy, standard and portfolio, the procedure for determination of the compensation, business performance, and future risks.

Item	The Company				All companies in the consolidated statements			
	2023		2024		2023		2024	
	Total amount	Percentage of net income	Total amount	Percentage of net income	Total amount	Percentage of net income	Total amount	Percentage of net income
Directors' remuneration	42,205	3.94%	53,179	4.09%	42,205	3.94%	53,179	4.09%
General Manager's and Deputy General Managers' remuneration	54,311	5.07%	45,617	3.51%	55,918	5.22%	46,152	3.55%

2.1.7 Remuneration payment process

Taiwan Sakura has a Remuneration Committee comprised of independent directors. The performance evaluation of directors and managers and their compensation are governed by the Remuneration Committee and the "Regulations on Performance Evaluation of the Board of Directors and Functional Committees." The Committee conducts regular review of compensation to understand market competitiveness and trends, and formulates the compensation policy, employee incentives, and compensation plans.

Furthermore, the Remuneration Committee regularly reviews the Company's compensation policy and plan to ensure that they can attract, motivate, and retain professional talents the Company needs. The Committee reviews and approves the compensation of directors and managers annually, including salaries, bonuses, employee compensation, and other incentive programs. To ensure the reasonableness and competitiveness of the overall remuneration, the Company regularly conducts comparative analysis on overall remuneration and the remuneration market, and submits the results to the Remuneration Committee.

2.1.8 Succession planning for key management personnel

The sustainable development of an enterprise relies on a solid talent pool and leadership succession. Taiwan Sakura understands that a forward-looking and systematic succession plan helps perpetuate the Company's business philosophy and value. It is also crucial for maintaining governance stability and resilience in the face of the changing business environment. Therefore, the Company considers corporate human capital strategies and risk management as a crucial link and builds a succession development framework that is both strategic and flexible in practice and encompasses a complete structure from the selection of successors, cultivation mechanism, functional development to rotational training. In the selection of talents, Taiwan Sakura not only assesses candidates' execution and management capabilities, but also emphasizes whether they demonstrate the core value consistent with the corporate culture of the Company, including "integrity and honesty," "innovation-driven," and "customer satisfaction orientation." Through phased, multi-domain, and cross-functional training programs, potential successors are selected and trained to ensure strengthening the continuity and depth of the organizational leadership.

1. Senior Management Talent Development Project: Building a Corporate Leadership Pipeline

Taiwan Sakura designs systematic development programs for senior executives, which integrates three main cores of “learning courses,” “strategic planning” and “action projects.” This helps management deepen their management thinking and broaden their strategic vision. Through a development strategy centered on the “practice-oriented + culture-guided” approaches, it helps successors gain a more comprehensive understanding of corporate operations, core values, and industry challenges.

- (1) The training modules cover leadership development, strategic innovation, organizational integration, and culture shaping.
- (2) Use cross-departmental and cross-business unit action learning methods to promote teamwork, organizational integration, and problem-solving capabilities.
- (3) Establish a consistent management language and shared values, strengthening the internalization and transmission of leadership culture.
- (4) Encourage intergenerational learning and fosters a sense of shared purpose, thereby enhancing organizational cohesion and the drive for change.

2. Goal-Oriented Assessment and Business Potential Identification: Implementing Strategic Alignment and Performance-Driven Mechanisms

To ensure senior executives possess the ability to achieve business results and execute strategies, the Company has implemented a leadership management mechanism centered on "goal setting and regular assessment," combined with a succession potential screening system. This creates a benchmark-based and traceable talent development platform, ensuring effective deployment for different succession opportunities.

- (1) Senior executives are required to set annual business goals and organizational development plans for their respective business units and teams, and conduct regular strategy reviews with the top management team.
- (2) Monthly and quarterly operational performance is reviewed and evaluated, and the goal execution ability and management maturity of potential successors are assessed during the performance review.
- (3) For potential successors, in-depth meetings with senior leaders, such as the General Manager and Chairman, are arranged to assist them in self-breakthrough and broaden their horizons.
- (4) The succession plan is updated in a rolling way based on performance, potential, and value alignment to ensure compliance with the strategic goals of the Company.

3. Multi-domain job Rotation: Cultivating Global Practical Skills and Strategic Integration capabilities.

To enhance successors' adaptability to multinational, diverse, and complex business environments, the Company has designed a strategic training oriented rotation system that covers different operational aspects and regional markets. With a "rotation training and task-oriented assignment" model, the Company ensures that successors develop a leadership style with a global perspective and cross-cultural management capabilities.

- (1) Plan a training assignment centered on cross-departmental functions, business units, and overseas locations to help candidates become familiar with different organizational functions and business models.
- (2) Arrange challenging and strategically significant positions (such as strategic planning, regional management, and operational integration) to strengthen their cross-sector integration and decision-making capabilities.
- (3) Encourage high-potential talents to participate in international projects, ESG promotion, and corporate transformation to accumulate comprehensive governance and sustainable management experience.

Taiwan Sakura firmly believes that succession planning is not a single task, but a continuous strategic investment. With the clear system design, scientific talent selection mechanism, cross-domain training arrangement, and strategically benchmarked performance evaluation, the Company systematically builds an advanced leadership development blueprint that aligns with our corporate culture, strategic direction, and response to future challenges. In the future, Taiwan Sakura will continue to draw on the practical experience of leading domestic and international companies, deepen our training strategy for potential successors, and further integrate talent development with sustainable corporate operations. We will establish a rotation result tracking and growth evaluation mechanism to ensure that




training is conducted effectively and linked to the succession responsibilities to be fulfilled, while applying robust operating resources to support the long-term value of the Company.

2.1.9 Emphasizing shareholders' rights and stakeholders

Taiwan Sakura has established the "Corporate Governance Best Practice Principles" in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," and disclosed relevant contents on our website and MOPS. In addition to complying with the provisions of laws, regulations, and the Articles of Incorporation, the Company has established an effective corporate governance framework under the corporate governance system to protect shareholders' rights, strengthen the function of the Board of Directors, respect the rights of the stakeholders, and enhance information transparency. The Company has designated a spokesperson, an acting spokesperson, and dedicated personnel for legal and stock affairs to handle shareholders' suggestions and disputes. General stock affairs issues are handled by the stock affairs department, while the issues related to the Company are handled by the spokesperson. We use the shareholder register provided by the stock agency to accurately monitor the changes in the shareholdings of directors, managers, and major shareholders holding 5% or more of the shares, and report relevant information as required. The Company holds a shareholders' meeting every year. There is a dedicated sections for investors and shareholders, respectively, on our official website to disclose relevant information. [Mailbox archie07@sakura.com.tw](mailto:Mailbox_archie07@sakura.com.tw) is available and a dedicated person gives replies. A [stakeholder section](#) is provided on the website to disclose relevant financial and business information, corporate governance information, CSR information, and stakeholder communication and contact information. A spokesperson and an acting spokesperson are appointed as a channel for communication with investors.

2.1.10 Improvement of information disclosure transparency

Taiwan Sakura has an official website to disclose the information of corporate governance and sustainability.

Item	For more information, please go to:	
Taiwan Sakura's Articles of Incorporation and regulations	https://www.sakura.com.tw/Constitution	
Taiwan Sakura's shareholders' meeting information	https://www.sakura.com.tw/shareholderMeeting	
Taiwan Sakura's investor conference information	https://www.sakura.com.tw/FinancialInformation	

2.2 Financial Performance

SDGs	SDG 8, SDG 9, SDG 16, SDG 17
GRI	102-7, 102-15, 102-18, 102-45, 201-1, 207

In 2024, the overall economic environment was affected by inflation and high interest rates, thereby resulting in sluggish consumer demand. Despite the unfavorable market environment for corporate operations, Taiwan Sakura was able to maintain the record of revenue growth for 15 consecutive years, and the credit should be given to all employees and the results of the continuous operation of the three implemented major strategic frameworks, namely "stable growth of existing businesses," "future layout of new businesses" and "core construction of sustainable development," in the recent years. In the face of rising operating costs and uncertainties in the consumer market in the future, the Company will respond to it with a more cautious attitude in operations.

For more financial information, please refer to the MOPS or the investors section of the official website (<https://www.sakura.com.tw/company/finance>).

Unit: NTD million

Item	2020	2021	2022	2023	2024
Operating revenue	6,628	7,569	8,213	8,272	9,610
Operating profit	1,065	1,160	1,112	1,230	1,464
Net income	893	1,008	1,009	1,069	1,292
Net income margin	13.5%	13.3%	12.3%	12.9%	13.5%
Net income attributable to shareholders of the parent	893	1,010	1,019	1,072	1,301
Earnings per share(NT\$)	NT\$4.08	NT\$4.62	NT\$4.66	NT\$4.90	NT\$5.94

2.2.1 Tax policy and governance

Taiwan Sakura upholds “ethical management” as its core value. The Board of Directors is the tax supervision unit, and the Company's Finance Department is the tax management unit, aiming to ensure honest tax return, information transparency, mutual trust, and prudent assessment on tax risks and impacts, pay taxes according to the local tax laws and regulations, contribute to the promotion of corporate innovation and sustainable economic and social development, and fulfill corporate social sustainable responsibilities. Income tax-related information of Taiwan Sakura in the past two years, and the tax policies and codes of conduct that Taiwan Sakura has adhered to are as follows:

Information on Income Tax	2023	2024
Income before tax (A)	1,365	1,627
Income tax expense (B) ^(Note 1)	296	335
Effective tax rate (B)/(A)	21.8%	20.6%
Income tax paid (C) ^(Note 2)	261	423
Cash effective tax rate (C)/(A)	19.2%	26.0%

1. Legal compliance

We promise to comply with the tax laws and regulations applicable within each operating regions and international tax standards, calculate taxes correctly, and declare various taxes by the deadlines according to the law to fulfill our obligation as a taxpayer.

2. Information transparency

Disclose tax information to stakeholders through open channels to enhance information transparency.

3. Risk control

We establish a solid tax risk control framework and corporate culture. When making and implementing tax decisions, we should evaluate the optimization of the overall tax burden of the Company and the impact on the reputation, risk control, and sustainable value of the global operation in various countries, and also tax risks and appropriate strategies.

4. Economic substance

Adopt legal and transparent tax incentive policies, and avoid saving tax in the manner against the spirit of the law.

5. Ethical communication

Establish mutual trust and honest communication with the tax authorities in each operating region, provide industry practical perspectives and professional insights, and help improve the tax environment and system.

Note 1: Provisional income tax expense payable for the current year. Note 2: Taxable income expense paid for the current year.

2.3 Ethical Management and Legal Compliance

SDGs	SDG 4, SDG 8, SDG 16
GRI	102-17, 102-18, 102-22, 102-45, 201, 204, 205-2, 205-3, 206, 404, 414, 418, 419

2.3.1 Ethical management

Driven by the value of ethical governance and upholding the philosophy of sustainable operation, Taiwan Sakura continuously strengthens the governance foundation, implements the core values, and is dedicated to building a systematic, forward-looking, and resilient governance system. Therefore, the Company has formulated ethical management policies and prevention regulations, including the “Ethical Corporate Management Best Practice Principles,” “Corporate Governance Best Practice Principles,” “Opportunity and Risk Management Regulations,” “Crisis Management Regulations,” “Regulations Governing Management of Employees’ Business Ethics,” and other core regulations, and has them approved by the Board of Directors and Shareholders’ meeting. These regulations are internalized into daily operational processes to form a risk protection network from the top decision-making management to the basic level of execution. In addition, the Company continuously refines the risk management process, implements the principles of “early identification, accurate measurement, effective supervision, and strict control” to ensure risks remain within a controllable range. Dynamic adjustments are applied based on the changes in the internal and external environments to achieve optimal resource allocation and operational resilience, thereby protecting the interests of the stakeholders and enhancing the overall corporate value and the implementation of the ethical operations.

2.3.1.1 Ethical management guidelines and their implementation

Taiwan Sakura deems “integrity and honesty” as the most important core value of the corporate culture and adheres to a consistent ethical standard in all business activities. Our overall policy framework and implementation are as follows:

1. Professional Ethics and Culture of Integrity: Internalizing Standards and Deepening Identification

Professional ethics is the foundation of the corporate ethical management. Taiwan Sakura requires all employees to follow high ethical standards, maintain the reputation of the Company, and act ethically and in compliance with the law. For this, the Company establishes the “Ethical Corporate Management Best Practice Principles” and “Regulations Governing Management of Employees’ Business Ethics” and strengthens employee’s understanding and practice of the Company’s values and code of conduct through an internal website, regular training, and communication activities. In addition, the Company establishes diversified, confidential, and traceable whistleblowing mechanisms and encourages honest reporting of wrongdoing. We protect the rights of the whistleblower, demonstrate a zero-tolerance attitude towards violations, and take legal actions when necessary. This not only strengthens internal supervision, but also deepens the foundation of the organizational culture of integrity.

2. Institutionalized Management: Integrity, Internal Control, and Information Protection

The Company has fully implemented management measures related to ethical management, including: (1) Financial statement preparation guidelines. (2) Insider trading prevention measures. (3) Intellectual property and confidential information protection measures. (4) Personal data and privacy protection policies. (5) Document retention and destruction management regulations. These management measures are implemented in the operational processes of each department. Through a clear and rigorous management system framework, we ensure that data and information are accurate, reliable, and timely. The Human Resources Department is responsible for promoting the systems related to ethical management and regularly reports their implementation effectiveness and improvement plans to the Board of Directors.

3. Audit Supervision and Continuous Improvement: Strengthening Internal Control Effectiveness

The Auditing Office conducts regular operational reviews in accordance with the annual audit plan approved by the Board of Directors to ensure that the business operation, finance, information, and personnel management complies with the institutional regulations and compliance requirements. The Auditing Office regularly reports to the Board of Directors and senior management and tracks the specific measures implemented by each unit in accordance with improvement suggestions and their implementation results. Through this supervision mechanism, Taiwan Sakura continuously optimizes operational efficiency, manages risks, aligns with international standards in the implementation of the ethical management system, realizes the vision of sustainable corporate governance, and strives to become a long-term value-oriented enterprise that stakeholders can trust.

2.3.1.2 Commitment mechanism

By formulating various management regulations that employees should follow, we expect that all internal and external stakeholders may abide by the laws and work together for corporate sustainability. The Company's ethical management philosophy is publicly disclosed on the Company's website and in the employee NOTES section.

Declaration to the public: Before purchasing, Taiwan Sakura has to conduct relevant assessments on the trading counterparts to confirm whether they are qualified or not, and stipulate the penalties to be imposed for breach of contract in the contract. The Company also communicates the Company's ethical standards to customers through various customer audit activities from time to time, and exchanges related issues.

Internal Commitment:

1. Carry out all operations ethically and faithfully record all transactions.
2. When carrying out any mission, it is necessary to ensure the confidentiality of business information and maintain complete business and operational records to respect the business assets, intellectual property and personal data of the Company, customers and partners.
3. All employees are obliged to report any misconduct or suspected violation of the Code to the management, if any.
4. Each employee shall endeavor to treat the Company's customers, suppliers, competitors, and other employees fairly and impartially. No employee may manipulate, conceal or abuse proprietary information, misstate material facts, or engage in other unfair trade practices.
5. All the employees are prohibited from accepting or giving kickbacks or other illegitimate benefits to customers, suppliers, or other business-related personnel.
6. All employees are strictly prohibited from accepting any cash or other goods in disguised form, such as gift certificates, checks, shares or other negotiable securities.
7. All employees are prohibited from accepting entertainment and treatment.
8. All employees must sign the Employee Service Consent Form when they join the Company and promise to abide by the relevant ethical management regulations.

2.3.1.3 Education and training and their implementation effectiveness

The Chairman, General Manager or senior management of Taiwan Sakura communicate the importance of integrity to directors and employees on a regular basis. The Company has included the "Ethical Corporate Management Best Practice Principles" as a compulsory course for the orientation training, and promoted ethical corporate management (anti-corruption) regulations throughout the Company via regular monthly meetings. We have integrated the policy of ethical management with the employee performance evaluation and human resources policy, and established an effective reward and punishment system. The implementation status of the Company's ethical management (anti-corruption) is as follows:

1. Orientation training: Taiwan Sakura organized five sessions of the orientation training in 2024, attended by a total of 145 trainees. The training aims to explicitly advise them of the Company's ethical management and regulatory requirements, enable them to understand Taiwan Sakura's core values of "ethical management, forward-looking, enthusiasm, expertise, and sharing", and implant the ethical management DNA.
2. Promotion throughout the Company at monthly meetings: In 2024, the Company conducted three ethical management dissemination sessions at the monthly meeting in November, attended by a total of about 400 participants, in order to promote the prohibition of unethical conduct, acceptance of bribe and unjustified enrichment and inappropriate gifts and hospitality, and whistleblowing channels, etc..
3. In 2024, we did not receive any reports on financial or accounting violations, nor were there any major violations (with fines exceeding NT\$1 million), and no violation reports were received from the Audit Committee's whistleblowing system, employee complaint/whistleblowing system, or business ethics violation whistleblowing system.



2.3.1.4 Whistleblowing mechanism

Taiwan Sakura's "Regulations Governing Management of Employees' Business Ethics" have established the whistleblowing channels exclusive for employees. Any violation of the ethical corporate management regulations may be reported to managers, chief internal auditors, or other supervisors. Upon receipt of the information from any whistleblower, the relevant personnel shall report the same to the Auditing Office, or may report violations of ethical management or fraud through the following grievance or whistleblowing methods and channels. If any directors or senior management is involved in any reported cases, these should be reported to the independent directors immediately and handled in accordance with the category of case and the involved investigation procedure as established by the Company.

When a case is investigated, subsequent measures are taken according to the severity of the case. If necessary, the case should be reported to the competent authority or transferred to a judicial organ for further investigation. The acceptance of the case, the investigation process, the result, and related documents should be recorded and properly preserved.

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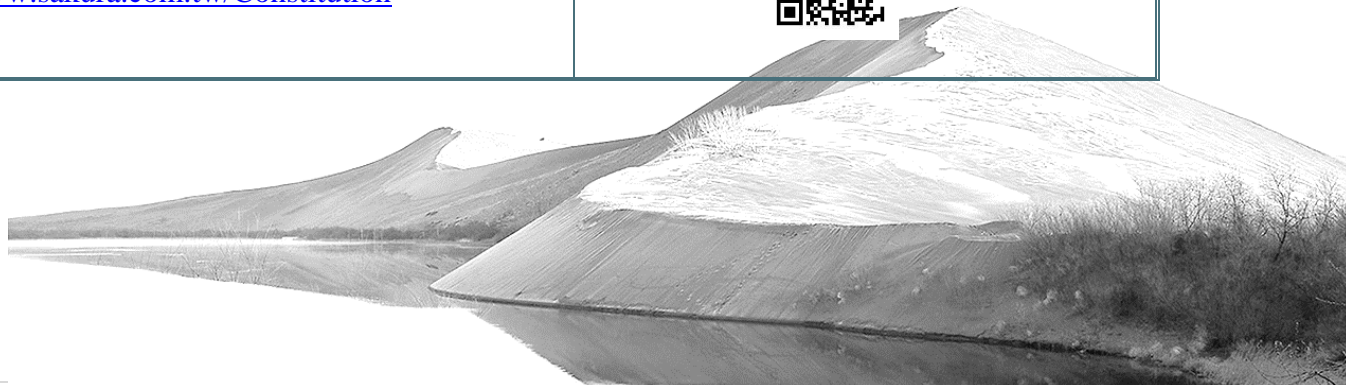
2.3.1.5 Whistleblower protection mechanism

Taiwan Sakura has designated personnel dedicated to handling complaints or reports to ensure that whistleblowers are protected during the whistleblowing process and free from being penalized for whistleblowing.

2.3.1.6 Information disclosure

Information disclosure on Taiwan Sakura's website:

Name	For more information, please go to:	
Taiwan Sakura's Articles of Incorporation and regulations	https://www.sakura.com.tw/Constitution	



2.3.2 Legal compliance

Taiwan Sakura has always been committed to maximizing its stakeholders' interests. For legal compliance, the Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, regulations related to TWSE/TPEX listing, or other laws and regulations related to commercial activities, in order to deepen the corporate culture for integrity and respect.

Compliance Management System

Search for compliance matters	Compliance check	Legal education and training	Company management regulations and systems
Collect and review government regulations and customer requirements	Ensure that all operations of the enterprise comply with laws and regulations	Cultivate employees' understanding of work-related laws and regulations	Guiding departments to adjust rules and systems according to the requirements under laws

Violations and Penalties

No incidents of bribery, corruption, money laundering, anti-competitive practice, violation of the Company Act, insider trading, conflict of interest, discrimination and harassment, or breaches of personal data or privacy, or any cases related to violation of business ethics occurred in 2024. However, the losses and penalties incurred due to violations and the improvements made are listed below:

Date	Factory	Case no.	Regulations violated	Amount of fine	Violations	Improvement made
2024.2.22	Shengang Plant	Zhong-Shi-Huan-Shui-Tzi No. 1130019273	Article 7, Paragraph 1 and Article 40, Paragraph 1 of the Water Pollution Control Act	NT\$153,000	The substances contained in the discharged water exceeded the effluent standard	<ol style="list-style-type: none"> 1. Replaced the discharge pipeline and cleaned the discharge tank to reduce discharge of the residual material from the pipe walls to the outside environment. 2. Purchased a microcomputer-driven suspended solid controller to monitor suspended solids throughout the process.
2024.3.15	-	Bei-Shi-Lao-Dong-Tzi No. 11360057941	Article 32, Paragraph 2, Article 24, Paragraph 1, and Article 24, Paragraph 2 of the Labor Standards Act	NT\$150,000	The extended working hours exceeded the legal limit; failed to pay the extended working hours as required; failed to pay wages for the rest days as required by law.	Strengthened the dissemination of government policies and internal regulations to enhance compliance awareness.

2.4 Intellectual Property Management System

SDGs	SDG 8, SDG 9, SDG 12, SDG 16
GRI	102-2, 102-16, 203-2, 416-1, 418-1

Taiwan Sakura adheres to the business philosophy of "innovation, quality, and service", values the needs of consumers, and is committed to creating various customer services. We formulate the intellectual property management plan that combines the Company's operational goals and R&D resources to protect the achievements of advanced R&D technology, maintain the power of innovation, optimize the competitive advantage, increase corporate profits, achieve operational goals, and ensure the sustainable operation of the Company, protect own rights and interests, avoid infringing upon another person's rights, and enable all personnel of the Company to manage intellectual property based on correct understanding and emphasis on R&D innovation. The intellectual property management plan and implementation status thereof were reported to the Board of Directors on December 18, 2024 ^(Note 1).

Intellectual Property Management Strategy			Intellectual Property Management System		
Acquisition of intellectual property	Protection of intellectual property	Maintenance of intellectual property	Trademark Management	Patent management	Trade Secrets
Strengthening intellectual property deployment, respecting the intellectual property of others, and mitigating the risk of infringement.	Protecting proprietary intellectual property and ensuring that the Company's R&D results enhance corporate competitiveness.	Strengthening patent and trademark management. Maintaining competitive advantage and raising the awareness toward protection of the Company's secrets and interests.	The "Trademark Management Regulations" have been formulated to regulate the application, extension, maintenance, protection, authorization, and related procedures of the Company's domestic and foreign trademarks, and the "Brand Management Regulations" have been formulated to regulate the use of trademarks.	Formulate the "Patent Management Regulations" through incentive measures and incentives for the R&D department to cultivate talents, explore ideas, and build the foundation for technology accumulation and sustainable development. Meanwhile, the Research & Development Center continues to monitor the development of competing products, including the monitoring of patents of peers in the same trade, and collection and analysis of new products of peers in the same trade.	The importance of protecting the Company's trade secrets and information security is promoted to employees from time to time to raise their awareness toward protection of the Company's confidential information.

Note 1: Please refer to the Intellectual Property Management Plan section on the official website of Taiwan Sakura for details.

Implementation status of intellectual property management

1. Since 2004, the intellectual property management system has been gradually implemented, and refined and revised from time to time as applicable. The implementation status is as follows:

A. Regulations & Systems - Trademark

- Since 2013, all subsidiaries and business divisions have successively formulated brand management regulations to implement logo management and make consumers have a consistent impression about the Company and the brand at all contact points.
- Since 2014, the Trademark Management Regulations have been formulated for trademark management affairs.

B. Regulations & Systems - Patents

- Since 2004, in order to protect and manage R&D achievements, the patent award regulations have been formulated, which were officially changed to the Patent Administration Regulations in 2012.

C. Regulations & Systems - Business Secrets

- The Employee Ethical Management and Assurance Management Regulations have been formulated since 2006.
- The Code of Business Ethics was established in 2008 and officially changed to the Regulations Governing Management of Employees' Business Ethics in 2015.
- The Regulations for the Protection of Drawings and Confidentiality of Technical Documents were formulated in 2005, which were officially changed to the Specifications for Protection of Drawings and Confidentiality of Technical Documents in 2010.

D. Promotion and Training

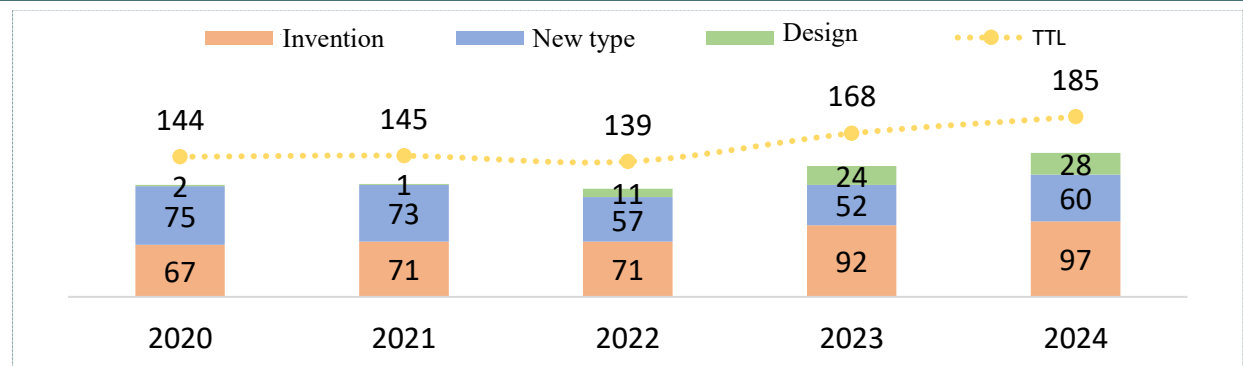
- The Company promotes the protection of the Company's business secrets and information security to employees through internal announcements or monthly meetings from time to time.
- Patent-related education and training is organized from time to time.

Achievements of intellectual property obtained by Taiwan Sakura

Trademark deployment achievements over the past two years

		2023		2024	
Total		306		289	
Domestic		208		194	
Overseas	China	98	22	95	22
	Others		76		73

Trademark deployment achievements



In 2024, 29 applications for new patents were filed, and 9 patents were approved.

2.5 Risk Management and Internal Control Mechanism

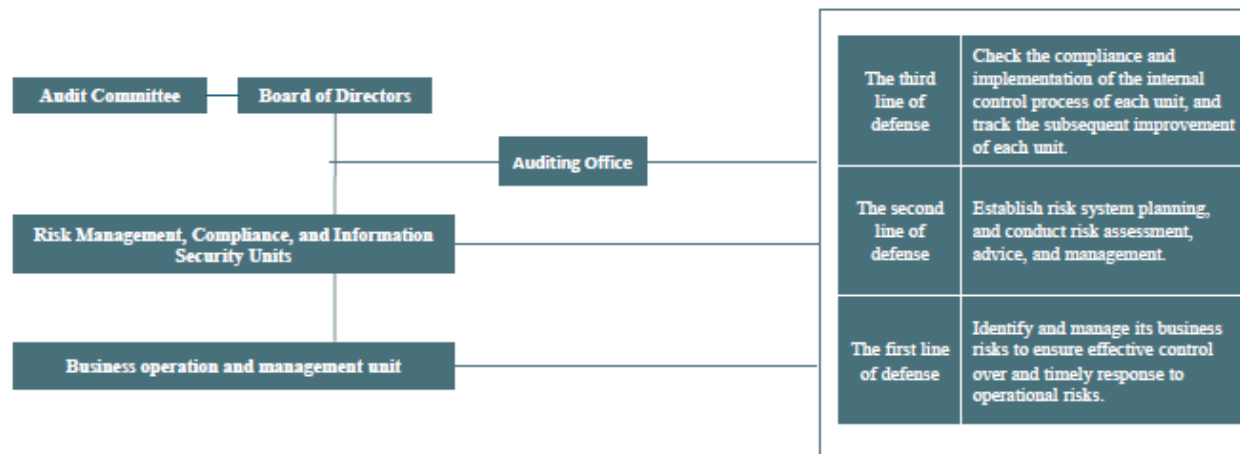
SDGs	SDG 8, SDG 9, SDG 12, SDG 13, SDG 16
GRI	102-15, 102-18, 102-29, 102-33, 201-1, 307-1, 403-9, 406-1, 419-1

Taiwan Sakura's Board of Directors is the highest decision-making unit for risk management. It is responsible for approving the Company's risk management policy and structure and supervising the effective operation of the mechanism. The Company adopts an integrated corporate risk management framework and preventive measures for the risks faced during the operation process. The Audit Committee reviews the effectiveness of the Company's internal control system to ensure its effective implementation, and supervises the control for existing or potential risks of the Company. Taiwan Sakura has formulated the “Opportunity and Risk Management Regulations” to implement the risk management. Furthermore, the scope of risk management includes business management risks, market risks, financial risks, operational risks, information risks, emerging risks, ESG and climate risks, etc. We also pay attention to the changes in the global environment and the industry in order to respond to, effectively manage and mitigate the impact posed by risks at any time.

Based on the principle of mitigation of losses caused by risks, Taiwan Sakura regularly identifies, evaluates, handles, monitors, and tracks potential risks that may affect the Company's achievement of goals, and incorporates them into the routine operations of each unit. The Company has established a sound internal control system in accordance with the relevant laws and regulations and implemented it effectively. Meanwhile, the Company has also conducted appropriate risk assessments on major correspondent banks, customers and suppliers to mitigate credit risks. The risk operation has also integrated ISO 9001, ISO 14001, ISO 45001 and other management systems, and through the annual internal and external audits of each system, the risks of each operation are rechecked to confirm the effectiveness of risk control measures and to formulate the annual risk-oriented audit plan.

2.5.1 Systemic risk management framework

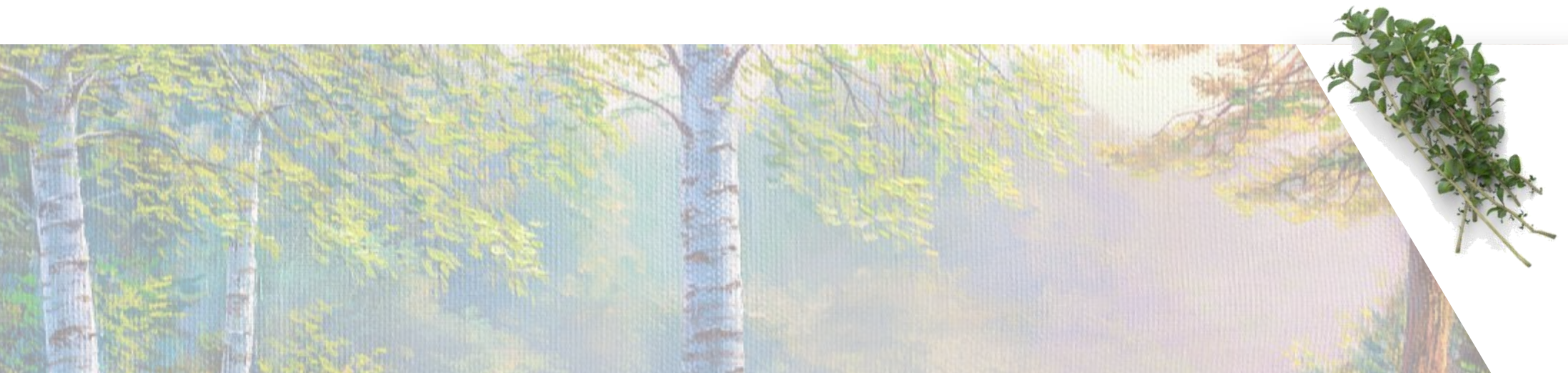
The Board of Directors, Audit Committee, Auditing Office, risk management/legal compliance/information security unit, and various operating and management units jointly participate in promotion and implementation of relevant risk management measures to form a mechanism of three defence lines for corporate risk management.



2.5.2 Systemic risk management procedure and its operation

To mitigate the impact of internal and external risks, Taiwan Sakura identifies risks related to corporate governance, environment, society, employee, information, finance, and climate based on the principle of materiality, the business attribute of the Company, and the operational characteristics, and thereby planning relevant management and monitoring measures.

Mechanism	Implementation Method	
Risk Management Framework	1. Risk identification All units shall continue to monitor changes in the internal and external environments and consider the impact on stakeholders to identify sources and issues of the risk.	2. Risk analysis The identified risks are analyzed in terms of threat, possibility of occurrence and impact. Evaluate and prioritize risks based on the business nature, scale, complexity, and opportunity cost of risks based on the analysis results.
	4. Supervision and review Each unit established risk monitoring procedures, continuously observes and submits risk monitoring reports periodically for review and improvement.	3. Risk management Each unit takes appropriate countermeasures and control actions based on the risk assessment results and priorities to control and eliminate risks in the most appropriate manner.



2.5.3 Systemic risk management measures

Taiwan Sakura has always been committed to maximizing of the interests of shareholders and employees, and complies with the relevant regulations of listing on the TWSE/TPEX list or other laws and regulations related to commercial activities, such as the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act and Act on Recusal of Public Servants Due to Conflicts of Interest. In addition to deepening the corporate culture of ethical management, the Company adopts the following correspondent management measures with respect to identified systemic risks in the “Opportunity and Risk Management Regulations”, such as finance and accounting, management, legal affairs, audits, human resources, emerging risks, ESG and climate risks, upon assessment and analysis.

Risk category	Corresponding management practices
Funds	<ol style="list-style-type: none"> 1. Regularly take an inventory of cash and marketable securities, track abnormalities, increase capital income, increase profitability, and prevent corporate assets from shrinking due to external crises. 2. The level of authority is granted according to the relevant SOPs. Payment is made through electronic banking after encryption in the ERP system to enhance the payment security. 3. Regularly review the optimal cash and capital structure, and carry out capital planning to achieve the optimal cash scale. <p>All of the loans we make are for short-term financing needs. The interest rates vary depending on the currency, but the amounts are not significant. Therefore, there is no risk that changes in market interest rate will cause fluctuations in future cash flows.</p>
Currency exchange	<ol style="list-style-type: none"> 1. Monitor foreign currency positions, revenue achievement rate and changes in inventory a daily basis. 2. Create foreign exchange position forecasts for hedging. 3. Monitor the net amount of foreign currency assets offset against liabilities to mitigate operational risks caused by fluctuations in foreign exchange rate. <p>The Company's exchange rate risk is primarily related to the operating activities (when the currency used for revenue or expenses differs from the Company's functional currency) and net investments in the overseas operations. The Company's treasury staff closely monitors the trends and changes in major international currencies to grasp exchange rate movements and maintains good relationships with banks to obtain broader foreign exchange information and more favorable exchange rate quotes.</p>
Property	<ol style="list-style-type: none"> 1. The Company shall purchase appropriate insurance for its property and pass on the risk to the insurance company. 2. For property risk, cargo transportation, product liability and other risk controls, risk courses are organized regularly to ensure that the relevant departments and factories are fully aware of the sources of risks and eliminate risks as soon as possible to reduce possible losses. 3. Conduct regular surveys on cargo transportation, product liability and safety at the factory premises. <p>The Company had no loss due to property risk in the current year.</p>

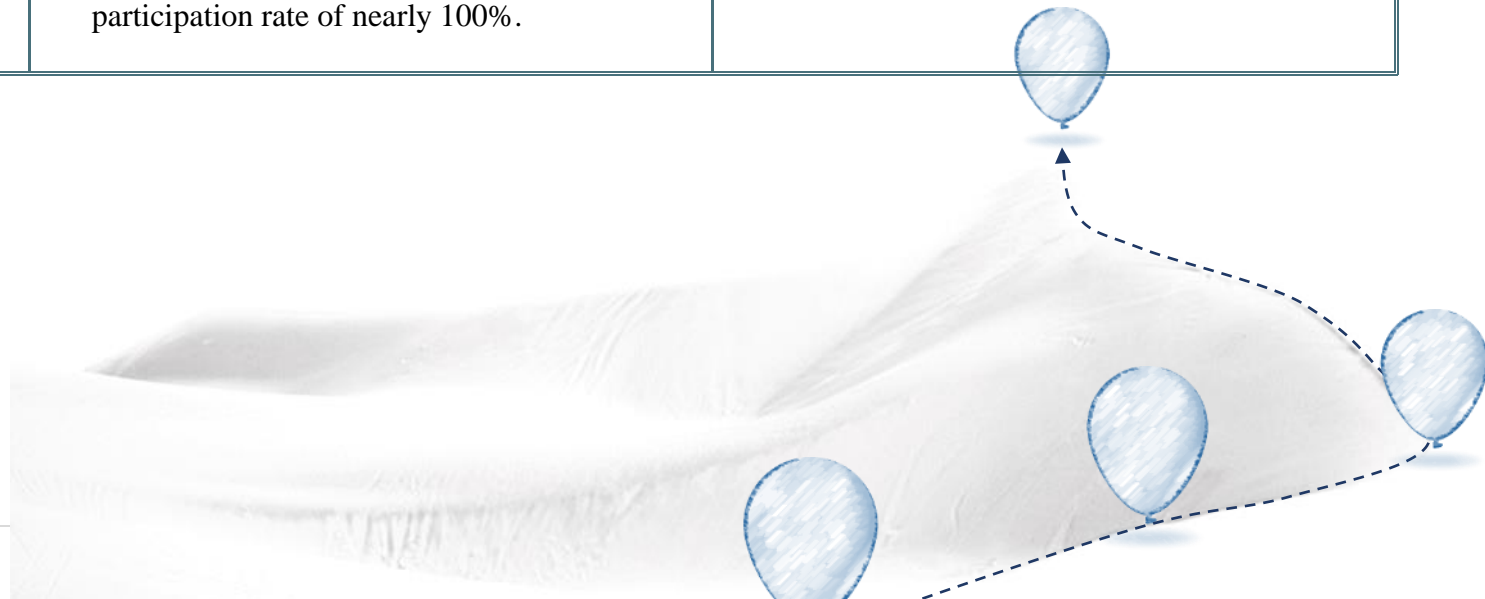
Risk category	Corresponding management practices
Credit	<ol style="list-style-type: none"> 1. Conduct credit investigation on customers, understand the characteristics of customer industries, and implement credit rating management. 2. Regularly review customer credit lines and payment terms, reduce risk exposure, and optimize payment schedule. 3. Regularly organize credit risk education and training courses to strengthen the risk management awareness toward sales employees. <p>The Company had no loss due to customer credit risk in the current year.</p>
Business management	<p>Assist the operating units in planning long-term and annual goals according to the Group's overall development strategy, and build an internal business management information system to help the management effectively verify the key factors and possible risks affecting business performance, and to perform appropriate resource allocation and control to optimize the overall business results of the Group.</p> <p>The Company formulates and implements annual target plans each year and conducts target review and management. There were no loss due to the risk in operation and management in the current year.</p>
Legal affairs	<p>Through the contract review process, we identify contractual risks and propose control measures; provide legal advice and handling suggestions on matters, such as internal systems, legal compliance, disputes, mergers and acquisitions, and intellectual property management, in order to mitigate the Company's overall legal risks.</p> <p>For details of the Company's legal compliance matters in the current year, please refer to 2.3.2.</p>
Audit	<p>Formulate and execute the annual audit plan based on the risk assessment results, assess the effectiveness of the design and implementation of the internal control system, and assist the risk management organization and operating units to design the risk management-based control operations.</p> <p>The Company formulates and implements annual audit plans each year and conducts audit matter review and management. There were no loss due to audit matters in the current year.</p>
Human Resources	<p>Responsible for human resource management and development, planning and implementation of human resource policies, regular inventory and inspection of manpower, planning and implementation of employee education, training and development plans, design of competitive compensation and employee welfare measures, and comprehensive training and talent development plans and employees' personal data protection and control, in order to mitigate various human resources risks that may cause harm to the Company.</p> <p>The Company formulates and implements annual human resource plans each year. There were no loss due to human resource risk in the current year. Please refer to Chapter 4</p>

Risk category	Corresponding management practices
Information	Ensure the Company's information system security, implement network and system information security control and protection measures, formulate relevant regulations and systems, and apply the enactment of technology and data security standards to protect the privacy protection and information security during the business contacts with suppliers and customers, improve the quality of decision-making, and also mitigate the Company's operational and information security risks.
	For details of the Company's information security matters in the current year, please refer to 2.6.
Emerging	As the global financial and operating environment becomes increasingly complicated, and various issues, such as technological development and population aging, are increasing and their occurrence probability is rising, the Company regularly identifies and measures the material risks to be faced by it in next 3-5 years, and plans risk response and control methods.
	The Company identifies and assesses potential emerging risks annually and plans risk response and control measures. Please refer to 2.5-2.6 and Chapter 3 for details.
ESG and climate risks	In order to implement the Sustainable Development Best Practice Principles and respond to the possible significant impact of extreme weather on business development, we have verified relevant ESG risks based on internal and external information and formulated supporting policies on a rolling basis. Meanwhile, we follow the TCFD framework to evaluate the financial impact posed by the climate change on the Company.
	The Company identifies, measures, develops, and implements ESG and climate risk plans annually. Please refer to Chapter 3 for details.

2.5.4 Robust risk management culture

Taiwan Sakura builds the risk awareness and culture through diverse mechanisms to help employees have risk awareness and implement it in routine operations, in order to ensure continuous and stable operations. The systemic risk management is carried out under the Plan → Do → Check → Action (PDCA) framework to reduce the likelihood and negative impact of risks, manage and mitigate the impact of risks effectively, and build internal risk management culture.

Internal self-assessment	Education, training and promotion	Evaluation on the effectiveness of the internal control system
<ol style="list-style-type: none"> Each unit is required to conduct a risk self-assessment and self-inspection on a regular basis to identify potential risks and confirm that all businesses are carried out in compliance with the relevant systems. The internal self-assessment was completed and the Auditing Office carried out the annual audit in 2024. No risk impacts or abnormal events were found. 	<ol style="list-style-type: none"> The Company provides education training or courses on diversified risks subject to the attributes of the Company's business. The Board of Directors and management are required to attend courses on corporate governance or risk management. Meanwhile, all employees are required to attend the general education courses on risk management. The topics, including but not limited to, legal compliance, risk management, information security and audit, are shared through monthly meetings with all employees. In 2024, a total of 3 risk management promotion courses were organized. All the employees participate in the courses with a participation rate of nearly 100%. 	<ol style="list-style-type: none"> The Audit Committee evaluates the effectiveness of the policies and procedures of the Company's internal control system (including control measures for sales, procurement, production, personnel, finance, information security and legal compliance, etc.), and supervises the operation of the Company's internal audit unit and reviews the internal control evaluation results. As for the evaluation on the effectiveness of the 2024 internal control system, the Audit Committee believes that the Company's internal control system should be effective.



2.5.5 Internal control system and audit system

- The internal audit unit of Taiwan Sakura is an independent unit directly subordinated to the Board of Directors. In addition to reporting to the Board of Directors, it also reports to the Audit Committee and Chairman of the Board immediately when necessary, in order to implement the spirit of corporate governance.
- The Enforcement Rules of Internal Audit of Taiwan Sakura expressly state the internal control over internal audit and review on the Company's operating procedures, and report on whether the design of relevant controls and routine practical operations are appropriate to achieve the purpose of the internal control system, The scope of the internal control system and audit includes the Company's all operations and subsidiaries.
- The audit is conducted primarily according to the audit plan approved by the Board of Directors. The audit plan is formulated based on the identified risks. Meanwhile, project audits or reviews are conducted as necessary. Combine said general and project audits, provide the operation status of the internal control function of the management, and also enable the management to verify the existing or potential defects in the internal control in a timely manner. The internal audit unit issues a written audit and follow-up report after implementing the audit plan, and submits it to the Audit Committee for review.
- The internal auditors review the self-assessment on internal control system performed by each unit, including checking whether the operation is implemented and reviewing documents to ensure the quality of implementation, and conclude the self-assessment results which, together with the improvement of defects in internal control and abnormalities identified by the Auditing Office, serve as the basis for recommending the Board of Directors to issue the Statement of Internal Control.
- Taiwan Sakura's Auditing Office is assigned one internal audit officer and an appropriate number of full-time internal auditors to perform internal audit work independently, objectively and impartially. The eligibility requirements of internal auditors comply with the regulations of the competent authority. Meanwhile, the internal auditors attend continuing education programs every year to improve their audit quality and capability.

2.6 Information Security

SDGs	SDG 8, SDG 9, SDG 16
GRI	102-15, 103, 102-18, 205-2, 418-1

2.6.1 Information security policy

Taiwan Sakura considers consumers' personal information as one of the most important assets in serving customers. The targets of the information security tasks include employees, customers, suppliers, shareholders, and operation-related information hardware and software equipment. To ensure the security of the Company's information systems, we have established and promoted internal information security management policies and operating procedures, implemented information system security controls, protection measures and training, and regularly checked and reviewed the implementation of internal information security measures. If any deficiencies are found during the audit, the audited unit will be required to submit relevant improvement plans and specific actions, and the effectiveness of the improvements will be tracked regularly to reduce internal cybersecurity risks. In addition, we ensure that the privacy and information security of our employees, suppliers and customers are protected when they conduct business negotiation, while improving the quality of decision-making and mitigating the operational and information security risks to the Company.

2.6.2 Information security management strategy

By establishing a comprehensive information security management strategy, Taiwan Sakura has launched corresponding measures to maintain a customer data maintenance rate of 100% in 2024, and the access to data is limited to the departments dedicated to customer services. In response to the increasingly cyber attacks around the world, the Company has made various information security adjustments and optimizations with respect to the systems that are open to the outside world. We upgrade the passive man-made defense to intelligent active joint defense. As a result, the external attacks to the system for about more than 2,000 times on average at the beginning of 2024 were further reduced to about more than 1,000 times each month (more than 3,000 times on average in 2023), and the MDR service is implemented to cope with unknown attacks that anti-virus software cannot defend against.

Taiwan Sakura's Information Security Strategy Implementation Framework				
Education, training and promotion	Enterprise network layer	USB device management and scanning	Anti-virus/anti-hack mechanism	Information security monitoring
		Enhancement of external networks at all levels Network control	Logs and Audit Mechanism	
	Control and management	Information security defense software	Operating system control and execution Program whitelist	
		Software/firmware security update mechanism	Program Code and Configuration Files Regular backup	
	Other information security requirements	Application Information Security Regulations	Standards for impact on monitoring system information security	
		Sensitive data management	Establish a cryptography library mechanism	

2.6.3 Information security implementation framework

1. Organizational operation model: Adopt PDCA (Plan-Do-Check-Act) circular management to ensure the achievement of reliability goals and continuous improvement.
2. Digital Application Department: The department responsible for information security of the Company. The Department appoints one supervisor and several professional IT personnel responsible for formulating internal information security management policies and operational regulations, implementing education and training, and carrying out relevant information security tasks.
3. Auditing Office: The unit supervising the Company's information security. The Office appoints one internal audit office and several dedicated internal auditors to supervise the implementation of internal information security and regularly report the Company's information security inspection to the Audit Committee. Upon discovery of any defects, it will immediately require the inspected unit to propose relevant improvement plans and specific actions, and the improvement results will be regularly tracked to mitigate internal information security risks.

Information security implementation measures

1. Establish an information security execution team to formulate information security management policies and specific implementation plans to ensure information security.
2. Handle personal data prudently in accordance with the Personal Data Protection Act.
3. Personal computers and servers must be protected with passwords and anti-virus software must be installed. Passwords and virus signatures must be updated regularly.
4. Comply with regulations on intellectual property rights, ensure that installed computer software is legally licensed, and prohibit the use of unauthorized software.
5. Employees are responsible for proper safekeeping and use of their accounts, passwords, and permissions, and are required to change them on a regular basis.
6. Important data must be backed up. The validity of the backups must be verified on a regular basis.
7. Periodical exercises must be conducted according to the "Information Disaster Emergency Response Plan" to facilitate rapid recovery of systems in the event of an information security incident.
8. All personnel comply with laws, regulations and information security policy requirements. Supervisors supervise the information security compliance system and its implementation status, and conduct information security dissemination on a regular basis to strengthen employees' awareness of information security and legal compliance.

2.6.4 Information security implementation effectiveness

2.6.4.1 Information security implementation plans

Category	Description	Implementation
Prevent external intrusion	Install firewall and anti-virus software	<ol style="list-style-type: none"> 1. Configure network firewall. 2. Install anti-virus software on servers and host computers. 3. Update systems regularly. 4. Automatically update virus signatures of anti-virus software. 5. Perform regular anti-virus and computer scans.
Prevent data leakage	Account and access permission management	<ol style="list-style-type: none"> 1. Perform user account verification and management. 2. Perform periodical system access permission setting and inspection.
Perform daily operation maintenance	Execute data backup and related inspection	<ol style="list-style-type: none"> 1. Execute data backup according to its nature. 2. Execute off-site backup. 3. Perform periodical data recovery tests. 4. Perform daily server inspection and system testing. 5. Perform periodical computer inspection. 6. Automatically retrieve the list of resigned employees from ERP at 19:10 every day. 7. Automatically disable.
Handle information security incident	Disaster recovery plan	<ol style="list-style-type: none"> 1. Establish the "Information Disaster Emergency Response Plan". 2. Perform disaster simulation exercises on a regular basis. 3. Write a disaster recovery plan and an implementation report after an incident, and conduct review and improvement.

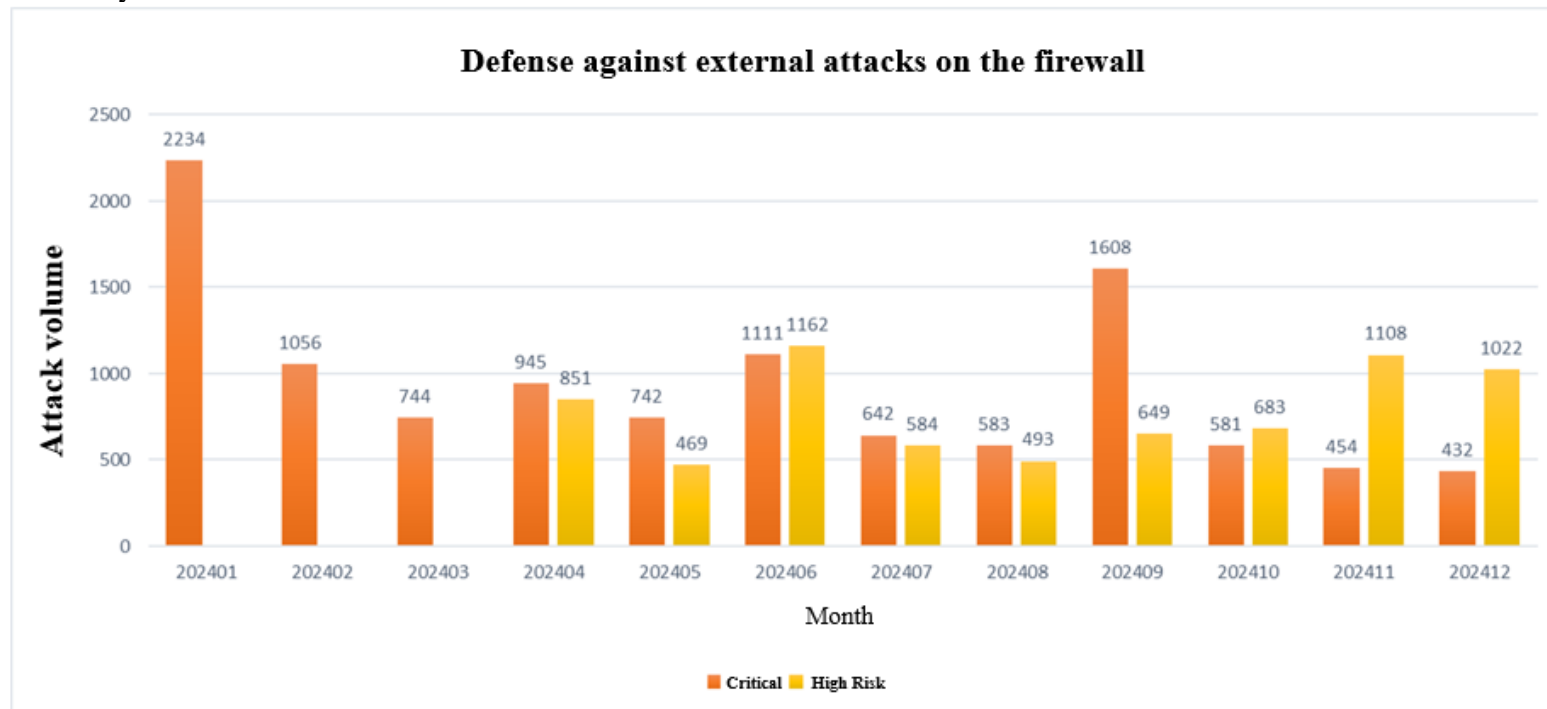
2.6.4.2 Information security education and training

Taiwan Sakura's employees and officers receive online information security courses and tests every year, and information security training courses different in nature are planned for the personnel at different grade (for different functions) from time to time. The implementation status of Taiwan Sakura's information security education and training in 2024 is specified as following:

Date	Course name	Hours	Number of Participants
05.07	Information security promotion	1	390
11.04	Information security promotion	1	390

2.6.4.3 Major cybersecurity incidents

In the face of the rapid technological advancement and constant innovation, information security protection is becoming increasingly important. Taiwan Sakura has a complete implementation framework of information security strategies and has effectively implemented relevant policies for a long time. After the introduction of the joint defense system in September 2023, the integrated firewall automatically blocked attacking IPs to ensure a significant reduction in attacks. The monitoring status of external information security risks faced by Taiwan Sakura in 2024 is as follows. There were no major information security incidents or related losses in the current year.



2.6.5 Protection of personal (customer) data, privacy and interests

Taiwan Sakura is dedicated to implementing protection controls of information security and personal data and establishes the “Personal Data Management Regulations” to protect our information security and consumer’s privacy and interests. Based on operational risk, these regulations specify the responsibility, incident classification, reporting procedure, handling, assessment and decision-making to build a comprehensive structure for personal data protection and management systems and a SOP for major personal data incidents. All the employees and partner suppliers of the Company must adhere to the personal data protection objectives. The Company has a Personal Data Management Committee with the General Manager as the chair and the senior executives of the departments as the members. The Personal data protection team conducts a measurement of personal data protection controls for their implementation effectiveness every year to make sure that personnel comply with the operational standards and requirements and ensure the achievement of the Company's personal data management objectives.

Tiered Reporting Mechanism of Personal Data Infringement Incidents			
Incident Level	Handling Level	Handling Time Limit	Reporting Level
Level 1 (100 cases or less)	Personal Data Protection Implementation Division (Department)	Notify within 8 hours Handle within 48 hours	Heads of Divisions (Departments), Executive Secretary of the Personal Data Protection Committee
Level 2 (More than 100 cases to 5,000 cases or less)	Emergency response team	Notify within 4 hours Form an emergency response team within 24 hours Develop a response plan within 48 hours	Personal Data Protection Committee
Level 3 (5,000 cases or more)	Emergency response team	Notify within 2 hours Form an emergency response team within 8 hours Develop a response plan within 24 hours Notify the Ministry of Economic or the municipal (county/city) government within 72 hours	General Manager

Education and training


Taiwan Sakura has established the "Personal Data Management Education and Training Regulations", formulated a personal data management education and training plan, and implemented education and training according to the plan. The personal data management education and training that Taiwan Sakura implemented in 2024 is described below.

Date	Course name	Hours	Number of Participants
08.05	Personal data promotion	1	390
08.06	Manufacturing Management Division's personal data promotion at the monthly meeting	1	165
08.07	Kitchen Business Division's personal data promotion at the monthly meeting	1	100

Implementation result

1. The Company perform implementation in accordance with the “Personal Data File List and Risk Assessment Management Regulations.” In 2024, 13 units completed the personal data checking and risk assessment for their internal units that retain important massive personal data.
2. The Company did not experience any information security incidents in 2024, and there were no cases involving infringement upon customer’s privacy or loss of customer data.

Taiwan Sakura has an official website to disclose the “Regulations on Personal Data Management Objectives and Policies” of the Company.

Name	For more information, please go to:	
Taiwan Sakura’s Articles of Incorporation and regulations	https://www.sakura.com.tw/Constitution	

2.7 Sustainable Supply Chain

SDGs	SDG 8, SDG 12, SDG 13, SDG 17
GRI	102-9, 102-10, 102-18, 204-1, 308-1, 308-2, 414-1, 414-2

2.7.1 Supply chain management policy: create value together and enhance responsible governance

Taiwan Sakura deeply understands that sound supply chain management is the core foundation for driving corporate sustainability and operational resilience. The Company views suppliers as long-term strategic partners and is dedicated to building mutually trusting, supportive, and mutually beneficial relationships. By following corporate social responsibility and global sustainability trends, Taiwan Sakura has formulated specific policies to encourage and supervise suppliers.

1. Comply with national and local environmental and occupational health and safety regulations.
2. Respect workers' rights and provide a safe and fair working environment.
3. Prohibit the use of conflict minerals and ensure supply transparency.
4. Implement ethical corporate management and professional ethical standards.

We incorporate environmental protection, quality, cost, delivery time, service, and ESG into our comprehensive supply chain evaluation system as a basis for supplier collaboration and risk management. Through this supply chain policy, the Company not only reduces potential operational risks, but also strengthens the overall competitiveness of the supply chain, and jointly builds resilient and sustainable partnerships.

2.7.2 Supply chain development strategy: build a diverse partner ecosystem

To cope with the ever-changing global supply chain environment and supply chain risks, Taiwan Sakura adheres to the procurement principle of "openness, fairness, and impartiality," and establishes a supply chain strategy with strategic planning, transparency, and risk resilience as the cores. This strategy covers the following mechanisms:

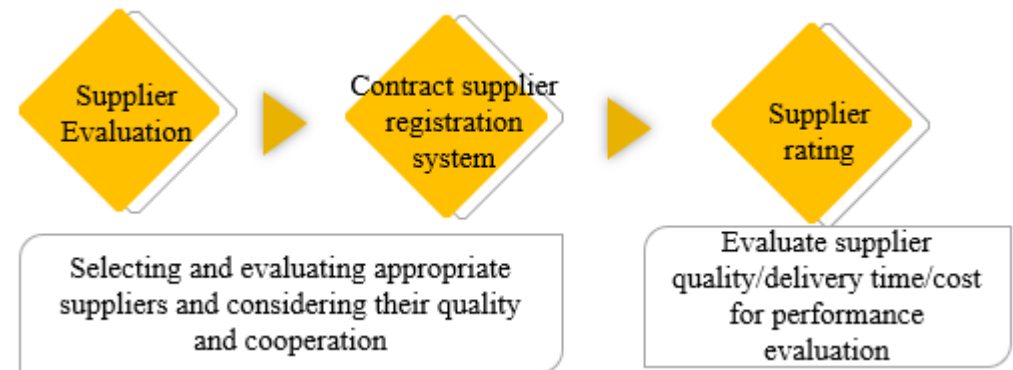
1. Identify and cultivate potential suppliers, second-source suppliers, local processors, and outsourcing partners to strengthen supply flexibility and localization advantages.
2. Establish a supplier grading and performance management system, and explicitly incorporate ESG and product responsibility indicators.
3. Initiate reassessment and response mechanisms right after a major anomaly incident (such as abnormal quality or supply discontinuation) occurs, and conduct regular and project-based assessments and audits in accordance with the "Supplier Management Regulations."

Furthermore, based on the nature of the industry and the characteristics of the supply chain, the Company has established "six major supply chain management strategies" and "four major implementation guidelines" for continuous optimization of procurement decisions and partner cooperation models to enhance the agility and risk resilience of the overall supply chain system.

2.7.3 Supply Chain Sustainable Management Mechanism: institutionalize management and performance feedback

To implement sustainable operation and management of the supply chain, Taiwan Sakura has established a complete and institutionalized sustainable supply chain management mechanism covering the “Supplier Management Regulations,” and “Procurement Safety and Health Assessment Management Regulations.” This mechanism covers the following key points:

1. Conduct annual comprehensive evaluation according to the indicators including quality, delivery time, cost, cooperation, environmental protection, and occupational safety and health.
2. Divide evaluation levels into three grades of A, B, and C, and implement action plans in phases for Grade B and C suppliers.
3. Conduct supplier adjustment or replacement for those that fail to meet the standards of the Company to maintain the stability of the supply system and control risks.



The Company plans to implement the measures including supply chain carbon footprint verification, digital auditing tools, and a procurement management mechanisms. We support the promotion of supply chain sustainability by leveraging highly transparent and standardized systems and, remain actively dedicated to promoting for this purpose. Since the third quarter of 2023, we have officially incorporated ESG indicators into our quarterly supplier evaluation criteria, covering four main areas of “Environmental Management,” “Greenhouse Gas Emissions,” “Social Participation/Labor Rights” and “Corporate Governance.” Through institutionalized supervision and a two-way cooperation mechanism, we deepen collaboration with suppliers on sustainability issues, gradually shifting supply chain management from a compliance-oriented approach to a resilient and responsible supply chain ecosystem that can share the value.

In 2024, Taiwan Sakura had a total of 259 stable major suppliers and audited 100% of them in the same year.

Major suppliers working with us stably in 2024		Results of critical supply chain assessments in the past three years		2022		2023		2024	
Classification	Number of suppliers			Number of suppliers	%	Number of suppliers	%	Number of suppliers	%
General	166	A	Shortened usance of payment for suppliers on the preferred procurement list	187	75%	80	31%	52	20%
Reinsurance	72	B	Continue to follow up and observe, request suppliers to improve and provide counseling about upgrade to Grade A	64	25%	166	65%	207	80%
Services	21	C	Suppliers which fail to make improvement within three months upon receipt of the counseling shall be included into the replacement list.	-	-	9	4%	0	0%
Total	259	TTL		251	100%	255	100%	259	100%

2.7.4 Supply Chain Sustainable Result

To enhance the sustainable governance of the supply chain, Taiwan Sakura requires suppliers to complete a sustainability questionnaire annually. It covers four main dimensions of labor rights, environmental protection, greenhouse gas emissions, and corporate governance in a total of 24 questions. In 2024, questionnaires were sent to 238 suppliers, with the priority given to suppliers in general and critical product categories for ESG assessment. The completion rate was 100%. Taiwan Sakura identified 72 key suppliers and included them in the focused assessment. Eight of these suppliers failed to meet the scoring thresholds in some areas. A continuous improvement tracking and guidance mechanism was initiated for these suppliers to enhance the sustainability performance of the entire supply chain.

Aspect	Item	Score Range (0: the worst, 9 and 3: the best)	Percentage	ESG	Descriptions
Environmental management	9	0	25.6%	Environment	This covers the topics such as environmental permits, resource conservation, hazardous materials management, waste disposal, air pollutant control, wastewater treatment, zero environmental violations, corrective actions, and ISO 14001 certification.
		3	24.4%		
		6	47.1%		
		9	2.9%		
GHG emissions	9	0	32.8%	Environment	This focuses on implementation and recording of greenhouse gas inventory operations.
		3	20.6%		
		6	45.0%		
		9	1.7%		
Labor rights	3	0	17.6%	Society	This covers issues such as prohibition of discrimination, forced labor, child labor, and inhuman treatment; respecting the right to freedom of association, continuous improvement of labor and human rights; and issues such as safe operation, emergency response, workplace injury management, hazard control, equipment safety, clean facilities, safe living environment, zero accidents, corrective actions, and ISO 45001 certification.
		1	12.6%		
		2	39.9%		
		3	29.8%		
Corporate governance	3	0	17.6%	Governance	This covers issues such as zero tolerance for bribery, prohibition of accepting improper benefits, establishment of whistleblowing procedures, information disclosure, intellectual property protection, sustainable use of raw materials, personal data protection, communication of environmental and social responsibility policies, and supplier code of conduct.
		1	13.0%		
		2	38.7%		
		3	30.7%		

2.7.5 Supply chain management objectives and implementation progress

2024 Goals	Continue to optimize the supply chain management mechanism	Implementation progress in 2024	<ol style="list-style-type: none"> 1. Implementation of quarterly supplier ESG assessment 2. A total of 238 suppliers were included in the ESG dimension evaluation. 	2025 Goals	Continue to optimize the supply chain management mechanism
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2.7.6 Supply chain management and communication mechanism: Institutionalized management and two-way communication mechanism

Taiwan Sakura enhances compliance of the supply chain and manages sustainability risks in accordance with the "Internal and External Communication Management Regulations." The Company has established explicit contractual terms or order agreements for all suppliers, contractors, and outsourced service providers (such as waste disposal companies, environmental health and safety testing agencies, and machinery and equipment inspection organizations), and requested them to comply with relevant regulations and operating procedures. Key management items include:

1. Chemical suppliers must provide valid Material Safety Data Sheets (MSDSs), valid licenses, and personnel qualification certificates.
2. All services and products must comply with the Company's Environmental Health and Safety (EHS) regulations, such as the "Safety and Health Management Regulations" and "Environmental Specifications and Standards of Products."

These regulations are used as an important base for procurement, delivery, acceptance, and service evaluation. If a supplier commits a major violation that leads to negative environmental or social impacts, the Company has the right to terminate or cancel the contract immediately to ensure the Company's reputation and the integrity of the responsible supply chain mechanism.

In addition, to deepen cooperative relations and control supply risks, the Company has established a two-way communication platform through routine business contacts, project reviews, annual assessments, and regular supplier meetings to enhance consensus on goals and continuous improvement, and create a transparent, efficient and resilient collaboration ecosystem in the supply chain.

Main products	Name of main raw materials	Primary source	Status of supply
Water heater	Water tank, exhaust pipe, switch and burner, etc.	Taiwan and China	Good
Kitchen equipment	Steel plates, motors, fan blades and machine plates, etc.		
Kitchen Solution	Gas appliances, board sheets, aluminum materials, artificial stone, etc.	Taiwan, China and Europe	



Environmental Protection and Green Sustainability

CHAPTER 3

3.1__ Climate Strategy

3.2__ Environmental and Energy
Management

3.3__ Water Resource Management

3.4__ Circular Economy and Waste
Management

3.5__ Sustainable Products

3.6__ Environmental Sustainability
Culture Sprout

3.1 Climate Strategy

SDGs	SDG 7, SDG 9, SDG 12, SDG 13
GRI	2-27, 3-3, 103, 201-2, 302-1, 302-3, 302-4, 305-1, 305-2, 305-4, 305-5

As global warming intensifies, the economic and social impacts of climate change are becoming more and more apparent. The frequent occurrence of extreme weather events has elevated climate risk to a systemic issue of global concern. Governments and enterprises around the world are taking specific actions and implementing net-zero emissions policies and green transformation strategies in a proactive manner. Moving towards the 2050 net-zero carbon emissions target has become a shared commitment to global sustainable development. Taiwan Sakura deeply understands the crucial role enterprises play in climate actions. As a leader in the kitchen and bathroom appliance industry, Taiwan Sakura focuses on home life and provides comprehensive and sustainable solutions from product design, manufacturing, and marketing to overall space planning. The Company is dedicated to reducing the carbon footprint in the operational process and mitigating the impact of the climate change.

Through innovative R&D and environment-friendly products, Taiwan Sakura not only responds to the market and consumers' expectations for a green life, but also actively leads the low-carbon transformation of the industry and strengthens the commitment to implementation for a sustainable future. To fulfill our corporate commitment to the environmental sustainability and address the operational challenges and transformation pressures brought about by climate change, we incorporate the climate risk into our business thinking and implement comprehensive communication and carbon reduction actions in the aspects from management systems and product innovations to the supply and value chains. In response to the global trend towards net-zero emissions and to fulfill our corporate responsibility for environmental sustainability, we have defined a specific direction for our climate strategies and actions to improve the corporate resilience and create long-term value. Taiwan Sakura's key climate strategy initiatives are as follows:

1. Integrating carbon reduction actions into operational processes: Continuously monitor and manage greenhouse gas emissions, and actively implement energy-saving technologies and low-carbon processes.
2. Developing environment-friendly products and services: Implement design-driven transformation and promote innovative products with resource efficiency and carbon reduction benefits.
3. Strengthening consensus among internal and external stakeholders: Extend the influence of climate actions through sustainable communication practices, educational initiatives, and consumer engagement.
4. Aligning with global climate governance trends: Reference standards such as SBTi, TCFD, and ISO 14064 to enhance climate risk resilience and the quality of information disclosures.

Looking ahead, Taiwan Sakura will continue to enhance the role in the low-carbon transformation, actively respond to international carbon reduction trends, and work with the supply chain and consumers to realize the net-zero vision and achieve the dual value of corporate growth and climate sustainability.

3.1.1 TCFD climate strategy and climate-related financial disclosures

The risks and opportunities brought about by climate change and global warming have become critical issues affecting the long-term operations, financial stability, and capital availability of the enterprise. International investors and financial institutions focus more on whether companies possess robust climate risk management systems and information disclosure mechanisms. Therefore, in response to the trends of the global climate policy and stakeholders' expectations, Taiwan Sakura officially adopted the TCFD (Task Force on Climate-related Financial Disclosures) framework in 2022 as the core basis for the Company's climate governance and risk disclosure.

Based on the four cores of the TCFD framework - governance, strategy, risk management, and indicators and target, the Company has built a mechanism for identifying climate-related risks and opportunities, and incorporated them in our governance and decision-making processes. Through the cross-departmental working group and collaboration with external resources, we conduct a comprehensive inventory and scenario simulation across the upstream and downstream of the value chain, systematically assess the potential physical risks (such as extreme weather disasters, floods, heat waves, and changes in rainfall patterns) and transitional risks (such as carbon pricing, changes in policies and regulations, green procurement, technological transformation, and changes in market preferences) under the climate change, and explore their potential financial impact on the business, cost structure, capital expenditure, and revenue sources.

Taiwan Sakura employs a multi-scenario analysis approach by simulating future development paths under the risks of low-to-medium carbon emissions (e.g., SSP2-4.5) and high-carbon emissions (e.g., SSP5-8.5). By comparing these scenarios with the environment of the industry and the operating model, the Company assesses the potential scale and timeline of financial losses from major risk factors and formulates specific response strategies accordingly. And, we review existing risk mitigation measures, including energy efficiency improvements, climate management in the supply chain, and establishment of carbon inventory systems. We further extend these to opportunities and expand the application of strategies, such as developing low-carbon products, improving energy efficiency, and participating in renewable energy projects and carbon neutrality programs.

As for implementation of strategies, the Company builds climate-related quantitative measurement indicators (such as carbon emission intensity, energy-saving performance, and risk exposure indicators) and an internal progress tracking mechanism. The GHG inventory team reviews the implementation status and risk response effectiveness on an irregular basis, and reports identified crucial issues to the Board of Directors for discussion or formulation of feasible decisions, thereby strengthening climate governance effectiveness and responsiveness.

To enhance the organization's sensitivity to climate change risks and the overall response ability, Taiwan Sakura regularly communicates this information to employees on an irregular basis through internal employee communication channels to improve employees' understanding of climate science, net-zero transition, and sustainable management. We encourage internal innovation and departmental collaboration, and embed climate strategies into daily operational processes. Looking ahead, Taiwan Sakura will continue to enhance the quality of climate risk disclosures and gradually improve the climate information integration and management mechanism in accordance with international standards (such as ISSB IFRS S2 and TNFD) and domestic regulations of the competent authority (such as the Sustainability Information Disclosure Guidelines of the Financial Supervisory Commission). With these, we will steadily move towards the net-zero emissions target by 2050 and enhance our climate resilience, capital market trust, and long-term competitiveness.



3.1.1.1 Governance

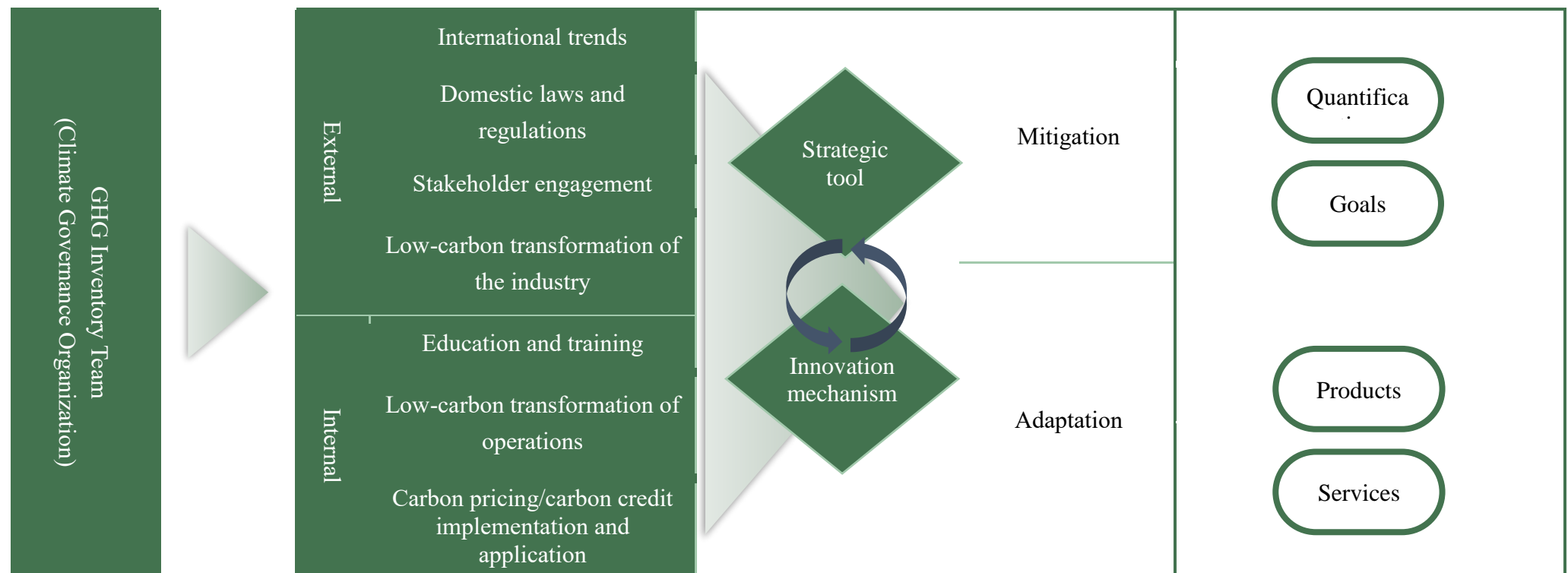
The Board of Directors is the highest supervision body of climate-related risks and opportunities. It regularly reviews climate strategies, the results of major risk inventories, and key action plans, and monitors the progress and coordination of implementation through the GHG inventory team. The Board of Directors promotes cross-departmental climate management, including scenario analysis, carbon emission verification, risk response and target tracking. The Business Planning Division reports the implementation status to the Board of Directors quarterly to ensure that climate issues are integrated into the Company's governance and operational decision-making processes, thereby enhancing our adaptability and organizational responsiveness in the face of climate change.

Unit	Direction of implementation
Board of Directors	As the top ESG and climate risk and opportunity organization and the highest decision-making unit of the Company, The Board of Directors is responsible for reviewing climate change management policies and major decisions, and supervising the effective operation of the climate change management mechanism.
Business Planning Division	<ol style="list-style-type: none"> 1. The Business Planning Division is responsible for development of the short-, medium-, and long-term sustainable development goals, integration of cross-departmental resources, identification of ESG and climate issues relevant to the operations of the Company, formulation of corresponding strategies, follow-up of the achievement status of goals, and irregular monitoring of international climate change trends to enhance the awareness of global risk trends and climate change among the employees. 2. It regularly reports the progress of the ESG and climate risk and opportunity tasks to the Board of Directors, which supervises the implementation of the Company's sustainable management strategies and actions.
Manufacturing Management Division	The Manufacturing Management Division is responsible for coordinating and convening units to conduct risk and opportunity identification and assessment.
Department	The department is responsible for identifying and assessing climate change risks and opportunities and proposing corresponding action plans.

3.1.1.2 Strategy

The increasing physical and transitional risks brought about by climate change have become a core challenge to the operations and financial stability of the enterprises in the world. With the strategic mindset of "forward-looking planning and proactive response," Taiwan Sakura builds a comprehensive climate governance framework and continuously optimizes the climate response strategies with reference to the TCFD guidelines, domestic and international regulations, and the net-zero transition trend to enhance our resilience, responsiveness, and competitiveness in the face of extreme weather events.

Through a rolling energy conservation and carbon reduction action plan, the Company focuses on the carbon emission hotspots of the operational activities, performs source management and technological improvement, and introduces climate-related performance indicators as a basis for management mechanisms and investment decisions, ensuring that climate issues are integrated as a core of the Company's strategy. After systematically assessing the climate risks and opportunities and conducting the scenario analysis, the Company plans to implement climate actions from the inside out on a step-by-step basis, actively connect the supply chain to jointly implement carbon reduction and low-carbon actions, and strengthen the low-carbon design and green added value of the products and services to meet the expectations of customers/consumers for sustainability. In the future, the Company will continue to enhance the climate risk identification mechanism and scenario simulation tools, and integrate the medium- and long-term operating strategies with the 2050 net-zero target to implement a comprehensive low-carbon transformation blueprint and move towards the goals of sustainable growth and responsible operations.



Under the climate governance framework of the Board of Directors, Taiwan Sakura has established a cross-departmental greenhouse gas inventory team, which serves as the implementation and integration hub of climate strategies and tries to establish a sustainable climate management mechanism. Based on the principle of rolling review, the Company continuously adjusts the response strategies depending on the operating conditions, the latest scientific data, and the development trends of the policy to improve the organization's resilience and immediate responsiveness in different climate scenarios.

Based on the timeline of the climate-related risks and opportunities, the Company sets the climate goals and action plans into three phases of short-term (1–3 years), medium-term (5–10 years), and long-term (10 years and above) periods to facilitate systematic integration into the strategy and investment decisions of the Company. Regarding physical risks, such as extreme weather events, supply chain disruptions, and water resource pressures, the Company has considered suggestions from industry, government, and academia, benchmark enterprise practices, and scientific research models, combined with our operating models and site conditions, to plan phased adaptation and mitigation solutions.

In the future, we will continue to optimize climate scenario simulation tools and financial impact assessment mechanisms, and implement specific engineering and management actions, including strengthening the disaster resilience of facilities (backups), formulating risk maps for operational sites, and optimizing backup mechanisms, to enhance the stability and adaptability of the Company in the face of climate challenges.

Short-term (1-3 years)	Mid-term (4-10 years)	Long-term (10 years ▲)
<ol style="list-style-type: none"> View on a rolling basis: Conduct climate (disaster) change physical/transition risk assessments for self-owned operating assets to achieve the risk management goals. Emergency Response Plan: The emergency response procedures include personnel evacuation and resource supply/rescue plans to ensure the safety of employees and the protection of property. 	<ol style="list-style-type: none"> Analyze the transition risks of climate (disaster) change according to the IEA's Energy Transition and Carbon Reduction Pathway to set mid-term goals. Establish a risk warning system: Provide the corresponding measures in response to the requirements for receipt of alerts in a timely manner during periods of intense and frequent rainfall. Strengthen the building's water/seismic resistance: Strengthen the water/seismic resistance of the building structure at the factory premises to reduce the damage of flooding and earthquakes to the buildings. Evaluate the implementation and application of the internal carbon pricing/carbon credit mechanism. 	<p>In response to international trends and the Taiwan government's goal, we set the goal aiming to achieve net zero carbon emissions by 2050.</p>

3.1.1.3 Risk management

To enhance the climate risk responsiveness and ensure a consistent management process, Taiwan Sakura has systematically integrated the identification procedure of climate-related risks and opportunities into the existing ISO management system (including ISO 14001, ISO 9001, and ISO 14064-1) to form a consistent and traceable climate risk management framework.

The Company regularly reviews the internal and external processes annually to identify, assess, control, monitor, and communicate climate change-related risks and opportunities and ensure that potential impacts are anticipated and addressed. Relevant departments of the Company conduct risk assessments in different aspects from the bottom up based on their business responsibilities and site characteristics. By combining operational, procurement, equipment, and regulatory perspectives, they identify climate issues that are highly relevant to operational targets and may cause financial or operational disruptions. Based on the TCFD framework, the assessment process aims respectively to into transitional risks (such as changes in policies and regulations, technological updates, shifts in market preferences, and reputational risks) and physical risks (such as extreme weather events, rising temperature, and declining water availability), and uses climate scenario simulation tools to estimate financial impacts.

Furthermore, through cross-analysis with a risk probability and impact severity matrix, highly concerned issues are summarized and incorporated into the operational decision-making process for reference to facilitate the development of concrete risk response plans and monitoring indicators, thereby building a forward-looking and resilient climate system to improve the risk response efficiency.

Climate Risk Identification and Assessment Process

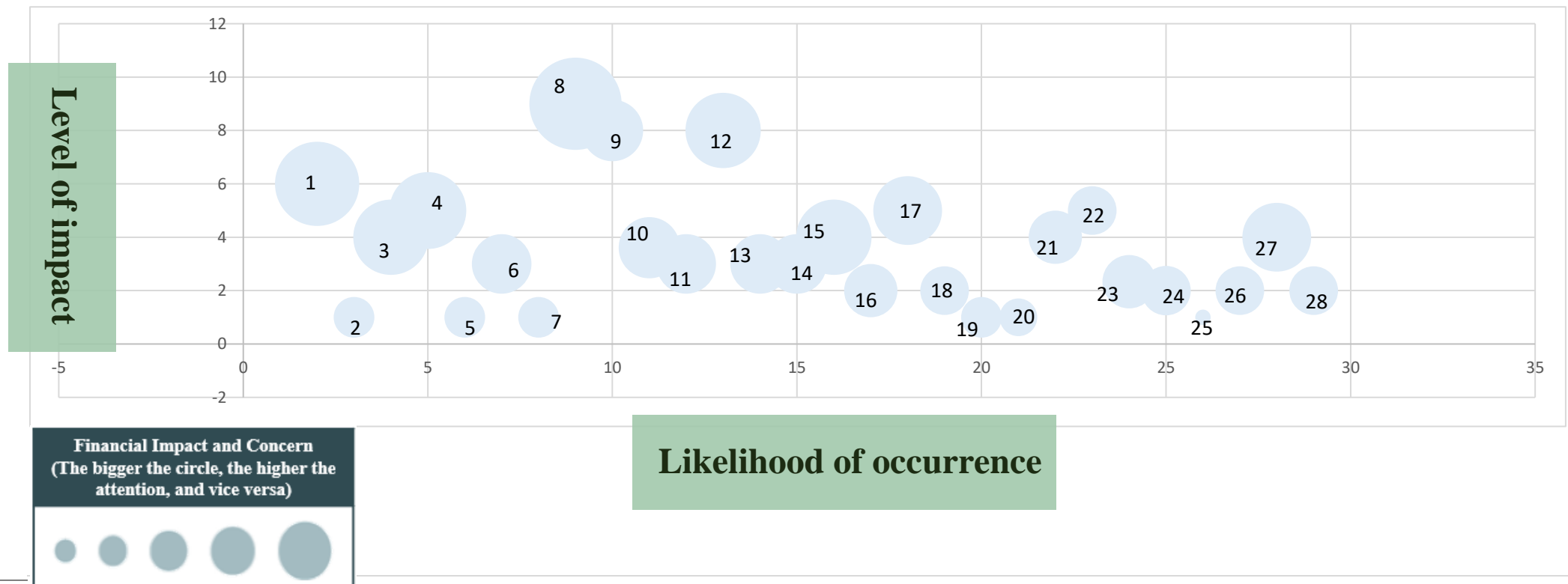
Risk identification	Risk assessment	Risk response
Transitional risks, such as policies and regulations, technology, market, goodwill, as well as immediate and long-term physical risks.	Based on the likelihood, impact level, financial impact level, risk readiness and risk management in principle.	<ol style="list-style-type: none"> 1. Prioritize the climate risk items of high concern based on the comprehensive risk assessment score, and formulate a corresponding management plan. 2. Continuously and on a rolling basis clarify the management and response measures for different climate risk types and response levels, and establish SOPs when appropriate.
Types of climate-related risks covered	Physical/transitional risks related to policies and regulations, technology, market, goodwill, and immediate and long-term.	
Scope of value chain covered	Upstream, own operations, downstream, or customers/consumers.	

Significant Risk Management

Taiwan Sakura adheres to the Company's risk management policy and establishes a systematic mechanism for identifying and managing major risks to ensure timely identification, accurate assessment, and effective control of various operational and strategic risks. For matters assessed as major risks, relevant responsible departments propose specific management plans or contingency plans based on the nature of the risk and the degree of potential impact. Through cross-departmental collaboration, their feasibility and potential benefits are discussed to mitigate potential financial losses, operational disruptions, or reputational damage. The Company follows a risk management strategy that categorizes risks into methods such as risk elimination, mitigation, and diversification based on their characteristics and controllability. This establishes clear management objectives and key performance indicators. All proposed response plans must be reviewed and approved by management before implementation and incorporated into the Company's annual plan. Regular monitoring and rolling reviews are conducted to ensure the effectiveness of the risk controls.

Furthermore, for potential high-risk scenarios, the Company conducts a systematic analysis and prioritization of risk countermeasures. We consider risk controllability and resource allocation to formulate the most suitable contingency measures, and utilize a dual-axis scenario simulation tool for climate and operational risks to enhance the forward-looking identification of risks and the accuracy of decision-making. In the future, Taiwan Sakura will continue to improve our risk governance processes, strengthen the organization's awareness of internal and external risks and the response capabilities, and improve the Company's overall resilience and sustainable competitiveness through strategic risk management.

Matrix for climate risk identification and analysis of Taiwan Sakura



Taiwan Sakura continues to strengthen the risk-oriented sustainable management mechanism in response to global climate governance trends and the pressure of sustainable transformation. By following the TCFD framework, we systematically identify and assess risk items that have a significant impact on business operations due to climate change, including "transition risks" such as increasingly stringent policies and regulations, energy structure transformation, changes in market consumption trends and preferences, technological innovation, and changes in corporate reputation; and "physical risks," such as the increased frequency of extreme weather events, reduced water availability, and operational disruptions and asset damage caused by immediate and long-term climate change.

Through cross-departmental collaboration, we adopted climate scenario analysis tools to identify potential exposure points at each stage in the value chain from three aspects of the climate impact intensity, the likelihood of occurrence, and the financial impact, and then developed adaptation and mitigation strategies at different levels. In addition, we incorporate the results of our risk assessments into the Company's medium- and long-term operational and capital expenditure decisions to improve our risk awareness and responsiveness, and ensure operational stability and governance transparency. While controlling the risks, we actively explore strategic opportunities brought about by climate change. These include improving resource utilization efficiency, grasping the opportunities for development of green product deriving from the net-zero emissions trend, promoting green energy applications, leveraging the advantages of carbon reduction and integration in the supply chain, and smart manufacturing. By doing so, we can strengthen our brand image and gain potential benefits such as access to green capital market resources.

We can seize the opportunities in the low-carbon market through technological innovation and process optimization to create a more efficient sustainable value growth model. Taiwan Sakura will continue to improve the transparency of climate-related information disclosure, promote a management strategy that balances risks and opportunities, further strengthen the climate adaptability capabilities, and improve the global sustainable competitive advantage.

Transitional risk	Policies and regulations	Technology		Physical risk	Immediacy	Opportunity	
	①Net-zero emissions target requirements at home and abroad	⑧Products and services are replaced by other low-carbon products and services			② Severe changes in weather patterns (drought, increase in the number of consecutive days without rainfall)		
	②Mandatory laws and regulations for products and services	⑨Cost for transformation to low-carbon technology processes.			③Changes in weather patterns (increase in average temperature)		
	③Carbon tax collection and related laws and regulations	Reputation			④ Changes in weather patterns (water scarcity)		
	④Renewable Energy Laws and Regulations	⑩Negative corporate identity caused by climate issues			Long-term		
	⑤Legal actions	⑪Industry stigma			⑤ Acute weather events (earthquakes)		
		Market			⑥ Acute weather events (power shortage)		
	⑥Autonomous regulations	⑫Customers change the supply chain cooperation guidelines.	⑰GHG reduction requirements for the supply chain		⑦ Acute weather events (flooding, typhoons)		
		⑬The Company's lack of contribution to climate change affects investors' willingness to invest	⑱Currency exchange rate fluctuation risk		⑧ Acute weather events (flooding, drought)		
		⑭Increase in production costs	⑲Agents face poor operations				
	⑦Climate policies, laws and regulations	⑮Customer sustainability/eco-friendly/low-carbon product demand	⑳Employees fact health threats				
	⑯Consumers are turning to eco-friendly and low-carbon products.	㉑ Production line worker shortage					

- ①Energy management program
- ②Smart manufacturing at the factory premises
- ③Water recycling systems.
- ④Environmental and low-carbon products
- ⑤Opportunities to increase the use of electricity products
- ⑥Supply chain adaptability and integration capabilities

Climate Risks and Countermeasures

The scope of climate risks and opportunities identified by Taiwan Sakura covers products, services, supply chain, R&D, finance, investment, and operations. The probability of occurrence and level of impact are assessed according to each risk and opportunity. Meanwhile, based on the understanding about the situation, we further analyze the potential impact on the organization's financial structure in order to develop response strategies.

Risk type	Risk category	Climate risk issues	Financial aspects likely to be affected						Point of time for the risk impact	Countermeasures
			Decrease in operating revenue	Increase in expenses	Assets affected or scrapped	Increase in liabilities	Decrease in capital	Financing setback		
Transitional risk	Policies and Regulations	1. Net-zero emissions target requirements at home and abroad	v	v	v	v	v	v	Short-term	1. Install renewable energy equipment together with the contractor. 2. Continue to reduce and optimize the manufacturing process. 3. Continue to improve energy efficiency. 4. Promote energy conservation and emission reduction plans, set mid-term and long-term reduction goals and transformation plans. 5. Energy Independence Program (Looking for Renewable Energy Installation Opportunities). 6. Evaluate the implementation of an internal carbon pricing mechanism and strengthen internal carbon reduction actions. 7. Continue to monitor the evolution of laws and regulations in various countries. 8. Strengthen cooperation opportunities for supplier sustainability management.
		2. Mandatory laws and regulations for products and services	v	v	v		v	v	Short-term	
		3. Carbon tax collection and related laws and regulations	v	v	v				Short-term	
		4. Renewable Energy Laws and Regulations	v	v	v	v		v	Short-term	
		5. Legal actions	v	v					Long-term	
		6. Autonomous regulations		v	v				Mid-term	
		7. Climate policies, laws and regulations	v	v	v	v			Mid-term	
	Technology	1. Products and services are replaced by other low-carbon products and services	v	v	v		v	v	Mid-term	1. Strengthen standardized processes to improve quality. 2. Look for opportunities to install renewable energy. 3. Research and develop eco-friendly recyclable products and low-carbon processes. 4. Deepen the cultivation and retention of R&D talents. 5. Continue to develop circular economy and low-carbon manufacturing processes. 6. Promote energy-efficient products and invest in upgrade of low-carbon equipment and systems. 7. Establish KPIs that link product development with sustainable technologies.
		2. Cost for transformation to low-carbon technology processes.	v	v	v				Mid-term	

Risk type	Risk category	Climate risk issues	Financial aspects likely to be affected						Point of time for the risk impact	Countermeasures
			Decrease in operating revenue	Increase in expenses	Assets affected or scrapped	Increase in liabilities	Decrease in capital	Financing setback		
Transitional risk	Market	1. Customers change the supply chain cooperation guidelines.	v	v	v	v	v		Short-term	1. Develop new customers, improve equipment, or optimize manufacturing processes. 2. Establish long-term contract strategies with customers to mitigate risks. 3. Continue to invest in the R&D of smart/eco-friendly products. 4. Formulate the net-zero strategy, pathway and goals, and continue to manage carbon reduction performance. 5. Pay attention to customer sustainability trends, incorporate Taiwan Sakura products into the R&D strategy, and respond to customers' demand proactively.
		2. The Company's lack of contribution to climate change affects investors' willingness to invest	v				v	v	Long-term	1. Strengthen supplier sustainability management and upstream and downstream cooperation 2. Formulate net-zero strategies, pathways, and goals, and continuously manage carbon reduction performance.
		3. Increase in production costs	v		v	v			Mid-term	1. Establish long-term contract strategies with suppliers to mitigate risks. 2. Decentralized supply of raw materials. 3. Strengthen cooperation opportunities for supplier sustainability management.
		4. Customer sustainability/eco-friendly/low-carbon product demand	v	v	v	v			Mid-term	1. Research and develop eco-friendly recyclable products and low-carbon processes. 2. Obtain more energy-efficient product certifications.
		5. Consumers are turning to eco-friendly and low-carbon products.	v	v	v				Mid-term	
		6. GHG reduction requirements for the supply chain		v					Mid-term	1. Strengthen cooperation opportunities for supplier sustainability management. 2. Formulate net-zero strategies, pathways, and goals, and continuously manage carbon reduction goals.
		7. Currency exchange rate fluctuation risk	V	V	V		V		Long-term	1. Follow the risk management strategy and strengthen hedging tools. 2. Pay attention to market trends and flexibly formulate and adjust relevant response plans.
		8. Agents face poor operations	V	V			V		Long-term	1. Develop operational strategies with customers to improve the management of the agents and mitigate risks Strengthen cooperation opportunities for supplier sustainability management. 2. Strengthen cooperation opportunities for supplier sustainability management.
		9. Employees fact health threats	V	V					Short-term	1. Continue to invest in the R&D of smart/eco-friendly products. 2. Provide employees with a healthy and friendly working environment. 3. Provide employees with health checkups.
		10. Production line worker shortage	V	V					Short-term	Provide employees with a healthy and friendly working environment.

Risk type	Risk category	Climate risk issues	Financial aspects likely to be affected						Point of time for the risk impact	Countermeasures
			Decrease in operating revenue	Increase in expenses	Assets affected or scrapped	Increase in liabilities	Decrease in capital	Financing setback		
Transitional risk	Reputation	1. Negative corporate identity caused by climate issues	v			v	v	v	Long-term	1. Continue to invest in the R&D of smart/eco-friendly products. 2. Develop diversified energy-saving/eco-friendly/green products. 3. Formulate various on-site tasks and standard operating procedures for emergency response, and conduct regular drills.
		2. Industry stigma	v				v	v	Long-term	
Physical risk	Long-term	1. Severe changes in weather patterns (drought, increase in the number of consecutive days without rainfall)	v	v	v	v			Mid-term	1. Evaluate and implement rainwater harvesting systems. 2. Formulate a water preparation plan. 3. Continue to develop temperature control products. 4. Continue to improve energy efficiency and strengthen energy management mechanisms. 5. Inspect the building structure at the factory premises and conduct the equipment stress test, formulate the SOPs for emergency response, and conduct regular drills.
		2. Changes in weather patterns (water scarcity)	v	v	v	v			Mid-term	
		3. Changes in weather patterns (increase in average temperature)	v	v	v	v			Long-term	
	Immediacy	1. Acute weather events (earthquakes)	v	v	v	v			Short-term	1. Strengthen emergency response measures and mass production in different shifts and lines. 2. Regular inspection/cleaning of the drainage system. 3. Formulate a water preparation plan.
		2. Acute weather events (power shortage)	v	v	v	v			Short-term	
		3. Acute weather events (flooding, typhoons)	v	v	v	v			Short-term	
		4. Acute weather events (flooding, drought)	v	v	v	v			Short-term	


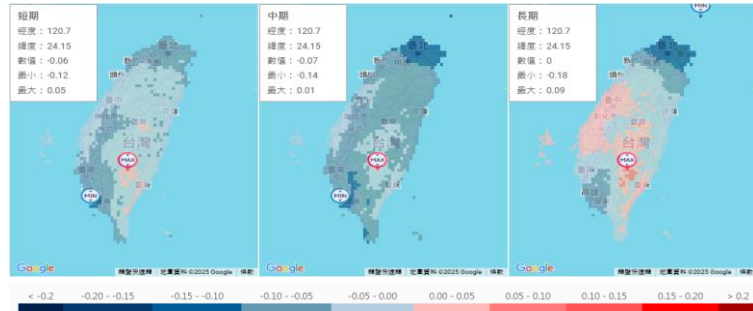
Opportunity	Climate risk issues	Financial aspects likely to be affected						Point of time for the risk impact	Countermeasures
		Decrease in operating revenue	Increase in expenses	Assets affected or scrapped	Increase in liabilities	Decrease in capital	Financing setback		
Resource utilization efficiency	1. Energy management program		v	v	v			Mid-term	1. Implement energy-saving opportunities and monitor effectiveness. 2. Implement energy-saving/waste reduction/water-saving activities and improve the efficiency of waste disposal.
	2. Smart manufacturing at the factory premises		v	v	v			Mid-term	Utilize AI big data to optimize manufacturing processes and improve equipment to enhance performance.
	3. Recovery system		v					Long-term	Invest in wastewater recovery systems and improve recovery efficiency to reduce the dependence on water.
Products and Services	Eco-friendly and low-carbon products and packaging materials		v					Mid-term	1. Business opportunities and market layout of energy-saving products. 2. Develop process carbon reduction technologies to reduce product carbon footprint and improve product competitiveness.
Market	Opportunities to increase the use of electricity products		v					Mid-term	Provide customers with innovative energy-saving solutions and services
Resilience	Supply chain adaptability and integration capabilities		v					Long-term	Continue to strengthen the supply chain's ability to cope with climate change and mitigate the risk over business interruption.

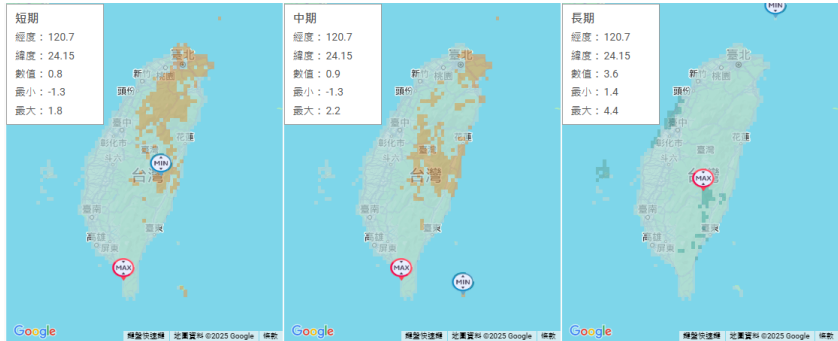

Climate scenario simulation

To enhance the capability to anticipate the long-term impacts of climate change, Taiwan Sakura systematically identifies potential climate-related risks and opportunities based on medium- and long-term development strategies, climate risk identification and analysis, domestic and international research reports, and ESG assessment indicators. Key operational indicators with high relevance and sensitivity are selected as subjects for scenario analysis. Furthermore, through climate scenario simulation, a forward-looking assessment is conducted based on the potential impact on market size, operating costs, and overall strategy, thereby providing a decision-making basis to support climate resilience and optimized resource allocation. Taiwan Sakura conducts simulations using different climate scenario pathways for the highly concerned transitional risks (such as carbon pricing, energy structure transformation, and adaptation of regulations) and physical risks (such as extreme rainfall, drought, and high temperature), and incorporates quantitative assessment factors (such as temperature, rainfall variability, and changes in carbon emission costs). The simulation results are used as a basis for internal decision-making and risk management adaptation.

In setting up the scenarios, the Company uses the "Taiwan Climate Change Information and Adaptation Knowledge Platform (TCCIP)" established by the National Science and Technology Council of the Executive Yuan as the source of climate data. Referring to the IPCC-recommended Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs), forming a cross-simulation model, we integrate different socio-economic development assumptions, greenhouse gas (GHG) emission levels, and pollutant changes, with four representative climate pathways (SSP1-2.6/low emissions, SSP2-4.5/medium emissions, SSP3-7.0/high emissions, and SSP5-8.5/extremely high emissions) as the basis for risk estimation. The Company further selects SSP1-2.6 (controllable climate risk) and SSP5-8.5 (extreme climate risk scenario) for scenario simulation, conducts dynamic analysis of temperature and rainfall variability in Taiwan, and assesses the potential impact of different scenarios on production sites, operating costs, equipment's weather resistance, and supply chain stability. These are used as a reference basis for the Company to formulate medium- and long-term climate adaptation strategies and make investment in technologies. Therefore, to enhance the decision-making quality of climate scenario simulation and financial impact analysis, the former is further integrated into the medium- and long-term operational strategies, capital expenditure planning, and supply chain risk assessment. Through cross-departmental collaboration, a financial impact map covering revenue, costs, and assets and corresponding to climate risks is set up.

In the meantime, by referring to the "dual-axis risk matrix" logic of the benchmark companies, the Company classifies and rates transitional and physical risks according to their likelihood and impact and identifies a priority list of highly concerned risks to enhance departmental action integration and internal supervision mechanisms. Furthermore, regarding information disclosure, Taiwan Sakura aligns with the practices of benchmark companies by presenting scenario simulation results in visual charts to enhance stakeholders' understanding of climate governance strategies and financial sensitivity. For the future, we plan to conduct disclosure in accordance with the international standards such as ISSB's sustainability standards, IFRS S2, or TNFD. Taiwan Sakura will continue to optimize its climate risk quantification model, incorporating industry empirical data and regional climate variables to deepen the accuracy of scenario analysis and decision support capabilities, moving towards data-driven climate governance.

Item	Descriptions	
Scope and scenario assumptions	<p>The extreme climate risk assessment under the SSP5-8.5 scenario is adopted to estimate the day-night temperature difference (temperature) at different times in the future, and simulate the risk estimation map of key regions and cities.</p> <p>Remarks: The annual average of the difference between the daily maximum high temperature and the daily minimum low temperature in a year adopts °C as the estimate unit.</p>	
Simulation results	<p>SSP1-2.6 (low emissions)</p> <p>In the short to medium term, the impact posed on Taiwan Sakura by the risk over day-night temperature difference is not obvious. Notwithstanding, signs of expected high temperature or long warm days in the Central and West Taiwan will be observed in the long run.</p>	
	<p>SSP5-8.5 (Very high emissions)</p> <p>In the short to medium term, the impact posed on Taiwan Sakura by the risk over day-night temperature difference is low. Notwithstanding, the changes are obvious until the medium term. Signs of expected high temperature or long warm days in the Central and West Taiwan will be observed in the long run.</p>	

Item	Descriptions	
Scope and scenario assumptions	<p>The extreme climate risk assessment under the SSP5-8.5 scenario is adopted to estimate the number of rainfall days (rainy days) at different times in the future, and simulate the risk estimation map of key regions and cities.</p> <p>Note: The total number of days in a year when the daily rainfall is more than 1 mm, the unit shall adopt “day.”</p>	
Simulation results	<p>SSP1-2.6 (low emissions)</p> <p>In the short to medium term, the impact posed on Taiwan Sakura by the risk over day-night extreme temperature difference is not obvious. Notwithstanding, signs of expected high temperature or long warm days in the Central and West Taiwan will be observed in the long run. This is expected to affect the Company.</p>	
	<p>SSP5-8.5 (Very high emissions)</p> <p>Based on long-term observations, the factory premises of Taiwan Sakura are at risk of a decrease in the number of rainfall days (rainy days). This is expected to affect the Company.</p>	

Climate risk mitigation and adaptation

To systematically improve the efficiency of climate risk identification, response, and governance, Taiwan Sakura has constructed a dual-axis management strategy of "Mitigation" and "Adaptation" based on the characteristics and controllability of different types of climate risks. The Company proposes to implement Standard Operating Procedures (SOPs) and internal control mechanisms to strengthen responsiveness and institutionalized management. For high-frequency, highly predictable climate shocks (such as energy use, carbon emissions, and equipment carbon emission thermal efficiency), the Company focuses on mitigation management, promoting energy conservation and consumption reduction, the introduction of renewable energy, and product energy-saving plans and management. Furthermore, in the face of sudden or regional risks such as extreme weather and natural disasters, an adaptation mechanism is used to strengthen responsiveness, including operational disruption prevention planning, the establishment of disaster preparedness capabilities for critical facilities, and supply chain backup plans. In addition, Taiwan Sakura refers to the practices of other companies, regularly reviewing and continuously optimizing the risk response framework to gradually build a sustainable and scalable climate management system, implementing a dual-track approach of climate governance and operational resilience.

Mitigation management strategy

Improve GHG management approaches and reduce GHG emissions proactively.

Actions taken

Apply the simulation and analysis of climate scenarios	Low-carbon transformation
Continue to use climate scenario simulation to analyze the risk changes in the future under the impact posed by extreme climate change.	Promote and support energy conservation, water conservation, waste reduction, carbon reduction projects, and investment in renewable energy to encourage, track, and promote related resource management and process improvement to achieve low-carbon innovation and transformation.

Adaptation management strategy

In order to mitigate the impact posed by extreme climate risks on the factory premises, we have implemented an energy management system to effectively optimize the use of internal energy, and we have begun to analyze the impact posed by climate changes to formulate relevant operation/business strategies.

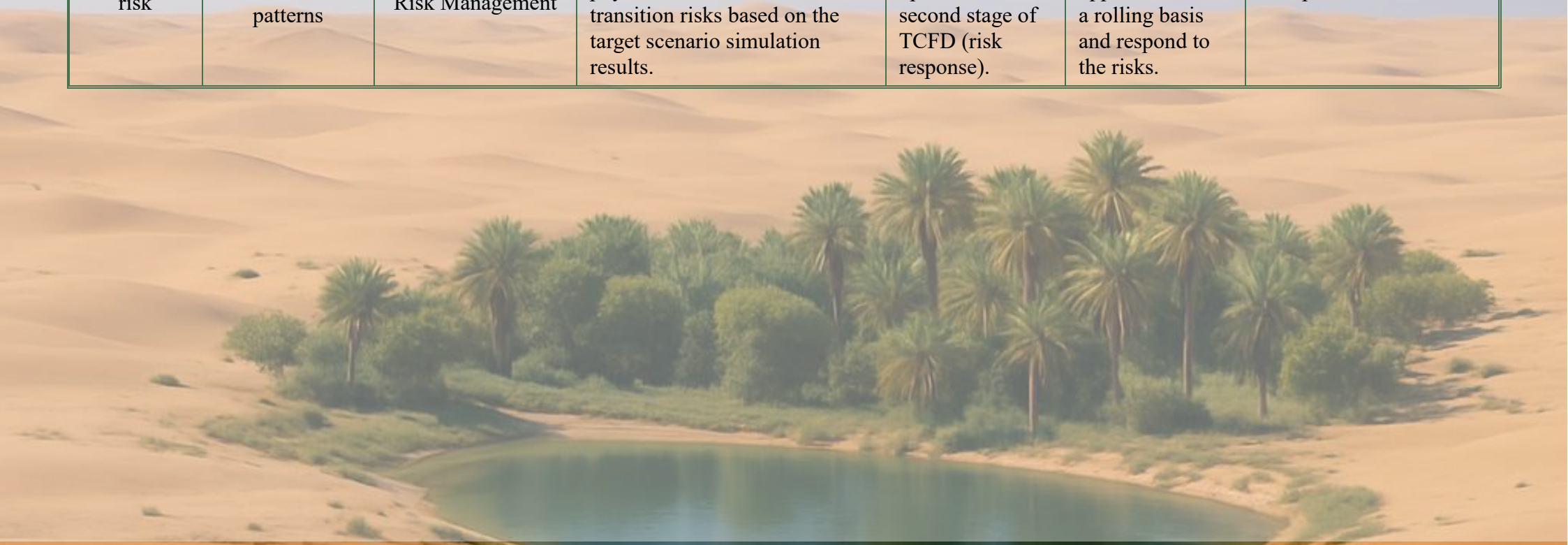
Actions taken

Energy Management System	Operational contingency measures
Promote energy conservation and carbon reduction measures and eco-friendly green buildings, and purchase related equipment with green labels, etc., to gradually improve energy efficiency to reduce GHG emissions and dependence on energy.	In the face of climate change-related disasters, Taiwan Sakura has formulated operational response measures for climate risk issues at different impact points in time.

3.1.1.4 Indicators and targets

In response to the global trend towards net-zero emissions and the physical risks and challenges posed by climate change, Taiwan Sakura has established a climate indicator and target management mechanism closely linked to the core operations. This mechanism serves as the basis for implementing climate governance strategies and tracking their effectiveness. The Company sets specific short-, medium-, and long-term management objectives for different types of climate risks and introduces quantifiable performance indicators based on business characteristics and operational scenarios. This helps to continuously monitor risk changes and review and optimize response strategies in a timely manner.

Risk type		Indicator	Short-term goals	Mid-term goals	Long-term goals	Achievement Status
Transitional risk	Policies and Regulations	Carbon management	Set the Group's carbon reduction goal.	Plan the implementation of the Group's 2050 Carbon Neutrality (Net Zero) Goal.		Keep in progress in 2024
Physical risk	Changes in weather patterns	Climate Change Risk Management	Identify significant climate change risks, complete RCP scenario simulation for physical risks, and formulate transition risks based on the target scenario simulation results.	Taiwan Headquarters conducted the operations at the second stage of TCFD (risk response).	Review the Group's climate change risks and opportunities on a rolling basis and respond to the risks.	Completed in 2024



Greenhouse Gas Management^(Note 1)

Taiwan Sakura continues to refine its greenhouse gas management and disclosure practices. In accordance with the greenhouse gas management plan, the Company implemented the ISO 14064-1 management system in 2024, and plans to use 2023 as the base year for its inventory. Furthermore, following the ISO 14064-1 standard, the Company completed the 2024 self-managed carbon inventory mechanism and expanded disclosure to Scope 3. Total emissions for the year were 5,157.34 metric tons of CO₂e, with Scope 2 (purchased electricity) being the primary source, accounting for 75.44%. Overall total emissions and per capita carbon intensity increased slightly compared to 2023, mainly due to the use of propane-based gases at the Ta Ya Plant 2 during the testing phase, leading to an increase in Scope 1 emissions. This is a temporary result of adjustments to the product profile.

Facing carbon emission risks and reduction pressures, Taiwan Sakura will continue to enhance carbon emission controls and reduction capabilities, adhere to the principles of "inspection first, target implementation, and action execution," and promote phased carbon reduction strategies in accordance with the government's net-zero transition pathways and international standards (such as the SBTi Science Based Targets). With net-zero emissions by 2050 as the long-term vision, the Company has formulated specific medium- and long-term carbon emission pathways, budget plans, and implementation plans. We will continuously review and adjust the targets and strategies to enhance our flexibility and resilience and ensure the orderly progress of the Company's sustainable transformation.

Emission unit: CO₂e (mt CO₂e)

		2022	2023 ^(Note 2)	2024
Direct emissions	Scope 1	975.2919	621.5968	989.3528
Indirect emissions	Scope 2	3,155.8044	2,957.9250	3,038.6774
	Scope 3	-	-	1,129.3132
Category 1 ~ 2	Total emissions	4,131.0923	3,579.5218	4,028.0302
	Emission intensity 1 (mt CO ₂ e/number of employees)	3.8899	3.3579	3.7575
	Emission intensity 2 (mt CO ₂ e/million NTD for operating revenue)	0.5030	0.4327	0.4191
Category 1~3	Total emissions	4,131.0923	3,579.5218	5,157.3434
	Emission intensity 1 (mt CO ₂ e/number of employees)	3.8899	3.3579	4.8110
	Emission intensity 2 (mt CO ₂ e/million NTD for operating revenue)	0.5030	0.4327	0.5367

Note 1: The boundary of the inventory is Taiwan Sakura's factory premises and some subsidiaries

Note 2: The inventory items in 2022 and 2023 mainly focused on disclosure of Scope 1 and Scope 2. The discrepancy in data between the two years is due to the re-evaluation and redefinition of the inventory boundaries and significant emission sources in accordance with the implemented ISO 14064-1 management system in 2024.

Carbon Reduction (Low-Carbon) Management Strategies and Pathways

To achieve its long-term goal of carbon neutrality and net-zero carbon emissions by 2050, Taiwan Sakura needs to pragmatically deepen the carbon management mechanism. Based on the operational characteristics and carbon inventory results, the Company has plans and implements the overall carbon reduction (low-carbon) strategy and implementation pathway on a rolling basis. For this, the Company has initiated a carbon management blueprint planning and formulated phased carbon reduction targets based on the operating locations, process characteristics, electricity consumption structures, and emission hotspots.

The Company's carbon reduction strategy focuses on improving energy efficiency, introducing renewable energy, and innovating low-carbon processes. We draw on the practical experience of leading domestic and international companies, including the pathways developed based on the Science Based Targets (SBTi), purchase of green electricity, and electrification of equipment. Furthermore, Taiwan Sakura plans to assess the feasibility of implementing a carbon fee/carbon credit response strategy to strengthen the internal climate risk related financial management, and gradually integrate carbon management indicators into our KPI system and supply chain management mechanism. The initial carbon reduction (low-carbon) management strategy and pathway of the Company, with the goal of net zero by 2050, are listed in the table below. This cover short-, medium-, and long-term carbon emission management and implementation plans. In the future, the Company will continue to cooperate with government policies and keep abreast of industry trends. We plan to introduce digital management tools and a third-party verification system to enhance the transparency and traceability of carbon reduction results, implement low-carbon transformation, and enhance green competitive strength.

Introducing GHG inventory	Setting reduction goals	Implementing reduction strategies	Achieving carbon neutrality/net-zero carbon emissions
<ol style="list-style-type: none"> ISO 14064 greenhouse gas inventory Obtaining third-party verification 	<ol style="list-style-type: none"> Identifying energy/equipment hotspots and potential reduction targets Setting reduction targets and scope 	<ol style="list-style-type: none"> Purchasing green energy and implementing low-carbon energy Internal carbon pricing and carbon fee management Promoting and managing green supply chains Replacing energy-saving (green) equipment (implementation) Optimizing innovative processes/production lines and clean energy products 	<ol style="list-style-type: none"> Continuously monitoring, managing, and tracking carbon reduction performance Rolling evaluation incorporating carbon reduction (low-carbon) management tools such as SBTi, ISO 5001, ISO 14067, RE100, etc.
Organizational inventory	Formulating short-, medium-, and long-term goals	Implementing carbon reduction (low-carbon) strategies and schedules	Completed carbon neutrality/net-zero carbon emissions.

2022	2023	2024	2025
Conducted a greenhouse gas inventory independently.	Introduced the TCFD framework.	<ol style="list-style-type: none"> 1. Introduced the ISO 14064 greenhouse gas inventory. 2. Implemented TCFD, identified significant climate change risks, complete RCP scenario simulation for physical risks, and formulated transition risks based on the target scenario simulation results. 3. Implemented carbon reduction (low-carbon) management strategies and pathways. 	<ol style="list-style-type: none"> 1. Set carbon reduction (low-carbon) management strategies and pathways. 2. Disclosed Scope 3^(Note 1)
2027	2028	2029	2050
Introduced greenhouse gas inventory by the subsidiaries listed on Taiwan Sakura's consolidated financial statements	Taiwan Sakura obtained greenhouse gas assurances/verifications.	Obtained greenhouse gas assurances/verifications by the subsidiaries listed on Taiwan Sakura's consolidated financial statements	Completed carbon neutrality/net-zero carbon emissions.

Note 1: The inventory year is 2024.

3.2 Environmental and Energy Management

SDGs	SDG 6, SDG 9, SDG 11, SDG 12, SDG 13
GRI	2-27, 3-3, 103-2, 302-1, 305-1, 307-1

3.2.1 Environmental Management System

Taiwan Sakura has long been committed to strengthening the environmental management mechanisms at the operational locations. Since 2011, the Company has passed ISO 14001 environmental management system certification, continued to adopt international standards and established a systematic pollution prevention and resource management process. The environmental management system integrates our climate adaptation strategy and occupational health and safety policies and covers aspects such as air quality control, water resource management, waste reduction, and ecological protection to form a management framework that encompasses the entire factory area and involves cross-departmental collaboration. All employees are fully involved in air pollution control, pollution source inventory in the work area, and implementation of improvement actions. The Company continuously improves the environmental risk identification and response capabilities through internal audits, monitoring indicators, regular training, and external verification. For the management of the factory, the Company follows the standard operating procedures (SOPs) defined in the environmental manual of the Company, including specific practices for pollution source identification, operational control, and accident response, and incorporates climate risk scenario simulation results to gradually strengthen the resilience and adaptability of the factory against the environmental impacts that extreme weather events (such as high temperature and heavy rain) may produce. The Company's environmental management system is based on the "PDCA" cycle. Through continuous inspection, internal and external audits, and a mechanism for correcting/preventing non-compliance, we ensure that the effectiveness of improvements is measurable and that implementation is feasible. This strengthens the Company's overall ESG governance foundation and climate risk adaptation capabilities, ensuring the stable progress of the transformation process.

ISO 14001 14001 Environmental Management Systems

Taiwan Sakura's ISO 14001 Environmental Management System undergoes a review every three years and a follow-up review every year. The annual renewal assessment for 2024 was completed to ensure the validity of the certificate (August 15, 2023 to July 16, 2026). The annual implementation status is as follows.

Schedule	Item	Implementation status
April	1. The ISO 14001 implementation was commenced and a risk committee was established. 2. Internal risk assessment was conducted. 3. Internal audit	A total of 4 observations and 2 suggestions were identified and corrective actions were implemented for all of these items. Records were made in the Company's "Corrective Action Implementation Plan."
May	Internal management review meeting	
June	Annual external audit	

Note 1: The Company has passed the ISO14001 environmental management system certification since September 2011, and its environmental management system complies with international standards. ISO 14001 environmental management system certification (valid from August 15, 2023 to July 16, 2026).

Air Pollution Control

Taiwan Sakura continues to implement air pollution control measures to enhance the environmental management during the operations. By following regulations and best practices, the Company has improved the pollution control and monitoring mechanisms to ensure compliance of the emissions and controllable risks.

1. Dust collection and recovery management: Dust generated during the coating process is collected and centrally processed using dust collection equipment. Subsequent disposal is handled by qualified waste removal companies according to regulations to reduce the risk of the emissions and improve the resource management.
2. Legal compliance and regular reporting: Both the Ta Ya Plant and Shengang Plant report the emissions of the air pollutants and the air pollution control fees quarterly in accordance with regulations, demonstrating that the Company observes the principles of legal compliance and transparent governance.
3. Third-party testing and transparent results: Air pollutant sampling and testing are conducted annually by qualified third-party organizations to ensure compliance of emissions with standards. There were no penalties or losses recorded this year.
4. Risk control and prevention first: Through a dual approach of engineering facilities and institutional management, the Company effectively reduces air pollution risks during the processes, thereby enhancing the operational sustainability and social responsibility practices.
5. Continuous optimization and alignment with benchmark companies: Taiwan Sakura observes the best practices in the industry, continuously reviews and optimizes the pollution prevention and control mechanisms, and strives to improve the environmental management performance and green corporate image of the Company.

Hazardous Substance Management

To ensure operational safety and environmental risk control, Taiwan Sakura continuously improves the hazardous substance management system and comprehensively strengthens monitoring and compliance management from the source of the supply chain to the storage and disposal within the factory.

1. Supply chain management: Suppliers are required to provide information on the use and storage of hazardous substances, labeling and information registration in accordance with the "Regulation of Labeling and Hazard Communication of Hazardous Chemicals", and incorporate this in the Hazardous Substances Inventory and conduct update annually.
2. Hazardous substance labeling management: All locations and containers storing hazardous substances within the factory are clearly labeled to enhance on-site identification and operational safety.
3. Empty container storage and recovery mechanism: Empty containers of hazardous substances are centrally stored after use and handed over to qualified operators for recovery on a regular basis to ensure compliance of the disposal and controllable risks.
4. Implementation of source control: The source monitoring and tracing of hazardous substances are strengthened through an institutional supplier data verification and inventory registration process.
5. Improvement of operational transparency and safety management effectiveness: By combining the mechanisms of information disclosure, on-site labeling, and regular disposal, the Company ensures that hazardous substances are traceable and manageable throughout the entire process and meet ESG risk management principles.

**Environmental
Protection
Policy**

Environmental
Friendliness
Laws and regulations
Goals and Objectives
Environment, Health and
Safety Management
Solution

Rectification of
various deficiencies
Management
review

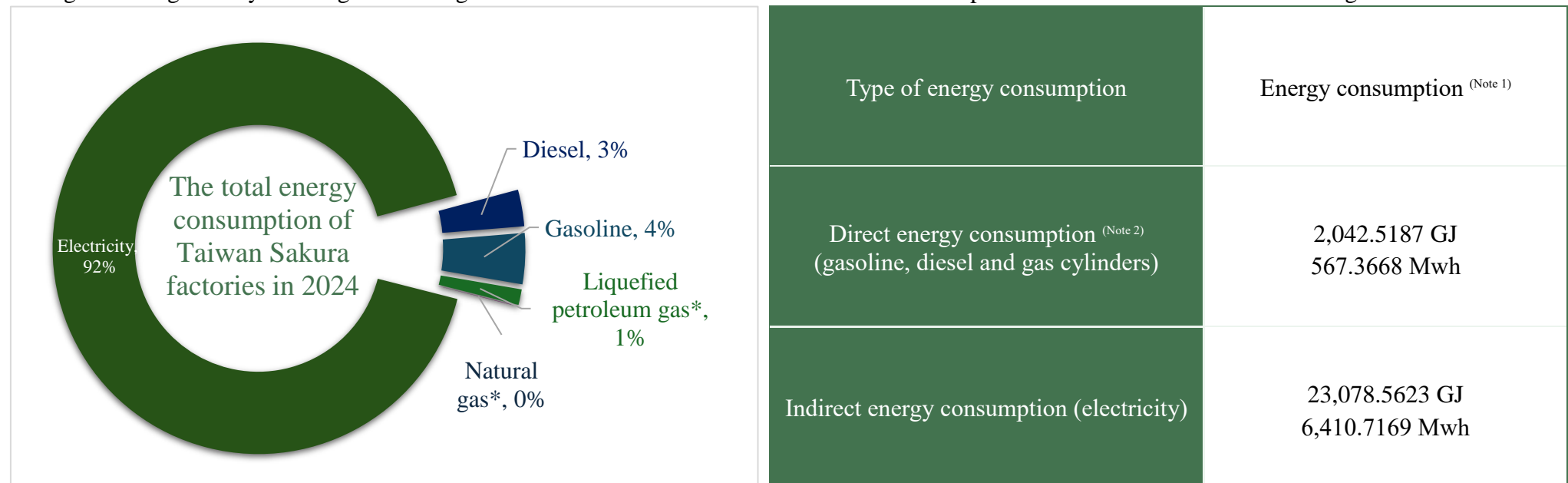
Monitoring and Measurement
Corrective and Preventive Actions
Systematized environmental
management
Audit and Records

Structure and
Responsibilities
Awareness and
Training
Emergency and
Response

3.2.2 Energy Management System

While balancing capacity expansion and sustainable development, Taiwan Sakura actively promotes the energy conservation and carbon reduction initiatives. The Company is dedicated to reducing energy intensity and optimizing overall operational energy efficiency and carbon management effectiveness on a systematic basis and in the meantime improving the manufacturing efficiency and company output. To achieve systematic energy management, the Company plans to establish an energy management system and conduct energy management in four stages of planning, execution, monitoring, and improvement. The Company is assessing to introduce a complete set of measures that cover the energy consumption data checking, efficiency analysis, and load optimization. Taiwan Sakura adopts a multi-layered approach to energy conservation projects. It covers the process equipment adjustments and energy consumption system upgrades (such as air conditioning, compressed air, and lighting systems) to ensure that each energy-saving plan has substantial benefits. For this, the department (primarily the manufacturing department) should periodically evaluate and propose improvement plans based on equipment operating characteristics and actual load conditions to further improve the energy performance and the improvement rate.

As for energy usage, Taiwan Sakura's main energy sources included electricity, natural gas, liquefied petroleum gas, gasoline, and diesel fuel in 2024. Electricity accounted for about 92% of the energy consumption, making it the primary energy source of the Company. We will continue to enhance energy intensity management to gradually reduce greenhouse gas emissions and realize the vision of low-carbon operation and sustainable manufacturing.



Note 1: The calorific value is based on the latest unit calorific value table of energy products announced on the website of the Energy Administration, MOEA. Energy consumption is calculated by multiplying the unit calorific value by the energy consumption and converting it to gigajoules (GJ). 1 Giga-Joule (GJ) = 0.277778 MWh.

Note 2: Methanes, propane and butane for mixers (for gas distribution) are not included. They are used only for testing products after mixing gas in the manufacturing process, and not for any other purposes.

Energy consumption in the last three years

The energy consumption of Taiwan Sakura mainly consists of electricity, natural gas, liquefied petroleum gas, automotive gasoline and diesel. In 2024, the total energy consumption was 25,121.0810 GJ, and the energy intensity was 2.6141 GJ/million. The energy intensity in 2024 decreased by 7.91% compared to 2023, mainly because the growth of the revenue in 2024 exceeded the growth of the energy consumption.

Quantitative indicators	2022	2023	2024	Unit	2022	2023	2024	Calorific value unit
Electricity from non-renewable energy sources ^(Note 1)	6,388.2600	5,987.7024	6,410.7117	kWh	22,997.7360	21,555.7287	23,078.5623	GJ
Automotive gasoline ^(Note 2)	32.2865	30.7763	30.8224	KL	1,053.6753	1004.3891	1005.8954	GJ
Diesel ^(Note 3)	43.0600	18.3012	20.5494	KL	1,513.3695	643.2077	722.2217	GJ
Liquefied petroleum gas ^(Note 4)	11.1625	9.8131	11.0886	KL	309.8804	272.4200	307.8294	GJ
Natural gas ^(Note 5)	162.8470	165.2919	174.5341	kWh	6.1322	6.2242	6.5723	GJ
Mixer (for gas distribution) ^(Note 6)	102.5300	1.6540	86.3168	KL	-	-	-	
Total energy consumption	-	-	-		25,880.7934	23,481.9697	25,121.0810	GJ
Operating revenue	-	-	-		8,213	8,272	9,610	NTD million
Energy Intensity	-	-	-		3.1512	2.8387	2.6141	(GJ/NTD million)

Note 1: The calorific value of electricity is converted into 1kWh = 3,600 KJ/1,000,000 (KJ/GJ).

Note 2: Automotive gasoline calorific value = 7800 kcal/L, (sourced from Greenhouse Gas Emission Factor Management Table Version 6.0.4) heat generated per liter of automotive gasoline (GJ) = 7800 (kcal/L)*4.184 (KJ/kcal)/1,000,000 (KJ/GJ).

Note 3: Diesel calorific value = 8400 kcal/L, (data sourced from Greenhouse Gas Emission Factor Management Table Version 6.0.4); heat generated per liter of diesel (GJ) = 8400 (kcal/L)*4.184 (KJ/kcal)/1,000,000 (KJ/GJ).

Note 4: Liquefied petroleum gas and natural gas are used for testing products in the manufacturing process.

(data sourced from Greenhouse Gas Emission Factor Management Table Version 6.0.4) heat generated per liter of LPG (GJ) = 6635 (kcal/L)*4.184 (KJ/kcal)/1,000,000 (KJ/GJ).

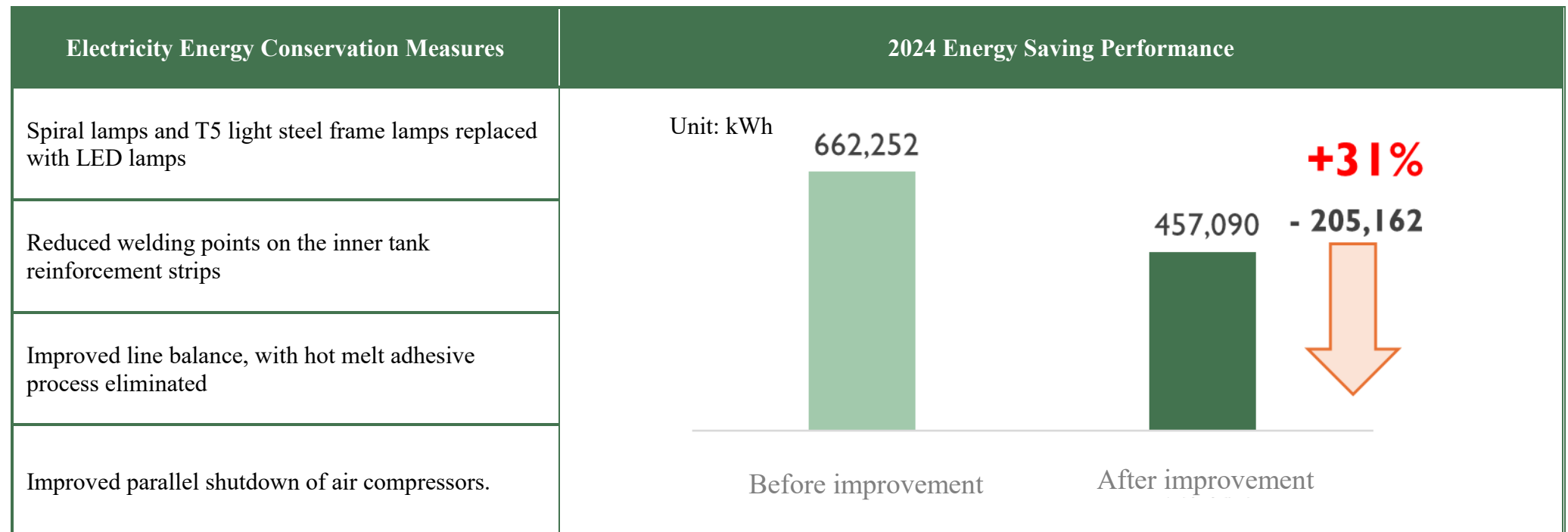
Note 5: Natural gas calorific value= 9,000kcal/m3, used for testing products in the manufacturing process. Heat generated per cubic meter of natural gas, (GJ) = 9,000 (kcal/m3)*4.184(KJ/kcal)/1,000,000(KJ/GJ).

Note 6: Methanes, propane and butane for mixers (for gas distribution) are not included. They are used only for testing products after mixing gas in the manufacturing process, and not for any other purposes.

Energy-Saving Measures and Performance

Taiwan Sakura continues to deepen our energy management system. We implement rolling energy-saving improvement plans and equipment performance optimization projects based on the annual operating conditions and energy usage characteristics of each factory. All energy-saving measures are managed through project-based processes, including diagnosis, design, implementation, effectiveness evaluation, and follow-up measures, in combination with internal energy audits and employee training, to improve overall energy efficiency and energy-saving awareness and demonstrate our long-term commitment to low-carbon operations. Regarding high-energy-consuming equipment and systems, we continue to implement equipment replacement and the introduction of high-efficiency devices. In 2024, we implemented relevant energy-saving measures listed in the table below to save approximately 205,162 kWh of electricity annually, representing an improvement of approximately 31% in energy-saving benefit.

In the future, we will continue to plan the replacement with high-efficiency energy-saving equipment, optimize system operating parameters, and assess the introduction of automated control and energy management systems based on the energy consumption data and energy-saving potential assessments of each factory. The aim is to maximize energy efficiency, reduce the Company's carbon footprint, achieve the most optimal resource allocations and the energy saving and carbon reduction goals in a way of synergistic promotion, and strengthen the Company's foundation for a net-zero transition.



3.3 Water Resource Management

SDGs	SDG 6, SDG 9, SDG 12, SDG 13, SDG 14, SDG 17
GRI	2-27, 3-3, 201-2, 303-1~5, 306-1

3.3.1 Protection of water resources

Taiwan Sakura deeply understands that water resource issues are not only crucial for environmental sustainability, but also closely linked to the protection of human rights, public welfare, and industrial stability. Facing the challenges of global climate change and uneven water resource distribution, enterprises can no longer view water resources only from the environmental perspective. Rather, they must be incorporated into a comprehensive risk management and sustainable governance strategy. To support the UN Sustainable Development Goal (SDG 6) "Clean Water and Sanitation," the Company actively promotes the effective management and protection of water resources to ensure operational stability, stakeholder's access to water resources, and their safety, and thereby fulfilling our corporate social responsibility and moving towards a green transformation.

To fulfill the water resource management commitments, Taiwan Sakura continuously enhances water efficiency within the factory through equipment upgrades, regular testing, and real-time monitoring of abnormal conditions, in the hope to reduce unnecessary water consumption and leakage risks. In the meantime, the Company systematically reviews water-consuming hotspots in each process, implements water-saving and recycling measures, and assesses the potential impact of water resource risks on operations to enhance the Company's resilience and adaptability under extreme weather conditions, and ensure a steady movement toward the goal of sustainable water resource utilization.

Monitoring of Drinking Water Quality	Water quality for domestic use within the factory is periodically tested by qualified testing institutions to ensure that drinking water meets local regulations and hygiene standards and can protect the health and safety of employees and neighborhoods.
Control of Wastewater Discharge	To minimize the impact on the environment and ecosystem, wastewater discharge from the factory is regularly tested by a third party to ensure compliance with environmental regulations and water body carrying capacity.
Monitoring and Management of Water Usage	Water usage within the factory and operational location is monitored and internal promotion is conducted periodically to raise employees' awareness of water conservation and jointly implement water resource management.
Pollution Prevention and Risk Control	Combining the regular testing with a real-time monitoring system, water usage and discharge are monitored to enhance the prevention of pollution risks and response capabilities.
Establishment of a Water Conservation Culture	The Company promotes a water conservation culture that requires involvement of all employees. Combined with internal education and management systems, the Company guides employees to conserve water resources through daily practices and, by doing so, embodies the Company's sustainability spirit.

Taiwan Sakura upholds a responsible attitude towards the environment and community where the Company operates, and continuously ensures that the factory has no potential or substantial negative impact on the surrounding water resources. In response to the challenges posed by climate change to water supply and demand, the Company actively implements a comprehensive water resource management strategy to improve overall water use efficiency. In addition, the Company optimizes water use processes and reduces waste through innovative water-saving technologies and solutions, maximizes the effectiveness of every drop of water, and gradually moves towards the Company's annual water consumption reduction target.

In 2024, the water consumption of the Company was 13,716 degrees, an increase by 17.89% compared to the previous year, the per-capita water consumption was 12.79 degrees, an increase by 17.23% compared to the previous year, and the water consumption intensity was 1.43 degrees/million revenue (NTD), a decrease by 1.48% compared to the previous year. These results are not a natural reduction, but rather due to the re-identification of the inventory boundary and the data correction conducted after introduction of the ISO 14064-1 greenhouse gas management system in 2024. This demonstrates that the Company still needs to strengthen the intensity and accuracy of the water management.

Water resource utilization and management strategies

Water resource utilization and management strategies

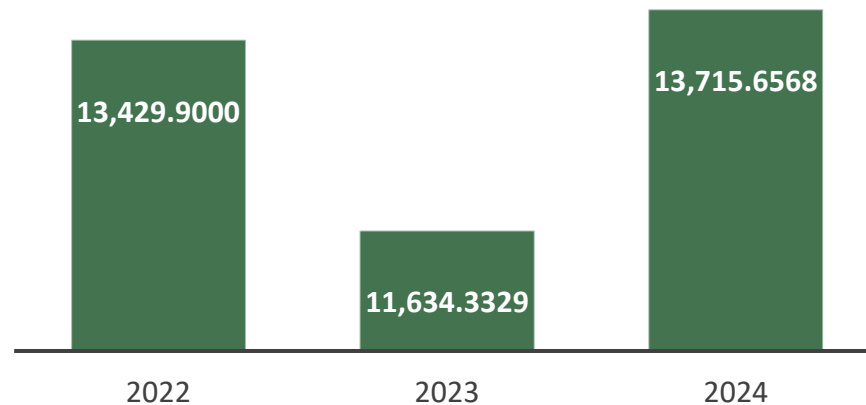
Five management strategies: 1. Overview of water resources; 2. Water usage management; 3. Water-saving measures; 4. Compliance with the effluent regulations; and 5. Continuous improvement.

Three management pathways:

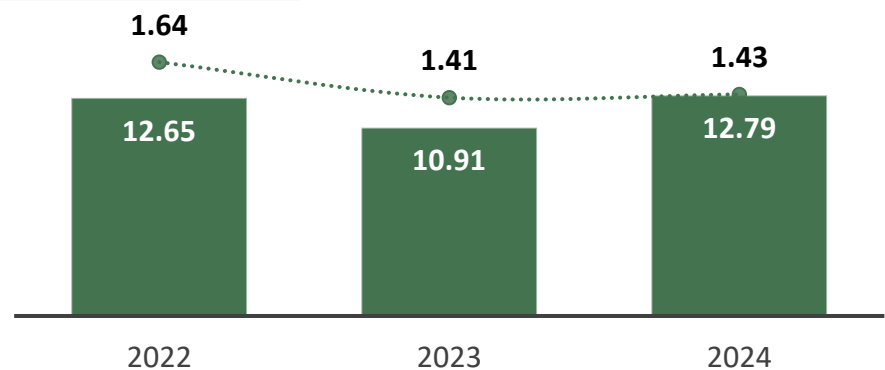
1. Process water: Promote wastewater recycling and reuse or install rainwater harvesting systems and other facilities.
2. Domestic water consumption: Promote water conservation, adopt products with water-saving labels, install water-saving, automatic sensor faucets, and replace old flush toilets, accessories and facilities.
3. Install smart water meters and integrate the signage information system for water resource management.

Water resource utilization in the last 3 years

Total water intake/degree



Water intensity 1 Water consumption in degree/number of employees
Water intensity 2 Water consumption in degree/million revenue (NTD)



Water resource utilization and management strategies

Management by Objectives	<ol style="list-style-type: none"> 1. Set water-saving goals and plan action plans to ensure the achievement of goals, and remind employees to follow water-saving policies in their routine work through various promotional channels to reduce per-capita water consumption. 2. Conduct ISO 14064 Water Footprint Inventory every year to track the effectiveness of water resource management. 3. Compliance with the effluent regulations. 4. We plan to continue to promote water resource management strategies and implement various action plans with an annual reduction of 1%.
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3.3.2 Water pollution control

Taiwan Sakura has installed the wastewater treatment system. The main source of operating wastewater is the coating process. We have set up wastewater treatment facilities in accordance with regulations and obtained a water pollution prevention and control measure installation permit issued by the competent authority, and dedicated pipelines in each process area are unified and converged. Wastewater is discharged from the factory through a dedicated pipeline after being treated to meet environmental protection regulations and standards at a wastewater treatment facility. For details regarding the penalties imposed on our Shengang plant in 2024 for exceeding the regulated limits of substances in its wastewater discharge, please refer to page 47.

Management requirements	As an illustration
Environmental sanitation requirements for manufacturing processes	<ol style="list-style-type: none"> 1. For water pollution prevention and management, in addition to complying with laws and regulations, we also aim at water-saving planning and management. 2. Strengthen wastewater management, continuously monitor effluent quality, and strictly implement water quality testing to make it higher than the frequency of water quality testing required by laws and regulations, and ensure that effluent quality meets regulatory standards.
Execute preventive maintenance work	In addition to replacing outdated equipment and pipelines from time to time, Taiwan Sakura adopts preventive maintenance methods and regular internal water quality testing to ensure that the effluents meet the standards, thereby improving the quality of the friendly environment.
Implementation of monitoring and inspection operations	Every six months, we contract an external qualified inspection institution to conduct water quality testing of raw wastewater and effluents, and a qualified inspection institution to perform water quality inspection on domestic sewage at each factory premises from time to time.
Future Prevention Measures and Potential Expenditures	<ol style="list-style-type: none"> 1. Replaced the discharge pipeline and cleaned the discharge tank to reduce discharge of the residual material from the pipe walls to the outside environment. 2. Purchased a microcomputer-driven suspended solid controller to monitor suspended solids throughout the process.

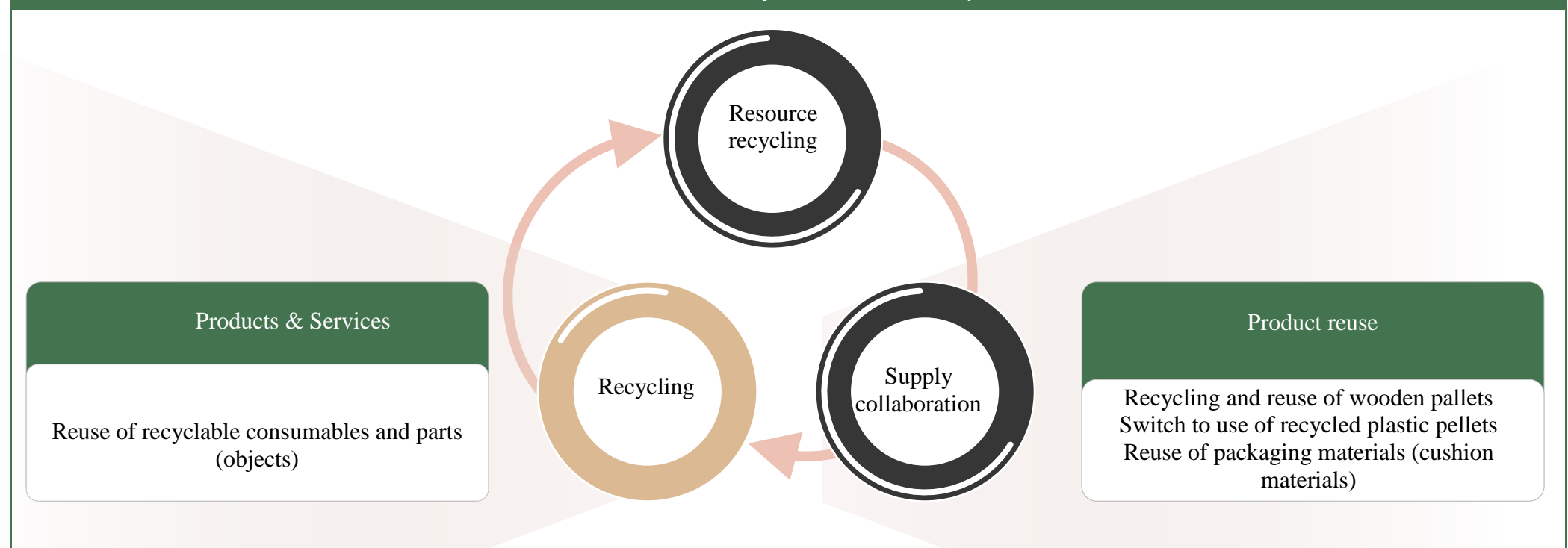
3.4 Circular Economy and Waste Management

SDGs	SDG 7, SDG 9, SDG 11, SDG 12, SDG 16, SDG 17
GRI	2-25, 2-27, 3-3, 301, 302, 306-1~4

3.4.1 Circular economy

Taiwan Sakura actively adopts a circular economy mindset, striving to mitigate the resource waste and environmental impact caused by traditional linear economies, and promoting a green business model that balances environmental friendliness and sustainable value. To achieve this goal, the Company has formulated a circular economy blueprint and implementation plan, covering raw material procurement, production processes, operational waste management, and resource recycling, promoting a positive cycle of resource flow and improving overall efficiency. Specific measures include implementing resource recycling management systems at both the head office and factory sites. For example, wood chips generated during the manufacturing process at the Company's Wuri Plant are entrusted to suppliers for recycling and reuse. Taiwan Sakura is also actively evaluating and implementing feasible waste resource recovery technologies and recycling mechanisms to improve material utilization efficiency and waste reduction. Furthermore, the Company plans to expand cross-industry cooperation opportunities, connecting upstream and downstream resource-sharing networks, and strengthening the use and autonomy of renewable energy, comprehensively moving towards a low-carbon circular operating model and reinforcing the strategic advantages in sustainable development.

Circular Economy Promotion Roadmap

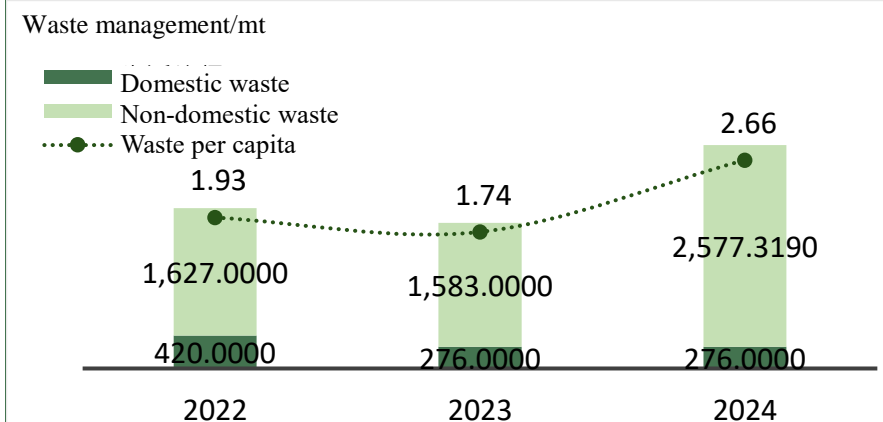
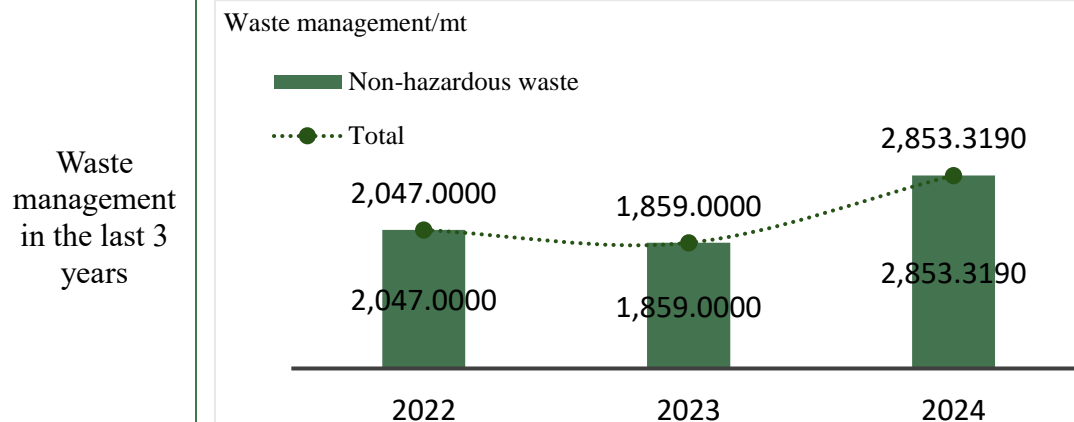


3.4.2 Waste management

Taiwan Sakura is dedicated to implementing industrial waste management, focusing on reduction, recycling, and maximizing resource utilization. The Company fully implements waste sorting, collection, storage, management, and disposal operations, and complies with regulations regarding disposal, treatment, and reuse processes. At the same time, we have developed waste management procedures and methods and incorporated them into the ISO 14001 environmental management system for systematic control. Currently, the waste types of the Company only cover household waste and general recyclables, and we do not generate hazardous or dangerous industrial waste. This indicates that the waste management risks are relatively controllable. The total amount of waste in 2024 reached 2,853 metric tons, an increase of 53.49% compared to the previous year. This was mainly due to our Company's independent identification and inclusion of more non-household waste categories (such as polystyrene) to enhance the completeness of waste inventory and the accuracy of management. In addition, the amount of waste per capita was 2.66 metric tons, an increase of 52.63% compared to last year; the waste intensity was 0.30 metric tons/turn in NTD million, an increase of 32.12%. The Company will more actively implement relevant management measures in accordance with waste management strategies to ensure positive recycling of resources and move towards the goal of sustainable operations.

Waste utilization and management strategies

Waste utilization and management strategies	<p>Four management strategies: 1. Reduction at the source; 2. Reuse; 3. Resource recycling; 4. Implement flow-direction management.</p> <p>Five management measures:</p> <ol style="list-style-type: none"> 1. Through proper management and classification, we can increase the reduction and reuse rate of waste. The waste generated from the manufacturing process is contracted to domestic resource recycling companies for recycling. 2. Waste disposal operations are carried out in accordance with environmental protection laws and regulations. All of the waste are cleared domestically, and no cross-border disposal is carried out. 3. We implement the environmental management system strictly, execute waste management operations in accordance with the requirements of the ISO 14001 environmental management system and the management regulations. 4. We have entered into the waste disposal contract to entrust the waste disposal contractors permitted by the competent authority for the disposal and to handle related disposal operations. 5. The waste removal and transportation and operations thereof are declared in accordance with laws and regulations. The final waste disposal and follow-up confirmation are completed within the specified time limit.
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Waste utilization and management strategies

Management by Objectives

1. Set management goals and plan implementation programs.
2. Plan to evaluate waste resource recycling and regeneration programs.
3. Conduct ISO 14064 waste inventory every year and track the management results.
4. Product carton packaging resources are reduced, and the ratio of recycled pulp is increased, without compromising the protective power of packaging materials, and can be directly recycled after use to improve the efficiency of recycling.
5. Remind employees to implement sorting and reuse of resources through various promotional channels, reduce the amount of waste per person, avoid the use of disposable tableware, call for bringing their own reusable cups (bags) and tableware for beverages or eating out, hoping to raise the employees' awareness and actions for waste reduction and plastic reduction via various communication channels.



3.5 Sustainable Products

SDGs	SDG 7, SDG 9, SDG 12, SDG 13, SDG 17
GRI	2-6, 2-27, 3-3, 301, 302-1, 302-4, 305-5, 416-1, 417-1

Facing the global trend towards zero-carbon transformation and reduced plastic consumption, Taiwan Sakura, as a leading brand of kitchen and bathroom appliances, actively promotes a sustainable business model oriented towards a circular economy and focusing on research and development of environment-friendly green products and services. In the meantime, through process optimization and introduction of intelligent automation equipment, the Company not only enhances product quality, but also improves energy efficiency and carbon reduction benefits to meet market expectations for sustainable products.

In terms of product development, the Company continues to focus on niche products with green design and high energy efficiency, combining digital intelligent technology to improve overall production efficiency and act in line with global environmental regulations and consumer demand for low-carbon products. Furthermore, by promoting environmental certification systems for products and raw materials, the Company collaborates with the value chain to strengthen environmental responsibility and implement the ISO 9001 quality management system throughout the factory, and thereby ensure quality improvement and enhance customer satisfaction. In 2024, most of our gas water heaters, gas stoves, and hot water dispensers reached the Level 2 energy efficiency standard, while the reserve-type electric water heaters remained at Level 4. The Company will enhance the product development technology and optimize the manufacturing processes to improve the energy efficiency standards of the products and continue to move towards the Level 1 energy efficiency target. Taiwan Sakura consistently improves the overall energy efficiency and performance, and this demonstrates the Company's commitment and action in energy conservation, carbon reduction, and sustainable innovation.

Sustainable product utilization and management strategies

3R principle management strategy: Reduce, reuse, and recycle.

ISO 9001 Quality management system

Taiwan Sakura's ISO 9001 Environmental Management System undergoes a review every three years and a follow-up review every year. The annual review for 2024 was completed, and the certificate was obtained (June 27, 2024 – August 3, 2027).

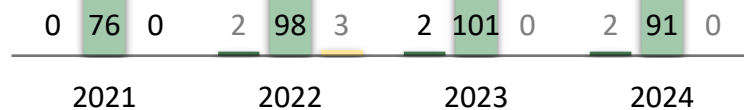
Schedule	Item	Implementation status
April	1. The ISO 9001 implementation was commenced and a risk committee was established. 2. Internal risk assessment was conducted. 3. Internal audit	A total of 8 observations were identified and corrective actions were implemented for all of these items. Records were made in the Company's "Corrective Action Implementation Plan."
May	Internal management review meeting	
June	Annual external audit	

Sustainable product utilization and management strategies

Development
of
sustainable
products in
the last 3
years

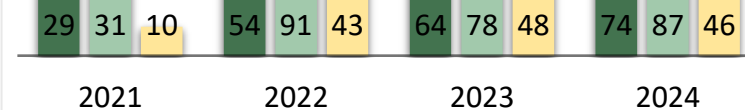
Quantity of gas water heaters/products/

■ Level 1 ■ Level 2 ■ Level 3~5



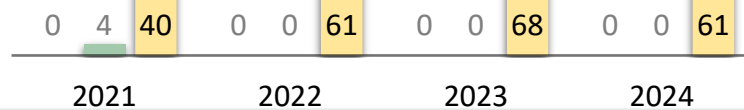
Quantity of gas stoves/products

■ Level 1 ■ Level 2 ■ Level 3~5



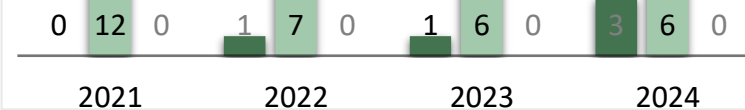
Reserve type electric water heater

■ Level 1 ■ Level 2 ■ Level 3~5



Warm water dispenser

■ Level 1 ■ Level 2 ■ Level 3~5



Management
by
Objectives

Continue to increase the quantity of products meeting energy efficiency standards at all levels.

Case 1 AI KITCHEN

As a core brand leading a new family life, Taiwan Sakura upholds the mission as a "creator of wonderful home life" and continuously enhances product value and customer experience through innovative technology. In the fact of the increasingly digital and intelligent trends in the lifestyle, the Company proactively introduces AI technology and combines smart applications with human-centered design to create more convenient, safe, and futuristic scenarios for home life, provide a forward-looking layout for a better life of the consumers, and deepen the market position and added value of an integrated "brand + AI" model.

In the meantime, Taiwan Sakura acts in response to the "Goal 3: Good Health and Well-being" under the UN Sustainable Development Goal (SDGs) and provides premium, safe, and reliable kitchen and bathroom products, in the hope to improve the health and hygiene benefits in every stage from design and manufacturing to service. Through innovative technology and green thinking, the Company not only enhances the protection of consumer's health, but also further shapes the long-term commitment to the healthy life, fulfills the corporate social responsibility, and promotes a positive cycle in the sustainable value chain.



SAKURA First in the Industry! Taiwan's First Healthy AI-Based Range Hood Debuts!

Case 2 Clean and healthy water purifier

Upholding the core philosophy of "people-oriented and healthy life," Taiwan Sakura acts in response to the "SDG 6: ensure availability and sustainable management of water and sanitation for all" under the UN Sustainable Development Goals. The Company has long invested in research and development of water purification technologies adapted to Taiwan's water quality conditions, in the hope to provide safe, convenient, and aesthetic home drinking water solutions. All of our water purifiers have passed the test conducted by the internationally renowned SGS. They meet national drinking water quality standards and ensure that all the consumers can enjoy healthy, safe, and convenient drinking experience.

For the design of the products, the Company combines modern kitchen space planning with home aesthetics to provide water purification products that combine functionality and beautiful appearance. This helps increase the installation rate and contribute to the achievement of clean water in every family.

Taiwan Sakura has established the "SAKURA iCare Permanent Free Water Quality Inspection" service to further improve users' management capabilities for the safety of their drinking water. In addition to testing the water quality at the client end on a regular basis, we remind users of filter replacement cycle intelligently through the "Water Purification Butler" to maintain filtration efficiency and reduce water quality risks caused by overdue use, allowing consumers to enjoy high-quality drinking water consistently.

For this, Taiwan Sakura will continue to innovate products and services, and introduce low-carbon materials and energy-saving processes to provide water purification solutions that combine environmental friendliness and health value. In this way, we implement SDG 6 and connect SDG 3 (Good Health and Well-being) and SDG 12 (Responsible Consumption and Production) to fulfill our commitment of "clean water and sustainable life."



3.6 Environmental Sustainability Culture Sprout

SDGs	SDG 4, SDG 12, SDG 13, SDG 16, SDG 17
GRI	2-24, 2-27, 2-29, 404-2

To achieve the corporate sustainability goals, Taiwan Sakura internalizes environmental sustainability as a core value of the organizational culture. We enhance the awareness of sustainability issue among employees and encourage their participation through institutionalized communication mechanisms and diverse dissemination channels. The Company regularly uses internal communication platforms (such as the "Sakura LINE Official Account," monthly meetings, and the "HR e-quarterly newsletters") to communicate information on the latest environmental policies, climate change trends, energy conservation and carbon reduction actions, and environmental regulations to all employees, allowing continuous penetration and enhancement of the sustainability knowledge and environmental responsibility within the organization. In addition, the Company integrates environmental awareness in the product lifecycle management, from product design, raw material selection, production processes, packaging and transportation to the use of products, aiming to achieve the principles of "reduction, decarbonization, and resource recycling." In addition, we implement the concepts of "green manufacturing" and "low-carbon supply chain" by promoting energy conservation and greenhouse gas reduction through cross-departmental collaboration. Taiwan Sakura firmly believes that environmental protection should not be limited to the implementation of regulations. It requires cultural awareness and joint implementation through participation of the employees to form a top-down, internal-external momentum for achievement of the sustainability. Therefore, the Company will continue to deepen employee sustainability education, increase internal initiatives, and enhance cross-departmental project collaborations, in order to build a green value system in which the Company and employees learn and benefit together, exert collective influence, and move towards a sustainable enterprise full of "internal identify and external trust."

Item	Issues	Target	Cycle
ESG Trend Introduction and Promotion	Global and Taiwan ESG and Climate Issues Status	All employees	Irregularly
Organizational GHG Inventory	Collection, quantification, and review of GHG inventory data	GHG Inventory Team	Every year
Information and energy management	Promote knowledge of energy conservation, water conservation, carbon reduction, and resource recycling	All employees	Irregularly
Ecological Conservation Activities	Organize and participate in local eco-friendly and ecological conservation activities	All employees	Irregularly

U-bag Second-Hand Bag Circulation

In 2024, Taiwan Sakura partnered with Decathlon's Beitun store in Taichung City through the non-profit organization U-bag to reduce plastic products in daily life and achieve a cycle of righteousness and environmental protection. In this event, we assisted Decathlon's Beitun store in creating a recycling station for used bags, provided a better environment for bag donations, and encouraged more people to participate in the recycling process. In addition, the HR department communicated the environmental issues caused by plastic bags to employees, coordinated with other departments to collect used bags for Decathlon's Beitun store, and urged more people to participate in the recycling of used bags. Whether individuals or businesses, all of us can use our own methods to exert influence for a better life.





Diverse, Inclusive, and Happy Workplace

CHAPTER 4

4.1 __ Talent Deployment and Structure

4.2 __ Talent Development and Cultivation

4.3 __ Rights and Remuneration & Benefits of Employees

4.4 __ Friendly and Safe Workplace

4.5 __ Human Right Protection and Diverse Communication Channels

4.6 __ Customer Relationship Management

4.1 Talent Deployment and Structure

SDGs	SDG 4, SDG 5, SDG 8, SDG 10
GRI	203-2, 404-1, 405-1, 406-1, 407

Taiwan Sakura values our commitment to the employees and takes an attitude of respect, tolerance, multi-party communication, open-mindedness, and embrace of new thinking to create a challenging, sustainable learning, safe, and fun workplace environment. We provide premium remuneration and benefits, work with the employees to build a highly efficient and collaborative environment for the organization, create a diverse, inclusive, happy, and friendly workplace, and strive to become a company that employees are proud of.

4.1.1 Diverse recruitment channels

Taiwan Sakura firmly believes that talent is the foundation of the Company's sustainable development and continuously promotes a fair, open, and diverse recruitment system, provides quality education (SDG 4), and implements inclusive and productive employment (SDG 8). The Company has comprehensive recruitment, selection, and appointment management standards, selecting candidates based on actual staffing needs and job requirements. In addition to implementing a digital recruitment system to improve efficiency, the Company attracts local young talents through campus activities and industry-academia collaboration programs. At the same time, the Company promotes internal job rotation and training systems to strengthen the organization's sustainable talent development.

4.1.2 Equality and fairness in employment

Taiwan Sakura adheres to the “Labor Standards Act” and international human rights principles, and implements workplace equality in accordance with the “People with Disabilities Rights Protection Act”, reflecting gender equality (SDG 5), promoting inclusive employment (SDG 8), and reducing inequality (SDG 10). In 2024, the Company employed 10 employees with disabilities, accounting for 1% of the total workforce and meeting the quota requirements of the regulations. Employment support and workplace assistance are provided to create a friendly working environment. Meanwhile, gender equality is implemented in recruitment and promotion of talents. At the end of 2024, female employees accounted for 35.82% and female managers accounted for 30.26%, demonstrating that the Company continuously promotes a diverse and inclusive workplace culture.

4.1.3 Composition of employees

Taiwan Sakura prioritizes hiring Taiwanese employees based on localization. However, due to industry characteristics and job requirements, the Company employs 257 foreign employees. To ensure that they can smoothly integrate into the Company and adapt to life in Taiwan, the Company provides relevant assistance, measures, and training to help them quickly understand the Company and team culture and enter a working state in an appropriate manner. An inclusive and respectful employment policy (SDG 10) is also implemented. As of the end of 2024, there were 1,072 full-time employees and 8 industry-academia interns. In consideration of the slightly higher proportion of men in the manufacturing industry, the Company continues to promote balanced participation by gender and age. Employees aged 41 and above accounted for 46.08%, demonstrating the value of the experience and knowledge transfer to the stable development of the Company. We will continuously promote a more diverse and inclusive (SDG 8) culture.

Employee distribution in 2024		Managerial positions <small>(Note 1)</small>		Non-managerial positions						Total number of employees <small>(Note 2)</small>			
				Indirect personnel		Direct personnel		Industry-academia internship <small>(Note 2)</small>					
		Number of people	Percentage (%)	Number of people	Percentage (%)	Number of people	Percentage (%)	Number of people	Percentage (%)	Number of people	Percentage (%)	Number of people (+/-)	YoY
Male	≤30 years old	1	1.32%	32	5.47%	144	24.62%	7	87.50%	184	17.16%	1	0.55%
	31 – 40 years old	5	6.58%	101	17.26%	117	20.00%	0	0.00%	223	20.80%	-2	-0.89%
	41 – 50 years old	24	31.58%	100	17.09%	50	8.55%	0	0.00%	174	16.23%	5	2.96%
	50 ≥ years old	23	30.26%	51	8.72%	33	5.64%	0	0.00%	107	9.98%	2	1.90%
	Subtotal	53	69.74%	284	48.55%	344	58.80%	7	87.50%	688	64.18%	6	0.88%
Female	≤30 years old	1	1.32%	53	9.06%	4	0.99%	1	12.50%	59	5.50%	-7	-10.61%
	31 – 40 years old	1	1.32%	94	16.07%	17	4.22%	0	0.00%	112	10.45%	-5	-4.27%
	41 – 50 years old	13	17.11%	104	17.78%	18	4.47%	0	0.00%	135	12.59%	6	4.65%
	50 ≥ years old	8	10.53%	50	8.55%	20	4.96%	0	0.00%	78	7.28%	6	8.33%
	Subtotal	23	30.26%	301	51.45%	59	14.64%	1	12.50%	384	35.82%	0	0.00%
Total		76		585		403		8		1,072		6	+0.56%

Employee distribution in 2024		Managerial positions <small>(Note 1)</small>		Non-managerial positions						Total number of employees <small>(Note 3)</small>			
				Indirect personnel		Direct personnel		Industry-academia internship <small>(Note 2)</small>					
		Number of people	Percentage (%)	Number of people	Percentage (%)	Number of people	Percentage (%)	Number of people	Percentage (%)	Number of people	Percentage (%)	Number of people (+/-)	YoY
Male	Ph.D.	0	0.00%	1	0.17%	0	0.00%	0	0.00%	1	0.09%	-	-
	Master	11	14.47%	37	6.32%	0	0.00%	0	0.00%	48	4.48%	-	-
	Bachelor	16	21.05%	150	25.64%	24	4.10%	7	87.50%	197	18.38%	-	-
	Junior college	12	15.79%	40	6.84%	12	2.05%	0	0.00%	64	5.97%	-	-
	High school and below	14	18.42%	56	9.57%	308	52.65%	0	0.00%	378	35.26%	-	-
	Subtotal	53	69.74%	284	48.55%	344	58.80%	7	87.50%	688	64.18%	-	-
Female	Ph.D.	1	1.32%	1	0.00%	0	0.00%	0	0.00%	1	0.09%	-	-
	Master	3	3.95%	66	4.96%	0	0.00%	0	0.00%	32	2.99%	-	-
	Bachelor	11	14.47%	325	29.91%	7	1.74%	1	12.50%	194	18.10%	-	-
	Junior college	6	7.89%	95	9.40%	5	1.24%	0	0.00%	66	6.16%	-	-
	High school and below	2	2.63%	98	7.18%	47	11.66%	0	0.00%	91	8.49%	-	-
	Subtotal	23	30.26%	585	51.45%	59	14.64%	1	12.50%	384	35.82%	-	-
Total		76		585		403		8		1,072		6	+0.56%

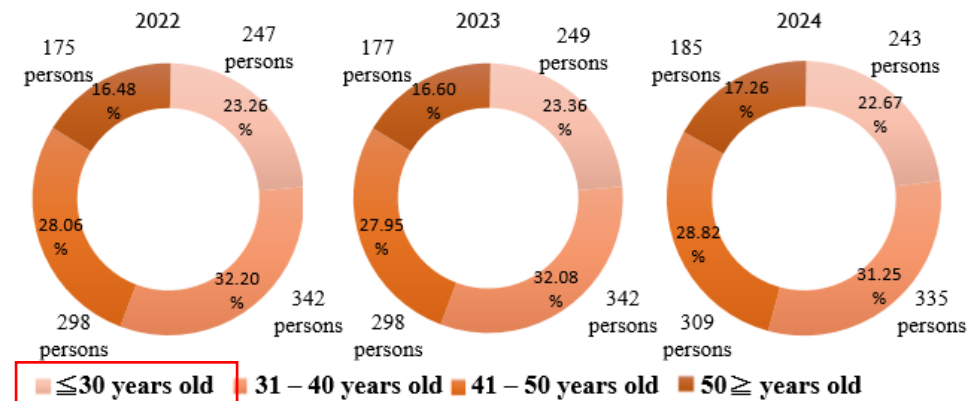
Note 1: The management (with the title of supervisor, team leader or above).

Note 2: In 2024, we expanded talent cultivation and long-term talent development. Through industry-academia internship model in cooperation with colleges and universities, students can gain prior knowledge and insight into their career and what people do in the industry.

Note 3: The distribution of various types of employees is based on the total number of employees at the end of the year. There were a total of 1,072 employees in 2024.

Age distribution of Taiwan Sakura's employees in the last three years

Item	2022		2023		2024	
	Male	Female	Male	Female	Male	Female
≤30 years old	187	60	183	66	184	59
31 – 40 years old	209	133	225	117	223	112
41 – 50 years old	173	125	169	129	174	135
50 ≥ years old	104	71	105	72	107	78
Total	1,062		1,066		1,072	



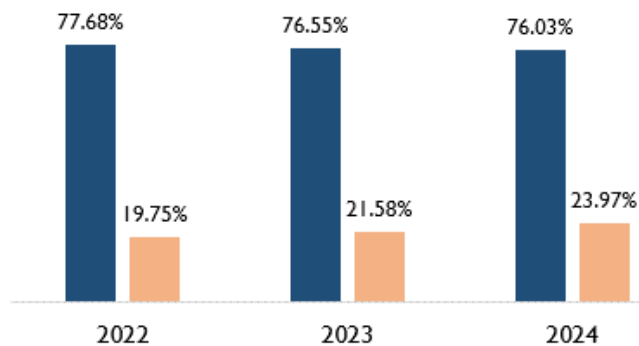
Diversified employment status of Taiwan Sakura in the last three years

(Non-) native employees (Note 1)

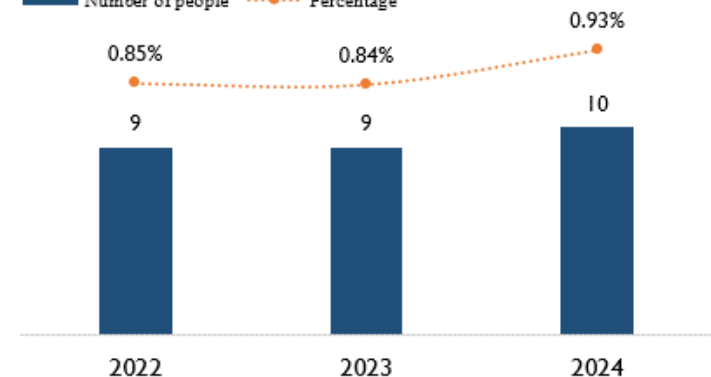
Employees with disabilities (Note 2)

Item	2022	2023	2024
Taiwan	827	816	815
Indonesia	208	230	236
Thailand	27	20	18
Philippines	0	0	3

■ Native ■ Non-native



■ Number of people Percentage

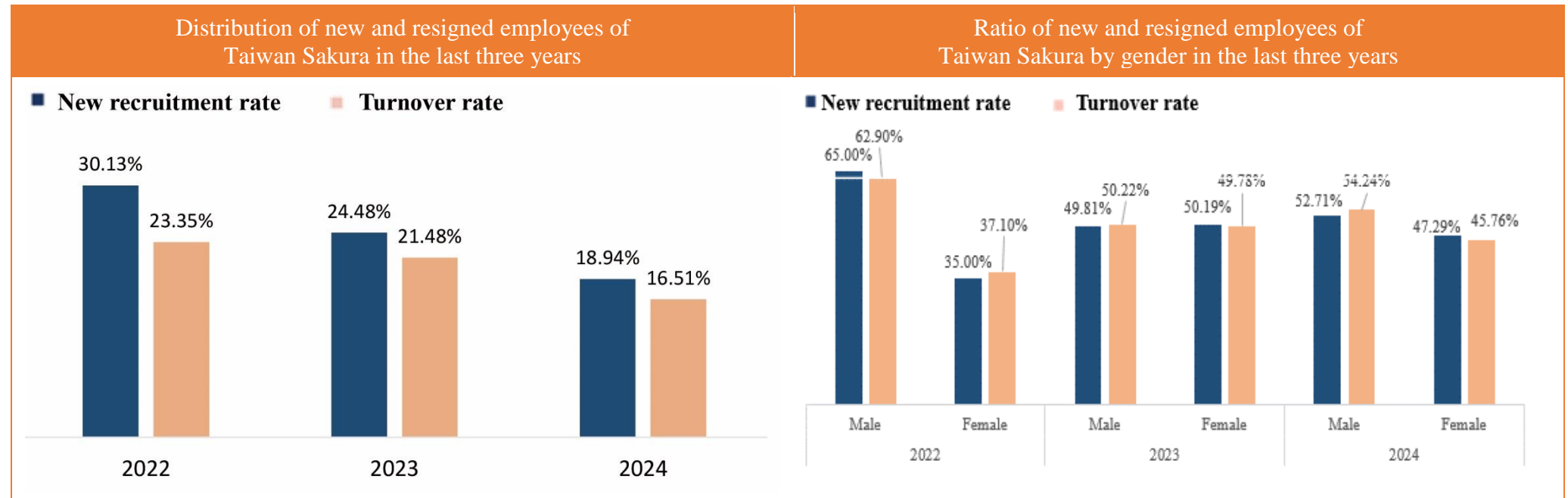


Note 1: Native employees= “Total number of (non-) native employees in the current year” / “Total number of employees at the end of the current year”

Note 2: Employees with disabilities = “Total number of employees with disabilities in the current year” / “Total number of employees with disabilities at the end of the current year”.

Taiwan Sakura is dedicated to sustainable corporate development and creation of a stable and growth-oriented workplace environment. Through a competitive compensation system and comprehensive benefits, we attract and retain outstanding talents to achieve a shared goal of prosperity and growth with our employees. With creating a "safe, secure, and warm" workplace as the core, we continuously enhance employees' sense of belonging and corporate identity and drive operational benefit and organizational performance (corresponding to SDG 8: promoting inclusive and sustainable economic growth and employment).

Furthermore, Taiwan Sakura takes a positive attitude towards the turnover rate, and uses it as an important reference for internal improvement and talent management strategies. A total of 203 new employees were recruited in 2024 (annual new recruitment rate 18.94%), of which 71 employees were under the age of 30, 77 employees aged of 31~40, 41 employees aged of 41~50, and 14 employees aged more than 50. A total of 177 employees resigned in the same year (annual resignation rate 14.17%), of which 47 employees were under the age of 30, 65 employees aged of 31~40, 50 employees aged of 41~50, and 15 employees aged more than 50. Through the continuous talent data management and turnover trend analysis, the Company will optimize the human resources strategy, enhance employee retention capabilities, and further achieve the sustainable goal of mutual growth for both talents and the organization.



Distribution of new employees of Taiwan Sakura in the last three years^(Note 1)

Item	2022		2023		2024		2022		2023		2024	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
≤30 years old	108	46	58	54	39	32	33.75%	14.38%	22.22%	20.69%	19.21%	15.76%
31 - 40 years old	69	37	48	37	47	30	21.56%	11.56%	18.39%	14.18%	23.15%	14.78%
41 - 50 years old	26	23	21	27	19	22	8.13%	7.19%	8.05%	10.34%	9.36%	10.84%
50 ≥ years old	5	6	3	13	2	12	1.56%	1.88%	1.15%	4.98%	0.99%	5.91%
Subtotal	208	112	130	131	107	96	65.00%	35.00%	49.81%	50.19%	52.71%	47.29%
Total	320		261		203		100.00%		100.00%		100.00%	

Distribution of resigned employees of Taiwan Sakura in the last three years^(Note 1)

Item	2022		2023		2024		2022		2023		2024	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
≤30 years old	53	30	40	41	23	24	21.37%	12.10%	17.47%	17.90%	12.99%	13.56%
31 - 40 years old	63	29	37	44	39	26	25.40%	11.69%	16.16%	19.21%	22.03%	14.69%
41 - 50 years old	30	25	31	27	25	25	12.10%	10.08%	13.54%	11.79%	14.12%	14.12%
50 ≥ years old	10	8	7	2	9	6	4.03%	3.23%	3.06%	0.87%	5.08%	3.39%
Subtotal	156	92	115	114	96	81	62.90%	37.10%	50.22%	49.78%	54.24%	45.76%
Total	248		229		177		100.00%		100.00%		100.00%	

Note 1: New employment rate = "Total number of new employees recruited in the current year by gender" / "Total number of new recruits in the current year"; turnover rate "Total number of new employees recruited in the current year by gender" / "Total number of new recruits in the current year".

4.2 Talent Development and Cultivation

SDGs	SDG 4, SDG 8, SDG 9, SDG 17
GRI	203-2, 404-1~404-3, 413-1

Taiwan Sakura firmly believes that talents are the key driver of the Company's sustainable growth and core competitiveness, and regards the development of human capital as a crucial cornerstone for organizational innovation and value upgrading. To enhance the effectiveness of human resource management, the Company has established a PDCA talent training quality system with the capability development and performance management as the core. Through institutionalized performance evaluation and diverse functional training mechanisms, the Company continuously improves the professional capabilities of the employees and the overall competitiveness of the organization. The Company actively fosters a culture of continuous learning. In addition to planning internal training resources, we encourage employees to participate in external education and training and cross-disciplinary learning to broaden their professional horizons, enhance their personal career development potential, further realize their self-worth, and make contribution to the organization (corresponding to SDG 4: ensuring equitable and quality education for all and promoting lifelong learning opportunities; SDG 8: promoting productive employment and decent work for all). In 2024, Taiwan Sakura actively grasped the development trend of the external environment, collected trend information, and combined it with the development direction of the business divisions and the integration needs of the Group's projects. We proactively assessed short-, medium-, and long-term talent needs, established a forward-looking talent reserve plan, and ensured that human resource strategy was highly aligned with the Company's sustainable development goals.



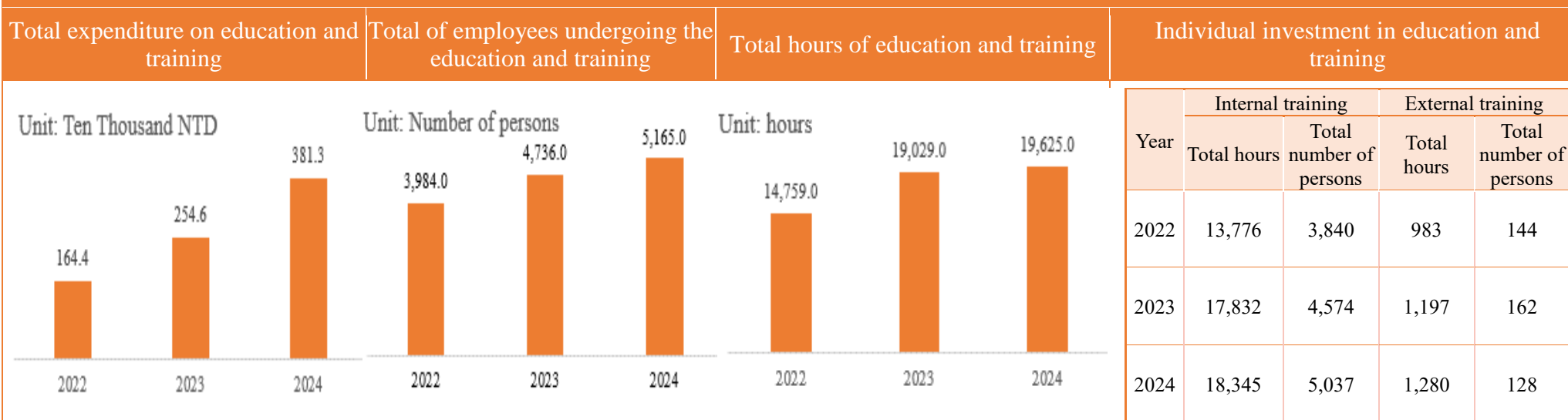
4.2.1 Complete and diverse talent cultivation channels

Taiwan Sakura upholds the philosophy of "talent is capital." We have been dedicated to talent development and built a comprehensive talent cultivation framework that provides diverse learning channels, including on-the-job training for existing and new employees, cultivation of management reserves, professional and general education courses, departmental rotations, and project-oriented training. Through rich and systematic learning resources, the Company encourages employees to improve their professional skills and self-management abilities on an ongoing basis, and thereby enhancing their functional flexibility and competitiveness for their career. The Company is dedicated to creating an environment conducive to continuous learning and self-exploration, strengthening employees' ability to apply what they have learned to their work and life, promoting holistic development, and fulfilling the Company's sustainability commitment to SDG 4 "Quality Education" and SDG 8 "Promoting Employment and Decent Work."

Talent Cultivation Channels							
Type	On-the-job and systematic knowledge management training					Project-based management training	
Channel	New Employee Course	Management Skills Course	Professional Ability Course	ISO and Occupational Safety Course	General Education and Self-Development Courses	Departmental Rotational Course	Individual Development Plan (IDP)
Definitions	In order to enable new employees to fully understand the Company's overview and rules and regulations and also familiarize themselves with work knowledge and skills after joining the Company, the orientation training is conducted uniformly, including the introduction to the Company and the Group, environmental safety and health policies, brand stories, etc. They are expected to be adapted to the environment as soon as possible, exert their work performance and work as a team.	Based on the Company's current talent resources, we select the backbone or elite personnel from each department for planned and systematic training to build a talent pool and track their after-school results and performance.	Professional and management courses are arranged for supervisors or employees to participate in based on individual expertise, job functions, and job needs, as well as in line with the Company's strategy and development needs.	Theme-based courses on ISO and occupational safety are arranged for new employees, manufacturing-related units, and safety and health employees from time to time.	Theme-based courses on competency are arranged from time to time to encourage employees to go beyond their work attitudes and concepts through a positive cycle, thereby influencing their behaviors (motivation) and execution ability.	Create a culture of innovation and change for the enterprise, allowing employees to get away from their comfort zone at work, developing high-potential talents, and encouraging employees to develop diverse capabilities.	Emphasize the development of key talent functions, and cultivate the succession echelon and key talents of the Company through a systematic development system.
Training courses	Orientation training and vision communication meeting	Courses for senior managers Courses for mid-level managers Courses for junior managers Talent pool courses	8D analysis, stamping process and product design and development, mold manufacturing process and product design and development courses	Fire protection education, training and drills First aid training and drills Hazard education and training ISO quality, environmental education and training	Forums and lectures Digital AI Application Course	If any supervisor remains vacant, internal rotation takes priority. Rotation mechanism proposed by employees voluntarily Department rotation plan	Take an inventory of the employee's competency gaps, design a personal development plan, and complete the aspect of personal development through project experience and the mentor system.
Target	New recruited	Determined subject to the needs of the department Junior, mid-level and senior managers	Determined subject to the needs of the department	New recruited General Determined subject to the needs of the department	New recruited General Junior, mid-level and senior managers	General Senior manager Project target	Succession Echelon Key Talents

4.2.2 Talent Cultivation and Development

Training achievements of Taiwan Sakura in the last three years

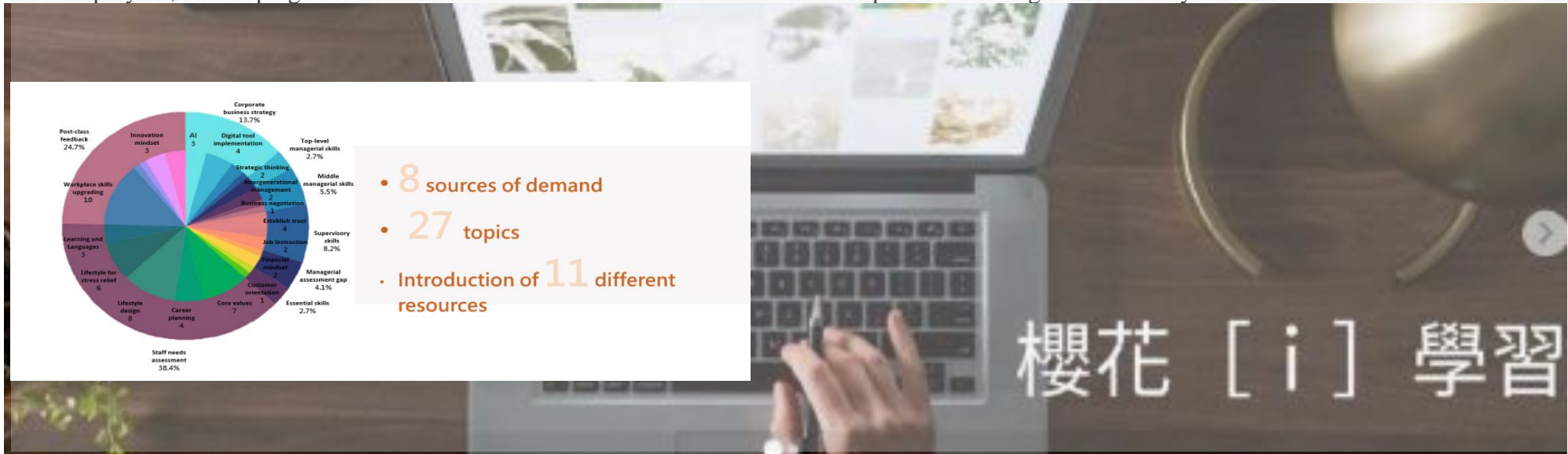


Training achievements of (non-)managerial positions by gender at Taiwan Sakura in the last three years

Item		2022		2023		2024	
		Male	Female	Male	Female	Male	Female
Total training hours	Managerial position	1,280	535	1,650	690	1,983	850
	Non-managerial positions	8,629	4,315	11,126	5,563	11,083	5,709
Average total training hours ^(Note 11)	Managerial position	22.90	31.50	24.30	27.60	29.16	28.33
	Non-managerial positions	15.30	12.20	15.90	13.90	15.83	14.27

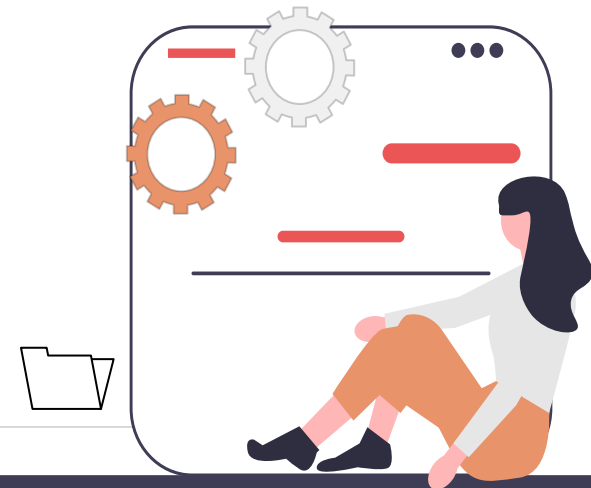
Note 1: Average total training hours = [Total number of (non-)management personnel trained in the current year] / [Total training hours of (non-)management personnel].

In 2024, Taiwan Sakura officially introduced the "Learning Cloud," a digital learning platform, to integrate internal knowledge training resources. This allows employees to access the latest professional knowledge and reference documents at their own pace to improve their learning efficiency and knowledge application capabilities. The platform addresses key ESG issues such as carbon reduction, energy conservation, and the circular economy, promotes green learning culture, reduces the carbon footprint generated from physical learning materials and travel, and demonstrates the Company's concrete response to climate actions. Furthermore, the "Learning Cloud" provides equal learning opportunities regardless of gender or job level, thereby implementing the sustainable development goals of SDG 4 Quality Education, SDG 5 Gender Equality, and SDG 13 Climate Action, deepening the sustainability awareness and digital learning capabilities of all employees, and helping the movement towards a dual-axis transformation of corporate knowledge sustainability and carbon reduction.



Performance Evaluation

Based on the annual operating policy and the strategic goals of the Group, Taiwan Sakura implements a performance-oriented target management system. Each department sets annual key objectives according to the Company's overall direction, and extends these to business divisions and individual employee to form a vertically aligned performance structure. Employees undergo performance evaluation twice a year (mid-year and year-end), with differentiated assessments based on job positions (management, professional, indirect, and direct personnel) to ensure fairness and objectivity of the evaluation. The evaluation results are used as a basis for the decisions such as promotion, salary adjustment, and bonus distribution, and as a reference for training and development planning. The Company continued to improve the performance management system in 2024 by introducing the "Mid-Level Manager Training" and "Advanced Leadership Courses" for enhanced management and communication skills to improve the trust and two-way communication between managers and teams, further optimize the goal setting and feedback mechanisms, and build a development-oriented and growth-inspiring performance culture.



Group orientation
training
X
Vision
Communication
Meeting



Industry-
Academia
Internship
Program



An Employee
Career Journey
Sharing Article



The Joys and Sorrows of Home Engineering

The Journey of a Designer Transferring to a
Salesperson

Insights from a Newly Recruited
Home Designer

Strategy and Operation Seminar



Mini MBA



Mid-level Manager Training



Advanced Learning for Supervisors



Battle Kitchen - A Demonstration of Teamwork and Collaboration



TMO Innovation Workshop



Employee Experience - Job Experience Sharing Tea Party





Quickly Master Workplace AI Skills



Workplace Interaction and Communication

Employee Elective Courses



Introduction to Electronic Form Design



Quickly Master Workplace AI Skills



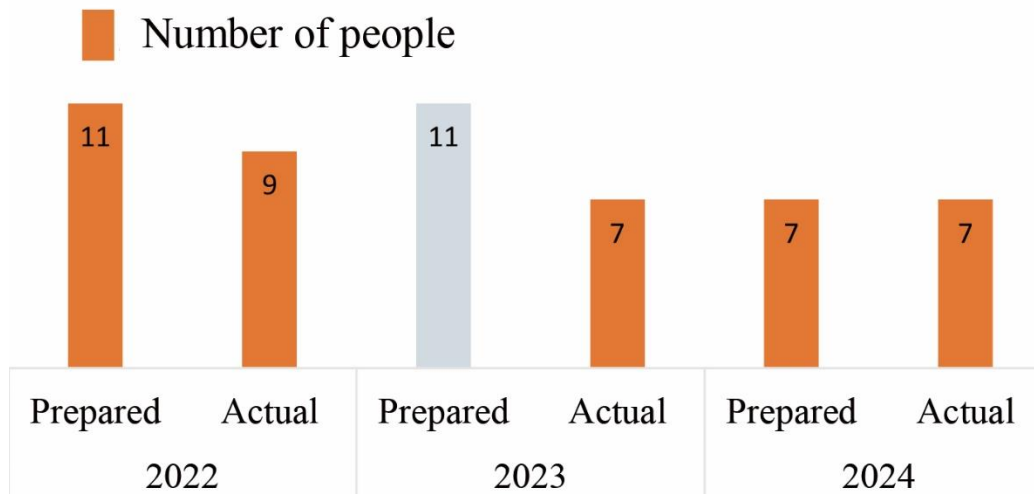
Management and Communication Skills for Supervisors

4.2.3 Talent Cultivation Program

Taiwan Sakura attaches great importance to industry-academia collaboration and cultivation of future talents. We have conducted long-term industry-academia and off-campus internship cooperation with National Chin-Yi University of Technology and National Formosa University, and provided the summer internship program to juniors and seniors of National Taichung University of Education for a long term. These not only allow students to combine theory and practice and strengthen their work capabilities, but also help the Company in support of the SDG 4 "Quality Education" and SDG 8 "Decent Work." Furthermore, through the "SAKURA AWARDS" design competition mechanism, the Company provides a summer internship platform for winning students to deepen the talent connections across the industry chain and promote the development of local young people.

Meanwhile, the "TMO Project" was launched in 2023 to stimulate employees' innovative potential and cross-sector integration capabilities. This customer-centric cross-departmental innovative experimental platform serves as an internal creative incubation and talent cultivation base. The first TMO results were presented in 2024, and the second project was officially launched in the same year to continuously inject internal sustainable transformation momentum, while supporting the goal of SDG 9 "Industry, Innovation and Infrastructure."

Status of industry-academia collaboration of Taiwan Sakura in the last three years



Taiwan Sakura TMO Transformation Office Project Implementation Status in 2024



TMO 1 Closing Meeting



TMO 2 Kick-off Meeting



Enhanced Resilience of the Distribution System and Promotion of Sustainable Growth

Taiwan Sakura understands that a robust and comprehensive distribution system is the core foundation for the Company's continuous growth and the implementation of the strategies. To enhance the connection with the market, the Company actively extends the marketing reach through a network of nearly 4,000 distribution and sales outlets in Taiwan as well as diverse channels including 99 ^(Note 1) dedicated "Kitchen Solution" stores, department store counters, and "shop-in-shop" locations in hypermarkets to continuously build innovative marketing models' line with the consuming trends. Faced with rapid market changes, the Company continues to establish strategic partnerships with distributors, strengthen their operational capabilities through professional training, help them solve operational problems effectively, and enhance the overall responsiveness and competitiveness of the channels, thereby solidifying Taiwan Sakura's leading position in the market.

In 2024, we conducted 182 dealer training courses and trained a total of 2,443 Person. This was slightly less than the number in 2023, mainly due to the five new product launch events held across Taiwan in June 2024, showing the latest products and providing detailed and professional explanations by product managers, and attracting a total of 1,690 participants. Then, in July, we officially launched the "Sakura Experience Center" in Taipei, Taichung, and Kaohsiung, while adjusting our training model to provide most of the courses in these centers. With the comprehensive planning of courses, we provided immersive experience training and invited distribution partners to operate the latest AI kitchen appliances in person to deepen their understanding of the "AI KITCHEN" concept and enhance their comprehension of products and sales application capabilities. Since the launch of the experience centers, we have held 102 immersive experience courses with 843 participants. Through this concentrated and immersive teaching model, we significantly increased the learning depth and participation rate of each course to demonstrate the effectiveness of our innovative transformation in education and training models. This also required the adjustment in the number of sessions and participants. In the future, Taiwan Sakura will continue to uphold the "partnership for mutual benefit" as the core, deepen the channel collaboration mechanism, optimize education and training resources, and combine digital technology with innovation to cultivate channel partners that have professionalism and market sensitivity and achieve sustainable prosperity for the Company and the distribution system.

Distribution and cooperation of Taiwan Sakura in the last three years

Year	2022	2023	2024
Session	202	185	182
Number of persons	4,506	3,295	2,443



Note 1: Calculated until December 2024.

4.3 Rights and remuneration & benefits of employees

4.3.1 Compensation system

The Company adheres to the talent development philosophy of "people-oriented and shared growth" and is dedicated to building a competitive, motivating, and sustainable human resources system in a changing external operating environment and under the principles of internal fairness and reasonableness. With a sound compensation structure, a comprehensive performance management mechanism, diverse welfare measures, and a vacation policy that is better than legal requirements, we attract and retain outstanding talents and create a positive cycle in the workplace.

The Company conducts two performance evaluations and one-on-one interviews annually. This not only helps accurately understand work performance and development of the employees, but also encourages them to demonstrate their self-worth actively. Based on the results of the evaluations, the Company appropriately reflects the performance achievements in the adjustment of the salary and distribution of the bonus to fulfill our organizational commitment to "shared results." To ensure competitive salaries, Taiwan Sakura regularly reviews and adjusts the salary structure, makes appropriate adjustment based on the industry trend, price index, economic growth rate, and individual performance. Furthermore, in accordance with the Company's Articles of Incorporation, 2% to 8% of the annual profit are allocated to employee compensation, which is distributed before the Mid-Autumn Festival every year, to fully demonstrate the principle of rewarding employees with business results.

In addition, to ensure fairness and transparency of the compensation system, the Company regularly reports the number of non-management full-time employees, their average salary, and median salary as required by the regulations of the government. we conduct gender-pay ratio analysis to review and optimize gender equality in compensation for the purpose of fairness at the workplace. Through a compensation strategy that emphasizes both incentives and fairness, Taiwan Sakura enhances the competitive advantages in talent acquisition, promotes steady organizational development, and deepens the contribution of human resource management to the sustainable value creation.

Taiwan Sakura will continue to enhances the human resources strategy in line with international sustainability trends, introduces data-driven talent analysis tools to enhance the scientific and timely nature of personnel potential assessment and performance decision-making. We will actively promote a culture of Diversity, Equity and Inclusion (DEI) to create a gender-friendly, team-oriented, and employee-engaged workplace environment. We believe that only by creating a fair, transparent, and growth-oriented career environment can we attract and cultivate sustainable talents willing to grow with the Company and drive long-term corporate value achievement.

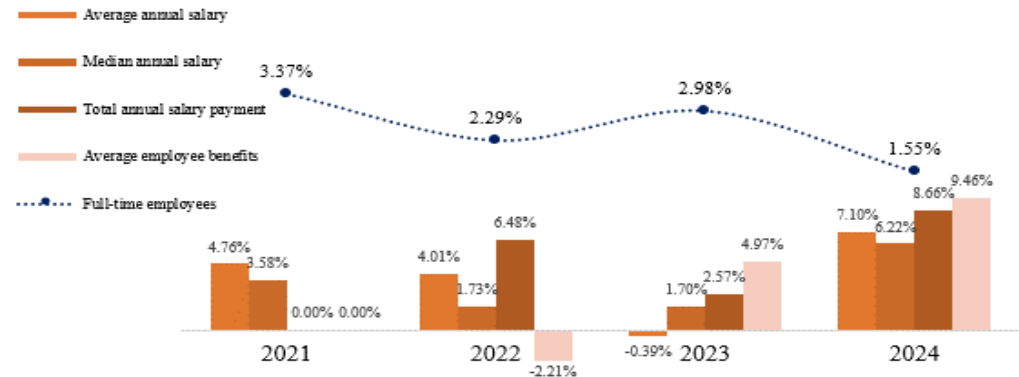
SDGs	SDG 4, SDG 5, SDG 8, SDG 10, SDG 17
GRI	2-7, 203-1, 401-2, 403-6, 404-3, 405-1, 405-2, 406-1, 413-1

The average and median salary of full-time employees of Taiwan Sakura in the last three years (Note 1)

Average and median

Item	2022	2023	2024
Full-time employees/persons (Note 2)	940	968	983
Non-managerial positions/NTD thousand			
Average annual salary	778	775	830
Median annual salary	648	659	700
Total annual salary payment	731,678	750,501	815,511
Average employee benefits (Note 3)	886	930	1,018

Average and median YoY



Gender pay gap

Taiwan Sakura offers compensation above the minimum wage required by law and provides competitive bonuses and allowances based on market conditions to ensure employees receive stable economic support. At the same time, the Company supports gender friendliness and workplace equality, creates a diverse and inclusive working environment, stimulates employee potential, and moves towards excellence.

Item (Note 4)	2022		2023		2024	
	Male	Female	Male	Female	Male	Female
Compensation ratio (Note 5)	2.05%	1.00%	2.01%	1.00%	2.03%	1.00%
Remuneration ratio	1.90%	1.00%	1.87%	1.00%	1.84%	1.00%

Note 1: The ratio of remuneration to employees is calculated based on the total number of employees at the end of the year.

Note 2: The Company's employees from 2022 to 2023 are all full-time employees.

Note 3: Employee salaries and other benefits (including labor insurance, health insurance, retirement pensions, etc.).

Note 4: The female ratio is identified as 1.

Note 5: The remuneration refers to monthly salary, including monthly salary and various bonuses (performance and year-end bonuses).

4.3.2 Improvement of the welfare mechanism

Employee Welfare Committee	<p>In order to effectively boost the employee welfare measures and promote the needs of employees in terms of work, life, safety, and health, we have established the Employee Welfare Committee to proactively promote club activities and various employee welfare measures, provide the gift money for two major festivals and birthday, subsidy for marriage and funeral, housewarming and childbirth, consolation money for hospitalization, and exclusive discounts offered by merchants.</p> <p>In addition to withholding tax from the employees' monthly salary and allowances, the Company shall first appropriate 2%~8% of the annual profit as employee remuneration, so that the management and labors can share the benefits of business operations jointly. Taiwan Sakura and the Committee organize employee welfare-related activities and measures from time to time, aiming to seek the best employee welfare and promote the employees' physical and mental health and life balance.</p>
Employee Insurance System	<p>In order to ensure that the employees enjoy comprehensive protection, in addition to labor insurance and national health insurance, Taiwan Sakura enrolled each employee to the group insurance program. The insurance premium is borne by the Company in full. Employees who take business trips overseas are also covered by travel insurance for enhancement of employees' protection.</p>
Employee Stock Ownership System	<p>In order to enhance employees' loyalty, strengthen the retention of outstanding talents, seek and create employee benefits, help employees save and accumulate wealth over the long term to ensure a stable life in the future, the employees within the Company's official personnel organization who have served for at least six months may apply for the participation with the Company voluntarily. The specific fund is allocated from the employees' salary on a monthly basis, plus 200% of the equivalent amount contributed by the Company, which will be coordinated via the Conference of Share Holding Employees.</p>
Employee retirement system	<p>In order to protect the future and retirement rights and interests of employees, a retirement system has been established in accordance with the Labor Standards Act. The labor retirement reserve fund is allocated at 6% of their monthly gross salary. The Labor Retirement Reserve Fund Supervisory Committee has been established to manage, supervise and utilize the fund. Employees who have served in the Company for at least 15 years and are at least 55 years old, or who have served for 25 years, can apply for voluntary retirement.</p>
Diverse Club Activities	<p>Yoga, badminton, table tennis</p>
Other activities	<p>Special discount merchants, employee shopping discounts, parking lots exclusive for employees, Sakura Family Day, other irregular group meal parties and outings, etc..</p>

Taiwan Sakura Spring Feast



Taiwan Sakura Marketing Conference



Taiwan Sakura Christmas Dinner Party

Taiwan Sakura is dedicated to enhancing Diversity, Equity, and Inclusion (DEI) in the workplace, creates a respectful, friendly, and inclusive working environment in line with the Company's ESG commitment and SDG 10 "Reduced Inequality". The 2024 Christmas celebration dinner combined tradition and creativity. The owner of an Indonesian restaurant was invited to prepare hometown dishes for the party to enhance the sense of belonging and happiness among foreign employees and demonstrate the Company's respect and care for cross-cultural groups.



Sakura Family Day



Taiwan Sakura's Diverse Employee Activities

Diverse and Inclusive Slow Jogging - Online Sports Meet



Club Activities

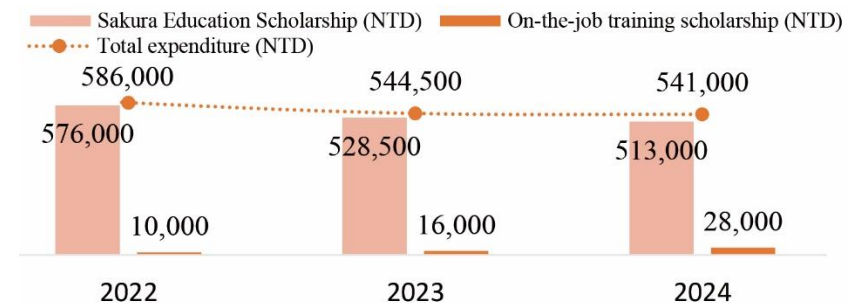


Investment in Educational Development and Achievement of Social Good

Taiwan Sakura adheres to the sustainable management philosophy of “take what is obtained from society and give back to society.” Focusing on education rooting and talent cultivation on an ongoing basis, we encourage academically excellent young students with continuous learning motivation to explore themselves and create their future. The Company has spared no effort in promoting public educational welfare activities through the establishment of the “Sakura Education Scholarship,” hoping to strengthen and improve the educational value of Taiwan and the overall social awareness. We support the growth and development of employees' children through practical actions and resources. Taiwan Sakura implements learning support programs for the employees and their children to deepen internal talent cohesion and a learning culture. All employees of the Company and major affiliates can apply for on-the-job training subsidies, and their children can apply for scholarships. Through institutionalized resource allocation, we improve the learning motivation and family support, strengthen the positive connection between the Company and employees, and co-create a knowledge-based sustainable organization.

Expenditures of Taiwan Sakura Education Scholarships in the last 3 years

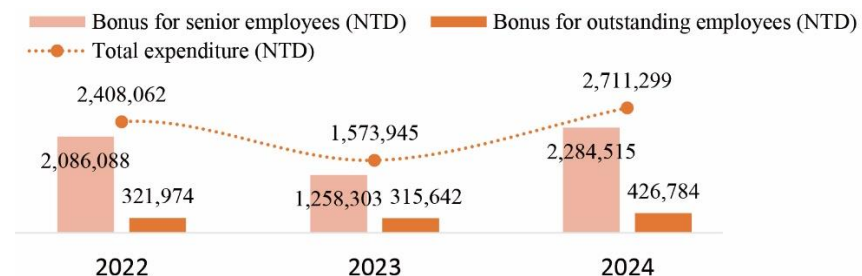
Item	2022	2023	2024
Sakura Education Scholarship(people)	235	247	222
On-the-job Training Scholarship (people)	2	3	5



Every year, Taiwan Sakura selects senior and outstanding employees on a regular basis and publicly commends them in the Spring Feast Gala for the current year to recognize their outstanding performance and long-term contributions to the Company. Senior employees include all current employees of the Company and affiliates; outstanding employees are selected by the Human Resources Selection Committee based on a comprehensive evaluation of multiple indicators, including outstanding work performance, specific contributions, positive service attitude, customer-oriented spirit, continuous improvement awareness, and proactive optimization of work processes to improve efficiency and reduce costs. Representative outstanding talents are selected from them for commendation.

Praise for senior/outstanding employees in the last three years (Note 1)

Item	2022	2023	2024
Number of senior employees (people)	45	39	53
Number of outstanding employees (people)	29	31	32



Note 1: Senior employees refer to those with the service seniority of 10/20/30/40 years. Outstanding employees are evaluated according to the Company's performance evaluation criteria, who are proposed by various departments and resolved by the Human Resources Evaluation Committee.

4.4 Friendly and Safe Workplace

4.4.1 Occupational safety and health management system for a healthy and sustainable workplace

SDGs	SDG 3, SDG 4, SDG 5, SDG 8, SDG 10, SDG 11, SDG 12, SDG 16, SDG 17
GRI	2-9, 2-24, 401-2, 401-3, 402-1, 403-1~10, 404-1, 405-1, 413-1

Taiwan Sakura upholds our corporate social responsibility for sustainable operations and continuously strengthens the health and safety governance of the workplace to cope with the increasingly severe occupational safety and environmental challenges. To protect the safety and health of all employees and stakeholders, the Company has introduced and strictly followed the ISO 45001 Occupational Safety and Health Management Systems, comprehensively built a risk management framework with the PDCA (Plan-Do-Check-Act) cycle as the core to systematically identify, assess, and control potential workplace risks. We emphasize reduction of potential hazards to employees, equipment, working environment, and operational processes from the outset, strengthen damage prevention measures, and improve employees' physical and mental health and safety awareness to ensure that our operational activities comply with the Occupational Safety and Health Act and related regulations. The Company not only continuously refines our management processes, but also formulates comprehensive ESH policies and annual management plans, while explicitly defining the occupational safety and health goals and implementation strategies, to implement hazard prevention measures, reduce workplace accidents, and achieve continuous improvement. Through full participation and organizational commitment, Taiwan Sakura continuously optimizes our occupational health and safety management system and culture, strive to create a safe, healthy, and resilient working environment, and lay a solid foundation for achieving a sustainable workplace and corporate responsibility.

ISO 45001 Occupational Health and Safety Management Systems

Taiwan Sakura's ISO 45001 occupational health and safety management system undergoes a review every three years and a follow-up review every year. The annual review for 2024 was completed, and the certificate was obtained (December 25, 2024 – December 24, 2027).

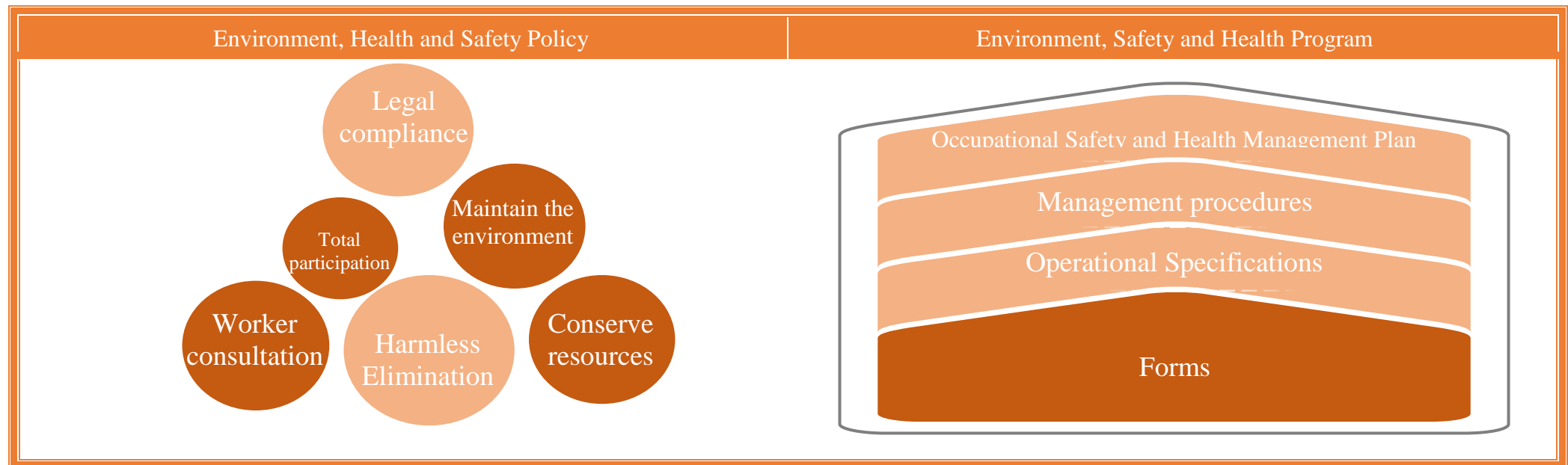
Schedule	Item	Implementation status
August	1. The ISO 45001 implementation was commenced and a risk committee was established. 2. Internal risk assessment was conducted.	A total of 8 corrections were identified and corrective actions were implemented for all of these items. Records were made in the Company's "Corrective Action Implementation Plan."
September	Internal audit	
October	Internal management review meeting Annual external audit	

Establishing a Hierarchical Occupational Safety and Health Management System for a Zero-Accident Workplace

To implement Article 23 of the Occupational Safety and Health Act, Taiwan Sakura has established a comprehensive occupational safety and health management system and developed a systematic management plan to improve workplace safety resilience and prevent disaster risks. Overall, the system adopts a hierarchical document structure and is implemented sequentially from the policy to each operational tier:

- First Tier: The occupational safety and health management plan as the core guiding document for the entire safety and health work.
- Second Tier: Various operational procedures and guidelines developed based on the management plan.
- Third and Fourth Tiers: Further development of specific operation specifications and usage forms to provide a basis for on-site implementation.

This hierarchical management structure ensures that various occupational safety measures are implemented effectively and practically. Through closed-loop management of planning, execution, tracking, and improvement, occupational accidents are prevented to protect the life safety and health well-being of the employees. The Company also strengthens our internal safety culture to enhance employees' awareness and practice of safety, health, and environmental sustainability through system promotion, education and training. We working together with all employees towards the goal of building a sustainable workplace with "zero accidents and zero disasters."

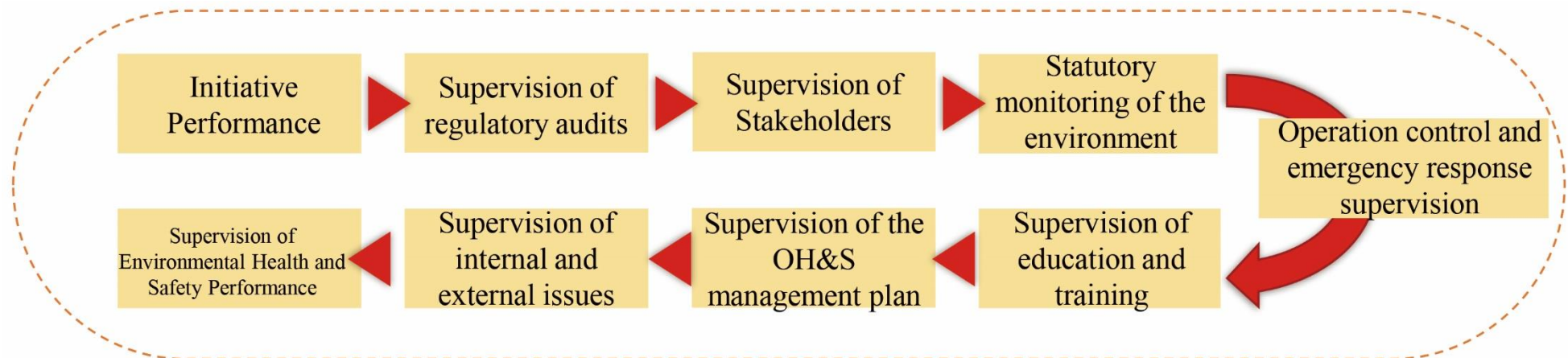


4.4.2 Occupational safety and health supervision and measurement management to ensure implementation of workplace risk controls

By adhering to the spirit of continuous improvement, we have established and implemented an ESH performance indicator system in accordance with the requirements of our Environmental Safety and Health (ESH) management system. This system systematically monitors potential occupational safety and environmental risks and ensures that the impact on personnel, facilities, and the environment is minimized during the operations. Through regular monitoring and measurement, the Company identifies and assesses key operations and activities that may generate significant environmental impacts and workplace risks, and incorporates these into a key monitoring list. Quantitative indicators are established based on the assessment results, such as occupational accident frequency, environmental exposure values, on-site safety inspection pass rates, and hazard improvement completion rates, serving as a basis for risk control and performance feedback for each internal unit.

Furthermore, Taiwan Sakura regularly conducts on-site audits and self-management audits, supplementing them with internal and external audit results for rolling review and follow-up improvement. A digital management platform integrates various measurement data to improve real-time response and decision-making efficiency. The Company continuously optimizes and improves its internal safety monitoring system to strengthen workplace early warning capabilities. Through education and training, reporting mechanisms, and employee participation, we promote safety awareness among all employees and build a data-driven, people-centered sustainable occupational safety culture.

Taiwan Sakura will continue to strengthen the transparency and integration of workplace safety and health performance and risk management. We will incorporate monitoring and measurement results into management decision-making and regularly report to the senior management team to enhance ESG risk response capabilities. Through employee participation, cross-departmental collaboration, and stakeholder communication mechanisms, we will build a horizontally integrated and vertically monitored management system to improve the overall maturity of our occupational safety culture and move towards a prevention-oriented, zero-hazard sustainable workplace environment.



Emergency Response Plan

- (1) The ability to respond to emergencies can prevent disasters from escalating and causing loss to life and property. Therefore, Taiwan Sakura has clearly established emergency response management regulations and various accident prevention measures, as well as the corresponding emergency notification system.
- (2) Each factory premises has established an emergency response team to implement the response mechanism immediately, assess the possible frequency of different types of disasters, and conduct emergency response training (drills). Notwithstanding, in order to ensure the smooth operation of the emergency response plan and the effectiveness of emergency accidents, the factory premises conducts disaster prevention training (drills) in different disaster scenarios every year to review the emergency response teams' and employees' response in the event of an accident, and disposal ability, skills and familiarity in the use of various protective equipment.

Inspection System

- (1) Environmental safety and health laws and regulations: Enforce and improve various environment, safety and health laws and regulations, conduct legal inspections, and control non-conformities.
- (2) Operating environment monitoring: Establish environment, safety and health supervision and measurement management regulations, and implement environmental monitoring. In February and August each year, we contract a professional institution to perform environmental monitoring of the operation site, including organic solvents, dust, and noise. After that, the monitoring results are disclosed to the public. Control measures, such as engineering improvement or administrative management, are implemented in the areas beyond the regulatory standards, in order to maintain the employees' health.
- (3) Automatic inspection plan: All equipment, machinery, vehicles and other equipment of the Company shall be automatically inspected by the supervisors and personnel of relevant units, in accordance with the automatic inspection plan included in the occupational safety and health management project. Regular inspections, key inspections, operational inspections, and maintenance conducted by each unit shall record the inspection time, methods, results, and improvement measures to be taken, and such records shall be retained for future reference.
- (4) Fire equipment maintenance: Formulate a fire protection plan, and appoint a fire equipment engineer to inspect the fire equipment throughout the entire factory premises on a regular basis.
- (5) Employee health checkup: Plan the employee health checkup, and identify and evaluate the health management that should be implemented for employees based on the data.

4.4.3 Occupational safety and health management organization

Taiwan Sakura has established an "Occupational Safety and Health Committee," responsible for the overall planning and implementation of the Company's occupational safety and health policies and management plans. The Committee holds regular meetings in accordance with relevant regulations to review potential workplace risks and propose suggestions and improvement measures on safety and health issues to ensure implementation of organizational governance and division of occupational safety responsibilities. The Committee is also responsible for coordinating cross-departmental safety and health measures, guiding each unit to implement these measures within their respective responsibilities, and building a prevention-oriented risk management culture. Department heads are the primary persons for the occupational safety matters within their respective departments. They are responsible for promoting and implementing accident prevention measures and enhancing safety awareness and response capabilities. The safety and health management unit plays a supervisory role and assists departments in implementing daily monitoring, anomaly reporting, and improvement tracking measures, thereby forming a top-down tiered occupational safety governance structure to jointly achieve the goal of zero accidents at the workplace.

4.4.4 Education, training, communication, and dissemination

Taiwan Sakura firmly believes that employees are the Company's most critical asset and creating a safe and healthy working environment is an important foundation for achieving a happy company. To enhance employees' awareness and response capabilities regarding occupational safety and health, all the factories of the Company have developed an annual occupational safety and health education and training plan based on regulations and operational characteristics. In addition to conducting basic and on-the-job training as required by law, the Company periodically invites internal lecturers with practical experience and legal expertise, as well as external experts and scholars, to give courses and seminars covering the topics such as safe work practices, hazard prevention cases, safety management techniques, and occupational accident response strategies, in the hope to improve employees' overall disaster prevention and risk identification capabilities. To deepen employee participation and communication, the Company utilizes various channels for promotion and reminders, including email, LINE@, promotional materials in public areas, and internal lectures. These methods strengthen employees' awareness of potential hazards in the working environment and the importance of safe operating procedures, and promote a culture of proactive reporting and prevention. These ensure that every employee works in an informed and protected environment, achieving the sustainable goal of preventing occupational accidents and protecting employee health.

Types of Occupational Safety and Health Education and Training

Occupational safety education and training

Fire protection education, training and drills

General education and training on hazardous substances

Other relevant education and training (dust, noise, and first aid)

Fire protection education, training and exercise results



Taiwan Sakura's occupational accident statistics in 2024 showed a total of 4 occupational accidents, 2 male and 2 female. In order to provide employees with the access to work in a workplace without worry, Taiwan Sakura provides education and training through various health promotion activities, professional courses and on-site operation hazard factors to identify and enhance safety awareness and prevent occupational disasters.

Statistics about Occupational Accidents of Taiwan Sakura in the last 3 Years

Statistics about Occupational Accidents	2022			2023			2024		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of cases of occupational sickness leave	6	0	6	2	1	3	2	2	4
Number of days of occupational sickness leave	102	0	102	15.5	2.0	17.5	4.0	23.0	27.0
Lost-Time Injury Rate (LTIR) (Note 1)	0.69	0	0.69	0.23	0.11	0.34	0.23	0.23	0.46
Percentage of lost time (Note 2)	12	0	12	1.78	0.23	2.01	0.45	2.06	3.05

4.4.5 Health promotion activities

In addition to enhancing the identification and improvement of safety awareness among the employees and preventing occupational disasters for them, we help employees eliminate work and life stress and have a healthy body and mind and good interpersonal relationships. Through continuous communication and the promotion of health knowledge and care activities, employees are encouraged to maintain a good routine, exercise habits, and correct knowledge of health maintenance and care to improve employees' health knowledge and care awareness and help them manage their health well. Every year, Taiwan Sakura organizes regular employee health checkups and implements various health promotion activities, such as blood donation activities and lectures on improvement of self-health awareness. Upon the employees' completion of the health checkup, we use a graded management mechanism to identify potential health risks and implement corresponding follow-up, nursing guidance, and health consultation measures. If the employees want to know more about the health checkup results, they can also directly consult the occupational medicine specialist who conducted the health checkup, so that they may have a better understanding of their health status and manage their health status more comprehensively.

Environmental safety, health and care area

Taiwan Sakura has an internal environmental safety, health and care area. Dedicated factory healthcare professionals regularly produce relevant promotional materials on the internal system and Sakura's Line@. This year, a total of 12 promotional materials were completed (such as "My Healthy Dish: Smart Eating," "3 Ways to Prevent Heat Injuries," and "5 First-Aid Steps for Heat Injuries") to further enhance employees' self-care awareness.

Note 1: Lost-Time Injury Rate (LTIR)=(Total work-related injuries (cases) / Total working hours)*200,000.

Note 2: Lost days ratio (LDR) = (Total days lost due to disabling injuries/Total working hours) x 200,000.

(The 200,000 in the above formula is calculated based on 50 weeks per year, 40 working hours per week, and per 100 employees.)



Taiwan Sakura Employee Health Promotion Target and Plan

Employee health management resources	In accordance with the Occupational Safety and Health Act, the Company conducts annual health checkups, primarily covering general worker health examinations, and provides special occupational hazard health checkups for workers engaging in special operations. Tiered employee health management measures are implemented according to the health checkup results, and occupational medicine specialists are arranged to provide health consultations for those on the health risk list. For individual health needs, follow-up treatment at medical institutions is recommended with subsequent follow-up management to provide the best care for employees. In 2024, a total of 881 employees participated in the health management with a participation rate of 95.1%.
Creating a healthy physiological environment	<ol style="list-style-type: none"> 1. The Company has implemented the ISO 45001 Occupational Safety and Health Management Systems and established relevant health management plans, including procedures for preventing human-caused hazards, procedures for protecting the maternal health of female workers, procedures for preventing diseases caused by abnormal workloads, procedures for preventing unlawful harm during performance of duties, health guidance for hearing protection programs, and health guidance for dust-related special hazard operations. The Company continuously reviews and improves worker health protection plans and reports the progress of implementation to the Occupational Safety and Health Committee on a regular basis. 2. For pregnant women and employees with other physical or mental disabilities, we assess and implement maternal health protection measures and work suitability arrangements. 3. The Company has dedicated factory nurses who provide relevant (emergency) first aid services and health consultations, We conduct various health promotion activities, such as health education and promotion, employee health consultations, installation of blood pressure monitors in migrant worker dormitories, and services from contracted occupational medicine specialists, and offer a variety of on-site health services, such as workplace hazard identification and risk assessment, health checks and consultation and management of special hazard operations. We also provide job readiness assessments for returning workers and relevant medical referrals.
Mental health promotion activities	<ol style="list-style-type: none"> 1. No-smoking workplace: The Company has implemented the "no smoking" regulations. In addition to installing the no-smoking signs extensively, we have proactively promoted the concept of workplace smoking hazard prevention to support the "no-smoking workplace" working environment. Notwithstanding, outdoor smoking areas are still made available, and smokers are also encouraged to join the quite smoking procession. 2. Health promotion clubs: We subsidize employees' self-organized sports clubs with the operating budget to encourage employees to develop healthy exercise habits after work and maintain a good balance between work and life.

4.4.6 Friendly workplace

Taiwan Sakura is dedicated to creating a safe, friendly, and inclusive working environment. We continuously improve safety and health supervision and measurement management mechanisms at the workplace to ensure employee health, well-being and operational safety through three approaches of physical environmental improvement, institutionalized management, and cultural integration. To improve the walking safety and efficiency in the factory, after conducting on-site risk assessments, we have implemented a "people-vehicle separation" design at operational locations by setting up priority passageways and warning signs for pedestrians to effectively reduce the potential risk of collisions between people and vehicles. Simultaneously, we have optimized warning equipment and blind spot management to improve the overall safety level of the workplace. In addition to hardware improvements, Taiwan Sakura prioritizes employee's well-being. Through a listening and response mechanism, we proactively collect employee feedback on their working environment and facility use experience, continuously make adjustment and optimization to create a work space where all employees can feel comfortable and demonstrate their talent safely. We believe that occupational safety and health is not only a management responsibility, but also a core element of creating shared value.

In 2024, Taiwan Sakura produced a special video with "The Glory Because of You" as the topic to document the stories of the employees from different departments, positions, nationalities, genders, and backgrounds. This showcased the Company's cultural philosophy that "every employee is a Sakura craftsman," and paid tribute to every employee who contributed silently. The video was played at the Company's 2025 Spring Employee Reception as a sincere expression of gratitude for the efforts of all employees and conveying our sustainable commitment to creating a diverse, equal, and prosperous workplace. Taiwan Sakura will continue to combine hardware improvement with cultural deepening and use data-driven risk monitoring, transparent reporting systems, and a positive workplace atmosphere to move towards the occupational safety vision of "zero accidents and zero disasters," realizing a sustainable workplace that the Company and employees create, share, and benefit together.



4.4.7 Friendly employee care

Taiwan Sakura consistently views employees as core partners for the Company's sustainable development and is dedicated to creating a caring, people-oriented, and equitable working environment to help employees balance their work and life and achieve the goals of both physical and mental well-being and career growth. The Company continuously reviews and optimizes employee welfare and care systems, from childcare support and family care to marriage and maternity leave management, constructing a comprehensive and practically-oriented support mechanism to enhance corporate well-being.

In 2024, Taiwan Sakura continued to implement the friendly application of marriage, maternity, and care leave systems. All related leave categories exceed regulatory standards, including marriage leave, maternity leave, paternity leave, parental leave, and family care leave, helping employees to embrace important life stages without worries and with peace of mind. The overall usage of employee marriage, maternity, and care leave this year is shown in the table below. It demonstrates the Company's respect and support for employees' personal life. Looking ahead, Taiwan Sakura will continue to focus on the needs of employees at different age and life stages, deepen the work-life balance practices through institutional innovation and cultural initiatives, and actively move towards the sustainable goals of a "beneficial workplace," "age-friendly environment," and "gender equality."

Statistics on the Use of Marriage, Maternity and Paternal Leave in 2024

Statistics on the Use of Marriage, Maternity and Paternal Leave	2023		2024	
	Number of people	Hours	Number of people	Hours
Marriage leave	3	96	14	774
Maternity leave	1	448	11	4,512
Miscarriage leave	0	0	0	0
Paternity leave	3	109	17	791
Menstrual leave	13	276	64	1,335
Family care leave	7	194	30	620
Tocolysis leave	1	588	4	240
Prenatal check-up leave	2	77	14	346
Total	30	1,788	154	8,618

Supporting childcare responsibilities and co-building career continuity

Taiwan Sakura is committed to creating a family-friendly workplace and actively cooperates with the government's parental leave for raising children program, provides flexible and secure childcare support measures, helps employees achieve a balance between childcare and career development, and realizes gender equality and work continuity. In 2024, five employees applied for unpaid parental leave for raising children. Both the overall reinstatement rate and the retention rate reached 100% after the unpaid leave for raising children. Both the reinstatement and retention rates of female workers were 100%, demonstrating the Company's success in supporting women's careers. Though there are no reinstatement records for male employees, the Company will continue to encourage participation of male workers in family care responsibilities to achieve the goal of gender inclusion.

Compared to 2023, both the reinstatement and retention rates of employees after unpaid parental leave for raising children in 2024 increased significantly, reflecting the effectiveness of Taiwan Sakura's childcare support program and employees' high acceptance of the working environment. In the future, we will continue to promote policies and design flexible systems to increase overall reinstatement and retention willingness and enhance the Company's sustainable talent base.

Employees' Unpaid Parental Leave for Raising Children in the last three years

Group	2022		2023		2024	
	Male	Female	Male	Female	Male	Female
Number of unpaid parental leave applicants for raising children	1	12	2	6	0	5
Number of employees who should have been reinstated after unpaid parental leave for raising children (A)	2	8	2	5	0	4
Number of employees who should have been reinstated and have actually returned after unpaid parental leave for raising children (B)	2	5	1	4	0	4
Reinstatement rate (B/A) - by gender	100.00%	62.50%	50.00%	80.00%	-	100.00%
Reinstatement rate (B/A) - total	70.00%		71.43%		100.00%	
Number of employees who have returned in the previous year (C)	2	5	1	4	0	2
Number of employees who have returned and worked for a full year in the previous year (D)	1	5	0	3	0	2
Retention rate (D/C) - by gender	50.00%	100.00%	0.00%	75.00%	-	100.00%
Retention rate (D/C) - total	85.71%		60.00%		100.00%	

Continuously optimizing the working environment to enhance employee satisfaction and workplace effectiveness

Taiwan Sakura continuously promotes and enhances the ESG-related policies, actively creates a safe, healthy, and motivating working environment, and improves employee's job satisfaction and workplace productivity. Through diversified care measures and system optimization, the Company reduces the employee absenteeism and promotes a balance between the physical and mental health and work effectiveness of the employees.

Taiwan Sakura's overall employee absenteeism rate in 2024 is shown in the attached table. In 2024, about six employees had the need for an extended home care period for health reasons. The table below demonstrates the Company's ongoing focus on the employee health management, workplace support and timely assistance. With these efforts, employees can feel supported and take full care of themselves with peace of mind, so they can return to work after full recovery. In the future, we will continue to monitor employee's health, deepen employee welfare measures, and combine data analysis for risk warning and prevention management to achieve a win-win sustainable development goal for both employees and the Company. Taiwan Sakura continuously promotes and enhances the ESG-related policies to improve employee's job satisfaction and maintain workplace productivity.

Employee absenteeism rate of Taiwan Sakura in 2024^(Note 1)

Item		2023		2024	
		Male	Female	Male	Female
Number of days absent (day)	Work-related injury leave	-	2	13	37
	Sick leave	103	52	955	574
	Total	103	54	968	611
Absence rate		0.061%	0.057%	0.563%	0.637%

Note 1: Absence rate = (number of work-related injury leave days + number of sick leave days) ÷ (Total number of working days × Total number of employees)



4.4.8 Community risk & opportunity

In 2024, Taiwan Sakura followed the self-assessment and risk assessment procedure to systematically analyze and identify potential environmental and social risks of the Company's operations to the surrounding communities and neighborhoods. Through regular review of pollution emissions, noise impacts, traffic safety, and emergency response capabilities, a comprehensive risk monitoring mechanism was established to ensure harmonious coexistence between the Company's operations and the communities.

The table below summarizes the main risk items identified this year, along with the corresponding control measures and improvement plans for continuous reduction of the negative impact on the environment of the communities and the life of the residents. Furthermore, Taiwan Sakura actively explores community cooperation opportunities, promotes environmental education, public welfare participation, and symbiotic projects to achieve win-win sustainable development for both the Company and the communities.

Issues	Current situation	Action measures	Category	Impact level	Likelihood of occurrence
Water Pollution Prevention	<ol style="list-style-type: none"> 1. The wastewater discharge from the Shengang plant complies with the regulations, but nearby residents are concerned about whether the discharged water meets the standards. 2. However, the substances contained in the discharged water exceeded the effluent standard in 2024. 	<ol style="list-style-type: none"> 3. The Company continuously conducts water quality testing to ensure compliance with environmental protection laws and standards. We will enhance the self-management and supervision practices, uphold the principle of taking a higher standard over the law, and continue to maintain good relationship and keep communicate with the neighborhood. 4. Replaced the discharge pipeline and cleaned the discharge tank to reduce discharge of the residual material from the pipe walls to the outside environment. 5. Purchased a microcomputer-driven suspended solid controller to monitor suspended solids throughout the process. 	Risk	Medium	Low

4.5 Human Right Protection and Diverse Communication Channels

SDGs	SDG 3, SDG 5, SDG 8, SDG 10, SDG 16
GRI	2-23, 2-24, 2-30, 401-1, 401-2, 401-3, 402-1, 403-1~10, 404-2, 405-1, 406-1, 407-1, 408-1, 409-1, 412-1, 412-2, 413-1, 414

4.5.1 Protection of human rights labour-management policy

Taiwan Sakura observes the principles of respecting human rights and protecting the basic rights of the employees. We fully comply with the core conventions of the International Labour Organization (ILO) and the spirit of the UN Guiding Principles on Business and Human Rights, and implement zero forced labor, zero discrimination, and workplace dignity protection. The Company strictly follows the Labor Standards Act and related laws and regulations in employment, transfer, and termination of labor contracts. If employee's rights are affected by operational adjustment or other factors, a notice is given in advance as required, and reasonable compensation and coordination are implemented to protect employee's rights.

Employees who experience infringement upon their rights or unfair treatment can seek redress through the diverse complaint and assistance mechanisms of the Company. In addition, Taiwan Sakura employs a fair and transparent recruitment mechanism without discrimination based on gender, age, race, nationality, religion, marital status, or other identity factors to ensure that every hired employee has equal employment opportunities and full benefits. The Company holds regular labor-management meetings and provides a two-way dialogue platform to continuously promote harmonious labor-management relationship and positive communication. In 2024, Sakura Taiwan had no employee complaints, no violations, strikes, or work stoppages. We continued to demonstrate our commitment to respecting human rights and building a reliable workplace culture.

Labor-management agreement

Since the establishment, Taiwan Sakura has placed great importance on cooperative relationship with employees. Through the explicitly established "Work Rules" and labor-management agreements, the Company formulates clear norms governing work rights and obligations, and enhances communication between supervisors and employees regarding work targets, job development, and behavioral standards. The Company holds regular labor-management meetings to collect employee's opinions and suggestions to provide a reference for improving policies and optimizing the workplace, further strengthening the organizational cohesion.

To promote mutual trust and shared prosperity between labor and management, Taiwan Sakura has established the Employee Welfare Committee to plan various social and group activities for camaraderie and cooperative atmosphere between the Company and employees. In addition, we establish a smooth feedback mechanism to encourage employees to actively participate in optimizing and improving the operations of the Company.

Labor rights and diverse communication channels

We understand that sound two-way communication is the foundation of stable labor relationship. We actively promote transparent, open, and diverse communication mechanisms and, for this, establish formal and informal communication platforms, including regular management meetings, employee forums, emails, internal suggestion boxes, and LINE@, to protect the right of the employees to know and to express their opinions, thereby enhancing their understanding and acceptance of the Company's operational directions and strategic decisions.

In addition, the Company has established an anonymous grievance channel, with designated personnel receiving and promptly forwarding suggestions or issues raised by employees to relevant departments for evaluation and processing, ensuring that every suggestion or issue receives a timely response and effective follow-up. To continuously strengthen employees' awareness of their rights, Taiwan Sakura regularly conducts labor law workshops and training sessions, continuously reviews and optimizes relevant systems, and discusses with regulatory authorities or external experts as needed to improve the compliance and forward-looking design of the labor-management system. With these measures, Taiwan Sakura continues to build a people-oriented organizational culture that

emphasizes respect for differences and collaboration. We also implement sustainable working conditions and work dignity, fulfill corporate social responsibilities, and act in response to the SDGs initiatives.

1. Open and diverse dialogue channels: Internal e-newsletter, partner cloud, monthly mobilization meetings, Line@Sakura Folk, feedback mailbox, etc.
2. Internal grievance channels (anonymous and implemented by a dedicated contact person) for employees who experience damage to or infringement upon their rights.
 - (1) Email: 1008983@sakura.com.tw
 - (2) Tel.: (04)25666106 ext. 827
 - (3) Head of HR Department: (04)25666106 ext. 665
3. Irregular interviews: As a feedback mechanism for the Company, these are used to understand employees' work status in a real-time manner, allowing them to express their thoughts and opinions:
 - (1) New employee interviews: Interviews are scheduled irregularly, depending on the adaptation of new employees in each department, with timely assistance provided.
 - (2) On-the-Job interviews: To fully understand employees' work situation.
 - (3) Performance interviews: Immediate communication to understand employees' work performance and provide immediate feedback.
 - (4) Exit interviews: To fully understand the reasons for separation and provide a basis for optimization of the Company.

Implementation status of Taiwan Sakura in 2024

Monthly mobilization meeting (Note 1)	A total of 11 mobilizations were held this year.
Employee feedback mailbox	No significant employee feedback was received during the year.
Internal electronic publications	A total of 4 HR e-quarterly newsletters were issued this year.

Note 1: There was no mobilization in February as the Lunar New Year holidays fell within the month.



4.5.2 Human rights policy

Taiwan Sakura is dedicated to becoming a benchmark of corporate governance with outstanding human rights standards. The Company formally recognizes international human rights principles and follows the requirements strictly, including the “International Human Rights Code,” “United Nations Global Compact,” “UN Guiding Principles on Business and Human Rights,” “OECD Guidelines for Multinational Enterprises,” “OECD Due Diligence Guidelines for Business Conduct,” and other international human rights conventions. Meanwhile, we strictly comply with the labor laws and regulations applicable within the jurisdictions where the Company is operating and the “International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work,” completely prohibit any form of activities infringing and violating human rights, and ensure respect for the basic dignity and rights of all employees, customers, and stakeholders.

1. Labour-management policy and protection of human rights

- (1) Taiwan Sakura’s “Sustainable Development Best Practice Principles” expressly stipulates that the Company must comply with all labor laws and international human rights conventions, covering freedom of association, collective bargaining, protection of personal dignity, gender equality, and prohibition of all forms of discrimination, including child labor and forced labor.
- (2) The Company is committed to strictly prohibiting discrimination based on gender, race, nationality, age, marital status, or family background in recruitment, compensation, benefits, training, performance evaluation, and promotion to ensure that every employee enjoys equal opportunities and treatment.
- (3) For any incidents that may infringe upon workers' rights, a transparent, fair, and traceable complaint and remedy procedure is provided to protect complainants from retaliation.

2. Dedicated system and implementation:

- (1) The Company has established comprehensive guidelines for human rights and ethical conduct, including the “Sexual Harassment Prevention and Management Regulations,” “Regulations for the Prevention of Infringement upon the Performance of Duties,” “Regulations for Whistleblowing of Fraud and Protection System,” and “Regulations for the Management of Temporary Employees and Workers by Contract.”
- (2) The human rights policy is incorporated into the training courses for new employees and are regularly disseminated and discussed in monthly meetings or other all-staff meetings to enhance the awareness of rights among employees and for their understanding of the system.
- (3) A clear human rights governance structure and a complaint mechanism are in place to ensure that workers or other stakeholders who experience mistreatment can file complaints fairly and transparently through anonymous channels.

Taiwan Sakura did not have any human rights infringement cases or other violation incidents this year, demonstrating that the initial human rights protection system of the Company has functioned effectively. We will continue to strengthen the assessment of human rights risks, system optimization, and employee education through a dual approach of institutionalization and culture to protect human rights values, promote equality and inclusion, and continuously act in alignment with international best practices.

4.5.3 Employee satisfaction

Taiwan Sakura upholds the corporate vision of being a "creator of wonderful home life" and views talents as the core driving force for sustainable development, and strives to create a working environment featuring humanistic care, intergenerational integration, and work-life balance. The Company continuously optimizes employee experience and considers employee feedback as a crucial asset for organizational progress, with the aim to build a premium employer brand, implement a corporate culture of mutual benefit and co-creation.

The Company conducted the first thematic satisfaction survey in 2024 to accurately understand employee's needs, deepen workplace experience, and improve practices. The survey, themed "Improving the Workplace Experience and Satisfaction of New Employees," involved anonymous questionnaires distributed to current employees. The results are used to provide a reference for future improvement and optimization for a more workplace-friendly environment. The questionnaire covered aspects such as work environment, job content, compensation and welfare, communication atmosphere, and management tools. A total of 405 questionnaires were distributed with 232 valid responses, representing a participation rate of 57%. Preliminary results indicate a strong foundation in terms of employee participation.

The results are analyzed as follows:

1. The highest overall satisfaction is given to "Supervisor Communication and Listening," with an average score of 78.1, reflecting a certain level of openness and communication capability among the direct supervisors.
2. The area requiring improvement is "Tools and Equipment," with an average score of 63.9, indicating that some departments still have room for optimization in the provision of resources and equipment support for the work.

The proposed improvement plan is as follows:

The TMO team members of the Company have compiled and analyzed the data and held cross-departmental meetings to drive the motivation for improvement of employees' positive workplace experience. Therefore, the corresponding improvement and implementation measures raised based on the survey results include several concrete proposals such as optimizing resource (software/hardware) allocation, adjusting communication frequency, and improving job training courses. A timeline has been drawn up for these purposes. Implementation will start gradually from 2025 and an internal tracking mechanism will be provided to ensure implementation of improvement actions. Taiwan Sakura will continue to conduct targeted and results-oriented thematic employee surveys and improve participation and coverage to make the survey results more representative and actionable. Through institutional dialogue, data analysis, and cross-departmental co-creation initiatives, we can substantively respond to employee expectations and create a happy and sustainable workplace environment that resonates with all employees.

Item		Implementation status of Taiwan Sakura in 2024
Employee participation rate	Overall	57%
	Female	56%
	Male	44%
Highest satisfaction		78.1 points
Lowest satisfaction		63.9 points

4.6 Customer Relationship Management

4.6.1 Customer policy and protection of rights

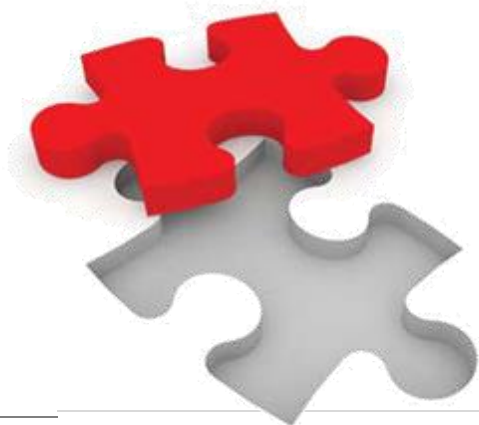
Taiwan Sakura highly values consumer's rights, follows the principles of integrity and transparency, and is dedicated to providing clear and complete product and service information. The Company has a dedicated "Service Management Division" and establishes information platforms on the official website, including "Product Introduction," "Promotional Activities," and "SAKURA BLOG," to actively ensure consumers' right to know. In addition, we have implemented an "open for Spring Festival and 365 days a year" service policy, demonstrating our commitment to the after-sales service quality. Taiwan Sakura firmly believes that only by extending the "experience of a better life" to after-sales support can we truly realize the brand value of "creating rituals in life." Taiwan Sakura regards "service power" as an integral part of the corporate competitiveness to safeguard consumers' daily peace of mind and trust with the spirit of sustainable service.

SDGs	SDG 9, SDG10, SDG 11, SDG 12, SDG 16
GRI	2-6, 2-16, 2-29, 416-1, 417-1, 417-2, 417-3, 418-1,



Therefore, Taiwan Sakura continuously optimizes the customer contact interface to enhance the efficiency of communication with customers and the transparency of information. In addition to update of the websites, we actively optimize our Customer Relationship Management (CRM) system to integrate consumer interaction processes, feedback, and service tracking records for further analysis of customer needs and behaviors and provide a basis for improvement of service quality and product design.

Regarding the disclosure of product information, all of our products come with detailed user manuals and installation instructions, and we provide FAQ solutions and operation videos on our official website to help consumers obtain clear information and assistance for their purchase and use of our products. Taiwan Sakura is dedicated to creating a friendly consumer environment, protecting and satisfying consumers' service rights, implementing the principles of fair treatment and ethical management, and building trustworthy brand relationship with stakeholders.



Diverse service channels for consumers

The Company has established multiple complaint and service response channels to provide consumers with a more convenient and efficient communication experience:

1. Customer service hotline (0800-021-818)
2. Customer service email and website forms
3. Fax and mailing mechanisms

These ensure that consumers can communicate in a way they prefer and receive timely, transparent, and responsive services. In 2024, the total number of customers served reached 1.41 million with an annual increase of 3%, demonstrating the Company's long-term stable growth in service customer loyalty.

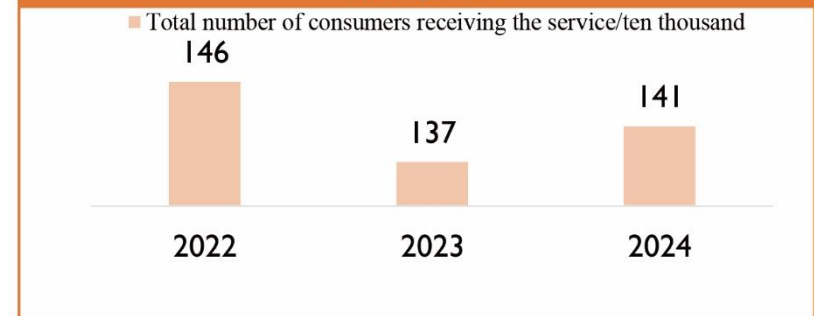
Consumer rights policy and complaint procedures

Taiwan Sakura values customer satisfaction with various services and recognition of corporate identity, brand value, and service quality, establishes the "Service Policy White Paper" and the "Customer Complaint Handling Management Procedure", and is committed to providing comprehensive product solutions and provision of various innovative products. In product development and design, production, transportation, or maintenance services, there are dedicated responsible units to provide services at soonest. Should consumers have opinions on the functions, quality, and maintenance services of the Company's products, the Company has set up a toll-free service hotline 0800-021-818 as the complaint channel to handle consumers' questions or opinions about products or services in a timely and proper manner. The Company respects the privacy of consumers and properly handles the personal data provided by consumers, in accordance with relevant laws and regulations on data protection. We have established an overall service policy to protect the rights and interests of consumers.

Improvement of consumers' service experience

With the diversification of the product lines and the change of consumer digital behavior, Sakura Taiwan is actively introducing technologies and promoting digital transformation of services. In 2024, 31.5% of consumers used self-service systems (such as online repair requests and smart inquiries), with an increase of approximately 0.5% year-on-year. This indicates a steady increase in customer acceptance of digital services. The Company will continue to optimize user experience and implement customer data analysis mechanisms to improve the flexibility of the service process and the customization capability, with the aim to move towards a customer-centric smart service system.

Total number of recipients of customer services in the past three years



4.6.2 Customer service and innovation

Facing a rapidly changing global economic and market environment, Taiwan Sakura adheres to a customer-centric business philosophy and continuously refines the service process and customer experience. To stay abreast of the market trends and consumer demands, the Company deepens the interaction with different customer groups and enhances the effectiveness and accuracy of communication through data analysis and multi-channel feedback mechanisms. By continuously optimizing service design and introducing innovative technologies and flexible operating models, we continuously improve service diversity and convenience in the hope to create a highly trusted and perceivable customer service system. In the future, we will continue use innovation as the driving force and respond to consumer expectations in a more attentive way to fulfill our dual commitment to sustainable value and customer satisfaction.

SAKURA i Care

Taiwan Sakura's "SAKURA i Care" is not only an after-sales service, but also represents our concrete practice of caring for every customer at all times. Since 1978, Taiwan Sakura has consistently upheld the "permanent" and "free" service commitments and five core service items. We have kept these steadfastly for 45 years and made Sakura becoming a trusted brand symbol for a wide range of users. "SAKURA i Care" is not only a solution for maintaining product functionalities, but also a stable and gentle guarantee. It reflects our care and commitment to the quality of consumers' daily lives, and demonstrates the Company's firm determination to invest in the customer service value chain in the long term and create a worry-free living experience for every family.

1. Permanent free Water heater safety inspection provided to ensure that Sakura water heaters operate healthily and keep operating.
2. Permanent free Oil filter mesh delivery to your doorstep to ensure the strong suction power of the Sakura range hood.
3. Permanent free Kitchen Health inspection allows Kitchen Solution to continue creating a safe and delicious life.
4. Permanent free Water purifier health inspection makes it possible to maintain high-standard water filtration quality, so that you can drink purified water all the times.
5. Permanent free Space health inspection Renovation and planning allows the Sakura Home to upgrade the better life.

To continue fulfilling our commitment to "everlasting guard for consumers' life," we actively embrace digital transformation and technological innovation, comprehensively upgrade our customer service system and introduce the intelligent "SAKURA i Care", a CRM customer relationship management platform. Consumers can register products by scanning the QR code on the product to create a personalized product history instantly and understand the equipment status and maintenance needs. We listen to customer through the UCC platform and enhance service efficiency and real-time response capabilities through a precise GPS dispatch system. "SAKURA i Care" integrates front-end and back-end data to achieve customer-centric service reformation and create a convenient, considerate, and sustainable product experience. In the meantime, to ensure responding to the increasing concerns about health and food safety, Taiwan Sakura continuously refines our "Water Purification Butler" service by integrating the information about tap water plants throughout Taiwan and estimating individual water risk metrics, such as TDS, hardness, residual chlorine, and turbidity, based on the household size and water usage habit to provide a real-time and transparent drinking water risk analysis. By combining intelligent filter life detection function with the official LINE account notification and appointment mechanisms, we enable automatic filter replacement reminding function and fast home services, thereby helping consumers to proactively manage drinking water quality and protect household health. By doing so, we can achieve the targets of SDGs 3 "Good Health and Wellbeing" and SDGs 6 "Clean Water and Sanitation."

SAKURA Home in O.N.E

In response to the growing consumer emphasis on offline physical experience, Taiwan Sakura continues to embody the “HOME in O.N.E” service philosophy through the Neihu Brand Pavilion in Taipei City, and strives to create an experiential space that integrates design aesthetics, smart technology, and living functionality. In the Neihu Brand Pavilion, the space is divided into two exhibition halls of “kitchen and living space” and “home space”. A total solution is provided through the three core strategies of “one-stop service,” “numerous product options,” and “easy ownership” to help consumers create ideal homes that combine practicality and aesthetics.

Addressing the trends of the declining birth rate and smaller home, Taiwan Sakura advocates for the integrated application of an open design and high-efficiency kitchen and bathroom equipment to further cope with the challenges of limited urban living space and diverse functional needs. We incorporate a “people-oriented” philosophy into the design details and integrate the six senses (sight, hearing, smell, taste, touch, and feeling) into the space to create an art-infused living experience. The Neihu Brand Pavilion showcases products such as close-absorbing hidden range hoods, beauty shower water heaters, and a patented drinking water system integrating water purification and heating functions. All of these respond to modern families' high expectations for health, convenience, and aesthetics.

Through the implementation of the “HOME in O.N.E” concept, Taiwan Sakura not only redefines the value of home life, but also demonstrates the corporate vision of becoming a “creator of wonderful home life,” further implementing SDG 11 (Sustainable Cities and Communities), advocating for a high-quality, safe, and inclusive living environment, and echoing SDG 12 (Responsible Consumption and Production). We emphasize product durability, functional integration, and resource efficiency, and work with consumers to create a more sustainable and livable home life for the future.



O stands for the "One-stop" service.

N stands for "Numerous" for numerous product options.

E stands for "Efficient" for consumers to own easily.

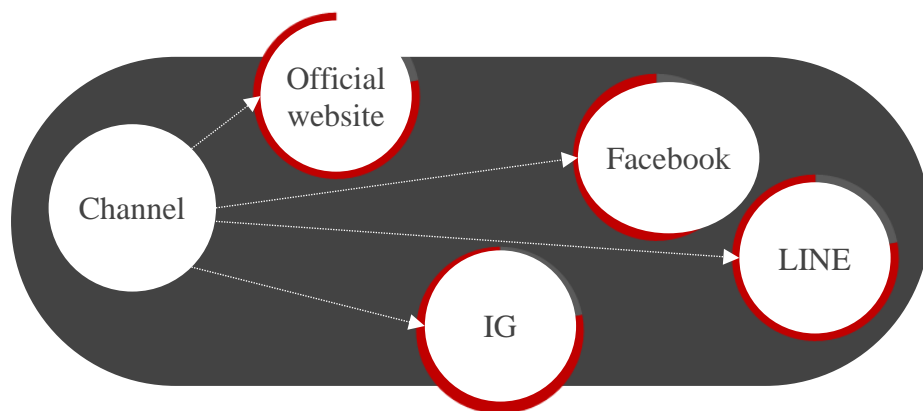
Digital Management · Precision Marketing

Facing the dual challenges of rapidly evolving consumer behavior and increasingly sophisticated digital technology, Taiwan Sakura actively implements a digital transformation strategy and creates a customer-centric service blueprint with customer needs as the start point. By comprehensively optimizing customer touch points and communication platforms, the Company strengthens the digital operational deployment and data application capabilities and enhances the immediacy, accuracy, and service experience quality of customer interactions, thereby realizing sustainable competitiveness in the new economic model.

In terms of operational strategy, Taiwan Sakura has gradually transformed from a single-product “Water Purification Butler” to an “Integrated Service Management Platform” covering full product lines. This platform connects pre-sales, sales, and after-sales service processes, establishes a unique digital resume for each customer, and strengthens cross-departmental service integration and customer relationship management (CRM). Since 2023, Taiwan Sakura has used multiple digital channels, including Instagram (IG) and LINE, to extend the connection with young generations and potential customers, and deepened brand communication and interaction through texts, images, and videos.

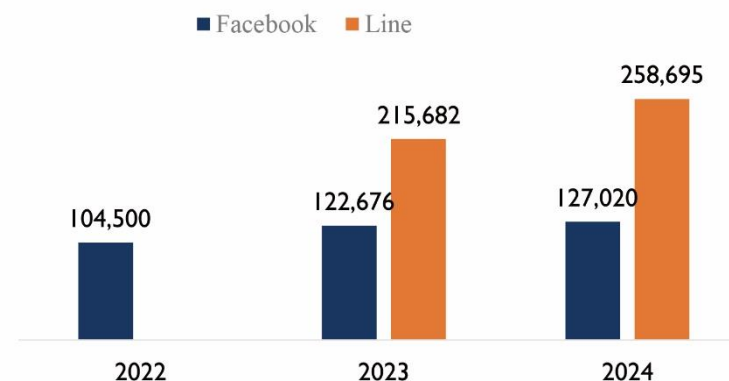
In addition, we introduce a data-driven precise marketing strategy and combine customer usage behavior, product preference, and repair records for data analysis to accurately deliver product information and service content and improve marketing efficiency and conversion rate, while reducing physical resource waste and demonstrating the Company's commitment to digital accountability governance. To enhance platform performance, we have integrated online service appointments, customer service chatbots, digital questionnaires, and feedback mechanisms to improve real-time responsiveness and customer satisfaction.

Through digital transformation, Taiwan Sakura has successfully implemented the people-oriented, technology-driven service philosophy and thus created a complete journey from product experience to brand trust. This not only reflects the Company's investment in SDG 9 (Industry, Innovation and Infrastructure), but also implements the core principle of improving resource efficiency in SDG 12 (Responsible Consumption and Production), while promoting social inclusion and minimizing the digital divide through technology, and acting in response to SDG 10 (Reduced Inequalities). We will continue to invest in digital innovation and customer relationship enhancement strategies, integrate AI and IoT technologies into product and service designs to create more forward-looking smart home solutions, and drive sustainable corporate value through digital services.



Taiwan Sakura's Digital Business Performance in 2024

Number of community fans





Common Good and Charity Engagement

CHAPTER 5

5.1__ Charity and social
engagement

5.2__ Product Life Cycle &
Environmental Impact and Safety
of Product Quality (SASB)

5.1 Charity and Social Engagement

SDGs	SDG 3, SDG 4, SDG 10, SDG 11, SDG 17
GRI	413-1

Partnering with local communities to jointly build a sustainable and resilient society

Taiwan Sakura builds a sustainable social value chain with the core philosophy of "linking social resources and creating shared value." We are dedicated to promoting corporate social responsibility and deepening the connection with local communities through concrete actions, and demonstrate our commitment to social inclusion and sustainable development. As a local brand in Taiwan, we understand well that our development is deeply involved in the social environment. Therefore, we continuously aggregate internal resources and external forces to promote cooperation and dialogue between the Company, local communities, and stakeholders to create substantial benefits.

Under the ESG Roadmap, Taiwan Sakura lists "social engagement" as one of the core strategies. We pay close attention to various aspects, including support for disadvantaged groups, equal access to education, health and well-being, sports development, local social welfare, environmental protection, and urban-rural sustainability, and gradually build a systematic, influential, and locally resilient public welfare participation model. The factory proactively establishes a long-term communication mechanism with nearby neighborhoods, schools, and local social welfare organizations to gain a deep understanding of the real needs and

challenges faced by them. Through the on-site participation and resource injection, the Company builds a foundation of trust and launches continuous community co-creation initiatives.

In 2024, Taiwan Sakura implemented numerous concrete public welfare projects across Taiwan, including social welfare donations, educational resource enhancement, youth sports promotion, and care for disadvantaged families. The Company also continued to strengthen the partnership with non-profit organizations, public associations, and local governments to jointly develop socially influential initiatives. Through cross-sector collaboration, we promote a positive social cycle and further fulfill our corporate citizenship role, by implementing multiple UN SDGs, including SDG 3 "Good Health and Wellbeing", SDG 4 "Quality Education", SDG 10 "Reduced Inequalities", SDG 11 "Sustainable Cities and Communities", and SDG 17 "Partnership for the Goals."

Meanwhile, we pay importance on the potential impact of our operations on local communities. In 2024, there were no operational incidents involving significant negative impact on the community. Taiwan Sakura will continue to uphold the spirit of positive care, strengthen the depth and breadth of community engagement, and work with all sectors to build a symbiotic, inclusive, and sustainable social value network.

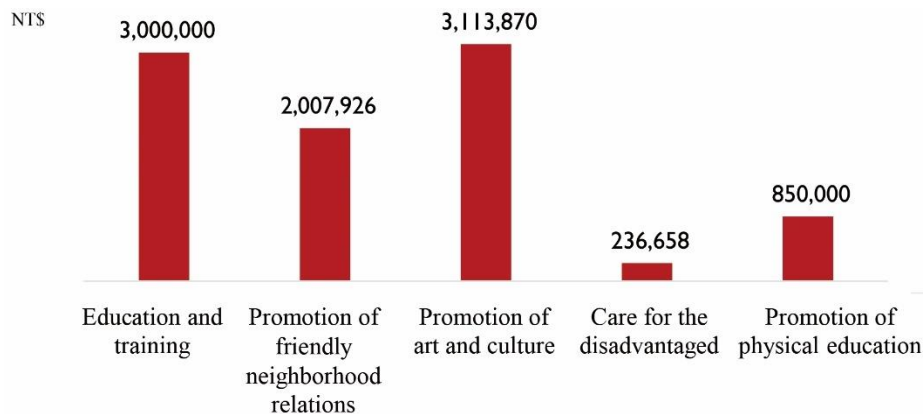


5.1.1 Participation in public welfare

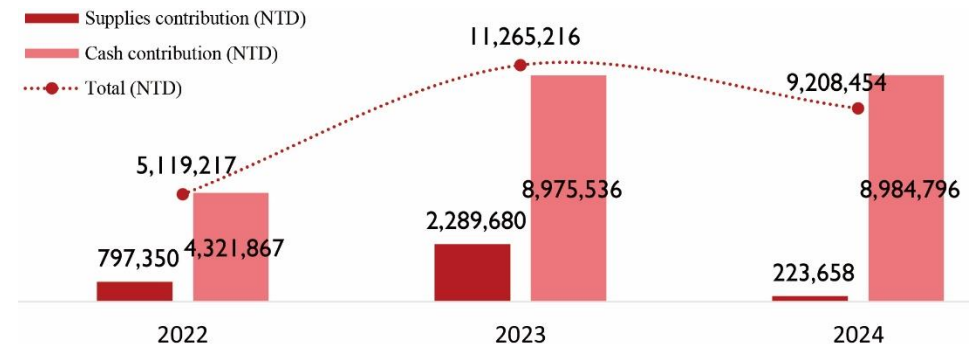
Taiwan Sakura firmly believes that enterprises are not only the core of economic activity, but also key bridges connecting social benefits and public interests. Upholding the core concept of "mutual benefit to society," the Company continues to support disadvantaged groups and promote local inclusion and sustainable development through concrete actions to fulfill our corporate social responsibility. Taiwan Sakura believes that corporate philanthropy should move from point-to-point assistance to systemic impact, and thereby establishing a long-term sustainable model of public welfare participation through cross-sector collaboration with local governments, social welfare associations, and non-profit organizations. Taiwan Sakura continues to focus on the safety and health needs of disadvantaged families. From a practical perspective, we promote programs such as water heater safety inspections and replacement of outdated products to enhance the quality of life for vulnerable groups and respond to core values of basic human rights protection and social equality.

Furthermore, we are dedicated to creating an internal culture of philanthropy and encouraging participation of more employees. "Public welfare participation" is incorporated into our corporate culture development strategy. Through family days, volunteer services, and fundraising activities, we encourage participation of employees to create positive social influence jointly. By enhancing organizational identity and social awareness, Taiwan Sakura shapes a corporate culture that is warm and socially responsible, and further strengthen the humanistic values and connections for social benefits.

Types of Public Welfare Investments made by Taiwan Sakura in 2024



Ways of Participation in Social Welfare in the last Three Years

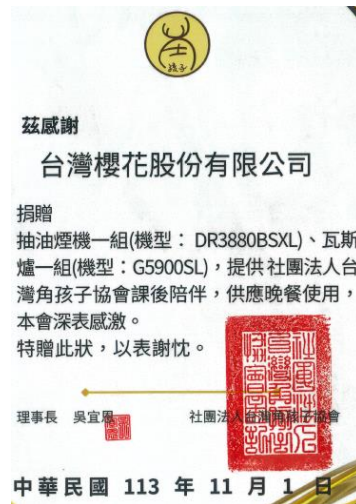


5.1.2 Support for the disadvantaged group

To strengthen the sense of corporate identity and social responsibility among employees, Taiwan Sakura held a Family Day event in 2024 and invited employees and their families to participate. In addition to purchasing 1,370 gift boxes of handmade cookies from Children Are Us Foundation to support sheltered workshops and employment of people with disabilities. The event also promoted environmental awareness. All the participants are encouraged to bring their own water bottles and reusable tableware. In the meantime, the Company actively participated in government and private initiatives and strove to address the basic living safety issues of vulnerable groups in the society. In response to the New Taipei City Government's policy, the Company provided water heater safety improvement services to low-income households, assisted families in replacing unsafe equipment, reduced the risk of carbon monoxide poisoning, and protected the basic residential safety and health rights of the public.

Furthermore, Taiwan Sakura donated range hoods and gas stoves to The Lokid Association in Lukang Township, Changhua County, to improve kitchen facilities and ensure a stable supply of after-school nutritious dinners for disadvantaged children. Taiwan Sakura will continue to deepen the social engagement strategy and increase the social influence by combining employee motivation, local needs, and public welfare resources. Through systematic action plans, the Company will enhance the effectiveness of public welfare projects and work together with all sectors of the society towards a sustainable future of inclusion and prosperity.

Donation of range hoods and gas stoves to The Lokid Association



Purchase of biscuit gift boxes from Children Are Us Foundation



5.1.3 Physical education promotion

Taiwan Sakura deeply understands that promoting sports not only helps improve public health and foster positive social energy, but also serves as an important practice for the Company to fulfill our social responsibilities. The Company has long been committed to the development of sports in Taiwan. We actively participate in and support numerous influential sports and charity events, and aim to promote a culture of sports among the general public, cultivate athletic talent, and ultimately enhance Taiwan's visibility and competitiveness in the international sports arena.

In 2024, Sakura Taiwan sponsored several important sporting and charitable events, including the "National Outstanding Architects' Golf Tournament," the "U-18 Asian Baseball Championship," and the "WBSC Premier12." By combining industry influence with social resources, Sakura Taiwan provided young athletes with more platforms and development opportunities, promoting the integrated development of sports and philanthropy.

National Outstanding
Architects'
Golf Tournament



U-18 Asian Baseball
Championship



WBSC Premier12 -
Taiwan Sakura's
Announcement of
Increased Advertising
Event



5.1.4 Education and training

Taiwan has long paid attention to the sustainable development of education and healthcare, continuously investing resources in the "Sakura Cultural Foundation" to support cultural and educational charitable causes, demonstrating the Company's deep commitment to social responsibility. In 2024, a total of NT\$3 million was donated to promote multiple programs covering basic education, academic research, and medical professional training. The Company is dedicated to talent development and the realization of a positive social cycle.

Therefore, since the establishment of the "Sakura Medical Talent Development Program," the Company has actively supported potential medical professionals to broaden their horizons and strengthen their medical research capabilities, with the goal of raising the overall level of medical professionalism in Taiwan. In 2024, a total of 102 individuals received scholarships and grants to support their further studies and professional development at renowned domestic and international medical institutions and academic organizations. In addition to providing substantial financial support, the program emphasizes cross-border knowledge exchange and academic connections, helping participants understand global medical trends and enhance local medical capabilities.

Sakura Taiwan deeply understands that talents are the key foundation for corporate sustainability and social progress. Therefore, by promoting this program over the long term, we demonstrate our commitment to promoting social sustainability and human-centered healthcare, not only through long-term investment in medical professionals but also by showcasing the Company's responsibility to make contribution to the society and improve the quality of medical services. The Company has long upheld the spirit of professionalism, innovation, and care, deepened our work in medical talent cultivation, continuously invested resources, and collaborated with industry and academia to create new opportunities in healthcare. We are actively building a positive cycle of talent development mechanisms to strengthen Taiwan's medical capabilities and inject more vitality and hope into the domestic medical environment.



Taiwan Sakura has long paid attention to the education and development of the next generation. We firmly believe that education is the fundamental driving force of social progress and an important extension of corporate responsibility. We continuously invest resources to support the academic and moral development of children with the core philosophy of “upholding the spirit of social sharing and fulfilling corporate social responsibility.” This not only reflects a profound emphasis on the essence of education, but also demonstrates our commitment to the sustainable development of talents.

By establishing a scholarship system, Taiwan Sakura effectively links school education with social education and encourages students to cultivate humanistic qualities and social concern from a young age. This fosters a broader and deeper understanding of learning, moving beyond traditional learning frameworks, and cultivates diverse and globally competitive talents for the future. The "Sakura Education Scholarship," now in its 36th year, has become a concrete symbol of our commitment to education and contribution to society. This system encourages employees' children to strive for excellence in the hope to inspire greater societal emphasis on education, thereby shaping a positive learning culture and injecting fresh, healthy, and positive values for the society.

Taiwan Sakura firmly believes that investing in education is not only nurturing the future of individuals, but also a crucial strategy for fulfilling corporate social responsibility and promoting intergenerational co-prosperity. In addition, Taiwan Sakura values educational equity, offers scholarships to Hui-Ming School for Blind Children on a long-term basis, and collaborates with the school to support visually impaired and disadvantaged students, enabling them to learn in a stable environment. For students with outstanding academic performance or special talent, substantial encouragement and resources are provided to help them develop their potential and make their dreams come true. These actions embody the Company's commitment to eliminating the educational gap and promoting social inclusion. And by doing so, we further enhance the community relationship and fulfill our responsibility to prosper together with the society.



5.1.5 Community relations

Taiwan Sakura actively promotes positive interaction between the Company and the community and engages in in-depth exchanges and collaborations with stakeholders through diverse channels. In addition to participating in local events on a regular basis, the Company collaborates with industry partners, academic institutions, consumers, and government agencies to promote and organize public welfare and sustainability-related activities. This comprehensively showcases the Company's governance philosophy, corporate vision, and mission. These practices not only effectively enhance the corporate image, but also deepen the close tie with local and neighboring communities in favor of resource sharing and win-win cooperation.

Furthermore, Taiwan Sakura is committed to promoting community engagement programs covering environmental protection, cultural promotion, and public welfare activities. This creates diverse and suitable development possibilities for local communities. Through continuous communication and cooperation, Taiwan Sakura continuously improves community well-being, strengthens social cohesion, and demonstrates our commitment to social expectations and fulfilling our social responsibilities. This corporate-community partnership has become a crucial pillar of our sustainable management strategy and promoted mutual prosperity and co-existence between the Company and society.

Local environmental sustainability event
[UBag Second-Hand Bag Circulation Project]
X
[Environmental sustainability]



International Designers Academic Conference
[Exclusive sponsorship of International Designers Academic Conference]



Visit from industry, government, and academia



5.1.6 Customers and consumers

To demonstrate our ability to meet diverse needs of different families by integrating the resources of different brands under the Group, and deepen our interaction and communication with customers and consumers to better convey our brand image as a product and service provider, we organized a variety of engaging and interactive events in 2024, including the Tainan YOYO Parent-Child Carnival Party, a new product launch conference, 024 OPEN! Giant Balloon Parade, and the OPEN! RUN Balloon. In addition, we improved consumer's experience and quality of life, enhanced the emotional connection between the brand and consumers, and further solidified our market competitiveness and the foundation for our sustainable development.

Tainan YOYO Parent-Child Carnival Party



New Product Launch X One-Day Store Manager



2024 OPEN! Giant Balloon Parade & OPEN! RUN Balloon



Taiwan experienced a dual challenge of an April earthquake and a powerful typhoon in October 2024, causing severe damage to homes. Taiwan Sakura responded rapidly by voluntarily dispatching a professional team to the affected region to provide free water heater safety inspections and help affected residents eliminate safety concerns. Through timely care and concrete actions, we worked hand in hand with the community to build a protective barrier, contributing to post-disaster reconstruction and safeguarding the peace of mind and bright future of every family.

April Hualien 403 Earthquake - Reconstruction from earthquake and enhanced safety inspections

October Typhoon Krathon - Reconstruction from typhoon and enhanced safety inspections



Taiwan Sakura firmly believes that "home" is not just a place to live, but also a profound vision and emotional refuge for everyone's ideal life. Upholding the corporate vision of "Creator of Wonderful Home Life," we integrate the resources of the Group to offer comprehensive solutions for the services of "meet various families' needs," "one-stop service" and "own easily." From innovative kitchen and bathroom products and spatial design to whole-house planning, we comprehensively enhance the quality of life and meet different needs of families, whether for traditional residences or emerging small-apartment types.

Beyond meeting consumer needs and expectations, Taiwan Sakura understands the long-term responsibility of sustainable development encompasses talent development and social responsibility. The Company actively cultivates design talents and promotes the integration of academia and industry practices by holding the "Sakura Culinary Space Design Competition" for many consecutive years. In 2024, the theme was "Building a Home of Infinite Possibilities," encouraging students to integrate technological applications, material innovation, and humanistic experiences to demonstrate their deep insight of "home." A total of 616 works were received and we offered scholarships awarded totaling NT\$375,000.

To further promote industry-academia collaboration and cultivate practical skills for young people, we offer paid summer internship that allows outstanding works to be implemented in the real-world environment. This year, a silver award winner joined the Product Management Division and participated in projects to deepen his design concepts and industry experience. This facilitates the Company in fulfilling our commitment to promoting sustainable design education. Through such programs, we expect to act as a bridge between industry and talent and cultivate a new generation of internationally competitive creative talents for Taiwan's home design industry.



5.1.7 Participation in External Unions (Associations)

Taiwan Sakura actively participates in the affairs of industry-related associations and guilds, continuously deepens the connection with the industry, and draws on forward-looking trends and dynamics in sustainable development from both industry and academia. The aim is to jointly pursue sustainable development. Currently, our ESG strategy roadmap integrates the strengths of our industry partners to create better industrial conditions and ensure continuous provision of premium and more innovative products for consumers to build a friendly and sustainable green social environment.

	Association	At-Large Member	Director/Supervisor
1	Taiwan Gas Appliance Manufacturers Association	●	●
2	Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)	●	
3	CNS Certification Mark Association, R. O. C. (CCA)	●	
4	Kitchen and Cabinet Association Union of Republic of China	●	
5	Taiwan Solar Thermal Energy Association	●	
6	Gas Association of the Republic of China	●	
7	Taiwan Chamber of Commerce & Industry	●	
8	Taiwan Chain Store and Franchise Association	●	
9	Taiwan Smart Energy Industry Association	●	
10	Chinese Professional Management Association	●	
11	Chinese Professional Management Association of Taichung City	●	
12	Taichung Kitchen and Cabinet Association	●	
13	Taichung City General Industrial Association	●	

5.2 Product Life Cycle & Environmental Impact and Safety of Product Quality (SASB)

Topic	Accounting indicators	Category	Unit Measures	Code	Reply	
Product Safety	(1) the issued/recalled quantity (2) the total recalled quantity	Quantitative	Numbers	CG-AM-250a.1	(1) 0 voluntary recall in 2024. (2) No involuntary recall occurred.	
	Discuss the process of identifying and managing security risks associated with the use of its products	Discussion and analysis	Not applicable	CG-AM-250a.2	All of the Company's products are designed in compliance with the CNS safety regulations of BSMI (Bureau of Standards, Metrology and Inspection), Ministry of Economic Affairs, to ensure the safety of product use	
	Total monetary losses resulting from legal proceedings related to product safety	Quantitative	Reporting currency	CG-AM-250a.3	In 2024, the Company did not incur any monetary losses caused by legal proceedings.	
Product Life Cycle Environmental Impacts	Percentage of Energy Star-certified products calculated by revenue	Quantitative	Percentage of revenue (%)	CG-AM-410a.1	0%, as the Company primarily engages in domestic marketing, and customers have no such demand. If there are project needs in the future, we will re-evaluate and implement it.	
	Percentage of products certified to meet the Association of Home Appliance Manufacturers' (AHAM) sustainability standards, calculated by revenue	Quantitative	Percentage of revenue (%)	CG-AM-410a.2	0%, as the Company primarily engages in domestic marketing, and customers have no such demand. If there are project needs in the future, we will re-evaluate and implement it.	
	Description of efforts to manage the impact of product obsolescence	Discussion and analysis	Not applicable	CG-AM-410a.3	Most of the Company's products are made of recyclable materials to avoid use of disposable materials. Help recycle and scrap the old products replaced by consumers after new products are installed, and have them dismantled, recycled and reused by professional contractors.	
Activity Indicator	Annual production volume	Quantitative	Quantity	CG-AM-000.A		
					Main products (Note 1)	
					Actual sales volume/unit (set) in 2024	
					Kitchen equipment	
					Water heater	
					System kitchenware	
Others						
Total						

Note 1: The products including kitchen equipment refer to the range hood, gas stove, dish dryer and water purifier. The others refer to purchased electrical appliances and water purifier filters. For the system kitchenware, only the quantity of sets is listed.



Appendices

Appendix I __GRI Index

Appendix II __SASB Index

Appendix III __Summary of Errata of the 2023 Taiwan Sakura ESG Report

Appendix IV __Other Certificates

Appendix I GRI Index

GRI	Disclosure item		Corresponding chapter	Page No.	Notes
GRI 2: General Disclosures 2021	Organization and Reporting Practices				
	2-1	Details about the organizational	About our report	1	
			Overview of Taiwan Sakura	5-6	
	2-2	Entities Included in the Organization's ESG Report	About our report	1	
	2-3	Reporting period, frequency, and contact person	About our report	1	
	2-4	Restated information	-	-	No restatement of information during the reporting period
	2-5	External guarantee/assurance	-	-	The 2024 Report has not been guaranteed/assured externally, except financial data.
	Activities and Workers				
	2-6	Activities, value chain and other business relationships	Overview of Taiwan Sakura	5-6	
			2.7 Sustainable Supply Chain	60-63	
			3.5 Sustainable Products	96-99	
	2-7	Employee	Overview of Taiwan Sakura	5-6	
			4.1 Talent deployment and structure	102-107	
	2-8	Workers who are not employees	4.1 Talent deployment and structure	102-107	
	Governance				
	2-9	Governance structure and composition	1.2 Sustainability Governance Organization	10	
			2.1 Corporate Governance Organization	28	
	2-10	Nomination and election of the highest governance body	2.1 Corporate Governance Organization	28-37	
	2-11	Chairperson of the highest governance body	2.1 Corporate Governance Organization	28-37	

GRI	Disclosure item		Corresponding chapter	Page No.	Notes
GRI 2: General Disclosures 2021	2-12	Role of the highest governance body in overseeing impact management	1.2 Sustainability Governance Organization	10	
			1.3 Stakeholder Engagement and Materiality Analysis	12-18	
			2.1 Corporate Governance Organization	28-37	
	2-13	Person in charge of impact management	1.2 Sustainability Governance Organization	10	
	2-14	Role of the highest governance body in sustainability reporting	1.2 Sustainability Governance Organization	10	
			1.3 Stakeholder Engagement and Materiality Analysis	12-18	
	2-15	Conflicts of Interest	1.2 Sustainability Governance Organization	10	
			1.3 Stakeholder Engagement and Materiality Analysis	12-18	
	2-16	Communication of key material events	1.3 Stakeholder Engagement and Materiality Analysis	12-18	
	2-17	The collective knowledge of the highest governance body	2.1.1 Composition and operation of the Board of Directors	29	
	2-18	Performance evaluation on the highest governance body	2.1.5 Performance evaluation on the Board of Directors and functional committees	33	
	2-19	Remuneration policy	2.1 Corporate Governance Organization	28-37	
			2.1.6 Remuneration payment policy	34-36	
			2.1.7 Remuneration payment process	34-36	
	2-20	Process for determining the remuneration	2.1 Corporate Governance Organization	28-37	
			2.1.6 Remuneration payment policy	34-36	
			2.1.7 Remuneration payment process	34-36	
	2-21	Annual total compensation ratio	4.3.1 Remuneration system	120	
			4.3.1 Remuneration system	120	

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GRI 2: General Disclosures 2021	2-22	Statement of Sustainable Development Strategy	Message from the Chairman	2	
			1.1 Sustainable Vision and Strategic Roadmap	9	
	2-23	Policy Commitments	1.1 Sustainable Vision and Strategic Roadmap	9	
			1.3.5 Summarization of stakeholder communication mechanism and issues of concern	16-18	
			2.3.1 Ethical management	40-44	
			2.7 Sustainable Supply Chain	60-63	
			4.5.1 Human rights protection	139-140	
			4.5.2 Human rights policy	141	
	2-24	Include policy commitments	1.1 Sustainable Vision and Strategic Roadmap	9	
			2.3.1 Ethical management	40-44	
			2.7 Sustainable Supply Chain	60-63	
			4.5.1 Human rights protection	139-140	
			4.5.2 Human rights policy	141	
			4.5.3 Employee satisfaction	142	
	2-25	Procedures for remediating negative impacts	4.4. 8 Community risk & opportunity	138	
			4.5.1 Human rights protection	139-140	
			4.5.2 Human rights policy	141	
			4.5.3 Employee satisfaction	142	
			4.6 Customer Relationship Management	143-147	

GRI	Disclosure item		Corresponding chapter	Page No.	Notes
GRI 2: General Disclosures 2021	Governance				
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			4.5.1 Human rights protection	139-140	
			4.5.2 Human rights policy	141	
			4.5.3 Employee satisfaction	142	
	2-27	Legal compliance	2.3.2 Legal compliance	44	
			2.4 Intellectual Property Management System	45-46	
			2.5 Risk management and internal control mechanism	47-53	
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	2-28	Membership in the Unions/Associations	5.1.7 Participation in External Unions (Associations)	158	
	Stakeholder engagement				
	2-29	Stakeholder Engagement Policy	1.3 Stakeholder Engagement and Materiality Analysis	12-18	
2-30	Collective bargaining agreements	4.5.1 Human rights protection	139-140		
		4.5.2 Human rights policy	141		
GRI 3: Material Topics 2021	Material Topics				
	3-1	Process for determining material topics	1.3 Stakeholder Engagement and Materiality Analysis	12-18	
	3-2	List of Material Topics	1.3 Stakeholder Engagement and Materiality Analysis	12-18	
	3-3	Material topic management	1.3 Stakeholder Engagement and Materiality Analysis	12-18	

GRI	Disclosure item		Corresponding chapter	Page No.	Notes
GRI 201: 2016	Economic benefits				
	201-1	Direct economic value generated and distributed by the organization	2.2 Financial performance	38-39	
	201-2	Financial impacts and other risks and opportunities arising from climate change	3.1 Climate strategy	65-80	
			3.1.3 Risk management	70-80	
			3.1.1.4 Indicators and targets	81-84	
	201-3	Defined benefit plan obligations and other retirement plans	4.3 Rights and remuneration & benefits of employees	119-121	
	201-4	Financial aid received from the government	-	-	No financial aid was received from the government in 2024.
	Market position				
GRI 202: 2016	202-1	Ratio of the standard salary for entry-level employees by gender to the local minimum salary	4.3 Rights and remuneration & benefits of employees	119-121	In 2024, the Company's salary was better than the statutory salary.
	202-2	Proportion of senior management hired from the local community	4.1 Talent deployment and structure	102-107	In 2024, all management of the Company were Taiwanese.
GRI 203: 2016	Indirect economic impacts				
	203-1	Development and impact of investment in infrastructure and support services	3.5 Sustainable Products	96-99	
			4.6 Customer Relationship Management	143-147	
			5.1 Charity and social engagement	149-158	
	203-2	Significant indirect economic impacts	3.5 Sustainable Products	96-99	
			4.6 Customer Relationship Management	143-147	
			5.1 Charity and social engagement	149-158	
Procurement Practices					
GRI 204 2016	204-1	Proportion of purchase expenditure from local suppliers	2.7 Sustainable Supply Chain	60-63	

GRI	Disclosure item		Corresponding chapter	Page No.	Notes
GRI 205: 2016	Anti-corruption				
	205-1	Business locations that have conducted corruption risk assessments	2.3.1 Ethical management	40-44	No related incidents occurred in 2024.
	205-2	Communication and training on anti-corruption policies and procedures	2.3.1 Ethical management	40-44	
	205-3	Confirmed incidents of corruption and actions taken	2.3.1 Ethical management 2.5 Risk management and internal control mechanism	40-44 47-53	
GRI 206: 2016	Anti-competition behavior				
	206-1	Legal actions against anti-competition, anti-trust and monopoly	2.5 Risk management and internal control mechanism	47-53	No related incidents occurred in 2024.
GRI 302: 2016	Energy				
	302-1	Energy consumption within the organization	3.2.2 Energy Management System	87-89	
	302-2	Energy consumption outside the organization			
	302-3	Energy intensity	3.2.2 Energy Management System	87-89	
	302-4	Reduce energy consumption	3.2.2 Energy Management System	87-89	
	302-5	Reduce the energy demand of products and services	3.5 Sustainable Products	96-99	
GRI 303: 2016	Water and Effluents				
	303-1	Mutual influence of shared water resources	3.3 Water resource management	90-92	
	303-2	Management of water discharge-related impacts	3.3 Water resource management	90-92	
	303-3	Water intake	3.3 Water resource management	90-92	
	303-4	Water discharge	3.3 Water resource management	90-92	
	303-5	Water consumption	3.3 Water resource management	90-92	

GRI	Disclosure item		Corresponding chapter	Page No.	Notes
GRI 305: 2016	Emissions				
	305-1	Direct (Scope 1) GHG emissions	Greenhouse Gas Management	82	
	305-2	Energy Indirect (Scope 2) GHG Emissions	Greenhouse Gas Management 3.2.2 Energy Management System	78-79 87-88	
	305-4	GHG emission intensity	Greenhouse Gas Management	82	
	305-5	Reduction of greenhouse gas emissions	3.1.1.4 Indicators and targets	81	
			Greenhouse Gas Management	82	
	305-6	Emissions of Ozone Depleting Substances (ODS)	Carbon Reduction (Low-Carbon) Management Strategies and Pathways	83-84	The Company focuses on the assembly process, and no diesel is used in the process. It is only used in the forklifts at the factory premises and, therefore, poses small impact on the environment. So, no measurement is performed.
			-	-	
GRI 306: 2016	305-7	SOx, NOx and important gas emissions	-	-	The Company focuses on the assembly process, and no diesel is used in the process. It is only used in the forklifts at the factory premises and, therefore, poses small impact on the environment. So, no measurement is performed.
	Waste				
	306-2	Management of significant waste-related impacts	3.4 Circular Economy and Waste Management	93-95	
	306-3	Generation of waste	3.4 Circular Economy and Waste Management	93-95	
GRI 308: 2016	306-4	Disposal and transfer of waste	3.4 Circular Economy and Waste Management	93-95	
	Supplier Environmental Assessment				
	308-1	Screen new suppliers using environmental criteria	2.7 Sustainable Supply Chain	60-63	
	308-2	Negative environmental impacts in the supply chain and actions taken	2.7 Sustainable Supply Chain	60-63	

GRI	Disclosure item		Corresponding chapter	Page No.	Notes
GRI 401: 2016	Employee Employment				
	401-1	New Employees and Resigned Employees	4.1 Talent deployment and structure	102-107	
	401-2	Benefits provided to full-time employees (excluding temporary or part-time employees)	4.1 Talent deployment and structure 4.3 Rights and remuneration & benefits of employees	102-107 119-121	
	401-3	Parental leave	4.3 Rights and remuneration & benefits of employees	119-121	
GRI 402: 2016	Labor-management relations				
	402-1	Minimum notice period for operational changes	4.5.1 Human rights protection	139-140	No significant change occurred in 2024.
GRI 403: 2016	Occupational Safety and Health				
	403-1	Occupational Safety and Health Management System	3.2.1 Environmental Management System	85-86	
			4.4 Friendly and Safe Workplace	126-138	
	403-2	Hazard identification, risk assessment, and accident investigation	2.5 Risk management and internal control mechanism	47-53	
			3.2.1 Environmental Management System	85-86	
			4.4 Friendly and Safe Workplace	126-138	
Occupational Safety and Health					
GRI 403: 2016	403-3	Occupational Health Service	3.2.1 Environmental Management System	85-86	
			4.4 Friendly and Safe Workplace	126-138	
	403-4	Workers’ participation, consultation, and communication on occupational safety and health	3.2.1 Environmental Management System	85-86	
			4.4 Friendly and Safe Workplace	126-138	
	403-5	Workers’ training on occupational safety and health	3.2.1 Environmental Management System	85-86	
			4.2.1 Complete and diverse talent cultivation channels	109	
4.4 Friendly and Safe Workplace			126-138		

GRI	Disclosure item		Corresponding chapter	Page No.	Notes
GRI 403: 2016	Occupational Safety and Health				
	403-6	Workers’ health promotion	2.5 Risk management and internal control mechanism	47-53	
	403-7	Prevention and mitigation of occupational safety and health impacts directly linked to business relationships	4.4 Friendly and Safe Workplace	126-138	
			3.2.1 Environmental Management System	85-86	
			4.2.1 Complete and diverse talent cultivation channels	109	
	403-9	Occupational injury	4.4 Friendly and Safe Workplace	126-138	
			3.2.1 Environmental Management System	85-86	
	403-8	Workers covered by the occupational safety and health management system	3.2.1 Environmental Management System	85-86	
	403-10	Occupational disease	3.2.1 Environmental Management System	85-86	
			4.4 Friendly and Safe Workplace	126-138	
GRI 404: 2016	Education and training				
	404-1	Average hours of training per year per employee	4.2.1 Complete and diverse talent cultivation channels	109	
	404-2	Employee competency upgrade and transitional assistance programs	4.2.1 Complete and diverse talent cultivation channels	109	
			4.4 Friendly and Safe Workplace	126-138	
	404-3	Percentage of employees receiving regular performance and career development reviews	4.2.1 Complete and diverse talent cultivation channels	109	
GRI 405: 2016	Employee Diversity and Equal Opportunity				
	405-1	Diversity of governance units and employees	4.1 Talent deployment and structure	102-107	
			4.2.1 Complete and diverse talent cultivation channels	109	
405-2	Ratio of basic salary and remuneration of women to men	4.3 Rights and remuneration & benefits of employees	115-120		

GRI	Disclosure item		Corresponding chapter	Page No.	Notes
GRI 406: 2016	Non-discrimination				
	406-1	Incidents of discrimination and corrective actions taken by the organization	4.5.1 Human rights protection	139-140	No related cases were found in 2024.
			4.5.2 Human rights policy	141	
			4.5.3 Employee satisfaction	142	
GRI 411: 2016	Rights of Indigenous Peoples				
	411-1	Incidents involving infringement upon the rights of indigenous peoples	4.5.1 Human rights protection	139-140	No related cases were found in 2024.
			4.5.2 Human rights policy	141	
			4.5.3 Employee satisfaction	142	
GRI 413: 2016	Local Communities				
	413-1	Percentage of activities that implement local community engagement, impact assessment, and development plans	5.1 Charity and social engagement	149-158	
GRI 418: 2016	Customer Privacy				
	418-1	Substantiated complaints about breaches of customer privacy or loss of customer data	2.6 Information security	54-59	
			4.6 Customer Relationship Management	143-147	

Appendix II SASB Index (Home Appliance Manufacturers)

Code	Accounting indicators	Corresponding chapter	Page No.
CG-AM-250a.1	(1) Second high recalled quantity, and (2) Total recalled units.	5.2 Product Life Cycle & Environmental Impact and Safety of Product Quality	159
CG-AM-250a.2	Discuss the process of identifying and managing security risks associated with the use of its products	5.2 Product Life Cycle & Environmental Impact and Safety of Product Quality	159
CG-AM-250a.3	Total monetary losses resulting from legal proceedings related to product safety	5.2 Product Life Cycle & Environmental Impact and Safety of Product Quality	159
CG-AM-410a.1	Percentage of qualified products meeting the ENERGY STAR program	5.2 Product Life Cycle & Environmental Impact and Safety of Product Quality	159
CG-AM-410a.2	Percentage of qualified products certified to meet AHAM sustainability standards	5.2 Product Life Cycle & Environmental Impact and Safety of Product Quality	159
CG-AM-410a.3	Description of efforts to manage the impact of product obsolescence	5.2 Product Life Cycle & Environmental Impact and Safety of Product Quality	159
CG-AM-000.A	Annual production volume	5.2 Product Life Cycle & Environmental Impact and Safety of Product Quality	159

Appendix III Summary of Errata of the 2023 Taiwan Sakura ESG Report

Chapter	Page No.	Explanation of the Correction to the 2024 Report
Introduction ESG Highlights 2023	7	<p>The total electricity consumption in the "Environmental aspect" table is incorrectly entered as carbon emission equivalent. This discrepancy arises because the time when the report is prepared differs from the time of the internal greenhouse gas inventory audit, and this discrepancy is not corrected in time.</p> <ol style="list-style-type: none"> Before the change: 3,043.1378 kWh. After the change: 5,987,702.4119 kWh.
Greenhouse gas management	68	<p>In the "Greenhouse Gas Management" table, the inventory results for Category 1 in 2023 is incorrect. This discrepancy arises because the time when the report is prepared differs from the time of the internal greenhouse gas inventory audit, and this discrepancy is not corrected in time. The total value is affected as a result.</p> <ol style="list-style-type: none"> Before the change: Category 1 679.7335 t/CO₂e, Total 36,376,585 t/CO₂e. After the change: Category 1 621.5968 t/CO₂e, Total 3,579.5218 t/CO₂e.
3.2.2 Energy management	71	<p>In the "Energy consumption in the last three years" table, the non-renewable energy electricity in 2023 is incorrect. This discrepancy arises because the time when the report is prepared differs from the time of the internal greenhouse gas inventory audit, and this discrepancy is not corrected in time. The total value is affected as a result.</p> <ol style="list-style-type: none"> Before the change: electricity from non-renewable energy sources 5,979.9800 kWh. After the change: electricity from non-renewable energy sources 5,987.7024 kWh.
4.1 Talent deployment and structure	89	<p>In the chart "Distribution of new and resigned employees of Taiwan Sakura in the last three years," the new employee rate and turnover rate in 2023 differ due to an error in the formula calculation.</p> <ol style="list-style-type: none"> Before the change: new employee rate 32.23%, turnover rate 24.97%. After the change: new employee rate 24.48%, turnover rate 21.48%.
5.1.1 Public welfare participation	115	<p>In the "Ways of Participation in Social Welfare in the Past Three Years," the total amount in 2023 differs due to an error in the formula calculation.</p> <ol style="list-style-type: none"> Before the change: NT\$11,267,239 After the change: NT\$11,265,216

Appendix IV Other Certificates

ISO14001Electronic Certificate



Certificat
Certificate

N° 2020/86940.3 Page 1 / 1

AFNOR Certification certifies that the management system implemented by:
AFNOR Certification certifie que le système de management mis en place par :

TAIWAN SAKURA CORPORATION
台灣櫻花股份有限公司

for the following activities:
pour les activités suivantes :

DESIGN AND MANUFACTURE OF DISH DRYERS, KITCHEN HOODS, GAS APPLIANCES, GAS WATER HEATERS, TANK-STYLE ELECTRIC WATER HEATERS, WATER FILTERS AND ELECTRIC INSTANTANEOUS WATER HEATERS.
烘碗機、除油煙機、瓦斯爐、瓦斯熱水器、儲熱式電熱水器、淨水器及瞬熱式熱水器之設計與製造。

has been assessed and found to meet the requirements of:
a été évalué et jugé conforme aux exigences requises par :

ISO 14001:2015

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DAYA 1ST FACTORY : NO. 436, SEC. 4, YATAN RD., DAYA DIST., TAICHUNG CITY 428, TAIWAN (R.O.C.)
大雅一廠：436 台中市大雅區延平路四段 436 號

DAYA 2ND FACTORY : NO. 301, 303, SEC. 4, YATAN RD., DAYA DIST., TAICHUNG CITY 428, TAIWAN (R.O.C.)
大雅二廠：428 台中市大雅區延平路四段 301、303 號

SHENGANG FACTORY : NO. 3, 5, LN. 61, DAFU RD., SHENGANG DIST., TAICHUNG CITY 429, TAIWAN (R.O.C.)
神岡廠：429 台中市神岡區大富路 61 巷 3、5 號

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2023-08-15 2026-07-16

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Julien NIZRI
Managing Director of AFNOR Certification
Directeur Général d'AFNOR Certification



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ISO45001 Certificate



Certificat
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N° 2020/88315.4 Page 1 / 2

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台灣櫻花股份有限公司

for the following activities:
pour les activités suivantes :

DESIGN AND MANUFACTURE OF DISH DRYERS, KITCHEN HOODS, GAS APPLIANCES, GAS WATER HEATERS, TANK-STYLE ELECTRIC WATER HEATERS, WATER FILTERS AND ELECTRIC INSTANTANEOUS WATER HEATERS, SYSTEM KITCHENWARE.
烘碗機、除油煙機、瓦斯爐、瓦斯熱水器、儲熱式電熱水器、淨水器及瞬熱式熱水器、系統廚具之設計與製造。

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ISO 45001:2018

and is developed on the following locations:
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DAYA 1ST FACTORY : NO. 436, SEC. 4, YATAN RD., DAYA DIST., TAICHUNG CITY 42854, TAIWAN (R.O.C.)
大雅一廠：436 台中市大雅區延平路四段 436 號

List of certified locations on appendix(ices) / Liste des sites certifiés en annexe(s)

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N° 2020/88315.4 Page 2 / 2

Appendix / Annexe n° 1

Details of the activities carried out:
Détail des activités mises en œuvre :

DESIGN AND MANUFACTURE OF DISH DRYERS, KITCHEN HOODS, GAS APPLIANCES, GAS WATER HEATERS, TANK-STYLE ELECTRIC WATER HEATERS, WATER FILTERS AND ELECTRIC INSTANTANEOUS WATER HEATERS, SYSTEM KITCHENWARE.
烘碗機、除油煙機、瓦斯爐、瓦斯熱水器、儲熱式電熱水器、淨水器及瞬熱式熱水器、系統廚具之設計與製造。

Complementary list of locations within the certification scope:
Liste complémentaire des sites entrant dans le périmètre de la certification :

DAYA 2ND FACTORY : NO.301、303, SEC. 4, YATAN RD., DAYA DIST., TAICHUNG CITY 428, TAIWAN (R.O.C.)
大雅二廠：428 台中市大雅區延平路四段 301、303 號

SHENGANG FACTORY : NO.3、5, LN. 61, DAFU RD., SHENGANG DIST., TAICHUNG CITY 429, TAIWAN (R.O.C.)
神岡廠：429 台中市神岡區大富路 61 巷 3、5 號

WURI FACTORY : NO.866、868, WUFU RD., WUFENG DIST., TAICHUNG CITY 41356, TAIWAN(R.O.C.)
NO.9, FUTAI ST., WURI DIST., TAICHUNG CITY 41463, TAIWAN(R.O.C.)
烏日廠：413 台中市霧峰區五福路 866 號、868 號；414 臺中市烏日區溪埔里福源街 9 號

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ISO9001 Certificate



