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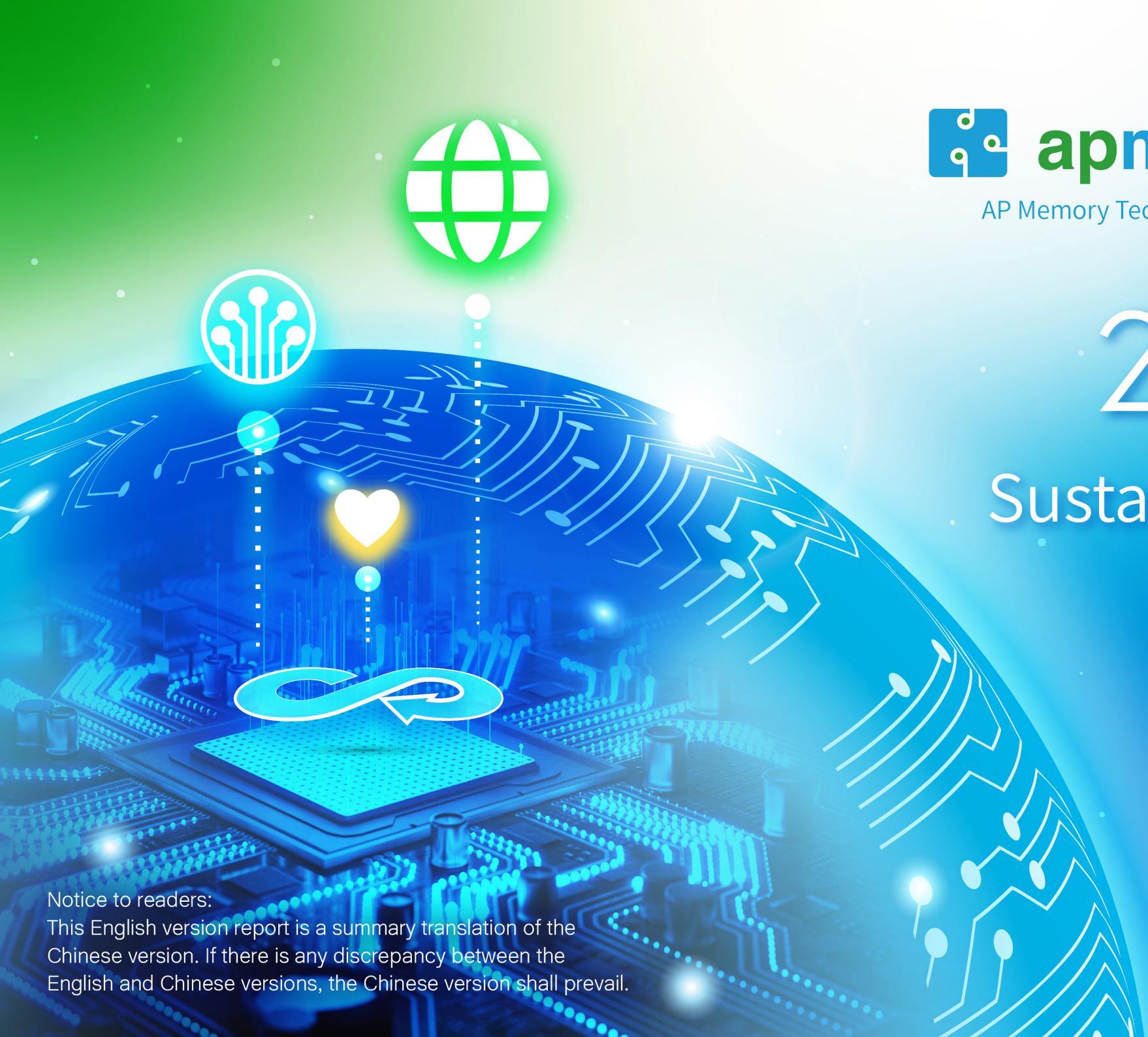
AP Memory Technology Corporation

2024 Sustainability Report



Notice to readers:
This English version report is a summary translation of the Chinese version. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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Message from the Management

Chairperson & CEO

Chen, Wen-Liang

Chairperson of the Sustainability Committee & President

Hung, Chih-Hsun

AP Memory Technology Corporation is a rising leader in corporate sustainability. We have consistently emphasized corporate governance and the rights and interests of all stakeholders, striving to achieve a balanced development between operations and ESG, while gradually aligning with the United Nations Sustainable Development Goals.

As of January 1, 2025, AP Memory officially established the 'Sustainability Committee,' which comprises four task forces: the 'Corporate Governance Task Force,' the 'Employee Rights and Social Care Task Force,' the 'Sustainable Supply Chain Task Force,' and the 'Environmental Sustainability Task Force.' These task forces assist in formulating, planning, and executing sustainability goals and initiatives, reviewing the key environmental, social, and corporate governance issues raised by stakeholders, and proposing corresponding measures to carry out sustainability strategies. This demonstrates AP Memory's strong commitment to sustainability and its intent to create greater value for stakeholders and society.

Furthermore, we continue to promote corporate, innovation, talent, and environmental sustainability to advance long-term sustainable development.

Corporate Sustainability

We are committed to strengthening our corporate governance structure and the functions of our Board of Directors. Regular internal training and advocacy on ethical business practices are conducted to ensure that all employees possess a strong awareness of business ethics. A top-down corporate governance mechanism is implemented to ensure regulatory compliance and risk management, uphold information security, and continue to enhance intellectual property protection. These efforts are aimed at ensuring stable growth in a dynamic environment and maximizing long-term corporate value.

Innovation Sustainability

At AP Memory, product customization and meeting customer needs are central to our development philosophy. Our products are characterized by power efficiency and high performance. Driven by the rise of AI and IoT applications in recent years, AP Memory offers a diverse range of memory products, earning the trust and recognition of customers. We lead in niche markets for customized memory, silicon capacitors in advanced packaging, and 3D stacking integration technologies. We continue to develop high-performance, low-power products, providing strong potential and momentum for long-term development. Beyond meeting customer requirements, we also adhere to international regulations and energy-saving trends throughout product design and manufacturing, launching energy-efficient and low-environmental-impact products to contribute to environmental sustainability.

Talent Sustainability

Employees are AP Memory's most valuable assets. In addition to offering competitive compensation and benefits, we uphold 'A Great Place to Work' as a core value. We prioritize employees' physical and mental well-being, personal growth, and are committed to fostering a safe, healthy, and harmonious work environment. Through human-centered systems that support efficient work practices, we help employees improve quality of life and maintain work-life balance. In 2024, we established a Human Rights Policy to fulfill our commitment and responsibility to human rights, aiming to ensure that every employee feels equally respected and takes joy in their work with a positive mindset.

Environmental Sustainability

All our operations comply with legal requirements. We also require our key suppliers to comply with and sign the 'Supplier Code of Conduct Commitment' to work together in reducing the environmental impact during product manufacturing. Regarding Scope 1 and Scope 2 greenhouse gas emissions, AP Memory continues to promote energy saving, carbon reduction, and waste reduction. We are also expanding the scope of our GHG inventory to include Scope 3 by identifying related activities and compiling relevant data. Scope 3 management will gradually be integrated into our internal operations, steadily advancing toward the global goal of net-zero emissions. In addition, in preparation for sustainability and climate-related financial disclosures, AP Memory has proactively assessed the gaps between its current climate management practices and the IFRS S2 'Climate-related Disclosures,' thereby gaining insights into how climate change may impact future operations and incorporating such considerations into financial planning.

This report presents a brief overview of our efforts and accomplishments over the past year. Looking ahead, AP Memory will continue to invest more effort and resources into fulfilling its corporate social responsibility and achieving sustainable development.

2024 Sustainability Highlights

Corporate Governance

Multi-layer stacking technology for AI products enables multiple memory wafers to be stacked on a single logic wafer

Launched the ultra-low-power ApSRAM™ product tailored for wearable devices, and expanded into the ultra-high-frequency RFID chip tag market

29%
Accumulated 31 patents, a 29% increase compared to 2023

5%
R&D investment reached NT$780 million, a 34% increase compared to 2023; R&D expenses accounted for 19% of revenue, up 5 percentage points from 2023

Board of Directors meeting attendance rate: 100%; Audit Committee meeting attendance rate: 100%; Compensation Committee meeting attendance rate: 100%

29%
Female board members accounted for 29%

Environmental Sustainability

Completed identification of all Scope 3 categories and began planning for integration into internal management processes

Initiated IFRS S2 climate-related disclosure review and management

Completed voluntary GHG inventory at operational sites in Taiwan and China

46hr
46 hours of ESG training for board directors

43%
Independent Directors accounted for 43%

Social Sustainability

Established a Human Rights Policy and comprehensive management mechanisms; 100% completion rate for employee training

Introduced on-site health services to provide more professional healthcare for employees.

35.50hr
Continued focus on leadership and professional development across all levels; average training hours per employee: 35.50 hours annually.

2024 Sustainability Goals

Corporate Governance

Category	Topic	2024 Sustainability Goals		2024 Goal Achievement
Corporate Governance	Corporate Governance	Initiate the Sustainability Task Force as preparation for establishing a formal sustainability-related committee	✓	The Sustainability Committee was officially established in early 2025
		Complete the evaluation of the linkage mechanism between ESG performance and senior executive compensation	✓	ESG performance outcomes in 2025 have been linked to the annual performance targets of senior executives
	Business Ethics	Implement integrity and ethics training for all employees	✓	Training was completed during the company-wide meeting
		Establish formal policies on 'anti-discrimination' and 'environment, health, and safety (EHS)' and integrate them with existing management procedures	✓	Policies related to 'anti-discrimination' and 'environment, health, and safety' have been established and published on the company' s internal website
	Risk Management	Establish a mechanism for identifying emerging risks and complete risk awareness training	✓	Completed the identification of emerging risks and relevant training
	Tax Transparency	Formulate a tax policy and commit to adhering to the arm' s length principle in transactions	✓	Relevant tax policies have been formulated and implemented throughout the year
	Information Security Management	Establish an information security incident reporting mechanism	✓	The information security incident reporting mechanism was officially implemented
		Set quantitative targets and metrics for emerging cybersecurity risk management	✓	Number of business disruptions caused by cyberattacks: 0 IT system availability reached 99%
	Product Innovation	Complete validation of low-power IoT DRAM	✓	Validation of low-power IoT DRAM completed
		Complete mass production of 1.2V IoT pseudo SRAM	✓	Mass production of 1.2V IoT pseudo SRAM completed
		Complete mass production of next-generation silicon capacitor products	✓	Mass production of next-generation silicon capacitors completed
		Establish AI RAM product line with continuous energy reduction targets	✓	Energy efficiency targets for next-generation VHM ™ products: - DRAM power consumption target: < 0.3 pJ/bit - Customer system power consumption target: < 0.3 W/MH
	Product Quality	Set yield targets for new and mature products	✓	Yield targets have been defined for all product categories Implemented real-time yield monitoring and periodic reviews of target achievement, along with improvement actions For silicon capacitor products, the customer-side defect rate target is set at 0 ppm (medium-to-long-term goal)
	Supply Chain Management	Finalize the Supplier Code of Conduct (including human rights, labor, safety, environment, and business ethics) and Supplier Code of Conduct Commitment	✓	A code of conduct for suppliers has been established, and key suppliers in particular are required to sign and comply with it 100%.
		Establish a mechanism for identifying and selecting key suppliers	✓	Key supplier selection mechanism has been established
		Achieve 100% sourcing of materials from qualified responsible mineral smelters	✓	100% of raw materials used in company products were sourced from qualified responsible mineral smelters

Category	Topic	2024 Sustainability Goals	2024 Goal Achievement
Environmental Sustainability	Climate Governance	■ Establish a climate change governance mechanism and complete the risk assessment process	✓ ■ Completed the establishment of the climate change management mechanism and risk assessment
	Greenhouse Gas Management	■ Expand the Scope 1 and 2 GHG inventory coverage	✓ ■ Completed Scope 1 and 2 GHG inventories for the Hsinchu Headquarters in Taiwan and the Hangzhou Branch in China
		■ Formulate a Scope 3 inventory plan	✓ ■ Collected necessary activity data for all Scope 3 categories, planned integration into internal management processes, and set a roadmap to complete Scope 3 inventory categories year by year
	Energy Management	■ Plan for renewable energy procurement	✓ ■ Signed a green energy procurement agreement (targeting 5% green electricity usage in 2025)
Social Sustainability	Talent Development	■ Link employee development programs with training effectiveness management, and establish evaluation indicators	✓ ■ The annual training plan included performance evaluation for L1 to L3 level courses: - Level 1: Reaction – 100% completion - Level 2: Learning – 100% completion for compliance-related courses - Level 3: Behavior – Two leadership training programs were selected for pre- and post-training behavioral evaluations
	Labor Practices Indicators	■ Complete the declaration, policy formulation, promotion, and training on anti-discrimination and anti-harassment	✓ ■ Completed policy formulation, public announcement, and employee training
	Human Rights Management	■ Complete the formulation, promotion, and training of the Human Rights Policy	✓ ■ Completed policy formulation, public announcement, and employee training

Note : For details on the sustainability goal management mechanism, please refer to Section 2-3: Sustainability Issue Management Policy.

About This Report

AP Memory Technology Corporation (hereinafter referred to as 'AP Memory,' 'the Company,' or 'we') presents the 2024 Sustainability Report (hereinafter referred to as 'this Report') with the following information:

Contact Information

If you have any questions about this Report or wish to provide feedback to AP Memory Technology Corporation, please feel free to contact us through the following channels:

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Disclosure Framework

This Report is prepared in accordance with the following standards

1. GRI Sustainability Reporting Standards 2021 Edition (GRI Standards 2021)
2. AA1000 AccountAbility Principles (AA1000AP-2018)
3. Sustainability Accounting Standards Board (SASB) Standards for the Semiconductors industry under the Technology and Communications sector

Scope of Disclosure

Time Scope

This Report is published annually, with the first edition issued in September 2022.
This edition covers the reporting period from January 1, 2024 to December 31, 2024.

The previous Chinese edition was issued in	August 2024
The latest Chinese edition is issued in	August 2025

Organizational Scope

The disclosure scope covers AP Memory (the parent company) and all entities included in the consolidated financial statements, including subsidiaries in Hsinchu, Taiwan; Hangzhou, China; and Portland, USA. The overall performance is reported in the economic, social, and environmental aspects, with Hsinchu and Hangzhou as the primary operational sites for data disclosure.
If the performance data for all operational sites is not fully disclosed, such cases are explained in footnotes and further detailed in 'Appendix 8-7: Scope of Data Disclosure.'

Disclosure Statement

Financial Performance

Financial data is based on audited financial statements verified by the CPA firm Deloitte Taiwan. All financial figures are reported in New Taiwan Dollars (NTD).

Non-Financial Performance

Other data in the report is compiled by the report disclosure task force based on internal statistics over the past 1 to 4 years. Values are expressed using commonly accepted numerical formats and rounded according to standard practices.

Management Approach

All data and content disclosed in this Report are provided by responsible departments. The report disclosure task force consolidates and compiles the report, which is reviewed by department heads and the Sustainability Committee before being submitted to the Board of Directors for approval. Once approved, the report is publicly disclosed on AP Memory' s official website and the website designated by regulatory authorities.

AP Memory

Leading Industry Development

1

1.1 Company Overview
1.2 Product Overview
1.3 Operational Overview
1.4 Social Impact

1.1 Company Overview

About AP Memory

AP Memory Technology Corporation was founded in 2011, launched an initial public offering of common shares in April 2015, and was officially listed on the Taiwan Stock Exchange on May 31, 2016. Headquartered in Hsinchu County, Taiwan, the Company also has R&D and sales offices in the United States and Mainland China.

AP Memory is a global leader in customized non-standard memory chip design, specializing in the development, design, licensing, and sales of customized memory chip products and related technologies. Leveraging the extensive expertise of its R&D team, the Company has built strong technical capabilities and remains customer-centric, providing a wide range of customized memory-related products and design services.

2021
Pioneered VHM™ technology — the world's first true 3D stacked heterogeneous integration of DRAM and logic chips

2022
Launched next-generation ultra-high-speed (UHS) and ultra-low-power (ULS) PSRAM products

2023
Expanded product portfolio to include S-SiCap™ (silicon capacitor-related products and IP licensing services)

2024
Released ApSRAM™, a new ultra-low-power product custom-designed for wearable devices, and expanded into the ultra-high-frequency RFID chip tag market

→ For more information on AP Memory's company profile and corporate history, please visit the Company's official website.

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Company Name	AP Memory Technology Corporation
Stock Code	6531
Chairperson	Chen, Wen-Liang
Established	August 2011
Listed	May 2016
Headquarters	10F.-1, No.1, Taiyuan 1st St., Zhubei City, Hsinchu County
Operating Sites	Hsinchu, Taiwan; Portland, USA; Hangzhou, Mainland China
Service Markets	Asia, Europe, and the Americas
Products & Services	Development, design, licensing, and sales of customized memory chip products and technologies, including: ● IoT random access memory (IoTRAM ™) ● AI-related memory products (VHM ™), including design and licensing services ● Silicon capacitor-related products and IP licensing (S-SiCap ™)
Paid-in Capital	NT$810 million (as of the end of 2024)
Number of Employees	233 (as of the end of 2024)
Revenue Scale	NT$4.19 billion (fiscal year 2024)
Membership in Industry Associations(Note)	● Taiwan Semiconductor Industry Association ● Taiwan Advanced Automotive Technology Development Association (TADA) ● JEDEC Solid State Technology Association ● UCIe (Universal Chiplet Interconnect Express) ● Hsinchu Human Resources Management Association (HCHRMA)

Note : All memberships are general memberships.

Business Philosophy

Vision and Mission

AP Memory is dedicated to the pursuit of comprehensive chip design technologies and high-quality execution capabilities. With a customer-centric approach, we aim to become the world' s leading provider of memory solutions. We continuously strive for excellence in product quality, actively invest in the development of new application domains, and focus on differentiated product specifications to capture emerging market opportunities in future memory applications.

Core Values

Focus on Customers

- Focus on fulfilling customer needs.
- Maintain a customer-driven mindset.
- Exceed customer expectations with win-win mentality.

Drive for Results

- Strive for excellence through teamwork.
- Be results-oriented and do the right thing right.

Dare to Innovate

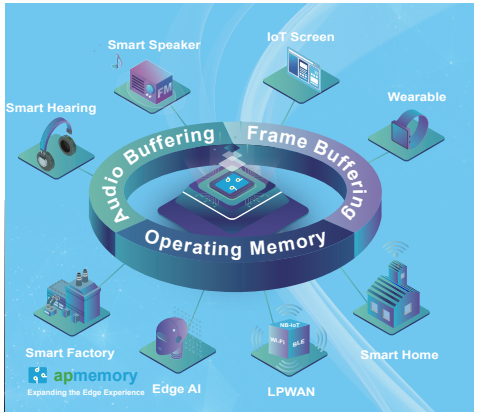
- Embrace change, reject stagnation.
- Innovate & think outside the box.
- Seek continuous improvement.

A Great Place to Work

- Encourage respect, positivity and collaboration.
- Nurture productivity and creativity through a flexible work culture.

1.2 Product Overview

Products and Services



AP Memory has always excelled through innovation and customization, striving to deliver optimized memory solutions tailored to customer needs. The Company operates under two main business divisions: the IoT Business Unit and the AI Business Unit, and has established three major product lines: IoT Random Access Memory (IoTRAM ™), AI-related memory products (VHM ™), and stacked silicon capacitor products (S-SiCap ™). With the rapid rise of generative AI, conventional memory architectures are increasingly unable to meet evolving system demands. In response, AP Memory has focused on developing customized memory and silicon capacitor products, breaking through current memory limitations through innovative architectures. By leveraging heterogeneous integration technology with silicon capacitors, the Company enhances overall system performance, becoming a vital enabler of next-generation technology applications.

Silicon capacitors are integrated passive components characterized by their advanced stacked structure, which allows for high capacitance density while maintaining a thinner form factor. These capacitors offer excellent temperature and voltage stability, making them ideal for high-end smartphones and high-performance computing chips. AP Memory' s S-SiCap ™ technology is adaptable to a wide range of product types and, when combined with advanced packaging processes, can provide diversified and flexible solutions.

◎ IoT Business Unit

AP Memory' s IoTRAM ™ offers customers a series of high cost-performance, low-pin-count, and low-power memory products. After years of dedicated cultivation in the customized memory market, the Company has established itself as an industry leader in the IoT sector, maintaining the No.1 global market share. With the booming development of emerging applications such as 5G and IoT, AP Memory has fully capitalized on market opportunities by expanding its product lines—including Pseudo Static RAM (PSRAM) and Low-Power DRAM—into wearable devices, smart connectivity, and AIoT applications. The Company is fully committed to exploring new markets, applications, and customers.

Application Areas	Products	Features	Description
Connectivity	PSRAM and Low-Power DRAM	Compact size Low power consumption Low pin count High data transfer rate	- For cellular networks such as 4G/5G modems, Wi-Fi, Bluetooth, and GNSS (Global Navigation Satellite System), the small-capacity and low-power features of PSRAM are ideal for data buffering.
Wearable			- Battery-powered wearable devices such as smart bands, smartwatches, and AR/VR equipment have stringent size and power requirements. AP Memory' s PSRAM holds a leading market share in this field.
Display			- Compared to traditional DRAM, PSRAM offers lower pin count, which simplifies the design of timing controllers (TCON) within display panels.
Embedded in Substrate & Landside Capacitors	Stacked Silicon Capacitor (S-SiCap ™)	High capacitance density	- Silicon capacitors are integrated passive components. With an advanced stacked structure, they achieve high capacitance density while maintaining a thinner profile, along with excellent temperature and voltage stability. These properties make them well-suited for high-end smartphones and high-performance computing chips. - S-SiCap ™ technology is adaptable to various product types and, when integrated with advanced packaging processes, can provide a wide range of customized solutions.

◎ AI Business Unit

AP Memory's AI Business Unit achieved the world's first 3D heterogeneous integration of DRAM and logic chips. In 2021, it began mass production and shipment of its heterogeneous integration high-bandwidth memory product, VHM ™. By combining mature logic processes with VHM ™, the Company delivers computing performance that surpasses even the most advanced GPUs, showcasing the potential of 3D IC technology.

Application Areas	Products	Features	Description
AI	VHM ™	Ultra-high bandwidth High capacity Low power consumption High performance	- VHM ™ stacks memory directly on top of the SoC, offering customers a high-bandwidth, low-power memory solution. Compared to other solutions in the market, AP Memory's products deliver a superior performance-to-power ratio.
	VHMStack ™		- The multi-layered VHM ™ stacking technology, known as VHMStack ™, is currently recognized as the most efficient and cost-effective memory solution for large language model (LLM) inference applications. It has been adopted and further developed by customers. - Multi-layer stacking capability: By 2024, one logic wafer can support the stacking of multiple memory wafers.
	S-SiCap ™ for Interposer Application	Excellent signal and power stability	- The Si-SiCap ™ Interposer uses stacked capacitor technology derived from DRAM manufacturing to embed large-capacitance capacitors in the interposer, enhancing signal and power integrity for high-speed transmissions. This is critical for high-speed I/O (HSIO) applications such as Die-to-Die, SerDes, and HBM, and has already been adopted and validated by customers in AI application projects. - 4-mask alignment exposure: AP Memory currently supports combining four different photomask patterns via alignment exposure, increasing the interposer die size to accommodate more chiplet ICs.
	VHMInterposer ™	Excellent signal and power stability Enables high-bandwidth, low-power memory performance	- Combines stacked capacitor technology with DRAM to deliver high-capacity, high-bandwidth DRAM memory while enhancing signal and power integrity for the SoC host chip.
AR/VR	Cachelet ™	Complies with LPDDR4 data rate standards and features ultra-low power consumption (<2pJ/bit)	- Cachelet ™ is a modular DRAM memory product designed specifically for last-level cache (LLC) applications. It offers high bandwidth, sufficient memory density, and competitive performance, and is well-suited for niche applications such as AR/VR and servers.

Note : For more information about AP Memory's product offerings and development strategies, please refer to the Company's official website, annual report, and past ESG reports.

SASB Operational Activity Metrics

SASB Code	Metric Description	2021	2022	2023	2024
TC-SC-000.A	Total production volume (Unit: thousands of units)	1,128,242	499,434	727,039	838,250
TC-SC-000.B	Percentage of production from owned facilities[note]	0	0	0	0

Note : AP Memory is a fabless memory chip R&D and design company without large-scale in-house manufacturing facilities. The Company focuses on chip design and sales and does not engage in the manufacturing stage. Therefore, the metric data is reported as 0.

1.3 Operational Overview

Financial Performance

Historical Revenue and Profit/Loss

Unit: In thousands of NTD

Item	2021	2022	2023	2024
Revenue	6,617,215	5,094,775	4,226,907	4,192,378
- Cost of Revenue	3,591,607	2,873,381	2,471,901	2,046,805
Gross Profir	3,025,608	2,221,394	1,755,006	2,145,573
- Operation Exp.	655,451	720,874	902,225	1,082,483
Selling and Marketing Exp.	115,405	126,823	124,811	107,947
Geneat and Admin Exp.	181,544	132,623	164,854	193,319
Research and Development Exp.	359,104	462,066	583,627	780,593
Others	(602)	(638)	28,933	624
Profit from Operations	2,370,157	1,500,520	852,781	1,063,090
Non-Operation Income and Exp.	144,109	948,763	766,200	969,785
Income before Income Tax	2,514,266	2,449,283	1,618,981	2,032,875
- Income Tax Exp.	488,809	507,587	174,011	454,643
Net Income	2,025,457	1,941,696	1,444,970	1,578,232
Other Comprehensive Income	(1,314)	4,265	107	8,527
Total Comprehensive Income	2,024,143	1,945,961	1,445,077	1,586,759
Earnings Per Share	13.67	12.09	8.93	9.73

GRI-Related Disclosure

Unit: In thousands of NTD

Item	2021	2022	2023	2024
Employee Salaries and Benefit	530,110	473,014	568,733	658,488
Interest and Dividend Expenses	368,183	874,667	783,067	740,001

Government Subsidy Information

Unit: In thousands of NTD

Item	2021	2022	2023	2024
Tax Exemptions and Deductions	23,529	39,368	44,738	42,179

Sales and R&D activities at AP Memory are organized under two main business units: the IoT Business Unit and the AI Business Unit, each responsible for specific product categories.

The IoT Business Unit focuses primarily on IoT Random Access Memory (IoTRAM ™), applied in areas such as cellular networks (4G/5G modems), Wi-Fi, Bluetooth, wearable devices, and video/audio applications. In recent years, the product portfolio has expanded to include silicon capacitor products (S-SiCap ™), sold as discrete Known Good Die (KGD) components, suitable for integration into substrate packaging of HPC products.

While sales of various IoTRAM ™ products fluctuate according to trends in the IoT industry, applications in IoT wearables—such as smart bands, smartwatches, and AR glasses—continue to demonstrate strong growth potential. In response, AP Memory has developed a next-generation product, ApSRAM ™ , which offers optimized solutions for these applications. As HPC system performance continues to improve, SI/PI (Signal/Power Integrity) challenges also increase. AP Memory's long-standing efforts in silicon capacitor technology allow it to deliver higher capacitance density, stabilizing power supply and signal quality. The embedded substrate S-SiCap ™ product is expected to enter mass production by the end of 2025, laying the foundation for next-generation advanced packaging applications.

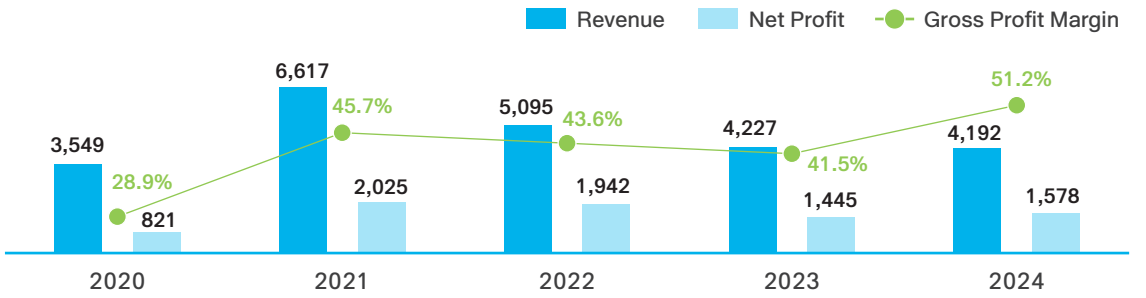
The AI Business Unit centers on AI-related memory products, primarily VHM ™ and S-SiCap ™ Interposers, offering IP licensing, 3D-stacked DRAM, and S-SiCap ™ interposer wafer sales. VHM ™ is the business unit's core focus, providing customers with high-bandwidth, low-power solutions. In addition to applications in cryptocurrency, VHM ™ has made significant progress in Design-In projects for AI accelerators, signaling its transition into mainstream applications. Another key development area is multi-layer VHM ™ , also known as VHMStack ™ . Several proof-of-concept (PoC) projects are progressing well and are transitioning into Design-In stages for actual products, positioning VHMStack ™ as a future highlight in AP Memory's portfolio.

In summary, the newly launched ApSRAM ™ product under the IoTRAM ™ line received strong market feedback in 2024. The VHM ™ product line not only continued advancing existing projects from PoC to product prototype stages, but the S-SiCap ™ line also reached a significant milestone by achieving volume production for interposer applications.

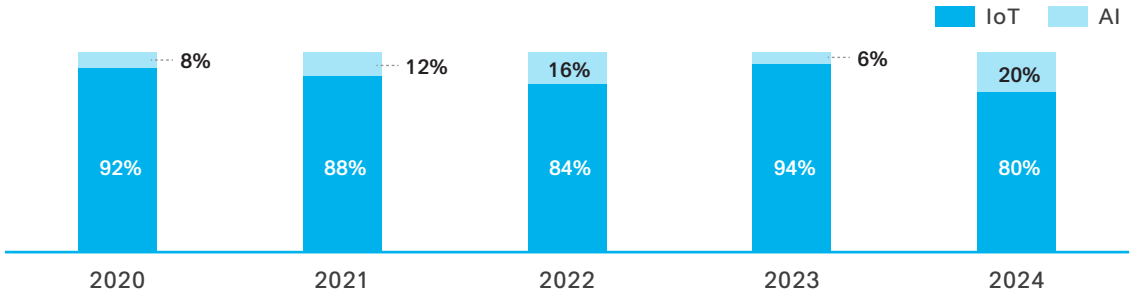
For the full year of 2024, AP Memory reported total revenue of NT$4.192 billion, representing a slight 1% decrease year-over-year. Gross profit reached NT$2.146 billion, with a gross margin of 51.2%, up 9 percentage points year-over-year, driven by changes in the product mix. Operating income for the year was NT$1.063 billion, an increase of 25%. Pre-tax income was NT$2.033 billion, up 26%, and net income after tax totaled NT$1.578 billion, a 9% increase from the previous year. Earnings per share (EPS) for 2024 was NT$9.73, compared to NT$8.93 in 2023, reflecting a 9% year-over-year increase.

Revenue, Net Profit, and Gross Profit Margin

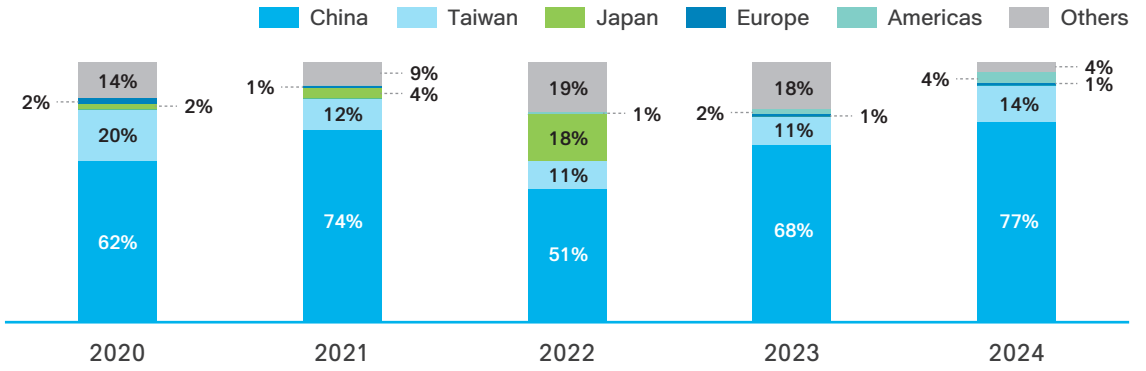
Unit: in millions of NTD



Revenue Share by Business Unit



Revenue Share by Region



Dividend Policy

In accordance with its Articles of Incorporation, AP Memory's earnings distribution is proposed by the Board of Directors. If the Company records a profit at the end of the fiscal year, it shall first offset any accumulated losses from previous years. Next, 10% of the profit shall be allocated to the legal reserve (this requirement does not apply once the legal reserve equals the Company's total paid-in capital). Any remaining earnings, after making provisions or reversals for special reserves as required by law or regulatory authorities, shall be added to undistributed retained earnings from prior years. The Board of Directors shall then draft an earnings distribution proposal. If the proposed distribution includes the issuance of new shares, the proposal must be submitted to the shareholders' meeting for approval. AP Memory operates in a growth-phase industry. In consideration of future capital needs and long-term financial planning, and under the condition that the Articles of Incorporation are not violated, the amount of dividend distribution primarily considers: (1) 50% of the net income for the year, and (2) an amount higher than the previous year's dividend payout. Dividends may be distributed in the form of cash or stock, with cash dividends accounting for no less than 20% of the total dividends distributed to shareholders. The above dividend distribution ratio may be adjusted by resolution of the Board of Directors based on the Company's actual profitability and capital condition in the given year.

Recent Dividend Distribution

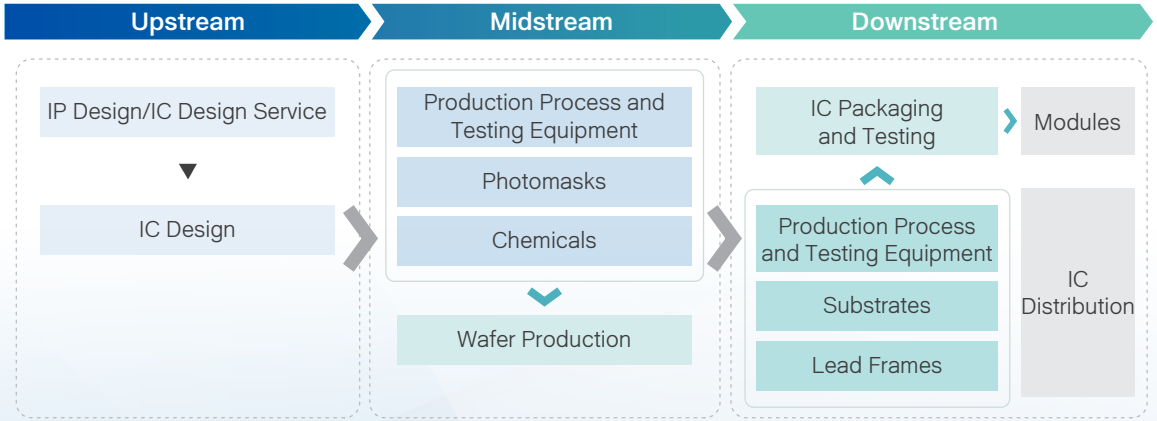
Year	2021	2022	2023	2024
Cash Dividend (Earnings Distribution)	$5.996	$6.997	$6.998	$6.993
Par Value per Common Share	$5	$5	$5	$5

Role in the Industry Value Chain

The IC design industry occupies the most upstream position in the semiconductor value chain, followed by midstream and downstream sectors such as wafer foundries and fabrication, packaging, and testing. Unlike vertically integrated global semiconductor giants that manage design, manufacturing, packaging, and testing in-house, Taiwan's IC industry operates under a horizontal division of labor. In this model, each stage of production is handled by specialized companies, each with its own area of expertise.

AP Memory is a memory IC design company. Before reaching the final product stage, its designs are fabricated into wafer-level semi-products by professional wafer foundries. These wafers undergo front-end testing before being sent to specialized packaging companies for dicing and packaging. Final back-end testing is then conducted by dedicated testing service providers. Finished products are subsequently sold through sales channels to system manufacturers, who assemble them into complete system products.

As an upstream player in the semiconductor value chain, AP Memory's supply chain partners include wafer foundries, wafer testing companies, IC packaging and testing service providers, photomask manufacturers, probe card suppliers, and test equipment vendors. The Company maintains long-term and close collaboration with its partners to deliver the highest quality products and services to customers. Compared with the previous reporting period, there were no significant changes in AP Memory's organizational activities, products, services, service markets, supply chain, or downstream operations.



1.4 Social Impact

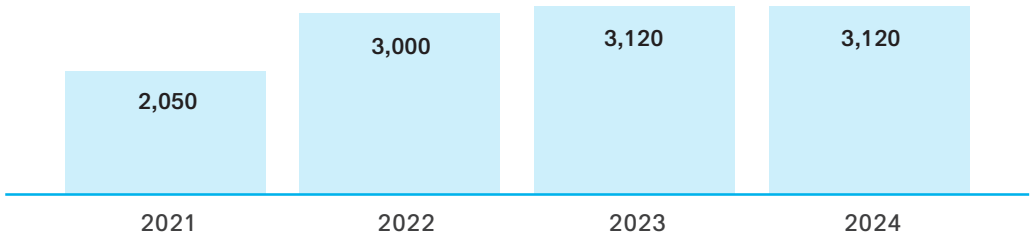
In memory of Professor Dr. Tso-Ping Ma, who served as an Independent Director of AP Memory and made significant contributions to the semiconductor industry while mentoring younger generations, AP Memory Technology Corporation, in collaboration with Taiwan Semiconductor Manufacturing Company (TSMC) and other industry leaders, jointly established the 'Dr. Tso-Ping Ma Future Innovation Leadership Fellowship' at the Department of Electrical Engineering, National Taiwan University, starting in 2022. The fellowship aims to encourage aspiring talents to innovate boldly and lead technological advancement, continuing Dr. Ma's legacy of innovation in scientific research. Since its establishment, two awarded proposals have exemplified the fellowship's mission and vision: one on 'AI Computing for AR/VR' and another on 'Research and Application of Large Language Models.'

In addition, since 2023, AP Memory has sponsored an annual scholarship of NT$120,000 to support students from the Department of Special Education at National Tsing Hua University. This initiative supports the 'Special Education Scholarship and Disability Service Matching Program,' which not only enhances the integration of theory and practice for students in special education, but also helps nurture high-quality future professionals in the field. The program also contributes to creating positive and inclusive environments for children with disabilities, enabling them to reach their full potential. National Tsing Hua University is located in Hsinchu City, which is within the same local community as AP Memory's headquarters and is also one of our important sources of talent.

Through donations, talent cultivation programs, and educational partnerships, AP Memory continues to allocate resources to support local education and disadvantaged groups. We are committed to taking concrete actions to foster positive community development and deepen our connection and identity with the region where we operate.

Donation

Unit: in thousands of NTD



Response

Identifying Sustainability Impacts

2

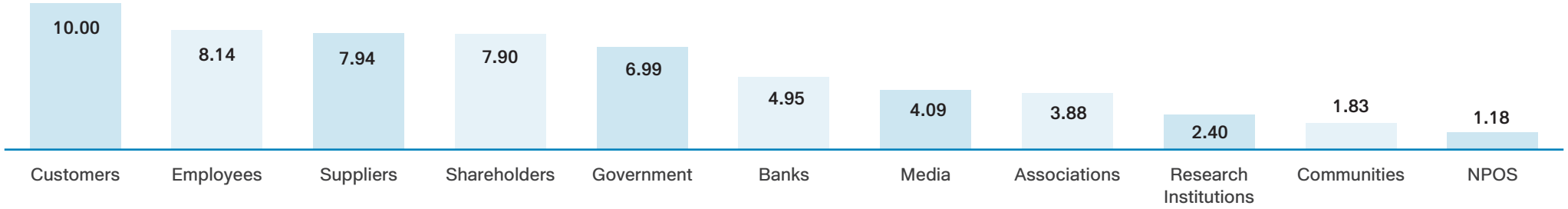
2.1 Identification and Engagement of Key Stakeholders
2.2 Materiality Assessment and Analysis
2.3 Sustainability Issue Management Policy

2.1 Identification and Engagement of Key Stakeholders

AP Memory identifies key stakeholders with reference to the five core criteria of the AA1000 Stakeholder Engagement Standard (SES): Responsibility, Influence, Tension, Diverse Perspectives, and Dependency. The Company confirmed that there were no significant changes in its operational structure or stakeholder landscape in 2024 and has therefore continued using its previously established stakeholder identification results. The Company' s key stakeholders remain categorized into four groups: customers, employees, suppliers, and shareholders.

Results of Key Stakeholder Identification

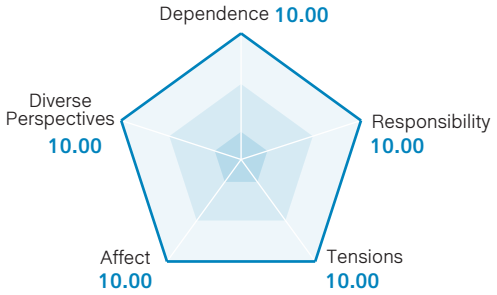
Comprehensive Stakeholder Identification Results



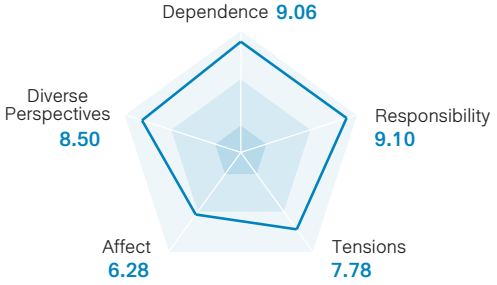
Note : The vertical axis represents the relative importance of each stakeholder group based on a statistical aggregation of evaluations by relevant department heads across the five criteria.

Evaluation Results Based on the Five AA1000 Stakeholder Dimensions

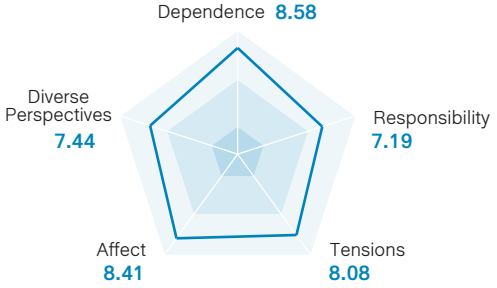
Customers



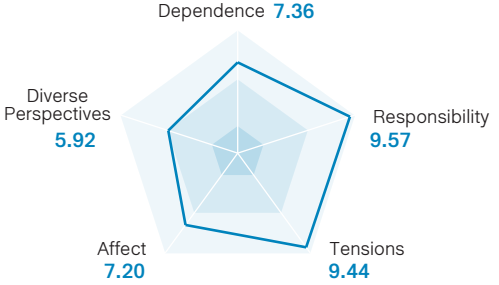
Employees



Suppliers



Shareholders

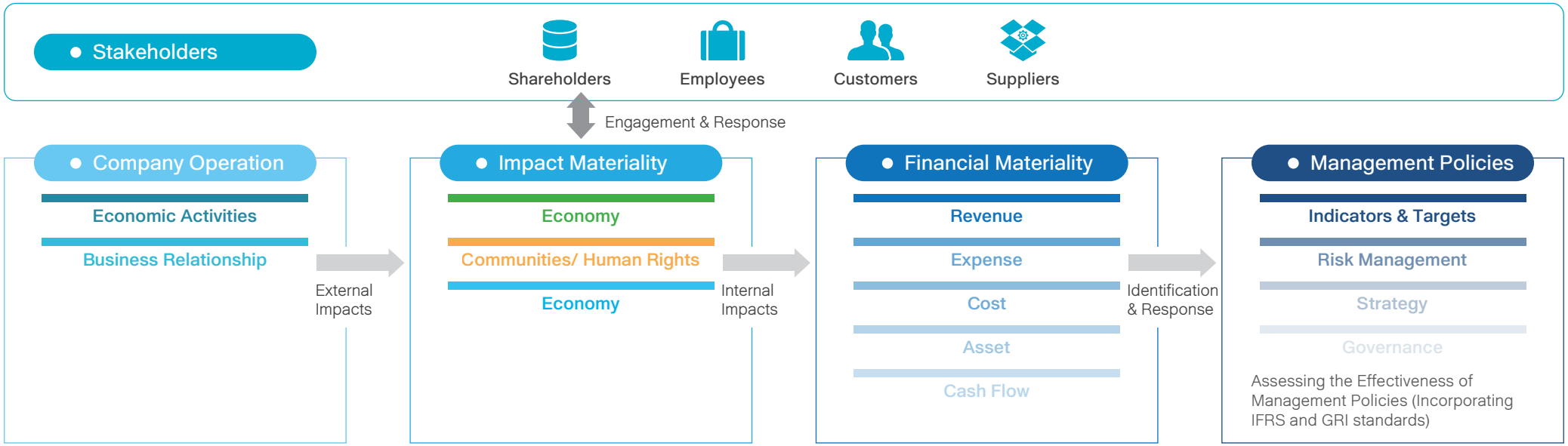


Stakeholder Engagement Summary

Stakeholder Type	Customers	Employees	Suppliers	Shareholders
Relevance to AP Memory	Key stakeholders focused on AP Memory' s product quality, services, business operations, legal compliance, and environmental stewardship	Human capital is essential for AP Memory' s ongoing innovation and sustainable growth	Business partners that collaborate with AP Memory to enhance product quality and sustainability, while jointly addressing environmental and social challenges	Provide AP Memory with key financial resources and focus on its financial performance and ESG progress
Responsible Department	AI Business Unit, IoT Business Unit	Administration Center	Operations Center	Corporate Governance and Finance Center
Key Topics of Concern	- Product Quality - Business Ethics - Information Security	- Talent Development - Product Quality - Talent Attraction and Retention	- Sustainable Supply Chain - Energy Management - Occupational Health and Safety	- Product Quality - Financial Performance - Talent Attraction and Retention
Engagement Method / Frequency / Outcome	- Customer Communication Meetings / Irregular (multiple times) - Customer Audits / Regular & Irregular (2 – 10 times) - Customer Satisfaction Survey / Annually (1 time) - Quality Meetings and Complaint Handling / Irregular (multiple times)	- Labor-Management Meetings / Quarterly (4 times) - Company-wide Staff Meetings / Quarterly (4 times) - Internal Announcements / Irregular (78 announcements in total)	- Supplier Assessments / Annually (1 time)	- Annual Shareholders' Meeting / Annually (1 time) - Financial Reports / Quarterly (4 times) - Investor Conference Calls / Quarterly (4 times)

2.2 Materiality Assessment and Analysis

AP Memory conducts an annual sustainability impact assessment to develop sustainability strategies and action plans for high-impact issues and sets short-, medium-, and long-term goals for key topics. In 2023, with the official release of the IFRS Sustainability Disclosure Standards and the European Sustainability Reporting Standards (ESRS), AP Memory adopted the GRI 3: Material Topics 2021 as its foundation. In parallel, the Company also referred to the guidance on sustainability impacts from IFRS and ESRS and applied the principle of Double Materiality, integrating both Impact Materiality and Financial Materiality into its assessment. Using a five-step materiality identification process, AP Memory evaluated the sustainability impacts of its business operations across social, environmental, and human (including human rights) dimensions (external impacts), as well as the financial implications (internal impacts) that arise from the need to manage these external effects. By weighing both external and internal impacts, the Company determined its sustainability impact analysis outcomes, which serve as the basis for identifying and prioritizing material sustainability topics for reporting.



Based on the Company' s business activities, stakeholder context, and commercial relationships, AP Memory identified relevant sustainability topics with reference to global sustainability reporting standards such as GRI, SASB, and TCFD, as well as international sustainability assessment frameworks. Relevant departments assessed each topic' s actual or potential, positive or negative impact on the economy, environment, and people (including human rights) within the context of business operations and relationships. The degree of impact on AP Memory' s operations was also quantified. These findings were discussed, ranked by importance, and used to confirm material sustainability issues, which were then prioritized for disclosure of related targets and management performance.

Sustainability Impact Assessment Process

Understanding Organizational Context

- Identify the concerns and potential impacts related to four categories of key stakeholders
- Analyze potential impacts arising from economic activities and upstream/downstream business relationships within the value chain
- Map potential impacts to 21 sustainability topics

01

Identifying External Impacts (Impact Materiality)

- Based on ongoing stakeholder engagement, each responsible department assesses the actual or potential, positive or negative impacts of relevant topics. Under the current management context, the significance of impacts on the upstream and downstream supply chain, environment, and society (i.e., outward impacts) across the 21 sustainability topics is identified.
- Impact Materiality Assessment Methodology:
  - Negative impact materiality: Severity (scale, scope, remediability) × Likelihood
  - Positive impact materiality: Degree of benefit (scale, scope) × Likelihood

02

Identifying Internal Impacts (Financial Materiality)

- Financial materiality is assessed based on the identified impact materiality of the 21 sustainability topics. Each responsible department further evaluates the short-, medium-, and long-term financial implications of those external impacts on the Company' s operations. The level of impact is measured in reference to commonly used financial statement materiality principles. The assessment considers the relevance of various financial indicators to AP Memory' s value, using 2023 revenue as the baseline for evaluating financial materiality.
- The assessment incorporates IFRS sustainability disclosure standards, SASB Semiconductor industry-specific topics, and any other issues with comparable or greater financial implications, ensuring a comprehensive understanding of sustainability-related risks and opportunities.
- Financial Materiality Assessment Methodology:
  - Financial materiality: Operational impact severity × Likelihood

Note : Financial impacts include effects on revenue, costs, expenses, cash flow, financing, and other items relevant to financial statements.

03

Prioritizing Topic Significance

- Aggregate the results of both impact materiality and financial materiality assessments for each topic. Rank the significance of positive and negative impacts respectively, and confirm the final materiality ranking through alignment with responsible departments based on AP Memory' s future business strategies.
- Assess SASB industry-specific disclosure topics; if certain topics do not result in significant impacts under current management conditions, they are still classified as secondary topics for continued monitoring and disclosure as needed.
- Consider the principle of double materiality comprehensively. After discussion with relevant departments, a total of seven material topics were confirmed for disclosure in the sustainability report.

04

Determining Material Topics

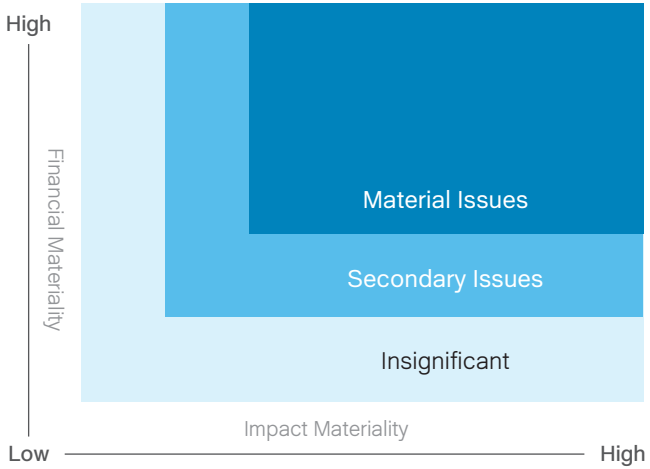
- Following discussion among responsible departments, finalize and confirm the seven priority material topics for disclosure
- Align each topic with GRI-related disclosures (covering 6 GRI standard topics and 2 organization-defined topics)
- Align with SASB Semiconductor industry-specific standards under the Technology and Communications sector

05

Identification of Priority Material Topics for Disclosure

Based on the results of the double materiality impact analysis, a total of 7 negatively material and 6 positively material sustainability topics were identified, along with 7 secondary negative and 1 secondary positive topics classified for ongoing monitoring. After comprehensive discussion and evaluation by relevant responsible departments, the seven topics recognized as having significant negative impacts—namely, sustainable supply chain, quality management, product responsibility, innovation management, talent attraction and retention, energy management, and information security—have been designated as priority issues for disclosure in this Report, with a focus on their management approaches and implementation outcomes.

The double materiality approach continues to be applied in this year's assessment. Compared with the previous reporting period, the list of negatively material topics remains unchanged. In 2024, Product Responsibility was newly added to the list of positively material topics, while Social Impact was reclassified as a secondary positive topic.



Rank	Impact Materiality		Financial Materiality		Double Materiality	
	Positive	Negative	Positive	Negative	Positive	Negative
1	Economic Impact	Sustainable Supply Chain	Economic Impact	Sustainable Supply Chain	Economic Impact	Sustainable Supply Chain
2	Human Capital Development	Product Responsibility	Innovation Management	Quality Management	Innovation Management	Quality Management
3	Innovation Management	Innovation Management	Climate Strategy	Innovation Management	Climate Strategy	Product Responsibility
4	Climate Strategy	Quality Management	Product Responsibility	Ethical Corporate Management	Product Responsibility	Innovation Management
5	Product Responsibility	Energy Management	Social Impact	Product Responsibility	Human Capital Development	Talent Attraction and Retention
6	Talent Attraction and Retention	Talent Attraction and Retention	Human Capital Development	Talent Attraction and Retention	Talent Attraction and Retention	Energy Management
7	Social Impact	Cybersecurity	Talent Attraction and Retention	Cybersecurity	Social Impact	Cybersecurity
8		Climate Strategy		Economic Impact		Climate Strategy
9		Diversity and Inclusion		Waste Management		Ethical Corporate Management
10		Water Resource Management		Occupational Health and Safety		Waste Management
11		Waste Management		Energy Management		Economic Impact
12		Economic Impact		Biodiversity		Water Resource Management
13		Ethical Corporate Management		Tax Governance		Diversity and Inclusion
14		Air Pollution Management		Climate Strategy		Occupational Health and Safety
15		Biodiversity		Water Resource Management		Biodiversity
16		Occupational Health and Safety		Diversity and Inclusion		Product Safety and Marketing
17		Product Safety and Marketing		Product Safety and Marketing		Air Pollution Management
18		Privacy Protection		Air Pollution Management		Tax Governance
19		Tax Governance		Privacy Protection		Privacy Protection

Note : Human Capital Development and Social Impact were not identified as having negative impacts.

Mapping of Material Sustainability Topics to Reporting Standards

A review of the 31 topic standards under the GRI Sustainability Reporting Standards was conducted to map them against AP Memory' s material topics. As a result, 6 relevant GRI topic standards and 2 organization-defined topics were selected. Corresponding indicators from the SASB Semiconductor Standards were also referenced to initiate the preparation of this Report.

Material Topics	Positive Impact	Negative Impact	Impact Dimension				Value Chain Impact Scope				Corresponding GRI Topic Standards or SASB Metrics	Corresponding Disclosure Sections
	⊕	⊖	Economic	Environmental	People (including Human Rights)	Upstream Suppliers	Tier 1 Suppliers	AP Memory	Customers	End Users		
Sustainable Supply Chain		⊖	●	●	●	●	●	●	●		- GRI 204: Procurement Practices 2016 - TC-SC-440a.1 Materials Sourcing	5-3 Supply Chain Management
Quality Management		⊖	●				●	●	●		- GRI 416: Customer Health and Safety 2016 - TC-SC-410a.1 Product Lifecycle Management	5-2 Quality Management
Product Responsibility	⊕	⊖	●	●	●	●	●					4-3 Product Lifecycle Management
Innovation Management		⊖	●				●	●			- Custom Topic: Energy Consumption and Efficiency	4-1 Innovation Management
	⊕		●	●			●	●	●	●		
Talent Attraction and Retention	⊕	⊖	●		●			●			- GRI 401: Employment 2016 - GRI 405: Diversity and Equal Opportunity 2016 - TC-SC-330a.1 Recruiting & Managing a Global & Skilled Workforce	6-2 Talent Recruitment and Retention 6-3 Compensation and Benefits
Energy Management		⊖		●			●	●			- GRI 302: Energy 2016 - GRI 305: Emissions 2016 - TC-SC-130a.1 Energy Management in Manufacturing - TC-SC-110a.1, TC-SC-110a.2 Greenhouse Gas Emissions	7-3 Greenhouse Gas Management 7-4 Energy Management
Information Security		⊖	●				●	●	●		- Custom Topic: Information Security Breaches	3-5 Information Security Management

Time Frame of Impacts for Material Sustainability Topics

Material Topic		Description of External Sustainability Impacts	Description of Internal Financial Impacts	Impact Time Frame		
				Already Occurred	Potential Future Impact	
					Within 1 – 2 years	Within 3 – 5 years	Beyond 5 years
Sustainable Supply Chain	Negative	With increasingly stringent environmental regulations and customer sustainability supply chain requirements across countries, it is essential to enhance supplier communication and sustainability management. Failure to do so may lead to quality or chemical compliance issues from suppliers, resulting in environmental or health/safety impacts for customers or end users due to defective products.	If the Company fails to stay ahead of evolving environmental regulations and supplier sustainability practices, there is a risk of product returns, supply chain disruption, and severe financial or operational consequences.	●			
Quality Management	Negative	Some products not meeting quality standards have caused occasional customer complaints and returns. Significant improvements were made in 2024—particularly in CP test coverage—and continued monitoring will be necessary in 2025.	Product quality issues may result in customer complaints, potential compensation claims, and shipping delays.	●			
Product Responsibility	Negative	As customer demand for green products increases and regulations regarding substances of concern (e.g., PFAS—per- and polyfluoroalkyl substances) tighten globally, failure to respond before regulatory deadlines could lead to environmental harm and disruptions in product deliveries.	If suppliers do not proactively plan for chemical substitution and fail to meet international regulations or customer requirements, it may necessitate switching suppliers, incurring additional development and verification costs, and potentially causing supply interruptions.			●	
	Positive	AP Memory actively collaborates with foundries to explore PFAS alternatives, aiming to complete material verification and enter mass production within 1 – 2 years.	Early completion of new material verification can enhance product competitiveness and create new sales opportunities.	●			
Innovation Management	Negative	If product design specifications or the process technology nodes and production capacity provided by foundry partners cannot keep pace with technological advancements, there is a risk of being unable to support the development and applications of customers' end products.	This may result in decreased competitiveness and loss of business opportunities due to delayed R&D and design of new products, ultimately leading to revenue decline.	●			
	Positive	For AI products, AP Memory is advancing low-power 3D heterogeneous memory design innovations that provide energy-efficient memory solutions to balance performance and power consumption, aligning with environmental sustainability goals. For IoT products, the Company is dedicated to designing low-power and high-efficiency memory solutions, and has continued to develop customized products for 1.2V low-power applications in recent years.	Successfully developing high energy-efficiency products (AI: high bandwidth and low power consumption; IoT: compact size and low power) has significantly enhanced product competitiveness and led to increased customer orders.	●			●

Material Topic		Description of External Sustainability Impacts	Description of Internal Financial Impacts	Impact Time Frame			
				Already Occurred	Potential Future Impact		
					Within 1 – 2 years	Within 3 – 5 years	Beyond 5 years
Talent Recruitment and Retention	Negative	Given the fast-evolving nature of the semiconductor industry and the high knowledge intensity of IC design, recruiting critical talent with highly specialized expertise is increasingly difficult.	Failure to recruit the right talent in a timely manner or the loss of key talent within a short period may lead to increased operational costs. Moreover, efforts to attract talent from diverse backgrounds may increase overall recruitment costs.		●		
	Positive	As AP Memory continues to grow and expand its business, the demand for R&D talent is rising. The Company remains committed to recruiting top talent and retaining key personnel by offering competitive compensation and benefits packages above industry averages. In 2024, talent attraction and retention mechanisms were further enhanced, contributing to the Company' s growth momentum.	These efforts help reduce turnover and minimize associated costs such as recruitment and project delays.	●			
Energy Management	Negative	As AP Memory expands its office space and workforce, its indirect greenhouse gas emissions may increase. The Company continues to implement energy management practices to mitigate these impacts. In response to energy-saving regulations from authorities and requirements from downstream customers, the difficulty and cost of implementing energy-saving initiatives or purchasing renewable energy (or certificates) are rising. Since outsourced foundry partners are highly energy-intensive, their energy management efforts represent a key impact area in the semiconductor sector.	As electricity usage increases along with operational scale and electricity rates continue to rise, current renewable energy prices remain high. A year-by-year increase in power consumption and renewable energy adoption will further raise electricity costs. Over the next few years, rising energy prices and potential implementation of carbon taxes or fees on greenhouse gas emissions could result in increased supply chain energy costs, which may ultimately be passed on to AP Memory, causing financial impacts.	●			
Information Security	Negative	While AP Memory continues to strengthen its cybersecurity framework based on the NIST Cybersecurity Framework, threats to information security are constantly evolving. Inadequate cybersecurity measures may result in the leakage of confidential customer order information, leading to claims, order cancellations, reputational damage, and business disruption. Employees may also fall victim to phishing attacks that demand high ransom payments, resulting in significant losses.	Ongoing investments are made in system upgrades and cybersecurity enhancement, including capital expenditures for equipment and operating expenses for external consultancy services. In the event of a security breach, the Company may also suffer financial losses due to ransom payments.		●		

2.3 Sustainability Issue Management Policy

☆ Material Topic

Sustainable Supply Chain

Policy / Commitment

- In accordance with the 'External Supplier Management Operation Manual,' ensure that outsourced suppliers comply with the Company's management standards.
- Assist customers in investigating and verifying whether the sources of conflict minerals (tin, tungsten, tantalum, and gold) used in products originate from mines in the Democratic Republic of the Congo and surrounding countries where labor is exploited or human rights are violated.
- Through supplier (wafer fabs and packaging plants) investigations and management, ensure that the materials they use originate from smelters verified by the Responsible Minerals Initiative (RMI).

+ Responsible Units

- Engineering Center
- Operations Center
- Quality Assurance Department

+ 2024 Goals

- All process suppliers must achieve a rating of Grade B or above.

+ Action Plan

- Annual evaluations and audits of existing qualified suppliers

+ Annual Results

Wafer manufacturing, packaging, and testing suppliers

- ≥80 points: Grade A (Excellent): 0 suppliers
- 70 – 79 points: Grade B (Compliant): 5 suppliers
- <70 points: Grade C (Needs Improvement): 0 suppliers

Probe card and photomask suppliers

- ≥80 points: Grade A (Excellent): 2 suppliers
- 70 – 79 points: Grade B (Compliant): 0 suppliers
- <70 points: Grade C (Needs Improvement): 0 suppliers

+ Tracking and Review Mechanism

- Based on actual product production conditions, internal meetings are held on an as-needed basis to review various supplier management indicators and determine whether immediate improvements should be requested.

+ Stakeholder Engagement

External

- Maintain routine supplier communication mechanisms, hold regular review and audit meetings, and collaborate to resolve quality issues and conduct continuous improvement activities.

☆ Material Topic

Quality Management and Product Responsibility

Policy / Commitment

- Uphold the principle of close cooperation with customers by continuously focusing on customer needs and product quality requirements. Provide timely, effective, and technical support to enhance customer confidence and satisfaction with AP Memory.
- Adhere to a corporate culture of continuous improvement to ensure high-quality products and services. Pursue excellence and provide customers with the best, most suitable high-quality products.

+ Responsible Units

- AI Business Unit, IoT Business Unit, Engineering Center, Operations Center, Quality Assurance Department

+ 2024 Goals

Number of Customer Complaints

- Abnormality Level 1: ≤1 per month (number of minor incidents per month / monthly shipment volume in millions of units)
- Abnormality Level 2: ≤3 per month
- Abnormality Level 3: ≤2 per month
- Abnormality Level 4: Not allowed to occur

Repeat Incidents

- Abnormality Level 1: ≤2 per quarter
- Abnormality Level 2: ≤1 per quarter
- Abnormality Levels 3 & 4: Not allowed to occur

+ Action Plan

- Cross-departmental continuous improvement initiatives
- Regular supplier quality reviews
- Quarterly supplier quality evaluations
- Annual supplier audits

+ Annual Results

Number of Customer Complaints

- Abnormality Level 1: All months ≤1
- Abnormality Level 2: All months ≤3
- Abnormality Level 3: All months ≤2
- Abnormality Level 4: No occurrences throughout the year

Repeat Incidents

- Abnormality Level 1: 0 in all quarters
- Abnormality Level 2: ≤1 in all quarters
- Abnormality Levels 3 & 4: 0 in all quarters

+ Tracking and Review Mechanism

- Weekly supplier meetings are held regularly to review various quality KPI statuses.

+ Stakeholder Engagement

External

- Customers: Understand customer quality requirements through audits, visits, and customer satisfaction surveys.
- Suppliers: Through daily communication mechanisms, conduct regular review meetings (engineering teams meet weekly with external suppliers to address process issues and provide real-time follow-up; suppliers are required to submit monthly yield statistics and major abnormality reports. If actual yield falls below the quality target, specific corrective actions must be proposed and tracked for effectiveness), perform audits, collaborate to resolve quality issues, and implement continuous improvement activities.

☆ Material Topic

Innovation Management

Policy / Commitment

AI-related memory products

→ Develop customized memory chips with high bandwidth, low power consumption, and high capacity.

IoT Random Access Memory

→ Continuously improve memory chip design to achieve lower power consumption, lower voltage, smaller size, fewer pins, and higher performance through structural optimization.

Stacked Silicon Capacitor

→ Continue developing silicon capacitors with high capacitance density, low inductance, and low impedance.

+ Responsible Units	● Product Management Department ● R&D Center		
+ 2024 Goals	● Achieve end-system power efficiency of 0.3~0.5W/MH	● Improve memory energy efficiency by over 30%	● Increase capacitance density per unit area of fourth-generation product by over 50%
+ Action Plan	● Redesign DRAM array architecture and simplify circuit design to reduce power demand and energy consumption. ● Lower main DRAM supply voltage from 1.2V to 1.1V. ● Apply advanced low-power process nodes for customer-side logic wafers.	● Reduce operating voltage of IoT virtual static random access memory from 1.8V to 1.2V while maintaining bandwidth.	● Develop fourth-generation S-Sicap ™ to achieve capacitance density of 3,800nF/mm². ● Continue developing new silicon capacitor applications.
+ Annual Results	● System performance verification met targets, and mass production was successfully completed in Q2 – Q3 2024 per customer schedule. ● Customer end products achieved mass production with energy efficiency reaching 0.3W/MH.	● Completed verification of 1.2V IoT virtual static RAM; compared to 1.8V, standby power consumption reduced by over 20%, and dynamic power consumption reduced by over 30%.	● Fourth-generation S-Sicap ™ product officially launched in Q4.
+ Tracking and Review Mechanism	● Completed chip-level customer verification for new products.	● Confirmed that low-voltage PSRAM reduced standby power by at least 20% during customer use.	● Weekly meetings held to ensure product development and mass production progress aligns with plans.
+ Stakeholder Engagement	External - Held review meetings with customers on new product design specifications to meet energy-saving and efficiency enhancement goals. Additionally, product verification results were confirmed with customers to ensure specification accuracy.		

☆ Material Topic

Talent Attraction and Retention

Policy / Commitment

→ Optimize talent recruitment strategies and create a competitive and friendly workplace environment.

+ Responsible Units

- Human Resources Department

+ 2024 Goals

- Increase the three-year retention rate of new employees (target: 75%)

+ Action Plan

- Enhance employee care and retention mechanisms
- Regularly track hiring rate, turnover rate, and three-year new employee retention rate

+ Annual Results

- Hiring rate: 24.03%
- Turnover rate: 13.30%
- Three-year new employee retention rate: 77.9%

+ Tracking and Review Mechanism

- Quarterly tracking of hiring and turnover rates, with corresponding data analysis reports discussed in internal meetings

+ Stakeholder Engagement

Internal

- Employees can provide feedback through multiple communication channels (e.g., Coffee Q&A sessions, onboarding discussion forums).

External

- Leverage diverse recruitment platforms (104 Job Bank, LinkedIn), organize campus recruitment events, and strengthen employer branding to attract outstanding talent.

☆ Material Topic

Energy Management

Policy / Commitment

→ Promote energy conservation and carbon reduction; increase the proportion of green electricity usage by 5% annually.

+ Responsible Units

- Human Resources Department

+ 2024 Goals

- Gradually replace traditional office lighting with LED lighting
- Plan and purchase green electricity, and increase the usage proportion year by year

+ Action Plan

- Regularly track monthly energy consumption and conduct annual greenhouse gas inventory projects

+ Annual Results

- Completed replacement of traditional lighting with LED fixtures on the highest energy-consuming office floor
- Completed green electricity procurement

+ Tracking and Review Mechanism

- The Board of Directors reviews the progress and implementation of greenhouse gas management quarterly

+ Stakeholder Engagement

Internal

- Through the greenhouse gas inventory project, employees are equipped with basic GHG knowledge and encouraged to practice daily energy-saving behaviors.

External

- Continue communicating with stakeholders to stay informed about climate-related concerns.

☆ Material Topic

Cybersecurity

Policy / Commitment

- AP Memory has established information security policies and procedures to safeguard the security of data related to the Company, customers, and suppliers. These include ensuring that relevant personnel receive necessary training, conducting regular risk assessments and vulnerability management, and establishing effective monitoring and reporting mechanisms to identify and address information security risks promptly.
- AP Memory prioritizes the security and reliability of its data and information infrastructure while also considering environmental, social, and governance (ESG) factors to protect the interests of the Company and its stakeholders.

+ Responsible Units

- Information Management Department
- Cybersecurity Governance Committee

+ 2024 Goals

- 0 incidents of business disruption caused by cybersecurity attacks
- Information system availability rate of 99%

+ Action Plan

- Conduct regular cybersecurity exchanges with industry peers
- Organize regular social engineering drills and security awareness campaigns to enhance employee awareness
- Perform regular network penetration testing, vulnerability scans and patches, disaster recovery drills, and endpoint risk alert monitoring

+ Annual Results

- 0 cybersecurity incidents reported by the Company
- No risk records found in the Endpoint Detection and Response (EDR) management platform
- Completed disaster recovery drills for critical systems
- Implemented off-site backup mechanisms for key systems
- Conducted 2 company-wide information security training sessions
- Conducted 3 social engineering drills

+ Tracking and Review Mechanism

- Quarterly cybersecurity meetings
- Monthly reporting of cybersecurity management data and implementation status of cybersecurity plans to the Information and Communication Security Governance Committee

+ Stakeholder Engagement

Internal

- Regular employee awareness campaigns and social engineering drills to assess cybersecurity awareness

External

- Understand customer requirements through customer-conducted supplier cybersecurity audits; assess supplier security risk status via third-party cybersecurity risk management platforms and encourage improvements where necessary.

Governance

Upholding Business Ethics

3

3.1 Corporate Governance
3.2 Tax Governance
3.3 Ethical Corporate Management
3.4 Risk Management
3.5 Information Security Management

3.1 Corporate Governance

Board Composition and Operations

AP Memory has established its corporate governance framework and executes business operations in accordance with the Company Act, the Securities and Exchange Act, and other relevant regulations. The highest management body is the Board of Directors, under which the Audit Committee, Compensation Committee, and Sustainability Committee are established. The Company has formulated the 'Procedures for Election of Directors' to encourage shareholder participation in nominating and electing directors based on the principles of fairness and impartiality. According to the Company Act and relevant regulations, the election of directors adopts a candidate nomination system. The Board comprises eight seats, with four general directors and four Independent Directors. As of the end of 2024, the Board consists of seven members—four general directors and three Independent Directors. One Independent Director was elected at the 2025 Annual General Shareholders' Meeting, restoring the Independent Director ratio to 50%. AP Memory's official website includes a 'Corporate Governance' section, providing information such as the governance structure, operations of the Board and functional committees, and important company regulations, allowing stakeholders to understand the functioning of the Board.

Title	Name	Professional Qualifications and Experience
Chairman	Chen, Wen-Liang	Holds a Ph.D. in Applied Physics from Yale University, USA. Currently serves as CEO and CTO of AP Memory. Formerly held key R&D positions at Intel and Cypress, with over 30 years of experience in the semiconductor industry. Possesses strong leadership, operations management, and strategic planning capabilities.
Director	Hung, Chih-Hsun	Holds a Ph.D. in Industrial Engineering and Management from National Yang Ming Chiao Tung University. Currently serves as President of AP Memory. Formerly a senior product engineer at a listed domestic company with extensive hands-on experience in product development and testing.
Director	Shanyi Investment Co., Ltd Representative: Yeh, Jui-Pin	Holds a master's degree from the Graduate Institute of Electrical Engineering, National Central University. Formerly served as Chairman of Synopsys Taiwan and Vice President of Synopsys Worldwide. Specializes in business operations, marketing, and strategic planning, with deep insights into the semiconductor industry.
Director	Li Shun Investment Co., Ltd. Representative: Hsieh, Ming-Lin	Holds a master's degree from the Graduate Institute of Business, National Taiwan University. Currently President and Director of Powerchip Investment Holding Corporation. Serves as director, independent director, and supervisor for several listed and public companies.
Independent Director	Liu, Frank	Holds dual master's degrees in Electrical Engineering and Computer Science from MIT and in Physics from Purdue University, USA. Has served as chairman and general manager of various companies, with rich experience in corporate operations and deep understanding of industry trends.
Independent Director	Wang, Hsuan	Holds a Ph.D. in Accounting from National Taiwan University. Licensed CPA (Taiwan) and Certified Internal Auditor. Currently Assistant Professor of the Department of Accounting at Yuan Ze University and Chairperson of the university's Internal Audit Committee. Possesses strong accounting expertise.
Independent Director	Sun, Elizabeth	Holds a Ph.D. in Finance from the University of Cincinnati, USA. Former Associate Professor in the Department of Finance at San Jose State University, California. Brings strong financial expertise. Previously served as Senior Director of Corporate Information and Acting Spokesperson at Taiwan Semiconductor Manufacturing Company (TSMC), with extensive experience in corporate governance.

Note : On October 21, 2024, Independent Director Yeh, Jui-Pin resigned. On the same day, the legal entity director Shanyi Investment Co.,Ltd. changed its representative from Liu, Chin-Hung to Yeh, Jui-Pin.

Sustainability Governance Proposals Presented to the Board in 2024

May 3, 2024	July 31, 2024	October 30, 2024	December 27, 2024		
Report	Discussion	Report	Report	Discussion	Discussion
Progress on the preparation of the 2023 ESG Report and the implementation of greenhouse gas inventory	2023 ESG Report	Progress report on the execution of the 5-year ESG strategic plan	Progress report on the execution of the 5-year ESG strategic plan	Establishment of the Sustainability Committee	Appointment of members of the Sustainability Committee

Board Diversity

To implement Article 3 of the 'Corporate Governance Best Practice Principles,' the composition of the Board of Directors takes into account diversity policies such as gender equality. In the current term, there are two female directors, accounting for 29% of the entire board. All directors possess professional backgrounds in both industry and academia, with expertise in business management, leadership and decision-making, industry knowledge, academic research, and finance.

Title	Name	Gender	Age Group	Employee Status	Independent Director Term	Core Competencies of Board Members							
						Operational judgment	Accounting and financial analysis	Business management	Crisis management	Industry knowledge	International market perspective	Leadership	Decision-making capability
Chairman	Chen, Wen-Liang	Male	A	●		●		●	●	●	●	●	●
Director	Hung, Chih-Hsun	Male	A	●		●		●	●	●	●	●	●
Director	Yeh, Jui-Pin[1]	Male	A			●		●	●	●	●	●	●
Director	Hsieh, Ming-Lin[2]	Male	A			●	●	●	●		●	●	●
Independent Director	Liu, Frank	Male	A		2	●		●	●	●	●	●	●
Independent Director	Wang, Hsuan	Female	B		2	●	●		●		●	●	●
Independent Director	Sun, Elizabeth	Female	A		2	●	●	●	●	●	●	●	●

Note 1: Representative of Yamaichi Holdings Co., Ltd.
Note 2: Representative of Li Shun Investment Co., Ltd.
Note 3: A indicates age above 51; B indicates age between 31 and 50.
Note 4: The fifth term of the Board of Directors: from May 29, 2023 to May 28, 2026.

Sustainability Committee

To implement sustainable operations and corporate social responsibility, AP Memory Technology Corporation officially established the Sustainability Committee on January 1, 2025. The Committee serves as the highest decision-making body for sustainability-related issues. It is composed of three members appointed by the Board of Directors, with Mr. Hung, Chih-Hsun, current Director and President, serving as Chairperson. The Committee is responsible for overseeing and tracking the effective implementation and operation of sustainability goals and initiatives. Meetings are held at least twice a year, and outcomes are reported to the Board of Directors.

The Sustainability Committee also functions as a cross-departmental communication platform. It oversees the following task forces: Sustainable Supply Chain Task Force, Environmental Sustainability Task Force, Employee Rights and Social Care Task Force, and Corporate Governance Task Force. Each task force is led by a department head or higher from the respective responsible units and is in charge of planning, executing, and continuously reviewing and improving sustainability goals and initiatives. The Corporate Governance Office serves as the executive secretariat and is the main unit responsible for promoting sustainability. It is tasked with integrating the goals and implementation results of each task force, analyzing domestic and international sustainability trends, formulating strategies to address sustainability issues, and guiding the task forces in setting appropriate goals, revising relevant regulations, and driving other related sustainability initiatives.

Audit Committee

The Audit Committee is composed entirely of Independent Directors. It assists the Board of Directors in fulfilling its supervisory responsibilities regarding the quality and integrity of the company's accounting, auditing, financial reporting processes, and internal controls. The Audit Committee meets quarterly and convened five times in 2024. For detailed information on members' attendance and additional Audit Committee operations, please refer to the 'Corporate Governance – Audit Committee Operations' section in the AP Memory Annual Report.

Compensation Committee

Members of the Compensation Committee are appointed by the Board of Directors. The current convener is Independent Director Wang, Hsuan. Former members Yeh, Jui-Pin and Lan, Ching-Yao resigned on October 21, 2024, and December 31, 2024, respectively. As of January 1, 2025, the Board appointed Mr. Chen, Ken as an external member. Along with Independent Director Liu, Jung-Hsi, the Committee now comprises three members. This composition complies with the requirements of the 'Compensation Committee Charter,' which stipulates that the committee must have at least three members, with a majority being Independent Directors. The Compensation Committee assists the Board in fulfilling its responsibilities related to remuneration and benefits policies, plans, and programs, and in evaluating compensation for directors and managers. The Committee convened three times in 2024.

Key Topic Communication

In addition to regular meetings, AP Memory's management periodically provides key company reports and information to the Board of Directors:

Operations Management Team	Quarterly business operation reports
Accounting Department	Quarterly financial reports
Internal Audit Department	Quarterly internal audit execution reports
Corporate Governance Officer	ESG implementation status, GHG inventory updates, and periodic regulatory briefings.

Board Professional Development

To enhance the professional competencies of its board members, AP Memory Technology Corporation arranges continuing education courses for each director every year. In 2024, the total number of training hours for all directors reached 46 hours, with an average of 5.8 hours per director. The training covered a variety of ESG-related topics, including economic trends, corporate governance, legal compliance, and climate change. For detailed information on board training in 2024, please refer to the chapter 'Corporate Governance Practices and Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies' in the AP Memory Annual Report.

Board Performance Evaluation

To implement sound corporate governance and strengthen the functions of the board of directors, AP Memory has established its 'Board Performance Evaluation Policy' in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. The Board and its functional committees are required to conduct annual evaluations following the procedures and criteria outlined in the policy. Furthermore, an external evaluation by an independent professional institution or team of experts must be conducted at least once every three years, with results submitted to the Board by the end of the first quarter of the following year.

Evaluation Method	Evaluation Results and Recommendations
● Evaluation Period: 2024 ● External Evaluation Institution: Taiwan Institute of Ethical Business (TIEB) ● Institutional Independence: TIEB and its evaluators have no business relationships with AP Memory, ensuring independence. ● Evaluation Method: Review of internal regulations and records, questionnaires, and online interviews. ● Evaluation Criteria: Four key dimensions were assessed — board professional competency, decision-making effectiveness, oversight of internal controls, and attitude toward sustainable development.	● Evaluation Report Date: December 18, 2024 ● Report Submitted to Board on: December 27, 2024 ● Key Recommendations: - Consider adjusting the number of board seats according to the company's scale to reduce the risk of tie votes. - Enhance the detail level in board meeting minutes by thoroughly recording the discussion process for each agenda item. - Evaluate the establishment of a Risk Management Committee, or assign a specific department to serve as the responsible risk management unit, to strengthen interaction between the board and risk control. - While succession planning is under ongoing consideration, a formal succession system has not yet been defined. Establishing a talent pool is recommended to support sustainable development. - All directors acknowledge the importance of sustainable development. The company is encouraged to continue advancing this agenda. Beyond the current sustainability reporting, it is advisable to explore more diversified development paths to provide investors and customers with broader insights.

Executive Compensation Management

The compensation of managers at AP Memory Technology Corporation is determined based on company performance, individual performance—including overall operations management, financial results, and achievement of sustainability targets—and personal contributions, while also taking future corporate risks into consideration. After review and assessment of the overall compensation structure by the Compensation Committee, the compensation for the President and CEO is submitted to the Board of Directors for approval. The Company continuously reviews its compensation policies, standards, and structures in accordance with operational performance and applicable regulations to ensure a balance between sustainable operations and risk control.

In 2024, the total annual compensation of the highest-paid individual was 7.9 times the median total compensation of all full-time employees who were not in managerial positions.

To avoid data distortion caused by employees who did not receive a full year of salary (e.g., those who joined in 2023 or left in 2024), compensation growth percentage was calculated based on employees who were continuously employed at the Taiwan headquarters during both 2023 and 2024. The ratio of the highest-paid individual' s compensation growth to the median employee compensation growth was 0.75 times. The above compensation figures include base monthly salary, fixed bonuses, and variable performance bonuses.

Internal Audit

The Internal Audit unit of AP Memory Technology Corporation is an independent department reporting directly to the Board of Directors, staffed with two full-time auditors. Upholding independence, professionalism, and objectivity, the unit executes internal audit procedures and regularly reports audit outcomes to the Audit Committee to ensure smooth communication with Independent Directors.

- Organizational Objective: To assist the Board of Directors and management in examining and reviewing the effectiveness of internal controls, reasonably ensuring the achievement of the three major objectives of internal control: operational efficiency, reliable reporting, and regulatory compliance.
- Execution Framework: Annual audit and project-specific audit plans are developed based on relevant laws and regulations, risk assessments, and business needs. Audits are conducted accordingly, with timely recommendations and consulting provided, along with ongoing follow-ups on corrective actions. The unit also participates in the company' s annual self-assessment of the internal control system to ensure its ongoing effectiveness and serves as a basis for internal control revisions.
- Communication Between Independent Directors, Internal Audit Supervisor, and Accountants:
  - On October 25, 2024, Independent Directors met with the internal audit supervisor to review audit findings, the status of corrective actions, and to discuss the following year' s audit plan and operations based on risk assessments. They also provided guidance for improving audit procedures and reporting presentation.
  - On the same day, Independent Directors met with the external auditor to discuss key audit matters and consulted on the Audit Quality Indicators (AQI) report to confirm the auditor' s qualifications and independence.
- Integration of Sustainability Information into Corporate Internal Controls:
  - Organizational Structure and Risk Management: Starting January 1, 2025, the Sustainability Committee will be launched to assist the Board in promoting corporate sustainability. Based on stakeholder concerns and risk assessment results, the committee will formulate sustainability policies and set phased targets. Ongoing supervision will be conducted to revise or adjust the policy content as needed. The relevant charter has been submitted and approved by the Board in Q4 2024.
  - Control Activities: Controls related to sustainability topics have been gradually identified and revised. Items approved by the Board in Q4 2024 include management of the sustainable supply chain, product management, and human rights policy. Additional operational procedures will be established as necessary.
  - Internal and External Communication: A formal procedure has been developed for the preparation and assurance of the Sustainability Report, which defines the report' s scope, principles, timeline, content review, assurance, and publication process to support comprehensive sustainability information management.
  - Supervision Activities: Management of sustainability information has been included in the 2025 Audit Plan, which was approved by the Board in Q4 2024.
- Internal Audit Professional Competency:
  - In 2024, the Internal Audit Supervisor completed 12 hours of professional development training, in compliance with legal requirements. The training focused on areas of operational and regulatory importance, including information governance and sustainability-related topics. The supervisor also participated in multiple seminars on sustainability to stay current with regulatory trends.

Conflict of Interest Avoidance

In accordance with the Procedures for Ethical Management and Guidelines for Conduct, AP Memory Technology Corporation requires its directors to adhere strictly to conflict-of-interest avoidance. To ensure potential conflicts are prevented or mitigated, any director who has an interest in matters discussed at Board meetings—whether personally or as a representative of a legal entity—must refrain from participating in the discussion or voting if such involvement could harm the interests of the Company. For detailed execution results regarding conflict-of-interest avoidance, please refer to the section 'Corporate Governance Implementation' in the Company' s Annual Report.

Regulatory Compliance

AP Memory ensures regulatory compliance through a well-structured governance organization and the implementation of an internal control mechanism. For example, the Company exercises diligence in contract reviews to ensure all applicable regulatory clauses are incorporated into official documents. Each department is also responsible for monitoring changes in domestic and international environmental, economic, and social laws and regulations. From 2023 to 2024, there were no incidents of non-compliance related to environmental, economic, social, or human rights matters.

The Company places great importance on the personal privacy of both internal employees and external customers and suppliers. In compliance with the Personal Data Protection Act, AP Memory has established the Personal Data Protection Management Regulations, with the Legal Department designated as the responsible authority. The collection, processing, and use of personal data are governed under this regulation to ensure proper protection. The regulation categorizes personnel with access to personal data into internal and external parties and further classifies data flow into 'internal circulation' and 'external circulation.' Each category is governed by a corresponding level of authorization and approval procedure, balancing efficiency with rigor. In 2024, AP Memory further strengthened its personal data protection policies, including the following initiatives:

- Created awareness posters for personal data protection, displayed on all employee computer screensavers, digital signage in public areas, and the internal policy announcement system, reaching 100% of employees.
- To reduce carbon emissions and improve efficiency and transparency, from April 2024 onward, all employee requests regarding their personal data are handled through an online application system.
- For vendors newly contracted in 2024 who may access employee personal data—such as healthcare institutions conducting health checks, travel agencies, and HR system providers—the Company either incorporated explicit personal data management clauses into outsourcing contracts or provided them with Personal Data Protection Guidelines to ensure proper handling and safeguarding of data.
- To help employees better understand the practical applications of personal data protection, the Company launched an online course titled Personal Data Protection – Practical Application accessible to all employees. Additionally, for 31 employees in high-contact units (including the Welfare Committee), a one-hour in-person training session was provided.
- 2024 Personal Data Protection Performance Review:

Complaints from data subjects	Incidents requiring notification to competent authorities	Other legal cases (including administrative penalties or litigation)
0 cases	0 cases	0 cases

3.2 Tax Governance

In response to global tax governance trends, AP Memory Technology Corporation complies with all applicable tax laws and regulations. The highest decision-making body for tax governance is the Finance Center, while the Financial Management Department is responsible for tax administration. This department regularly reports tax management status to senior executives to ensure the effective operation of the tax governance mechanism. Based on operational needs, the Company also engages or consults with external professional advisors to ensure accurate compliance with tax regulations and filing obligations. In 2024, income tax expenses amounted to NT$455 million, representing 10.84% of annual revenue. The significant year-over-year increase in income tax expense was primarily due to retroactive tax payments required as a result of reduced deductible investment losses and tax credits from the liquidation of an investee company, which had been assessed in 2022.

Governance Principles

- Comply with tax laws and regulations in all operating jurisdictions
- Conduct related party transactions based on the arm's length principle in accordance with internationally recognized transfer pricing guidelines published by the Organization for Economic Co-operation and Development (OECD)
- Ensure transparency in financial reporting, with tax disclosures handled in accordance with relevant rules and standards
- Maintain open and effective communication with tax authorities
- Consider tax implications in all major business decisions
- Do not utilize tax havens or engage in tax planning for the purpose of tax avoidance

Tax Payment Information

Unit: in thousands of NTD

		2021	2022	2023	2024
Taiwan	Pre-tax Profit (A)	2,514,266	2,449,283	1,618,981	2,032,875
	Income Tax Expense (B)	488,809	507,587	174,011	454,643
	Book Effective Tax Rate (B÷A)	19.44%	20.72%	10.75%	22.36%
	Income Tax Paid (D)	140,324	580,588	226,688	395,695
	Cash Effective Tax Rate (D÷A)	5.58%	23.7%	14%	19.46%

Note：AP Memory discloses corporate income tax payments only for entities that are legally required to pay such taxes. Currently, only AP Memory Taiwan is subject to income tax. Other entities either have deductible items or carryforward losses and therefore are not required to pay taxes, and are not included in the disclosure.

3.3 Ethical Corporate Management

AP Memory Technology Corporation upholds the principles of fairness, honesty, integrity, and transparency in its business operations and actively prevents unethical conduct such as bribery, corruption, fraud, intellectual property infringement, insider trading, the offering or acceptance of improper benefits, engagement in illegal activities, or breach of fiduciary duty. The 'Ethical Corporate Management Best Practice Principles,' 'Procedures for Ethical Management and Guidelines for Conduct,' and 'Corporate Governance Best Practice Principles' were approved by the Board of Directors on December 22, 2014, and are continuously updated in accordance with applicable regulations and the Company's operational practices.

Education and Training on Ethical Corporate Management

All documents related to ethical corporate management are published on the Company's internal website for easy employee access and understanding of behavioral standards. To reinforce the 'Ethical Corporate Management Best Practice Principles,' 'Procedures for Ethical Management and Guidelines for Conduct,' and 'Corporate Governance Best Practice Principles,' AP Memory provides education and training on ethical corporate management.

Whistleblowing and Complaints

In 2022, AP Memory updated its 'Procedures for Ethical Management and Guidelines for Conduct' in accordance with actual operational adjustments. The Board of Directors designated the Corporate Governance Office as the responsible unit. To make the whistleblowing channel more accessible, the whistleblowing email address was updated to (whistleblower@apmemory.com) and publicly listed on the official website. The management team was reminded to prudently designate personnel to receive whistleblower emails and ensure all complaints are handled confidentially, fairly, and efficiently throughout the verification, investigation, and resolution process. In 2024, no complaints or whistleblower cases related to violations of ethical corporate management were reported, and no corruption cases were actively investigated or confirmed.

Whistleblowing Mechanism

Internal Communication Channel

The Company conducts annual employee training to promote the 'Ethical Corporate Management Best Practice Principles' and 'Procedures for Ethical Management and Guidelines for Conduct.' The most recent training was held on November 6, 2024. Employees are reminded to act with integrity and not compromise the Company's interests for personal gain. The training also includes communication channels and complaint procedures to encourage timely reporting of illegal activities. A total of 236 participants attended, each receiving 0.5 hours of training, followed by a post-training assessment.

External Communication Channel

A dedicated section for Ethical Corporate Management is set up on the official website to declare AP Memory's zero-tolerance stance against corruption and all forms of fraudulent behavior to stakeholders. Any suspicious activities or potential violations by employees or Company representatives can be reported through the designated whistleblower email.

Violations of Codes of Ethical Conduct	2024 Reported Cases / Confirmed Cases
Corruption or Bribery	0
Discrimination or Harassment	0
Customer Privacy	0
Conflict of Interest	0
Money Laundering or Insider Trading	0

Political Contributions

In adherence to political neutrality, AP Memory does not make political donations and limits contributions to charitable and philanthropic activities only.

3.4 Risk Management

Risk Management Policy

To enhance corporate governance and manage uncertainties that may threaten business operations, AP Memory Technology Corporation (AP Memory) established the Risk Management Procedures, approved by the Board of Directors in May 2020 and revised in November 2023. This document serves as the Company' s highest guiding principle for risk management. It encompasses various risks encountered during business and operational activities, including strategic, operational, financial, and other risks. The Audit Committee oversees the execution of risk management, while the Central Management Committee (CMC) is responsible for reviewing the implementation status to ensure that each functional unit effectively carries out risk management and relevant control procedures in accordance with the policy.

Risk Management Mechanism

AP Memory' s risk management mechanism includes annual identification, analysis, and assessment of risk factors. Cross-functional departments identify potential risk elements and analyze the likelihood of occurrence and potential adverse impact to understand the effect on the Company. Priorities for control and response strategies are then formulated and submitted to the CMC for review. The CMC is responsible for establishing the risk management policy and operational framework, monitoring implementation of each risk management procedure, and reporting to the Audit Committee and the Board of Directors.

Monitoring Risk Trends

AP Memory regularly assesses all potential risks that may impact business operations, covering areas such as strategic, operational, financial, hazardous events, and emerging risks.

Risk Identification Process

The Corporate Governance unit conducts interviews with department heads to identify potential risks. The compiled findings are submitted to the CMC, which formulates response strategies. The Audit Committee supervises the process, and the outcomes are reported to the Board.

Using a corporate risk analysis matrix, the Company assesses the frequency and severity of each risk event' s impact on operations. Risk levels and priorities for control are then defined, with corresponding management strategies applied according to each level.

2024 Risk Identification Results and Response

Based on the procedures outlined above, the risk identification for 2024 confirmed one high-risk item: Supply Chain Risk. The results were communicated in various management meetings and corresponding departments are responsible for implementing responses.

Risk Category	Risk Factor	Identified Risk Assessment	Response Measures
Operational Risk	Supply Chain Risk	● Reliance on a single supplier with limited substitutability	- Maintain strong collaboration with existing suppliers to secure production capacity and improve wafer supply and lead time stability. - Expand engagement with a second wafer foundry to diversify risk.

Risk Management Training

AP Memory fosters a risk-aware corporate culture through transparent internal communication and educational programs. In 2024, the Company held a risk management awareness training session, covering topics such as an overview of risk management, latest regulations, risk assessment awareness, risk identification essentials, and evaluation methods to strengthen risk management practices.

Business Continuity Management (BCM)

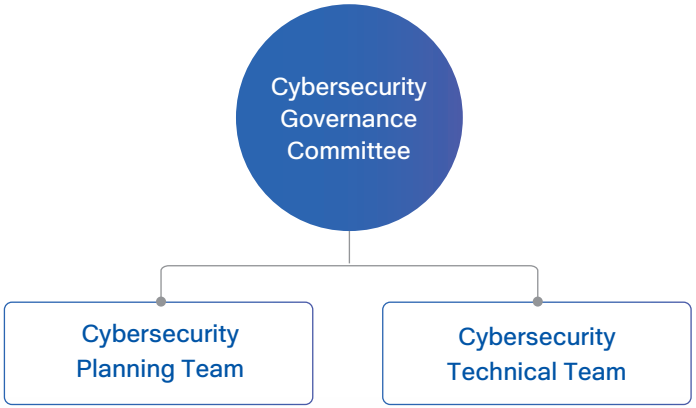
To enhance the Company's sustainability and operational resilience, AP Memory implements a Business Continuity Plan (BCP) in response to various environmental impacts. Disaster Recovery (DR) drills are conducted periodically each year to ensure that in the event of a disruption, key business functions can be restored in an organized and timely manner, minimizing unforeseen impacts. This also ensures that customer operations remain unaffected during crises. Post-incident reviews are conducted to prevent recurrence and safeguard customer interests.

3.5 Cybersecurity Management

Cybersecurity Governance Policy and Organization

AP Memory Technology Corporation (AP Memory) has established an Cybersecurity Organization management mechanism in reference to the 'Cybersecurity Control Guidelines for TWSE/TPEx Listed Companies' issued by the Financial Supervisory Commission (FSC). The Company has formulated a series of management procedures, including the 'Information Security Management Regulations,' 'Core Business Continuity Management Regulations,' 'Cybersecurity Incident Reporting and Response Management Regulations,' and 'Outsourced Information Operations Security Management Regulations.' Given the critical importance of cybersecurity to the semiconductor industry, and in response to the Company's flexible remote working arrangements, digital tools such as cloud services and networks are utilized to maintain internal operations, necessitating enhanced control over 'Cybersecurity inspections.' In addition to establishing and implementing internal management rules, AP Memory regularly conducts penetration testing, vulnerability scans, and patching to strengthen cybersecurity operations and reduce internal information security risks.

In 2023, AP Memory established the Cybersecurity Governance Committe to oversee all company-wide cybersecurity affairs. Through the division of responsibilities among the ICybersecurity Governance Committee, the Information Security Planning Task Force, and the Cybersecurity Technical Task Force, the Company aims to enhance corporate security and ensure long-term competitive sustainability.



Organization	Responsibilities
Cybersecurity Governance Committee	Composed of the President and CMC. Responsible for approving information security policies, reviewing resource allocation, and supervising operational execution.
Cybersecurity Technical Team	Led by senior management and composed of representatives from various functional departments. Responsible for planning cybersecurity policies, preparing security budgets, conducting risk assessments, and implementing controls.
Cybersecurity Technical Team	Composed of the head of the IT management unit and a dedicated specialist. Responsible for executing cybersecurity measures in accordance with the decisions of the Cybersecurity Governance Committee.

Cybersecurity Governance Framework

AP Memory's Cybersecurity management strategy adheres not only to the FSC's Information Security Control Guidelines for TWSE/TPEx Listed Companies, but also draws reference from the Cybersecurity Framework (CSF) developed by the U.S. National Institute of Standards and Technology (NIST). The framework includes five core functions: Identify, Protect, Detect, Respond, and Recover. The Company integrates these cybersecurity controls into its daily operations, including the formulation of security standards, implementation of appropriate control measures, establishment of real-time threat detection and alert mechanisms, and the development of data backup and recovery plans, all to ensure the security of networks and data.

In 2024, the Company's cybersecurity management efforts are focused on strengthening infrastructure and foundational protection. This includes enhancing pre-incident (prevention, monitoring, and management), mid-incident (notification and response), and post-incident (follow-up and auditing) processes to improve overall cybersecurity resilience.

Cybersecurity Incident Reporting and Response

In the second quarter of 2024, AP Memory established the Incident Reporting and Response Management Regulations, which outline procedures for incident reporting, response, documentation, and security drills. In the event of an information security incident, prompt reporting and response measures are executed. Furthermore, to stay informed about the latest global developments in cybersecurity and evolving cyber threats, AP Memory joined the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) in early 2023 to enhance its defense and incident response capabilities.

Cybersecurity Management Initiatives

In addition to routine cybersecurity practices, AP Memory continued in 2024 to strengthen internal and external firewall protection (e.g., cross-site shared network security), endpoint management, network activity monitoring, and data transmission controls to enhance data leakage prevention mechanisms. These efforts aim to reinforce the Company's internal cybersecurity environment and mitigate the potential impact of rapidly evolving security threats.

Category	Description
Network Infrastructure Protection	● Regular review of firewall policies, firmware updates, and configuration backups to ensure secure network transmission. ● All services, except for the corporate website, are operated on an internal network. ● External FTP servers are controlled via a firewall whitelist.
Endpoint Protection	● Company servers and PCs are equipped with advanced endpoint/managed detection and response (EDR/MDR) systems, which monitor ransomware behavior patterns beyond traditional antivirus functions to reduce intrusion risks.
USB Device Control	● Usage of peripheral devices on company PCs is restricted via system management, enhancing information security and preventing unauthorized data leakage.
Account Management	● Two-factor authentication (2FA) is implemented for system login accounts, alongside enforced password change policies and complexity requirements. ● Remote work access is limited to company-issued devices using VPN with 2FA authentication.
Privileged Account Management	● All systems have individual admin accounts to prevent compromise or misuse of shared privileged accounts.
Third-Party Cybersecurity Management Platforms	● Internal: Cybersecurity risk analysis is conducted using a security rating platform that monitors external threats through big data analysis. Improvements are made based on results across 15 evaluation dimensions, with an average score exceeding 90 throughout the year. ● External: Security testing is conducted using systems certified by OWASP (Open Web Application Security Project), and corrective measures are implemented based on the findings.
Hardware Security Mechanisms	● UPS (Uninterruptible Power Supply) in server rooms provides 1.5 hours of backup power and triggers automatic shutdown procedures during outages. ● In 2024, a monitoring system for IT services was implemented, featuring automated alerts for hardware or service anomalies to simplify server room operations. ● All physical servers have been virtualized, and critical data is backed up offsite.
Security Testing / Drills	● Annual penetration testing and vulnerability scanning. ● Quarterly social engineering drills.
Training and Awareness	● Annual information security training is provided to enhance all employees' awareness and implementation of cybersecurity practices.

Cybersecurity Management Performance		Description
6	Information Security Policies and Procedures	• A total of 6 Cybersecurity management regulations were completed, covering areas such as Cybersecurity management, IT equipment decommissioning and recycling, core business continuity, outsourced information service security, incident reporting and response, and secure system development lifecycle.
100%	Training completion rate	• Two information security training sessions were held. Each session was recorded, with 100% of participants completing the training.
1	Penetration Testing	• One penetration test was conducted to simulate potential hacker attacks on the company website, identify vulnerabilities, and apply corrective measures.
1	Vulnerability Scanning	• One vulnerability scan was performed, followed by a remediation plan based on the scan results.
3	Social Engineering Drills	• Social engineering drills were conducted periodically. Each scenario was based on real-world social engineering cases. Drill topics and phishing click-through rates were as follows: - 1st Drill: - COVID-19 vaccination notice: 2.53% - Utility bill notification from water company: 4.94% - 2nd Drill: - Encrypted email delivery notification: 12% - Suspicious login alert: 8% - 3rd Drill: - LinkedIn notification: 14.8% • The increase in phishing click-through rates was primarily due to more sophisticated phishing themes, designed to be harder to distinguish from legitimate messages. These cases were later used as educational material in the annual cybersecurity training.
1	Internal Audit	• Conducted by the internal audit team.
1	BCP	• One disaster recovery drill was conducted for critical systems to ensure continuous business operations.

Information Security Process Enhancement

Starting in 2024, AP Memory conducted a comprehensive review of confidential data exchange processes with external clients and suppliers. This assessment identified potential cybersecurity vulnerabilities. Based on these findings, the Company developed improvement measures aligned with its information security management principles. Upon approval by the Cybersecurity Governance Committee, the Company initiated the development of new systems and enhanced security protocols. The improved information security process, including the IP release flow, is expected to be officially launched in mid-2025.

Pioneering

Leading Product Innovation

4

4.1 Innovation Management
4.2 Intellectual Property Protection and Competitive Behavior
4.3 Product Lifecycle Management

4.1 Innovation Management

Principles and Direction of Innovation Management

Deliver memory solutions tailored to customer applications

AP Memory develops innovative products based on diverse customer requirements, including memory density, applicable interfaces, transmission speeds, and packaging types.

Develop differentiated memory specifications

The Company actively allocates resources to explore new applications for existing products, aiming to differentiate memory specifications, capture emerging market opportunities, and pursue excellence in comprehensive chip design and execution capabilities. The goal is to become a world-leading memory solution provider.

Innovation Management Structure

AP Memory encourages employees to innovate and develop leading technologies. Through both internal and external collaboration, the Company enhances technical innovation, cultivates professional talent, and develops high-end, first-in-the-world technologies to continuously provide customers with customized and competitive sustainable products.

Innovation Management Measures	Description
R&D Investment	● Continued increase in R&D expenditures: In 2024, R&D spending reached NT$780 million, representing a NT$200 million (34%) increase compared to the previous year. ● R&D expenditure ratio: In 2024, R&D expenses accounted for 19% of revenue, up 5 percentage points from the previous year.
Enhancement of Intellectual Property and Patent Management	● The patent office recruited talent from well-known wafer manufacturers and appointed an experienced U.S. patent attorney with expertise in patent applications and litigation as a technical advisor to provide strategic guidance on patent portfolios. ● Engaged external professional firms to implement electronic management of patent maintenance. ● Significant growth in invention patent applications in 2024, attributed to the implementation of a professional management system and optimized application procedures. From 2021 to 2024, a total of 31 patents were granted.
Optimization of the Patent Proposal Process	● Following the establishment of a dedicated patent unit, AP Memory revised its ‘Patent Application and Reward Guidelines’ in April 2024. The update defined the responsibilities of the patent office and patent review committee, as well as the timing and criteria for patent bonus distribution, reducing procedural barriers for employees and allowing them to focus on innovation.

Unit: in thousands of NTD

Related Information	2021	2022	2023	2024
R&D Expenditures	359,104	462,066	583,627	780,593
% to Revenue	5%	9%	14%	19%

Product Sustainability Responsibility

From the product development stage, AP Memory integrates sustainability considerations throughout the product lifecycle, such as using fewer materials, reducing memory product size, lowering operating power consumption, and minimizing energy loss and carbon emissions during manufacturing. The Company continuously improves sustainability through product design across raw materials, production processes, supplier management, and product usage.

Product Category	Environmentally Sustainable Products				Socially Sustainable Products
	Optimized Structural Design	High Efficiency (Energy Efficiency) / High Performance (Bandwidth) Products	Low Power Consumption Products[1]	Restricted Substance Control	Social Applications
IoT Products	● Reduced memory pin count ● Smaller memory package size - 128 Mb memory product: 66% smaller in size compared to the previous generation.	● 1.2V memory product (2023): Completed verification and sampling. Compared to 1.8V products, standby power consumption (pJ/capacitance density) is reduced by over 20%, and dynamic power consumption (pJ/bit) by over 30%. Mass production began in 2024. ● 2024 new product line: Achieves energy efficiency of 1 pJ/bit, reducing dynamic power consumption by over 80% compared to the previous generation.	● WLCSP packaging	● 100% of products comply with all international restricted substance regulations: managed according to the Green Product Management Procedure.	● Accelerating IoT and data processing: such as device interconnectivity and data analytics to enable smart automation, transform lifestyles and production models, and promote economic and social development.
AI Products	● Reduced memory area ● Multi-layer stacking technology - By 2024: Capability to stack multiple DRAM wafers on one logic wafer.	● Low power consumption, high efficiency, and high-speed performance in a single die: 2024 specifications for energy efficiency and bandwidth: Comparison Item / Energy Efficiency / Bandwidth HBM4 / 3x lower / 24x higher HBM3E / 5x lower / 30x higher HBM3 / 12x lower / 45x higher HBM2E / 15x lower / 80x higher ● 2024: Achieved 0.3 pJ/bit energy efficiency target ● 2024: Interposer with embedded silicon capacitor: capacitance of 1,200 nF/mm²; max die size up to 4× reticle size	● 2.5D packaging ● 3D packaging	● 100% of products comply with all international restricted substance regulations: managed according to the Green Product Management Procedure.	● Accelerating AI and high-performance computing: such as large language model computation to enhance productivity, innovation, and technology advancement.
S-SiCap™ Products	● Miniaturized volume - Silicon Capacitor (SiCap): 10% thinner and lighter than the previous generation.	● 4th generation silicon capacitor: Capacitance of 3,800 nF/mm², which can be embedded in or placed on the landside of the substrate.	● 2.5D packaging	● 100% of products comply with all international restricted substance regulations, managed according to the Green Product Management Procedure.	● Accelerating miniaturization and energy-efficient development of electronic components: enhancing component performance while reducing size and weight, promoting the sustainability of tech products and fostering the adoption of green technology and smart living.

Note 1 : AP Memory' s IC products, when packaged by customers, adopt WLCSP, 2.5D, and 3D packaging technologies, which differ from traditional packaging methods and offer lower energy consumption.

4.2 Intellectual Property Protection and Competitive Behavior

Disclosure Topic **Intellectual Property Protection and Competitive Behavior**

SASB Code	Accounting Metric	2021	2022	2023	2024
TC-SC-520a.1	Total monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations (Unit: NT$ thousand)	0	0	0	0

Intellectual Property Management Mechanism

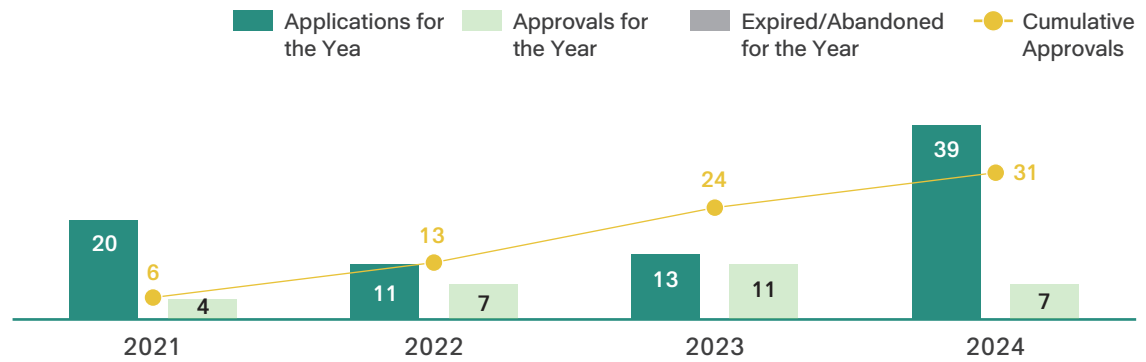
To enhance employee awareness of intellectual property (IP), protect the Company's IP output, and encourage research and innovation, AP Memory has established the 'Intellectual Property Management Regulations.' These regulations outline general principles for IP ownership, application, infringement prevention, utilization, and incentive mechanisms regarding IP generated by internal staff or through collaborations and commissioned research with external individuals or organizations. Additionally, based on the nature of each type of intellectual property and relevant legal requirements, the Company has developed supplementary guidelines, including the Patent Application and Reward Guidelines and the Confidential Information Management Regulations. Annual employee training and periodic internal audits are conducted to ensure the effective implementation of these mechanisms, protecting high-value intellectual assets such as patents and trade secrets. As of the publication date of this report, AP Memory has not been involved in any litigation or penalized for infringing on others' intellectual property rights or violating fair trade regulations.

Patents

To enhance patent application efficiency, the Patent Office at AP Memory not only strategizes the Company's patent portfolio but also develops an in-depth understanding of the inventive features and industry applications of its technologies. This enables inventors to clarify key aspects of their innovations and ensures that patent claims and descriptions accurately reflect the essence of the inventions. This support allows inventors to focus on R&D, significantly improving the quality and efficiency of patent applications.

In 2024, the Patent Office prioritized optimizing the patent proposal process and providing inventors with enhanced assistance. As a result, the number of new patent applications grew significantly, with a total of 39 new applications submitted and 7 patents granted. A total of approximately NT$200,000 in patent bonuses was awarded to 8 inventors (based on the revised 2024 bonus system). From 2021 through 2024, the Company accumulated 31 granted patents, with no cases of patent expiration, invalidation, or abandonment during this period.

Historical Patent Applications, Approvals, and Active Patents



Note : Cumulative granted patents = Current year granted patents + Cumulative granted patents from previous years

Trade Secret Protection

To properly safeguard and manage the Company's trade secrets and maintain its market competitiveness, AP Memory conducts annual training sessions on trade secret protection and the execution of non-disclosure agreements (NDAs), aiming to instill the concept of 'confidentiality and anti-espionage' deeply among employees. In 2024, the Company designated the AP Memory Trade Secret Protection and Management System course as mandatory for all employees, achieving a 100% completion rate. In addition to the confidentiality clauses included in employment contracts at onboarding and in exit declarations upon resignation, employees are required not to disclose company secrets. For special projects, participating personnel must also sign separate project-specific confidentiality agreements to both safeguard company information and reduce the risk of violating insider trading regulations.

Beyond contractual obligations for external parties, in 2024 AP Memory also revised and optimized the document control center's external distribution process. A new review step was introduced before the release of any confidential document to confirm the existence of a valid confidentiality agreement with the recipient, thereby strengthening the protection of sensitive information disclosed externally.

Furthermore, in accordance with the Confidential Information Management Regulations, internal audits are carried out periodically by the Audit, IT, and Legal departments. These audits randomly inspect departments such as technology, engineering, production, sales, and operations management for compliance with requirements including 'confidentiality labeling,' 'confidential asset inventory and folder access permissions,' and 'confidential information transmission records.' Any deficiencies identified must be corrected within the specified timeframe

Training Program

Course Title	AP Memory Trade Secret Protection and Management System (Mandatory for All Employees)
Course Content	Covers legal concepts of trade secrets, shares insights from real-world court rulings, and introduces AP Memory's internal confidential information management system. Completion of the course requires a perfect score on the written test.
Participation Rate	100 %

4.3 Product Lifecycle Management

Disclosure Topic **Product Lifecycle Management**

SASB Code	Accounting Metric	2021	2022	2023	2024
TC-SC-410a.1	Percentage of products by revenue that contain IEC 62474-declarable substances	0%	0%	0%	0%
		AP Memory follows the regulated chemical substance lists under RoHS and REACH as the primary compliance standards. During the reporting period, a comparison was conducted between IEC 62474 and the aforementioned two regulations. None of the products shipped currently contain substances that are declarable under IEC 62474. As of the end of 2024, no customers have required AP Memory to provide relevant information based on IEC 62474 chemical substance management standards.			
TC-SC-410a.2	Processor energy efficiency at a system level for: (1) servers, (2) desktops, and (3) laptops	• AP Memory' s products are not applied in commercial servers or personal computers; therefore, this disclosure metric is not applicable. • AP Memory is committed to developing higher-performance products to enhance end-use energy efficiency. For more information, please refer to Section 4.1 Innovation Management.			

Chemical Substance Management

AP Memory has established a Green Product Management Procedure, under which all sold products are shipped in compliance with the defined processes. The scope of controlled chemical substances is primarily based on international standards such as RoHS and REACH, as required by customers. In accordance with customer procurement processes, product hazardous substance declarations are submitted. In addition, the relevant chemical control lists are included in supplier management requirements, mandating foundries and packaging houses to provide detailed material composition lists. These lists must declare restricted substances as required and be regularly updated with substance declaration forms and test reports. As of the end of 2024, 100% of products by revenue comply with RoHS and REACH regulations.

Region/Association	Regulated Chemicals / Restrictions
European Union	EU-RoHS, EU-REACH, PFOA/PFOS (Perfluorinated compounds restriction directive)
China	China-RoHS
United States	California RoHS, TSCA
International Electrotechnical Commission (IEC)	IEC 62474
Customer	**Regulated Chemicals / Restrictions**
Customer-specific	SONY-GP (Sony Green Partner Certification)

Collaboration

Strategic Partnerships

5

5.1 Customer Relations
5.2 Quality Management
5.3 Supply Chain Management

5.1 Customer Relations

Customer Service Philosophy

Customer service at AP Memory is guided by five principles

integrity, trust, listening, innovation, and win-win collaboration.

Responsive and localized service

Headquartered in Hsinchu, Taiwan, with R&D and sales locations in the United States and Mainland China.

Customer Service Process

To ensure that product quality meets design specifications and customer requirements, AP Memory implements full lifecycle quality management, covering the stages of new product development and validation, risk-based pilot production, and long-term reliability monitoring after mass production.

From new product verification, production quality management, to after-sales service, AP Memory maintains an integrated and systematic customer service process:

Customer Satisfaction

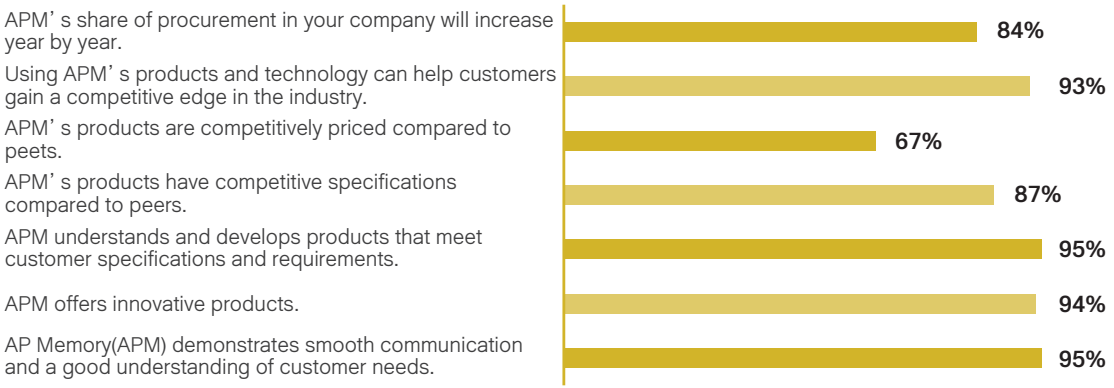
AP Memory has conducted Customer Satisfaction Surveys (CSS) for nearly a decade. The 'Customer Survey Task Force' oversees and implements this project. Each year, surveys are distributed to the top 10 mass production customers (evaluated by sales and region), as well as key contact points from major design-in projects, to assess satisfaction with the Company's performance in the prior year. In 2024, 93% of the returned surveys rated AP Memory's overall performance as 'Acceptable' or above.

Customer Satisfaction Survey — Principles and Results

Item	Description
Survey Targets	● One consolidated questionnaire is distributed to client contacts across four key functions: Procurement, Project Management, Product Engineering, and Quality Assurance.
Frequency	● Once per year
Response Rate	● In 2024, a total of 109 surveys were sent by the two business divisions to various customer contacts, achieving an approximately 80% response rate. ● The surveyed customers accounted for over 80% of total company revenue.
Survey Optimization	● The customer satisfaction questionnaire has been refined over the years to include input validation features to prevent errors or incomplete responses. In 2024, the 'Customer Feedback' section was enhanced with better formatting to encourage open-ended comments for ongoing improvement.
Survey Outcomes	● In 2024, 93% of respondents across the four key customer functions (Procurement, Project Management, Product Engineering, and Quality Assurance) rated AP Memory's performance as 'Acceptable' or above. ● Statistical Analysis: - Over 90% of customers agreed with the following statements: 'Communication with AP is smooth,' 'AP is an innovative company,' 'AP can develop products that meet customer specifications/ needs,' and 'AP' s products and technologies enhance customer competitiveness'. - 67% of customers agreed that AP Memory's products are more price competitive compared to peers. - 84% of customers indicated an intention to increase procurement volume from AP Memory year-over-year.

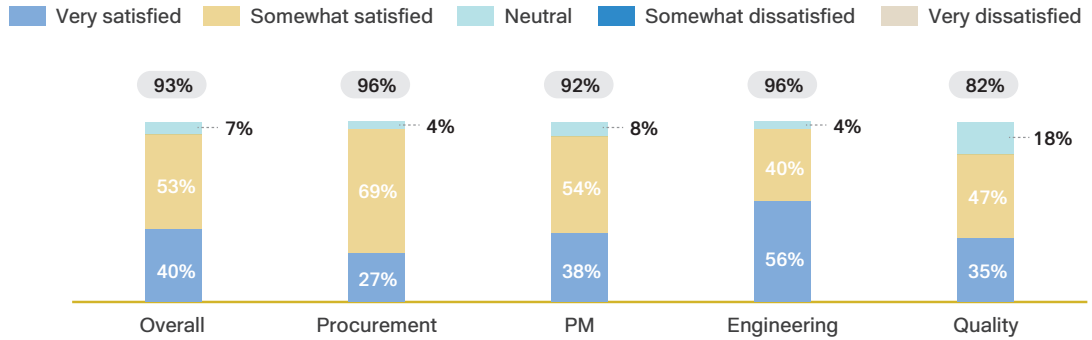
Results of the Customer Satisfaction Survey

2024 Customer Satisfaction Statistics Table



Customer Satisfaction with AP Memory' s Overall Performance Across Four Key Functions

Overall performance in 2024



回覆件數	81	26	13	25	17

Customer Complaint Management

When quality defects occur with customers or in the end-user market, AP Memory activates its exception handling mechanism immediately upon receiving a customer complaint, in accordance with the Customer Complaint Handling Work Instruction. The customer complaint request (CCR) is logged into the internal information system to ensure all issues are promptly tracked and quality improvements are effectively implemented.

LV 0	Customer accepts the failure not caused by APM.
LV 1	IC function ok, Visual defect, Packing related defect, Don' t need rework, No return.
LV 2	Reworkable/Resorting/RT, No reliability concern , ppm escape (over spec).
LV 3	Can' t rework, Function fail, Reliability risk issue, Lot mixed, OTD fail.
LV 4	Customer line shut down, Reliability fail, GP issue.

Exception Handling Procedure

Step-I **Complaint Occurrence**	The Quality Assurance (QA) department receives a quality complaint from a customer, distributor, or sales representative and logs the case for subsequent tracking.
Step-II **Situation Assessment**	The QA team conducts a preliminary assessment to confirm the abnormality and gathers detailed information. The case is then classified based on its severity level.
Step-III **Root Cause Analysis and Improvement**	The QA team coordinates with relevant departments to perform an analysis based on the issue and completes the analysis and corrective action report within the timeframe requested by the customer.
Step-IV **Improvement Follow-up**	The QA team proactively monitors the implementation of corrective actions and regularly reports complaint handling progress to relevant departments and senior management through weekly, monthly, and quarterly reports.

Key Performance Indicator (KPI) Management

Each customer complaint is treated with the utmost importance. AP Memory is committed to zero defects, non-recurrence of major issues, and honest communication with customers regarding corrective actions. The QA manager regularly reviews the progress of each issue and actively monitors the customer' s subsequent production and usage status.

AP Memory manages quality improvement through two key performance indicators—' Number of Customer Complaints and Recurrence Frequency,' and 'Regular Reporting Mechanism' :

1. Monthly statistics of complaint cases and quarterly recurrence counts are compiled based on severity levels (Level 0 – 4) to analyze and manage abnormalities.
2. QA supervisors report actual performance and status to department heads and the CMC through weekly, monthly, and quarterly reports, enabling real-time insight into product quality and ensuring timely corrective actions to meet customer expectations.

Product Return Management

When product returns occur, the sales team proposes a handling approach based on the reason for return and customer requirements. The plan must be submitted for approval by the President before proceeding with subsequent steps. The handling methods include:

- Product return, replacement, or discount: The sales department applies for return or replacement processing. Upon approval by the President, the case is documented and retained in the RMA records.
- Special customer requests: With the President' s approval, AP Memory may accommodate specific customer needs, including dispatching personnel for on-site support.

In accordance with ISO 9001:2015 standards and the Company' s ongoing commitment to continuous quality improvement, the Quality Assurance and Engineering teams conduct abnormality analyses and propose effective corrective actions for all returned products.

- Customer complaint cases throughout the year met performance targets, including monthly incident counts and quarterly recurrence rates.
- Key improvements in 2024 include the following:

Improvement Item	Description
KGD Defect Rate	• The Company' s core product is Known Good Die (KGD). The defect rate at the end customer site is one of the most critical quality indicators. • Based on 2024 shipment data, all product lines achieved end-customer defect rates meeting or exceeding high customer standards (< 100 ppm).
Returns Due to Electrical Abnormalities	• No significant quality complaints related to electrical issues were recorded in 2024. Minor cases (1 issue) were on par with the previous year. Improvement actions included enhanced fab process quality and stricter CP test conditions to prevent recurrence. • After months of joint monitoring with the customer, the issue showed substantial improvement and did not recur.
Product Appearance Defects	• In the early mass production phase of S-SiCap ™ Interposer products, appearance defects were identified. The quality team collaborated with the wafer foundry to optimize optical inspection parameters, ensuring defect detection and preventing defective units from reaching the customer. • Final confirmation from the end customer showed the defect rate had significantly dropped to zero, and the product successfully entered full production.

Positive Customer Feedback and Interaction in 2024

Awarded ‘Outstanding Partner’ by a leading baseband chip manufacturer in China. AP Memory' s ability to provide customized products and tailored business, quality, and technical support during sudden market shifts helped the customer navigate cost pressures. This strong collaboration fostered ongoing production orders and strategic mutual trust.

Received ‘Outstanding Partner’ trophies from renowned baseband and wearable device companies.

Recognition of AP Memory' s continued investment in product innovation, and affirmation of the Company' s rigorous quality control mechanisms.

Customers acknowledged the team' s technical expertise, responsiveness, and effective communication, praising the team for attentiveness to customer needs, professionalism, and proactive attitude.

5.2 Quality Management

Quality Philosophy and Commitment

AP Memory is dedicated to comprehensive excellence in chip design technology and high-quality execution. With a customer-oriented approach, the Company aims to become the world' s leading provider of memory solutions. Delivering top-tier, high-quality products tailored to customer needs represents AP Memory' s core commitment. Since obtaining ISO 9001 certification in 2017, the Company has pursued a zero-defect goal through company-wide participation, process-based management, and timely fulfillment of customer demands—consistently striving to exceed customer expectations.

As an IC design company focused on memory R&D, design services, and sales, all AP Memory products are manufactured by qualified external suppliers. The Company actively monitors and manages these suppliers to ensure that product quality aligns with customer requirements. Through continuous quality improvement initiatives and optimized process management, AP Memory minimizes operational risks and environmental impacts, contributing to its sustainable development goals.

Ongoing Quality Improvement Activities

To achieve quality objectives, the Quality Department collaborates with relevant departments in daily, weekly, monthly, and quarterly review meetings. This allows for the timely identification of performance deviations and immediate review and correction, effectively reducing the risk of quality issues, improving operational efficiency, reducing waste, and uncovering potential profitability opportunities.

AP Memory continues to focus on wafer process quality monitoring, improving wafer test coverage, and implementing verification and reliability monitoring for new products. The Company emphasizes 5-Whys root cause analysis and employs Close Loop Corrective Action (CLCA) to ensure sustained corrective measures. Following abnormality analyses, the Quality Department activates the CLCA monitoring mechanism and holds monthly CLCA review meetings to ensure all customer complaints are addressed based on analysis reports. The process includes submission of corrective evidence and verification data to prevent recurrence and meet quality standards.

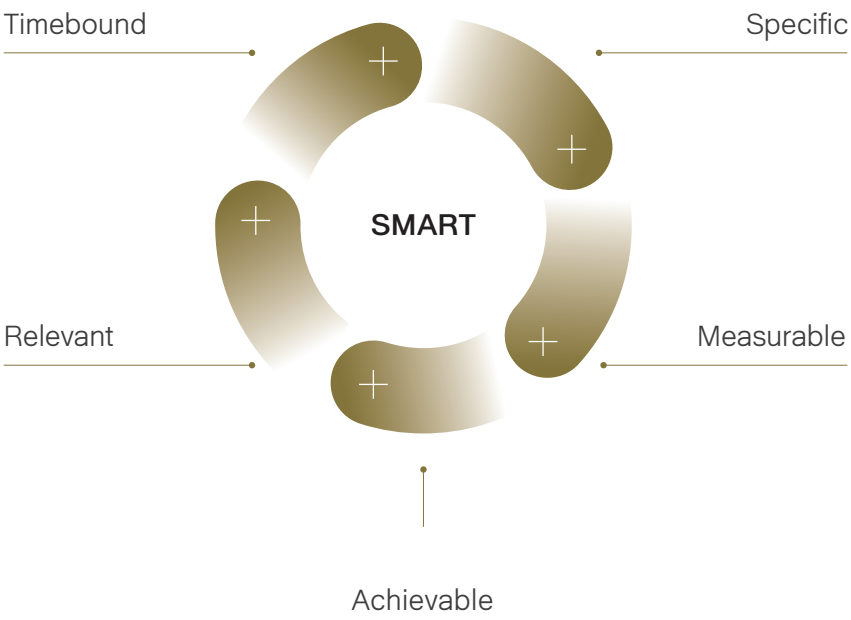
Quality Improvement Activity	Objective	Content
Enhancing WLCSP Process Quality	Reduce the risk of IC edge chipping to improve yield and reliability.	• Improvement Method: DOE experiments, optimization of dicing parameters, adjustment of AOI inspection settings, and enhanced inspection capability. • Results: Final WLCSP yield improved by 2.5%, passed all reliability verifications, and received quality approval from end customers.
Addressing Quality Variation in Aged Wafer Inventory	Reduce wafer scrap issues.	• Improvement Method: In collaboration with testing facilities, AP Memory introduced automated nitrogen-filling equipment and conducted experiments to identify optimal filling parameters and frequencies. • Results: Verified that nitrogen filling significantly reduces wafer degradation. Target scrap rate: 0%.
Improving Visual Inspection of S-SiCap ™ Interposer Defects	Prevent defective products from reaching end customers.	• Improvement Method: Worked with wafer foundries to optimize AOI parameters, ensuring all defects are effectively screened out. • Results: Confirmed by end customers; defect rate reduced to zero.

Key Quality Indicator Monitoring

Each department and team member at AP Memory collaboratively defines meaningful key performance indicators (KPIs) using the SMART principle. These indicators present quantifiable performance standards over time, enabling effective team performance management. Based on actual performance outcomes, internal control methods are adjusted in a timely manner to support the goal of continuous improvement.

The Quality Department regularly monitors and reviews the achievement of KPIs and links the most critical customer complaint requests (CCR) to employee performance evaluations. This reinforces a company-wide sense of accountability and strengthens corporate governance initiatives.

In 2024, AP Memory continued to focus on the most critical KPI related to CCRs—the CP electrical misjudgment rate. The Company enhanced test pattern coverage, tightened test criteria, strengthened understanding of end-customer requirements, and increased reliability monitoring frequency. These efforts have led to a significant decline in CCR cases over the past three years and helped maintain a stable CP electrical misjudgment rate, earning recognition from end customers.



CCR Cases	Level 0	Level 1	Level 2	Level 3	Level 4	Total
2022	29	21	5	0	0	55
2023	31	15	2	0	0	48
2024	34	11	1	0	0	46

CP Electrical Misjudgment (No. of Cases)	Low ppm (< 300 ppm)	Higher ppm (>= 300 ppm)
2022	4	1
2023	1	0
2024	1	0

Note : Target for CP electrical misjudgment — Low ppm: no more than 2 cases per quarter; Higher ppm: no more than 2 cases per year.

Quality Management Training

AP Memory continues to promote company-wide quality training programs. In addition to basic quality training, the 2024 program featured external laboratory instructors introducing the ESD reliability verification process and failure analysis techniques. For the key product S-SiCap ™ , a dedicated quality task force was established. Through brainstorming sessions, the team discussed comprehensive quality control across all stages of the process. The aim is to ensure that S-SiCap ™ products delivered to end customers meet the zero-defect quality standard.

5.3 Supply Chain Management

AP Memory' s suppliers are categorized into five main groups: wafer fabrication, wafer testing, packaging, other production-related, and general administrative services. As a fabless chip design company with no in-house production lines, the Company' s primary product is the wafer, with silicon wafers serving as the most critical raw material. To meet customer demands for packaged products, the main materials used include packaging components such as epoxy, gold or copper bonding wire (Au, Cu wire bonding), polyimide, and solder bumps.

2025 Supplier Sustainability Management Goals

Sustainability

Establishment of supplier sustainability regulations

100%

signing rate of the Supplier Code of Conduct Commitment for new key suppliers

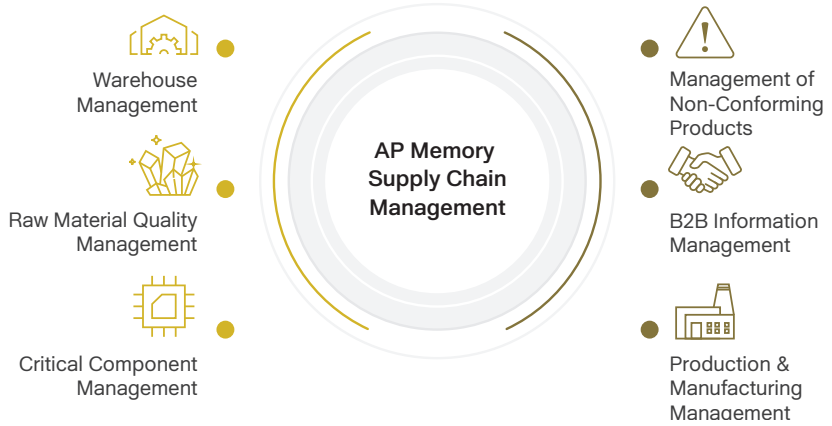
90%

signing rate of the Supplier Code of Conduct Commitment for existing key suppliers

Note : Definition of Key Suppliers: Foundries, testing, and packaging service providers

Supplier Code of Conduct Management

Based on the Responsible Business Alliance (RBA) Code of Conduct, AP Memory has developed its own Supplier Code of Conduct. It requires suppliers to comply with standards in labor practices, health and safety, environmental protection, business ethics, and management systems. Suppliers are also expected to fully adhere to the laws and regulations of the countries or regions where they operate. Compliance with the Supplier Code of Conduct is verified during the initial engagement and annual audits. This compliance is considered a key factor in AP Memory' s procurement evaluations and decisions.



Supply Chain Management Mechanism

AP Memory has established 6 major dimensions of supply chain management. In addition to regularly collecting quality data, conducting supplier evaluations, and performing annual audits, suppliers are also required to manage their own raw material suppliers and implement continuous improvement initiatives.

New Supplier Management

AP Memory has established a five-step process for managing new suppliers. After document review, needs assessment, and trial production, a supplier audit is conducted. The audit results are classified as ‘Acceptable,’ ‘Conditionally Acceptable,’ or ‘Fail.’ In the case of a failed result, the supplier must complete corrective actions within a specified period and undergo a re-audit within 6 months. If the re-audit result remains ‘Fail,’ the supplier will be disqualified from re-entering the evaluation process for the remainder of the year.

	Implementation Process	Responsible Unit
1	**Collect Supplier Information** Including company profile and contact window	Operations Unit
2	**Sign NDA** Sign a non-disclosure agreement with the supplier to reduce the risk of confidential business information leaks	Operations Unit and Legal Department
3	**Needs Assessment & Trial Production** Conduct initial evaluation and engineering trial production based on product and process requirements	Engineering Unit
4	**Supplier Review** Once the supplier meets the necessary criteria, a supplier review process is initiated	Quality Assurance Unit
5	**Qualification as Approved Supplier** After completing document review and on-site audits, suppliers that meet requirements are approved and reported to the operations unit as qualified suppliers	Quality Assurance Unit with Center-Level Executives

New Supplier Audit Method

AP Memory evaluates new suppliers using the Approved Vendor List (AVL) questionnaire. The assessment framework is categorized into five dimensions: Quality (Q), Cost (C), Delivery (D), Cybersecurity (S), and Technical Capability (T). This approach allows effective evaluation of a new supplier' s actual performance while improving supplier management efficiency and reducing costs.

The supplier management team is fully involved in the new supplier evaluation process, ensuring all assessment items are reviewed and improved prior to mass production. This guarantees that potential risks related to internal control, production process, and quality are identified and mitigated before full-scale production begins.

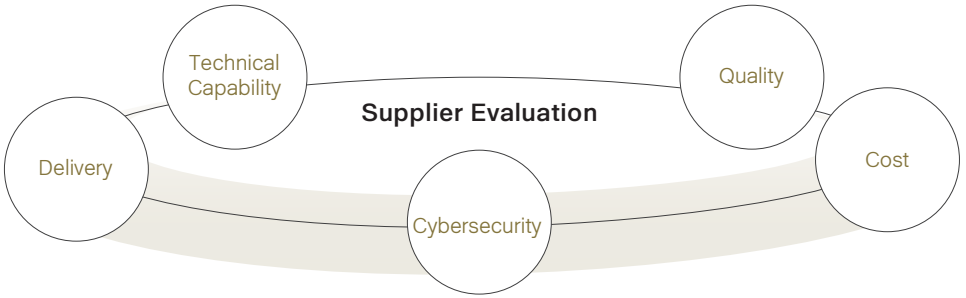
Supplier Evaluation Process

Current Status Probe → **Evaluation**

Document Preparation → **Analysis**

Supplier Evaluation → **Scoring**

Supplier Scoring Dimensions



Scoring	Weights
Quality	30%
Cost	15%
Delivery	15%
Cybersecurity	10%
Technical Capability	30%
Total	100%

N

Survey external suppliers → Evaluate supplierprovided samples by external suppliers → Pilot production, on-site assessment or evaluation form / acceptance → Y Register approved suppliers

· Scores 70% ↑ : Approved
· Scores 70% ↓ : Not Approved

Existing Supplier Management

Existing suppliers are managed through both document review and on-site audits. A detailed audit questionnaire is used to assess supplier status, including quality, process capabilities, and production planning. Based on audit results, suppliers are rated as Acceptable, Conditional Acceptable, or Fail. Suppliers rated as 'Fail' are required to implement corrective actions and complete a follow-up audit within 6 months. In 2024, five suppliers were evaluated, and all were deemed qualified. The supplier management team also holds regular weekly meetings with key suppliers to discuss quality issues. These meetings track key quality indicators, such as trend charts, SPC (Statistical Process Control), Cpk (Process Capability Index), and CIP (Continuous Improvement Programs).

Upon reviewing the 2024 supplier quality performance, all suppliers met quality targets, and the products delivered to end customers conformed to their quality requirements. AP Memory will continue to use this standardized approach to manage supplier quality and integrate quarterly review mechanisms to enhance supplier performance.

Additionally, to support global carbon reduction and energy-saving initiatives, AP Memory continues to assess suppliers' carbon management practices. This includes evaluating energy-saving performance, electricity conservation, greenhouse gas management targets, and the use of renewable energy. Based on feedback collected from suppliers, one supplier is expected to reach 30% renewable energy usage by 2030.

Supplier Communication	Improvements in Supplier Management Process
• Regular Meetings: AP Memory holds weekly and monthly review meetings with suppliers, requiring them to collect and analyze key performance indicators. Review results are documented to confirm compliance with quality standards. • Timely Issue Response: If product issues are reported by customers, suppliers are required to immediately investigate, identify root causes, implement corrective actions, and report progress truthfully to resolve the issue and prevent recurrence.	• Digitalization for Greater Accuracy: In 2024, AP Memory optimized its supplier management process by systematizing the quotation process. CP testing times are now entered into the SAP system, which automatically calculates test costs. The data is then verified and updated through the system approval process, reducing the risk of human error.

Conflict Minerals Management

AP Memory has established the Green Product Management Procedure, led by the President and the Green Management Task Force, to promote green products, comprehensive pollution prevention programs, and responsible supply chain management. This procedure includes conflict minerals management to ensure that supplier sources comply with the Conflict-Free Minerals Policy and meet both international regulations and customer requirements. This is part of the Company's commitment to environmental protection and social responsibility, contributing to its goal of sustainable operations.

→ Conflict Minerals Management Strategy

Following the Due Diligence Guidance for Responsible Supply Chains issued by the Organization for Economic Cooperation and Development (OECD), AP Memory requires its suppliers to sign a Conflict-Free Minerals Policy Declaration, ensuring that raw materials and minerals used do not originate from conflict-affected areas in the Democratic Republic of the Congo and surrounding countries, or other high-risk regions. To reduce supply chain risks related to conflict minerals, all minerals used in products must be 100% sourced from smelters compliant with the Responsible Minerals Initiative (RMI). In 2024, AP Memory formulated its Conflict Minerals Policy and adopted the Conflict Minerals Reporting Template (CMRT) released by the RMI for sourcing due diligence of tin, tungsten, tantalum, and gold. Additionally, the Company utilized the Extended Minerals Reporting Template (EMRT) for cobalt and mica to conduct supplier due diligence, ensuring all minerals are sourced from RMI-recognized smelters.

Conflict Minerals Management Process

In 2024, based on the latest conflict minerals requirements, AP Memory required suppliers to proactively eliminate non-compliant or unqualified smelters. All 62 suppliers of these minerals are certified approved smelters and are continuously monitored to ensure adherence to relevant laws and customer expectations.

Information Collection
Complete CMRT and EMRT to confirm conflict metal sourcing

Due Diligence
Conducting due diligence on the sources of conflict minerals

Disclosure
Disclose conflict minerals investigation results truthfully

Correction and Improvement
For non-compliant vendors, provide guidance for improvement or removal it from supply chain

Mineral Supplier Distribution

Mineral	Country	Number of suppliers
Gold X 24	Japan	13
	China	3
	Swizerland	2
	USA	1
	Canada	1
	Singapore	1
	South Korea	1
	Belgium	1
	Australia	1
Tungsten X 11	China	5
	USA	2
	Japan	2
	Germany	1
	Vietnam	1

Mineral	Country	Number of suppliers
Tin X 27	Indonesia	12
	China	4
	Japan	2
	Thailand	2
	Boliva	1
	Brazil	1
	USA	1
	Belgium	1
	Peru	1
	Poland	1
	Malaysia	1
Tantalum X0	N/A	0

Raw Material Risk Management

Disclosure Topic **Materials Sourcing**

SASB Code	Accounting Metric	Description
TC-SC-440a.1	Description of the management of risks associated with the use of critical materials	• AP Memory' s primary raw material, wafers, are 100% outsourced to wafer foundries for manufacturing. Rare earth metals are considered critical materials for these foundries. Therefore, the stability and timely delivery of wafer supply remain key procurement risk concerns for AP Memory. The Company continuously manages these risks through regular supplier evaluations to monitor and control potential issues. • AP Memory requires suppliers to regularly update Green Product (GP) test reports on material composition, with updates at least once per year in principle. In addition, during annual quality audits, on-site inspections are conducted to verify the bill of materials and corresponding inspection records.

The Company' s key raw material supply risk management focuses primarily on wafer foundries and packaging service providers. AP Memory continuously monitors their production capacity to ensure timely delivery of products to meet customer demands. For certain component suppliers—such as probe cards or masks used in wafer testing—multiple suppliers are qualified, significantly reducing the risk of material shortage.

Local Procurement

To reduce carbon emissions from transportation and support the local economy, AP Memory prioritizes local sourcing. As an upstream IC design company within the semiconductor supply chain, AP Memory outsources wafer fabrication to professional foundries after completing product design. These wafers are then tested and packaged by external service providers. All outsourced production partners—foundries, testing, and packaging service providers—are 100% based in Taiwan. Additionally, 73% of jigs and production equipment are sourced from Taiwanese suppliers.

Empowerment

Strengthening Human Capital

6

6.1 Human Rights Management
6.2 Talent Recruitment and Retention
6.3 Compensation and Benefits
6.4 Talent Development
6.5 Employee Health & Safety
6.6 Employee Relations

6.1 Human Rights Management

Human Rights Management Mechanism

To protect the fundamental rights of all employees, AP Memory explicitly commits to upholding employee human rights and recognizes and voluntarily adheres to international human rights standards, including the 'Universal Declaration of Human Rights.' Employees are treated equally regardless of race, religion, skin color, nationality, gender, or other such factors. Relevant policies are stipulated in the 'Human Rights Policy' and 'Anti-Discrimination and Anti-Harassment Policy.' The Company encourages diverse recruitment and has implemented interview training programs for hiring executives to ensure they avoid inquiries about non-job-related personal information or discriminatory considerations. Externally, the Company has also established multiple communication channels to ensure stakeholders from all sectors can effectively express their views and opinions.

AP Memory is committed to providing a safe working environment, ensuring employee dignity, and operating with integrity and sustainability. The Company highly values employees' freedom of employment and strives to build a compliant and friendly workplace. No forced or compulsory labor exists in any internal operations. All employment conditions comply with labor regulations at each operating site, such as the Labor Standards Act. In adherence to the United Nations' International Labor Organization guidelines, the Company strictly prohibits the employment of underage workers below the minimum legal employment age. To ensure full compliance, all recruited employees must provide official identification for verification, in accordance with regulatory requirements.

→ Human Rights Policy

→ Anti-Discrimination and Anti-Harassment Policy

Grievance Mechanisms	● A comprehensive grievance and reporting mechanism is in place to protect the safety of whistleblowers. If any human rights violations are discovered, they can be reported via this mechanism. ● Employee Grievance and Reporting Email: APM_SpeakUp@apmemory.com
Remediation Mechanism	● Once a human rights violation is confirmed, the Company will initiate a remediation process based on the nature of the incident and, if necessary, collaborate with relevant stakeholders to prevent recurrence.
Feedback Mechanism	● Each year, the Company conducts assessments on material topics, risk evaluations, and related activities to identify at-risk groups and potential human rights risks. Based on the findings, a human rights risk control plan is formulated.
Awareness and Training	● The Company disseminates human rights policies through various means, such as meetings, emails, and internal bulletins. Regular training sessions are held. In 2024, AP Memory conducted training courses on the Human Rights Policy and Anti-Discrimination and Anti-Harassment Policy to raise employee awareness and sensitivity to human rights issues, thereby reducing the risk of violations. ● In 2024, a total of 221 employees received the related training, totaling 221 hours, covering 100% of the workforce.

Human Rights Management Indicators

	Management Indicator	2024 Performance
Employee	Number of Hired Persons with Disabilities	In compliance with requirement
	Discrimination Cases (e.g., workplace, gender)	0
	Sexual Harassment Cases	0
	Forced Labor Cases	No labor disputes

6.2 Talent Recruitment and Retention

Human Resource Strategy Planning

Talent is AP Memory' s most valuable asset. The Company has long regarded a robust workforce structure and strategic talent deployment as the driving force behind technological innovation. To expand its business scale and strengthen R&D capabilities, AP Memory focuses not only on headcount growth but also on workforce structure and quality. To achieve this, the Company aligns human resource planning with business strategies, identifies talent needs and core competencies, and continuously develops diverse and effective recruitment channels while offering competitive compensation and benefits to attract top talent and improve employee engagement and retention.

In 2024, a new human resource management system was introduced to more effectively manage employee data, compensation, and attendance across all business locations. This system improves operational efficiency, optimizes management processes, and ensures compliance with relevant regulations and policies.

Talent Recruitment

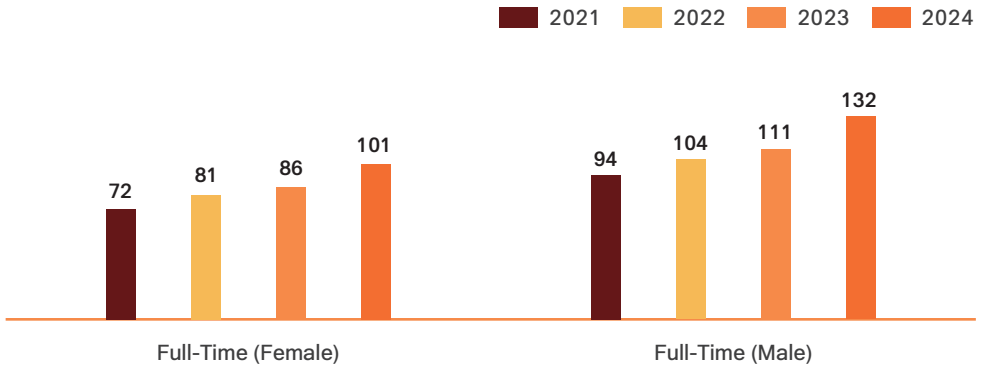
Diversity and inclusion are part of AP Memory' s corporate culture. Finding the right and capable talent is the top priority, and recruitment is never influenced by gender, race, religion, age, or disability. The Company fosters a diverse, equitable, and inclusive culture that encourages friendly interactions and embraces differences.

In addition to routine job postings via the 104 Job Bank, AP Memory has participated in on-campus career fairs and corporate information sessions since 2022 to connect with graduating students and young talents, increasing opportunities for future recruitment. The Company also collaborates with reputable headhunting firms to recruit top talents for specific roles (such as senior executives and R&D personnel). Since 2023, an internal employee referral program has been established to encourage current staff to refer qualified friends and family members, with referral bonuses offered based on the scarcity of the job role.

Workforce Overview

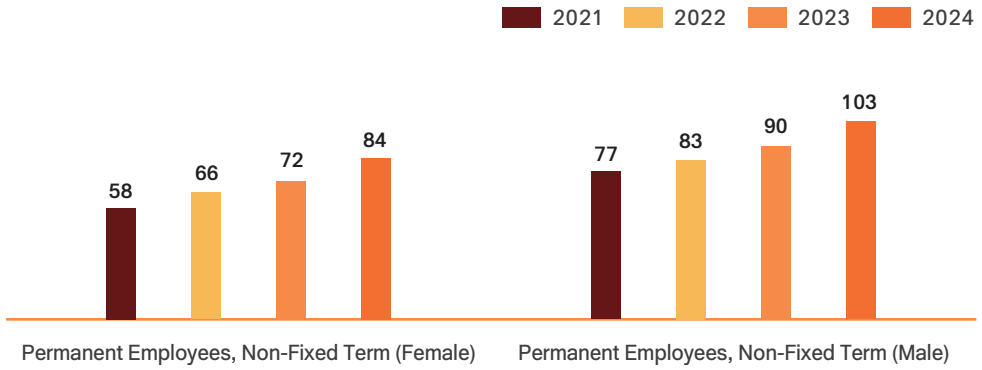
AP Memory' s headquarters is located in Hsinchu, Taiwan, with R&D and sales offices in Hangzhou, China, and Portland, USA, totaling three global operational sites. As of the end of 2024, the group had 233 employees, all of whom are full-time permanent staff (no temporary, dispatched, or zero-hour employees). The Hsinchu site had 181 employees, Hangzhou 46, and Portland 6. By gender, 56.65% of employees are male, and 43.35% are female. By age group, 26.61% are under 30, 63.09% are between 31 and 50, and 10.3% are over 50. In terms of job level, there are 56 employees in managerial positions or above, including 18 female managers (32.14%). Among mid-to-senior level managers (27 individuals), 4 are women, representing 14.8%. All senior executives employed in Taiwan in 2024 were of local nationality. For the Hangzhou and Portland offices, all employees and senior executives were residents, resulting in a 100% localization rate for senior positions at those sites. In accordance with Article 38, Paragraph 2 of the People with Disabilities Rights Protection Act, AP Memory provides employment opportunities to disadvantaged groups. As of the end of 2024, the Company employed one person with a disability in Taiwan.

Classification by Type of Employment



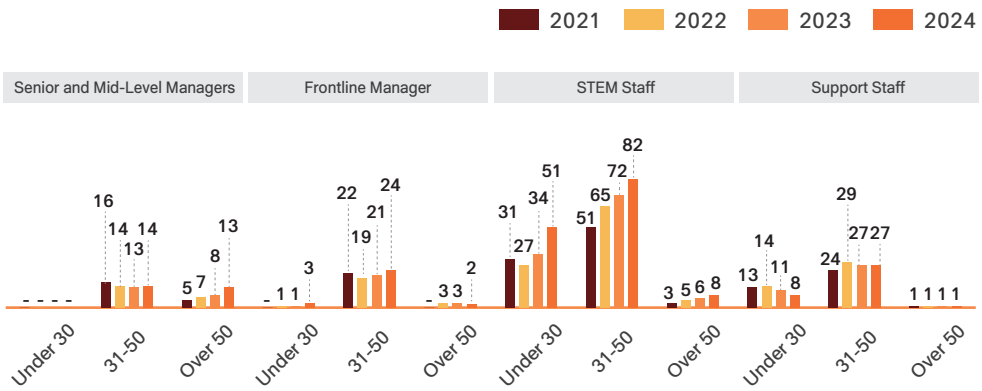
Note 1 : The above data covers AP Memory' s operations in Hsinchu, Taiwan; Portland, USA; and Hangzhou, China.
Note 2 : All permanent employees at AP Memory are full-time; there are no part-time employees.

Classification by Employment Contract

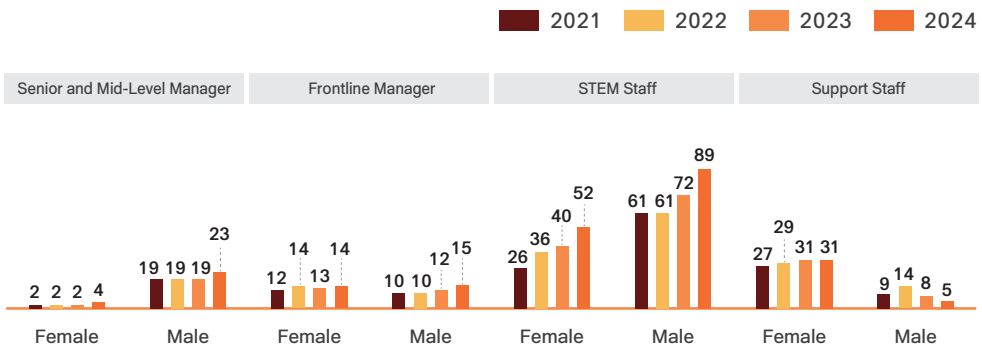


Note 1 : The above data only covers indefinite-term contracts defined by GRI, applicable to Hsinchu, Taiwan, and Portland, USA.
Note 2 : According to the GRI Standards, 'Indefinite-Term Contracts' refer to permanent employment contracts without a fixed end date (including both full-time and part-time roles), while 'Fixed-Term Contracts' refer to temporary employment agreements with a defined period. Under Chinese labor laws, 'permanent employees' may include both fixed-term and indefinite-term contracts. All employees at the Hangzhou site in China are classified as permanent employees in accordance with local labor regulations.

Classification by Job Level and Age



Classification by Job Level and Gender



Note 1 : Mid-to-senior level managers refer to division-level managers and above; junior-level managers refer to section and department managers. R&D and engineering staff are responsible for product development, design, and services. Supporting staff include administrative, finance, legal, and other support functions.
Note 2 : Data as of December 31, 2024.

Gender Diversity Overview

		2021	2022	2023	2024
All Managers	Female	14	16	15	18
	Male	29	29	31	38
	Total	43	45	46	56
	% Female	32.56%	35.56%	32.61%	32.14%
	% Male	67.44%	64.44%	67.39%	67.86%
STEM	Female	26	36	40	52
	Male	61	61	72	89
	Total	87	97	112	141
	% Female	29.89%	37.11%	35.71%	36.88%
	% Male	70.11%	62.89%	64.29%	63.12%

Note : STEM refers to positions in science, technology, engineering, and mathematics.

Disclosure Topic **Recruiting & Managing a Global & Skilled Workforce**

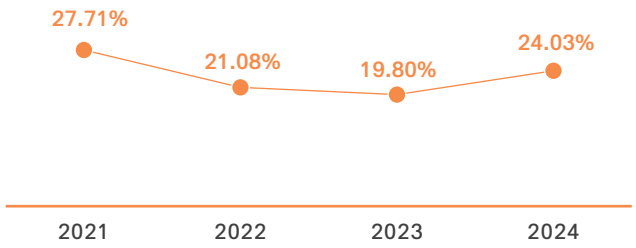
SASB Code	Accounting Metric	2021	2022	2023	2024
TC-SC-330a.1	Percentage of employees who are foreign nationals requiring work visas	2%	1%	0.5%	0.4%

Employee Turnover

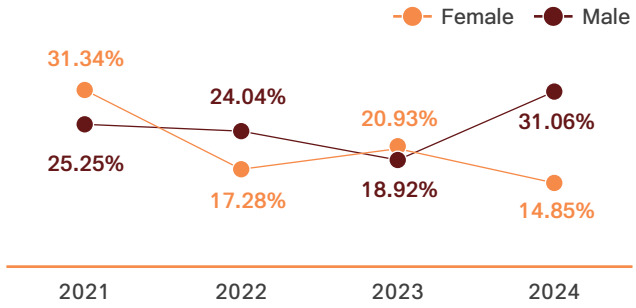
In terms of recruitment and retention, AP Memory hired a total of 56 new employees in 2024, resulting in an overall hiring rate of 24.03%, a 4.95% increase from the previous year. Among them, 41 were male (hiring rate of 31.06%) and 15 were female (hiring rate of 14.85%), with a higher hiring rate observed for male employees. By age group, the hiring rate for employees under 30 was 40.32%, for those aged 31 – 50 it was 20.41%, and for those over 50 it was 4.17%.

In 2024, a total of 31 employees left the Company—29 voluntary and 2 involuntary separations—resulting in an overall turnover rate of 13.30%, which is below the industry average (according to the 2024 Talent FBI report published by 104 Job Bank, the average turnover rate for companies with 200 – 499 employees was 18.8%, and for the electronics and IT industry, it was 18.7%). Among the 31 departures, 24 were male (turnover rate of 18.18%) and 7 were female (6.93%), indicating a significantly lower turnover rate among female employees. By age group, the turnover rate for employees under 30 was 4.84%, for those aged 31 – 50 it was 19.05%, and for those over 50 it was 0%. The under-30 and over-50 age groups are considered more stable demographics.

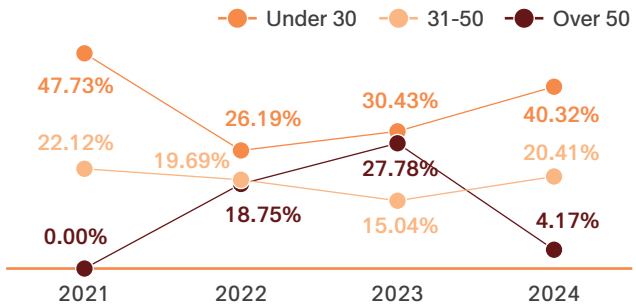
Ratio of Annual New Hires



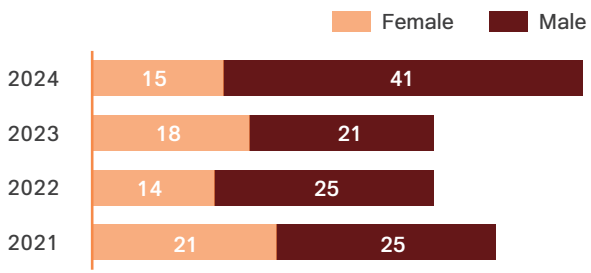
Ratio of Annual New Hires (by Gender)



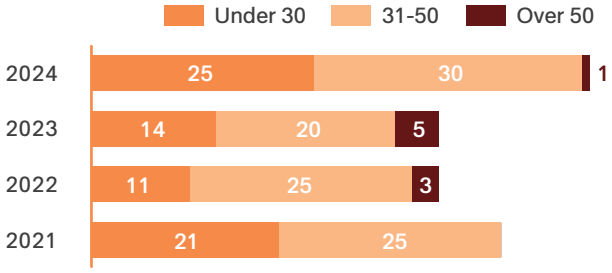
Ratio of Annual New Hires (by Age Group)



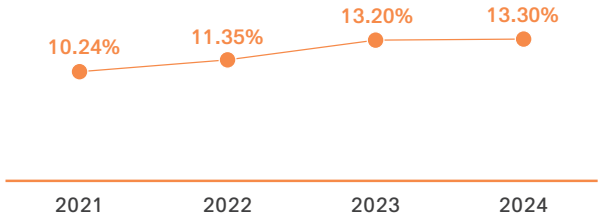
Number of Annual New Hires (by Gender)



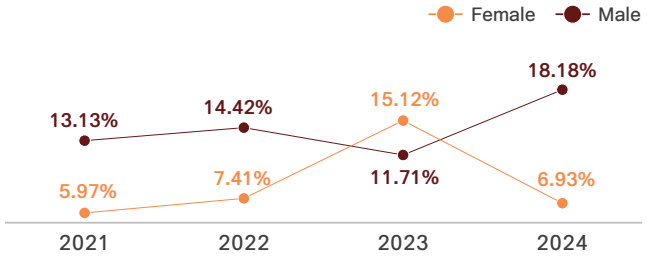
Number of Annual New Hires (by Age Group)



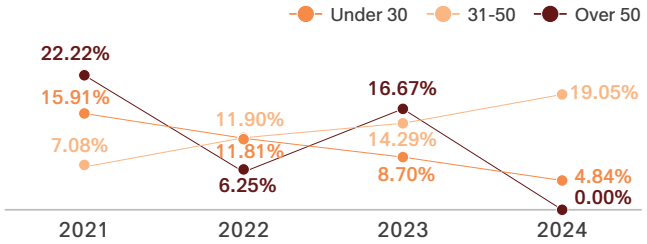
Annual Employee Turnover Rate



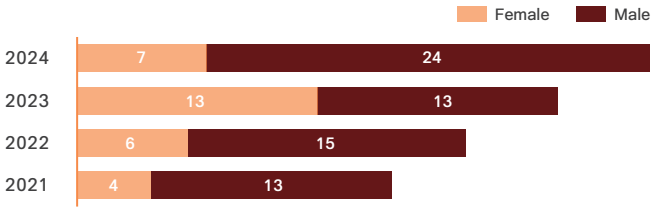
Annual Employee Turnover Rate (by Gender)



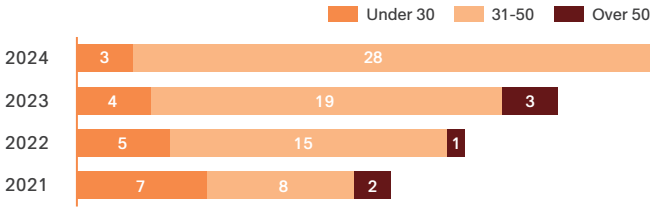
Annual Employee Turnover Rate (by Age Group)



Annual Number of Leavers (By Gender)



Annual Number of Leavers (by Age Group)



Turnover Management

AP Memory focuses on hiring individuals who align with the Company' s culture and job requirements, aiming to reduce turnover through proactive recruitment strategies. When an employee submits a resignation, both the relevant department and the Human Resources Department conduct in-depth exit interviews to understand the reasons behind the departure. The Company prioritizes retention and evaluates possible solutions to employee concerns. The Human Resources Department records and analyzes resignation data to generate internal reports.

6.3 Compensation and Benefits

Competitive Compensation Programs

To attract and retain top talent while motivating employees to reach their full potential, AP Memory has established a compensation policy that determines salaries based on professional competencies, job category, and scope of responsibility. Compensation is not differentiated by gender, and the Company is committed to creating an equal-pay-for-equal-work environment that promotes workplace gender equality.

AP Memory values the contributions and worth of every employee and encourages them to work alongside the Company in driving business success. Operational achievements are shared with employees to align personal goals, corporate objectives, and shareholder interests, thereby fostering a win-win-win scenario for individuals, the Company, and its shareholders to support long-term sustainable development.

Compensation Tool

Item	Description
Annual Salary Adjustment	Annual salary adjustments reflect employee performance over the previous year and aim to motivate improved performance. The adjustments are determined based on business performance, individual evaluations, and market salary benchmarks within the industry and region.
Holiday Bonuses*	To align with local customs and enhance compensation competitiveness, employees receive holiday bonuses equivalent to two months' salary for Lunar New Year, one month for Dragon Boat Festival, and one month for Mid-Autumn Festival. Starting in 2024, the total holiday bonus was increased from two months to four months.
Quarterly Performance Bonus	To tie compensation to business performance, bonuses are distributed quarterly after financial announcements, based on company profitability, business unit performance, and individual performance evaluations.
Annual Performance Bonus	Distributed in May and November, the annual performance bonus budget is equivalent to the total budget of the prior year's quarterly performance bonuses. High-performing employees are eligible for a share of the high-performance bonus pool.
Quarterly Operating Bonus for Management Team	To link management compensation with operational performance, a bonus is distributed quarterly after financial reports are announced, with amounts based on a performance multiplier derived from Company performance.
Employee Stock Ownership Trust*	To continue attracting and retaining talent, 5% of each employee's monthly salary is allocated quarterly to purchase company shares, which are held in a trust account. After a two-year vesting period, the shares are transferred to the employee's account. This allows employees to become shareholders and benefit from stock price appreciation in line with the Company's growth. As of the end of 2024, the participation rate in the employee stock ownership trust was 100%.
Stock Warrants	To foster employee commitment and strengthen cohesion, stock warrants are granted in accordance with the Company's annual plan. This incentive aims to align employee interests with company and shareholder goals.

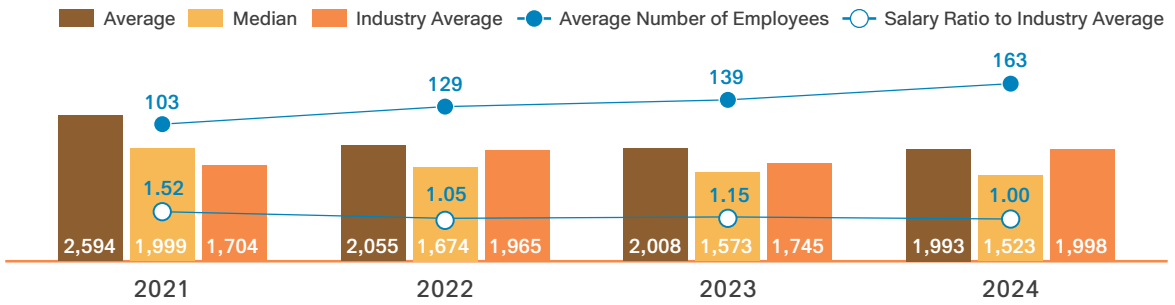
Note：＊ Items marked with * are applicable only to AP Memory employees in Taiwan.

AP Memory offers competitive compensation packages that consistently exceed the industry average in terms of both mean and median salaries for 'non-executive full-time employees,' as reported by the Taiwan Stock Exchange. This reflects the Company's long-term commitment to valuing talent. In 2024, the mean and median salaries were slightly below the industry average. In response, the Company has initiated a compensation review mechanism and will continue to enhance total rewards through career development programs and benefits planning to attract and retain top talent.

The Company respects and promotes gender pay equity. However, analysis of the current workforce structure reveals that male employees, who outnumber female employees by approximately 1.7 times, are predominantly engaged in engineering or R&D positions, which generally offer higher compensation. In contrast, female employees are more often in operational support roles with relatively lower salary structures. The primary pay gap is therefore attributed to differences in job categories.

Non-Managerial Full-Time Employee Salary Statistics

Unit: in thousands of NTD



Note : This information is consistent with disclosures on the Market Observation Post System (Company Code: 6531).

In 2024, the starting salary for entry-level employees at the Hsinchu office was NT$40,800 per month, which is 1.49 times higher than the 2024 minimum wage in Taiwan (NT$27,470) as stipulated by the Labor Standards Act.

		2021		2022		2023				2024			
		Taiwan		Taiwan		Taiwan		Hangzhou		Taiwan		Hangzhou	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Base Monthly Salary	Executive	1	0.72	1	0.82	1	0.80	1	-	1	0.87	1	0.68
	Non-executive – R&D/Engineering Personnel	1	0.93	1	0.92	1	0.88	1	0.86	1	0.81	1	1.01
	Non-executive – Support Personnel	1	0.69	1	0.77	1	1.07	1	0.57	1	1.05	1	1.54
	Average Monthly Salary of All Full-time Employees	1	0.73	1	0.77	1	0.77	1	0.66	1	0.79	1	0.82
	Median Monthly Salary of All Full-time Employees	1	0.70	1	0.76	1	0.74	1	0.77	1	0.74	1	0.74
Base Salary + Annual Bonus	Executive – Average Annual Salary Including Bonus	1	0.57	1	0.65	1	0.64	1	-	1	0.87	1	0.58
	Non-executive – R&D/Engineering Personnel – Average Annual Salary Including Bonus	1	0.82	1	0.91	1	0.89	1	0.77	1	0.80	1	0.94
	Non-executive – Support Personnel – Average Annual Salary Including Bonus	1	0.89	1	0.87	1	1.04	1	0.68	1	1.05	1	1.57
	Average Annual Salary of All Full-time Employees	1	0.63	1	0.77	1	0.66	1	0.61	1	0.79	1	0.78
	Median Annual Salary of All Full-time Employees	1	0.78	1	0.68	1	0.74	1	0.66	1	0.71	1	0.76

Note : Salary ratio is benchmarked against male employees (set as 1). There were no female executives in Hangzhou in 2023.

Friendly Workplace Initiatives

Flexible Working Hours

AP Memory provides flexible working hours. While total daily working hours remain fixed, employees may adjust their start and end times by up to 30 minutes before or after the scheduled working hours to accommodate personal needs.

Remote Work

A remote work policy is available. Employees may apply to work remotely up to four days per month, provided there is no impact on work efficiency.

These diversified work arrangements help employees achieve better work-life balance, enhance AP Memory's talent attraction efforts, and support talent retention.

Comprehensive Benefits

AP Memory values employee welfare and compensation. In addition to offering competitive and high-quality remuneration, the Company provides a comprehensive benefits system. Guided by the principle of 'sharing,' AP Memory has designed and implemented a robust, multi-faceted, and above-statutory benefits program to ensure that every core team member is well cared for.

Category	Item	Description
Leave	Flexible Leave	● At the Hsinchu site in Taiwan, employees enjoy flexible holidays based on the provisions of the Labor Standards Act before the 2015 amendment (Article 37 and its enforcement rules, Article 23), allowing them to schedule holidays according to personal needs.
	Company Leave	● In Taiwan, new employees receive additional company leave based on their length of service (from the 1st to the 5th year), compensating for insufficient statutory annual leave due to recalculated seniority upon job transfer. ● At the Hangzhou site in China, employees receive additional company leave starting from their third year of service to reward long-serving staff.
	Paid Sick Leave	● Six days of paid sick leave are provided annually for short-term health issues, ensuring full salary during the absence.
	Marriage Leave	● In addition to statutory marriage leave, extra leave days are granted based on seniority, exceeding legal requirements.
	Maternity Leave	● Female employees at the Hsinchu site who have been with the Company for at least two years and are over 35 years old are granted an additional two weeks of maternity leave after childbirth, exceeding legal provisions to support late-stage motherhood.
Gifts & Bonuses	Birthday Gift	● Employees at the Hsinchu site receive birthday gifts and cakes. ● Employees at the Hangzhou site receive electronic gift vouchers.
	Festival Gift Sets	● For the three major traditional holidays—Lunar New Year, Dragon Boat Festival, and Mid-Autumn Festival—in addition to the festival bonuses, the Hsinchu Welfare Committee prepares thoughtfully curated holiday gift boxes so employees can enjoy festive meals with their families.
	Labor Day Bonus	● On Labor Day (May 1), an electronic gift voucher is given to recognize the efforts of employees.
	Wedding Gifts Childbirth Gifts Bereavement Gifts Children's Scholarships	● At every life milestone—marriage, childbirth, children's enrollment or graduation—AP Memory is there to share the joy. ● The Hsinchu site also offers scholarship programs for employees' children (from elementary school to graduate school), supporting employees and their families on their parenting journey.
Employee Care & Health	Annual Health Checkup	● All employees employed before the second quarter of each year, regardless of age or job level, are eligible for annual health examinations that exceed legal requirements.
	Medical Consultation & Wellness Programs	● After the checkup, medical professionals provide consultation services, follow-up on abnormalities, and implement targeted wellness programs tailored to different employee groups.
Insurance	Labor and Health Insurance Group Insurance Travel Accident Insurance	● In accordance with local regulations, social insurance and pension contributions are made for each employee to ensure proper protection. Upon onboarding, employees are also enrolled in group insurance plans (including occupational injury insurance) and travel accident insurance, providing peace of mind during both work hours and Company-sponsored outdoor or team-building activities. ● Employees at the Hangzhou site are covered under the 'Five Insurances and One Fund' system.

Note：These benefits apply to employees at the Taiwan Hsinchu and Hangzhou, China sites. Benefits for U.S. employees are provided according to local laws and regulations.

Retirement System

In accordance with Taiwan's 'Labor Pension Act,' the Company has established a defined contribution plan, under which it contributes no less than 6% of each employee's monthly wages to their individual pension accounts at the Bureau of Labor Insurance. In 2024, the pension expenses recognized under the defined contribution plan amounted to NT$11,934 thousand. Additionally, employees in the United States and Mainland China are also provided with retirement contributions in accordance with local regulations.

Parental Leave Without Pay

AP Memory is committed to helping employees achieve work-life balance by enabling them to fulfill both work and family responsibilities. In addition to strictly complying with statutory maternity and paternity leave regulations and promoting gender equality, the Company offers a flexible leave management system. This allows employees to take time off to care for their families or apply for leave without pay in cases of serious illness or other extended leave needs. In 2024, 10 employees in Taiwan met the eligibility criteria for parental leave without pay. By the end of 2024, three female employees had applied due to family care needs, resulting in a female application rate of 43%. No male employees applied that year.

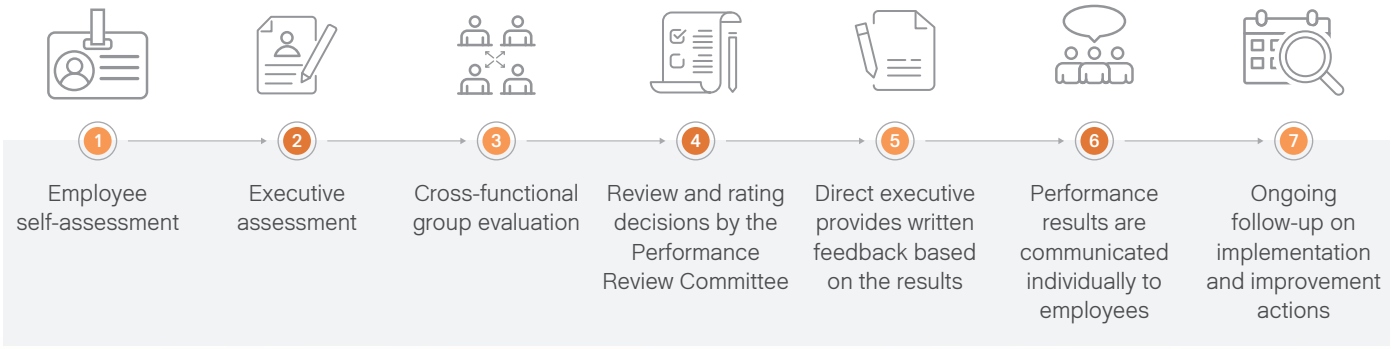
Performance Evaluation

The performance evaluation system at AP Memory follows a transparent process that encourages open communication between employees and executives. The annual performance appraisal is conducted between November and January of the following year. Employees perform self-assessments and reviews based on the annual goals set after the previous year's evaluation. These goals include both planned and unplanned tasks. Employees present their achievements and feedback using quantitative indicators and written reflections. In addition to evaluation by direct executives, the process incorporates assessments by executives from peer functional groups. This provides well-rounded feedback and helps direct executives make informed talent management decisions.

In 2024, AP Memory continued evaluating employees not only on performance outcomes but also on core competencies and managerial behaviors. Employees conduct self-assessments to reflect on their behavioral performance, which is then reviewed by executives. This dual assessment fosters two-way communication and ensures alignment between individual competencies and organizational expectations. It also contributes to shaping a strong organizational culture and enhancing overall performance.

All evaluation records are used as the basis for subsequent employee development and training efforts. The ultimate goal is to fully leverage employee strengths, continuously improve organizational capabilities, and enhance corporate performance. Excluding employees who were newly hired within three months, 100% of employees completed performance evaluations in 2024.

Employee Performance Evaluation Process



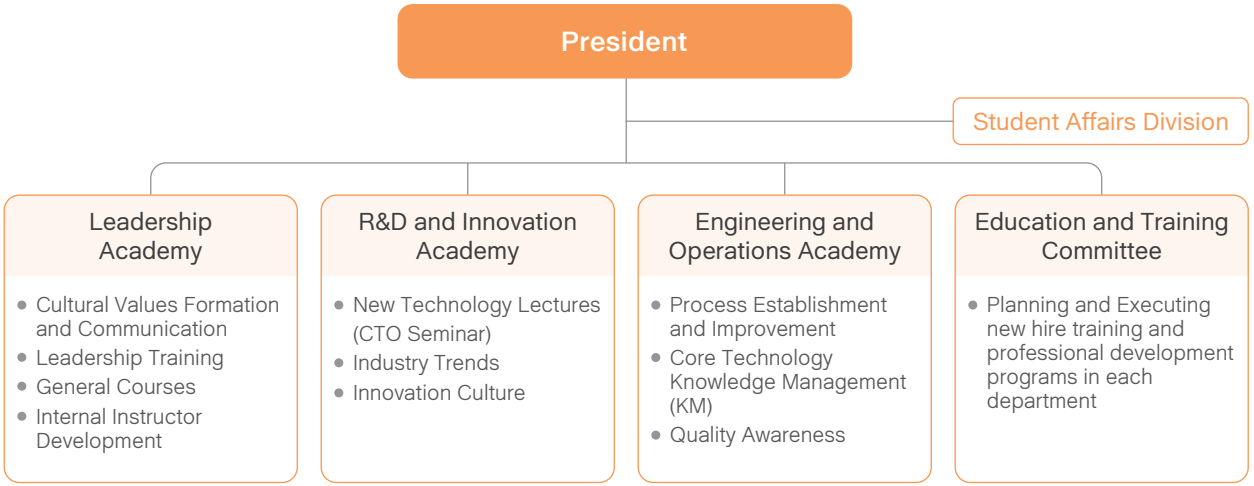
6.4 Talent Development

Human Resources Development Pathway

AP Academy

To ensure that learning aligns closely with corporate strategy and to provide employees with well-structured training plans and a continuous learning environment, AP Memory established 'AP Academy' in 2023 and has since continued its operations. The academy is designed to map out talent development strategies and cultivate professional capabilities. It is overseen by the President (CEO), who leads the strategic planning for sustainable talent development across the Company. The academy consists of three schools and an Education and Training Executive Committee, which is led by deans from respective departments (executives) and supported by designated coordinators. The Human Resources Department serves as the Office of Academic Affairs and supports internal communications and daily operations of AP Academy. The Academy aims to stay abreast of industry trends, introduce external knowledge and learning resources, and support employees in keeping their competencies up to date. The mission of Education and Training Executive Committee is knowledge management and transfer, focusing on departmental professional training to ensure organizational knowledge is effectively communicated and retained.

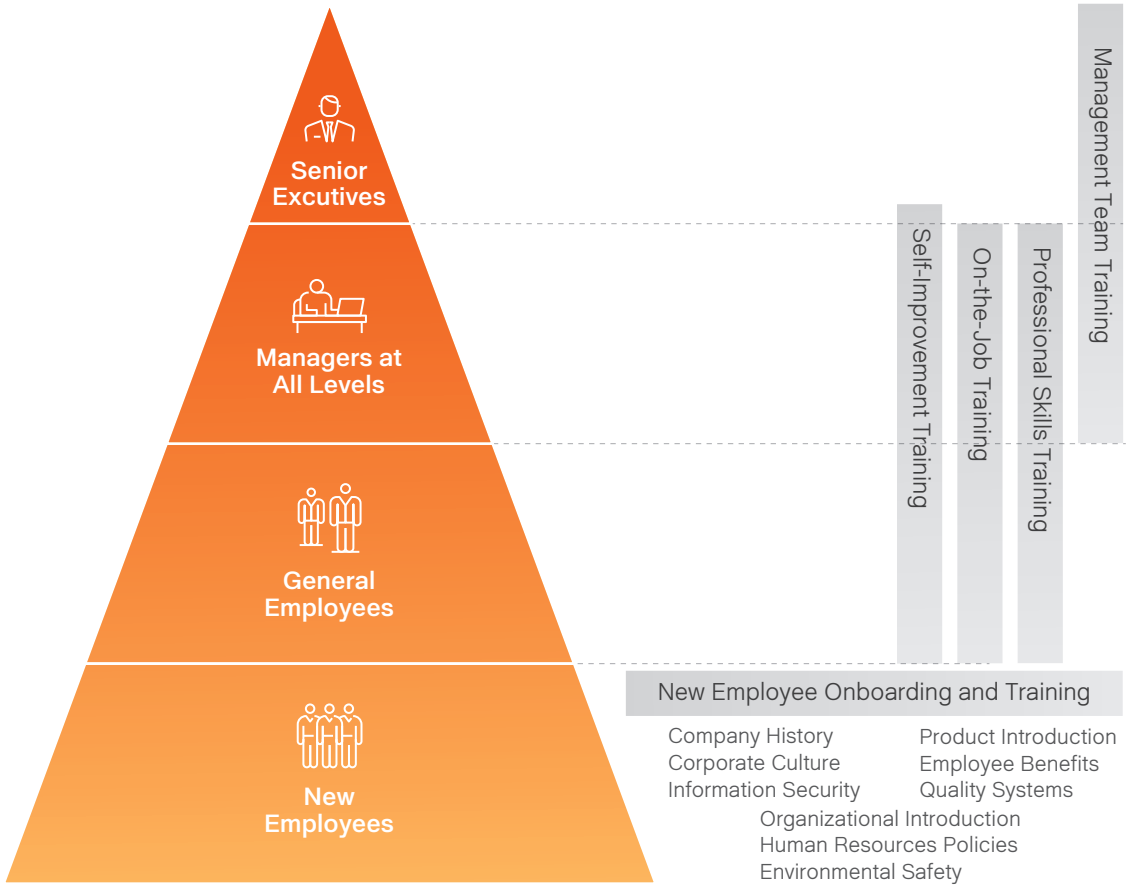
Organizational Chart of AP Academy



Training Structure

Through a systematic, goal-oriented, and well-rounded development program, AP Memory enhances employees' professional competencies and supports learning and growth, building intellectual capital and structured career paths. In line with the Company's vision, diverse learning channels and training resources are offered to foster lifelong learning and support employees in enjoying their work and growing together with the Company.

Overview of Training Programs



Target	Type	Training Content in 2024
New Employees	Onboarding & Orientation	● Company history, organizational structure, product overview, corporate culture, HR policies, employee benefits, information security, environmental health and safety, quality systems
Senior Executives	Management Competency	● Advanced Reading Club
All Executives	Management Competency	● Accountability for Excellence ● Situational Leadership ● Essentials Every Executive Should Know: - Recruitment Process and Best Practices - Introduction to Compensation
General Employees (All Departments)	Professional Competency	● Department-specific professional development topics
	Compliance Training (New in 2024)	● Information Security ● Personal Data Protection ● Trade Secrets and Confidential Information Management ● Human Rights Policy ● Anti-Discrimination and Anti-Harassment Policy ● Ethical Corporate Management and Code of Conduct
	Self-Development	● Work skills enhancement training

Training Effectiveness Evaluation Model

Continuous learning and development among employees is the foundation of the Company' s value creation. To ensure the effectiveness of talent development training, AP Memory adopts the Kirkpatrick Model, a four-level training evaluation method. These levels include: Level 1 - Reaction Evaluation, Level 2 - Learning Evaluation, Level 3 - Behavior Evaluation, and Level 4 - Results Evaluation. AP Memory continues to set goals for each evaluation level to enhance training effectiveness, aiming to further align training outcomes with business performance in the future.

Training Effectiveness Evaluation		Description	2023 Status	2024 Goal	2024 Achievement
Level 1	Reaction Evaluation	Post-training surveys are completed by participants to assess satisfaction with course content, applicability, and instructor performance.	Training implementation rate: 96%; Satisfaction survey response rate: 95%.	Conduct post-training surveys for all courses with a 100% completion rate.	Achieved
Level 2	Learning Evaluation	Participants complete evaluations such as tests, reflection reports, and action plans after training.	All compliance-related courses had 100% post-training test completion.	100% test completion required for all compliance and awareness courses.	Achieved
Level 3	Behavior Evaluation	Observing and recording behavioral changes at work after training to assess the application of training outcomes.	-	Two executive-level training courses planned; post-training behavior application observed.	Achieved (Pre-training evaluation surveys and post-training assignments were conducted to monitor behavior changes.)

Achievements in Training Implementation

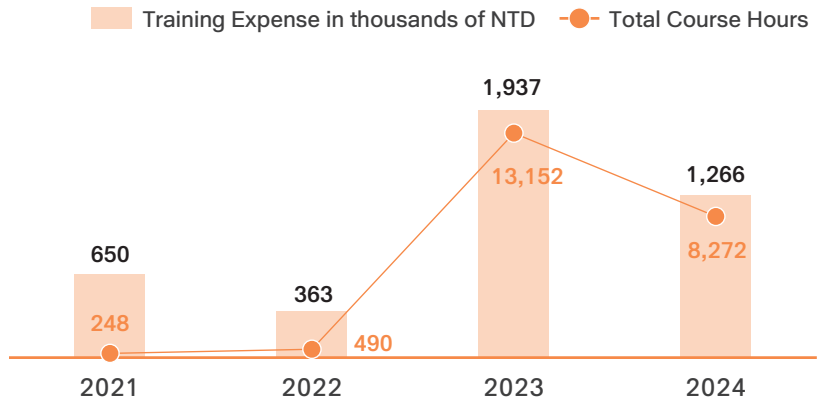
In 2024, AP Memory conducted 94 training sessions, covering approximately 169 courses, with a total training expenditure of NT$1.266 million and 8,272 hours of training across the Hsinchu and Hangzhou sites. The average training hours per employee reached 35.50 hours. Unlike the broad and inclusive course offerings in 2023 aimed at encouraging participation, the 2024 training strategy focused more on advanced-level thematic courses and targeted audiences, rather than company-wide participation, to enhance training effectiveness.

In 2024, a key focus was on executive-level training, with four core management courses aligned with leadership competencies—Accountability for Excellence, Situational Leadership, Recruitment and Selection Process & Best Practices, and Introduction to Compensation. These were designed with a mix of theory, practical exercises, and post-course assignments, enabling executives to apply what they learned and demonstrate concrete leadership behaviors to improve team performance.

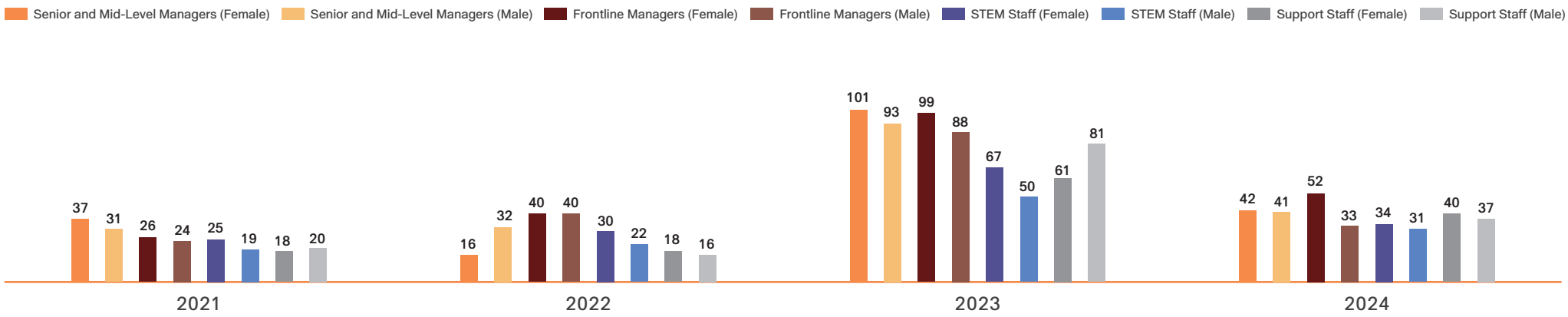
Training hours peaked in 2023. With a strong learning culture established, 2024 shifted focus toward targeted audience-specific courses, improving the training model and enhancing segmented learning. In 2023, the higher training expenditures were attributed to leadership and company-wide team training, as well as external certification programs. In 2024, the focus and course types differed, and the refined training model led to lower costs compared to 2023.

The Company annually plans and allocates resources to training for all job functions, demonstrating a strong commitment to the competency development of diverse talent.

Historical Investment in Training



Historical Total Training Hours (by Job Category and Gender)



6.5 Employee Health & Safety

Disclosure Topic **Employee Health & Safety**

SASB Code	Accounting Metric	2021	2022	2023	2024
TC-SC-320a.1	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards	• Annual implementation of four key occupational health protection programs in accordance with legal requirements • Provision of annual employee health examinations that exceed statutory requirements • Conducting biannual workplace environment monitoring to ensure a safe working environment			
TC-SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee safety and health violations (Unit: NT$ thousand)	0	0	0	0
		• No incidents of violations related to employee health and safety regulations in recent years			

Occupational Safety Management Mechanism

AP Memory has established its Occupational Safety and Health Guidelines and, in compliance with occupational safety and health management regulations, has appointed 2 full-time personnel responsible for occupational safety and health affairs. These guidelines and related practices are reviewed regularly. With the goal of providing a safe, healthy, and comfortable work environment, AP Memory continues to implement appropriate safety measures. In recent years, there have been no incidents related to employee health or safety, nor any violations or penalties imposed by competent authorities, affirming the Company' s ongoing commitment to achieving zero occupational injuries. To further strengthen employee health protection and workplace quality, AP Memory introduced on-site health services in 2024, engaging professional medical staff to assist employees in preventing occupational health risks and promoting well-being.

In addition, AP Memory provides regular occupational safety and health training and emergency response drills. Fire safety education and evacuation exercises are conducted semiannually, enhancing employees' emergency preparedness. Upon onboarding, all new employees receive occupational safety and health training, which covers key topics such as basic concepts of occupational safety and health, guidelines for safe work practices, emergency response procedures, and fire safety, first aid knowledge, and hands-on drills. These training efforts help promote workplace safety awareness and reduce the likelihood of occupational hazards.

Four Major Occupational Health Protection Programs

Item	Description	Implementation in 2024
Ergonomics	• AP Memory operates in an office-based environment with no specialized repetitive tasks.	• Completed hazard assessments for office work environments. • Collected musculoskeletal disorder (MSD) questionnaires; analysis and risk assessment by nursing professionals are scheduled for 2025.
Abnormal Workload	• Provides annual health examinations exceeding legal requirements, with follow-up on abnormal findings. • Invites physicians to the office for post-exam health consultations.	• Collected overwork assessment questionnaires; risk group identification by nursing professionals is planned for 2025. • Conducted a 10-year cardiovascular disease risk assessment; one employee was identified as high-risk and has received follow-up and health education from nursing staff. • Automated weekly working hour reports sent to executives and employees for awareness and monitoring.
Workplace Violence and Unlawful Conduct	• In accordance with the Act of Gender Equality in Employment, AP Memory has established and posted sexual harassment prevention, complaint, and disciplinary procedures on the company bulletin board. • Employees can report incidents via the employee feedback and complaint mailbox (APM_SpeakUp@apmemory.com) or directly to the HR department.	• Completed the formulation of Human Rights Policy, Anti-Discrimination and Anti-Harassment Policy, and Grievance Statement. • Held one relevant awareness seminar. • No incidents of unlawful workplace conduct occurred.
Maternal Health Protection	• Provisions related to maternal health protection for female workers have been outlined in both the Personnel Management Regulations and Work Rules. • A nursing room has been established and fully equipped with a refrigerator, sofa, and other amenities to provide a convenient and comfortable space for female employees.	• Completed health guidance and suitability assessments for three pregnant female employees.

Health Promotion

AP Memory provides annual health examinations for employees that exceed legal requirements. All employees who join the company before the second quarter of each year are eligible for subsidized health checkups, regardless of age. Prior to launching the annual health management program, the company collaborates with the health management center to determine the key examination items based on the results of the previous year's checkups. In 2024, the participation rate reached 96.27%. Based on the examination results, follow-up management is conducted for abnormal findings, including doctor consultations and tracking of health concerns. In 2024, a total of 56 employees classified under Level 3 or higher health risk received one-on-one consultations and health education. Additionally, health promotion activities are tailored to meet the needs of different employee groups. One such activity in 2024 was a health seminar titled 'Low-Carbon Diet for a Healthier Body', which was attended by 87 employees.

To help employees manage stress from fast-paced and high-pressure environments, as well as the challenges of transitioning between different roles (e.g., work, family, marriage, parenting, peer relationships), AP Memory implemented an Employee Assistance Program (EAP) in 2022. Through this structured program offering professional services, resources, and consultations, employees can seek help by phone or in person on topics such as life, health, and work. The company continues to promote the EAP through digital bulletins and posters. In 2024, a total of 3 employees utilized this service. Additionally, a wellness seminar titled 'Sleeping Takes Practice: Secrets to a Good Night's Rest' was held, with 32 employees participating.

Workplace Injuries

Over the past four years, no incidents of disabling injuries have occurred. The number of work-related fatalities, high-consequence work-related injuries, and recordable work-related injuries remained at zero, with the Lost-Time Injuries Frequency Rate (LTIFR) also at zero. AP Memory will continue to optimize its office environment to provide all employees with a safe and healthy workplace.

6.6 Employee Relations

Employee Communication

AP Memory has established a variety of communication mechanisms and channels, including all-hands meetings, labor-management meetings, and quarterly 'Coffee Q&A' sessions with the CEO and President. These initiatives aim to foster a corporate environment of respect, care, and human rights protection while promoting a healthy and positive labor-management relationship.

Item	Frequency	Description	2024 Implementation Results
All-Hands Meeting	Quarterly	• The CEO and executives from each department present the Company's operational performance from the previous quarter and share outlooks for future development. This allows employees to better understand the Company's strategies and goals, helping to align personal objectives with both vertical and horizontal corporate directions. • Outstanding employees and teams from various locations are also recognized. During the Q&A session, employees are encouraged to voice their concerns or ideas directly to the executives. This two-way communication supports the goal of achieving unity and shared vision across all levels of the organization.	• A total of 4 meetings were held, with average employee attendance exceeding 90%.
Labor-Management Meeting	Quarterly	• These meetings allow employees to participate in company management. Through regular dialogue, the Company gathers feedback on employee activities, benefits, and policies, and responds to suggestions in a timely and accountable manner.	• A total of 4 meetings were held, with 100% attendance from both labor and management representatives.
Coffee Q&A with CEO and President	Quarterly	• A lunch session is organized each quarter, featuring a well-prepared meal where the CEO, President, and representatives from various departments dine together. These sessions create a relaxed atmosphere in which the CEO and President address questions raised by employees and exchange ideas openly. • In 2024, discussion topics included the Company's 5-to-10-year outlook, product line strategies, corporate culture and core values, company systems and benefits, and stress management among senior executives. The direct Q&A format enhances transparency and understanding.	• A total of 4 sessions were held, with 100% attendance from the CEO, President, and department representatives.

Employee Activities

Year-End Banquet

In December 2024, AP Memory held its annual year-end celebration, featuring a live band to enliven the atmosphere. Executives and employees enthusiastically participated in the festivities, showcasing their energy and team spirit with performances on stage. A highly anticipated lucky draw also took place. The event provided an opportunity for everyone to reflect on the hard-earned achievements of the past year while looking ahead to the future with optimism.

Departmental Dinner Subsidy

AP Memory offers annual subsidies for departmental gatherings, allowing teams to organize group meals. These events help employees relax outside of work, foster closer relationships, and boost team morale and collaboration. In 2024, a total of 180 employees participated in departmental gatherings.

Employee Clubs

AP Memory believes that a happy and healthy workforce leads to a productive company. Committed to employee well-being, the Company encourages the formation of employee-led clubs that allow colleagues to unwind after work, pursue shared interests, and foster cross-departmental interaction. These activities contribute to work-life balance and mental well-being.

As of 2024, the Company supported 8 clubs: Singing Club, Camping Club, Hiking Club, Tennis Club, Badminton Club, Board Game Club, Lifestyle Club, and the newly established Planting & Gardening Club. Club activities saw a total participation of 103 instances in 2024.

Camping Club	Board Games Club
Tennis Club	Badminton Club
Hiking Club	

Team-Building Activities

Each year, AP Memory organizes team-building activities such as hiking and physical challenges to strengthen team spirit, encourage self-motivation, and improve departmental cohesion. These activities also help improve employees' physical fitness and relieve stress. In 2024, the Taiwan (Hsinchu) team held 2 team-building events with a total of 302 participants, while the Hangzhou team in China held 2 events with 71 participants.

Employee Trips

AP Memory organizes annual employee trips featuring fun, meaningful activities designed to enhance interdepartmental bonding and allow families to join, reflecting the Company' s care not only for its employees but also for their loved ones. In 2024, a total of 6 trips were arranged for the Hsinchu team in Taiwan, with 451 participants including employees and their families. The Hangzhou team in China also organized a group trip to Hong Kong, with 37 participants including employees and family members.

Taiwan Team Mountain Hiking Challenge – 1st Half of 2024

Taiwan Team Puzzle-Solving & Physical Challenge – 2nd Half of 2024

Hangzhou Team Hiking & Mountain Cleanup Activity – 2024

Hangzhou Team Art & Culture Trip to Shanghai – 2nd Half of 2024

Symbiosis

Preserving Environmental Balance

7

7.1 Environmental and Waste Management
7.2 Climate Strategy
7.3 Greenhouse Gas Management
7.4 Energy Management
7.5 Water Resource Management(HR)

7.1 Environmental and Waste Management

As a leading global supplier of specialty DRAM ICs, AP Memory recognizes the risks and impacts climate change poses to the environment and understands the importance of environmental protection for corporate sustainability.

AP Memory has established a 'Green Product Management Procedure' and formed a Green Management Task Force, led by the President, to regulate and manage hazardous substances in compliance with international regulations and customer requirements. This is aimed at reducing the environmental impact of product manufacturing and related activities, thereby contributing to sustainable business operations.

According to the operational characteristics of AP Memory, the majority of waste generated consists of general household waste, followed by small amounts of discarded wafers and ICs. General office waste is centrally managed by the Central Management Committee of Tai Yuen Hi-Tech Industrial Park and is not included in the waste generation statistics. To enhance resource recycling, AP Memory enforces waste sorting into four categories: recyclable materials, paper, general waste, and food waste. This initial,

voluntary sorting helps reduce the manpower required for subsequent waste processing. In addition, small quantities of industrial waste (e.g., discarded wafers and ICs) are generated annually. As these are classified as hazardous waste, they are handled by certified third-party vendors. To ensure proper disposal, vendors must provide a disposal report after completing the scrapping process to confirm the quantity and compliance of operations.

→ Environmental Policy

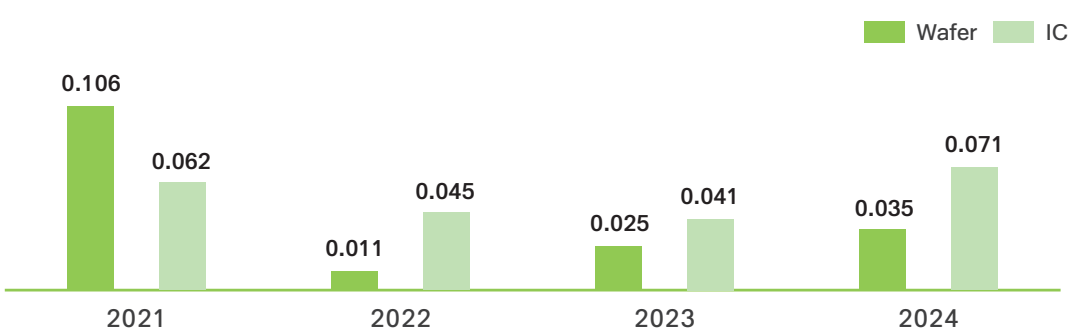
Waste Management Strategy

Waste Management Strategy

Start with Reduce ◆▶ Move toward Reuse ◆▶ Advance to Recycle

Historical Waste Generation

Unit: Tonnes



Note : General household waste, the primary type of waste at AP Memory, is centrally managed by the park's management committee. Discarded wafers and ICs are collected and processed by the Company through third-party vendors on a regular basis.

In 2024, a total of 0.106 metric tons of discarded wafers and ICs were disposed of externally. All were classified as 'direct disposal – other processing methods.' This represented a 61% increase compared to the previous year, primarily due to approximately 40% of the waste originating from wafers and ICs marked for disposal in 2023. However, the physical disposal by the vendor was delayed until 2024, causing them to be counted in 2024' s waste total.

AP Memory implemented the following three main strategies in 2024 to significantly reduce product scrappage rates:

Stable shipping

- Minimized excess inventory and stagnant stock.

Yield improvement

- Reduced product scrappage caused by low yield failing to meet shipping standards.

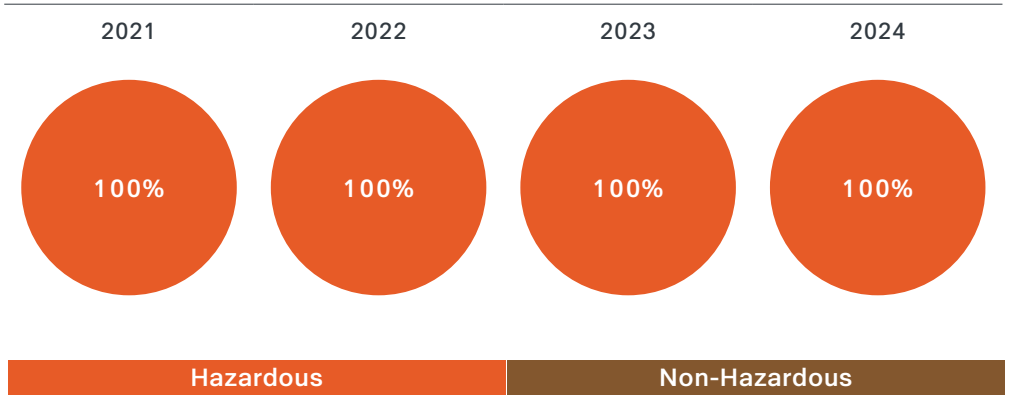
Low RMA

- Improved product reliability and quality, reducing the number of returns that could not be reworked.

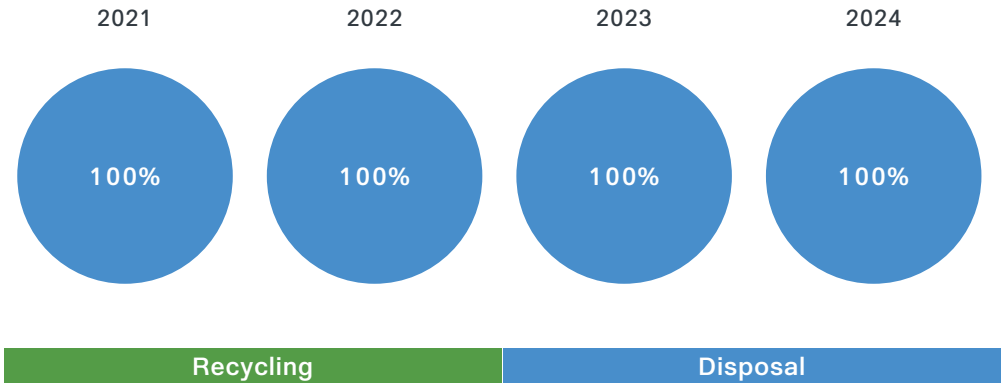
To further strengthen waste management and source reduction, AP Memory continued its 'Plastic Reduction Initiative' in 2024. The Company promoted reducing plastic product usage—such as single-use plastic utensils, disposable beverage cups, and bottled water—among employees. Staff were encouraged to bring reusable utensils and drink containers, while shared tableware and cups were provided in office pantries to encourage green practices in daily life. Looking ahead, AP Memory plans to begin quantifying household waste in 2025 to better identify opportunities for waste reduction and circular reuse.

Historical Waste Classification Proportion

Hazardous/Non-Hazardous



Recycling/Disposal



Note 1: As AP Memory has not yet quantified household waste, and because discarded ICs and wafers in the semiconductor industry are categorized as hazardous waste, the proportion of hazardous waste appears disproportionately high.

Note 2 : Data coverage includes AP Memory' s offices in Hsinchu, Taiwan and Hangzhou, China.

7.2 Climate Strategy

Governance Structure

AP Memory's executive leadership recognizes the potential impact of climate change on the Company's operations and long-term development. Starting in 2024, the Company began actively addressing climate-related issues and initiated climate risk and opportunity management efforts. A Climate Risk Assessment Task Force was established to identify and evaluate climate-related risks and opportunities, with regular reporting to the Board of Directors.

Board Oversight of Climate-Related Risks and Opportunities	● The Board of Directors is the highest authority responsible for risk management at the Company. Effective January 1, 2025, AP Memory established a Sustainability Committee to work alongside the Audit Committee in supervising matters related to climate-related risks and opportunities.
Management's Role in Assessing and Managing Climate-Related Risks and Opportunities	● Executive Management Team: Composed of the highest-level executives from each department, this team regularly convenes to discuss business strategy, risk assessments, and response planning—including climate-related issues. ● Risk Management Task Force: Responsible for promoting the management of climate-related risks and opportunities by coordinating with relevant departments to conduct assessments and implement controls. ● Functional/Business Units: Responsible for executing risk and opportunity assessments, as well as planning and implementing corresponding response measures.

Climate Strategy

Identification of Climate Risks and Opportunities

In 2024, AP Memory conducted an assessment of climate-related risks and opportunities, referencing the risk and opportunity factors recommended by the TCFD. The Risk Management Task Force reviewed and selected climate risk factors deemed most relevant to the Company, and 12 departments were invited to evaluate them. As a result, 9 potential risk factors and 5 potential opportunities—across short-term (1 – 3 years), medium-term (3 – 5 years), and long-term (5+ years) timeframes—were identified. Through internal and external discussions, 2 material risks were confirmed, while no material opportunities were identified.

Strategy		Material Risks	Timeframe	Affected Areas	Potential Financial Impact	Description
1. Identification of short-, medium-, and long-term climate-related risks and opportunities 2. Assessment of the impacts of climate-related risks and opportunities on business, strategy, and financial planning	Physical Risk	Extreme weather events causing natural disasters	Short-term (1 – 3 years)	Direct operations, upstream suppliers	Revenue loss due to reduced production capacity	Climate change intensifies the frequency and severity of extreme weather events and natural disasters (e.g., typhoons, floods, earthquakes, heatwaves, cold snaps), which may disrupt the supply chain, damage infrastructure, and delay transportation and logistics—ultimately impacting revenue and operational costs.
	Transition Risk	Policy and regulatory changes: scarcity of resources such as energy and water	Short-term (1 – 3 years)	Direct operations, upstream suppliers	Increased direct and indirect costs	Taiwan's semiconductor industry heavily relies on stable electricity. As an IC design company, AP Memory depends on data centers, EDA (Electronic Design Automation) tools, simulations, and verification processes that require high-performance computing infrastructure. Should the government implement stricter energy policies (e.g., carbon restrictions, electricity price hikes) to address climate change, it may raise operating costs.

Climate Scenarios

AP Memory evaluated climate risks and opportunities across its value chain, including internal operations, upstream suppliers, and downstream customers. While the Company is not part of a carbon-intensive industry, climate change may affect key stakeholders. Thus, scenario analysis was adopted to identify related risks and opportunities. Once confirmed by the Risk Management Task Force, evaluation results are incorporated by relevant units into their operational adjustment strategies. Progress and outcomes are reported regularly to the executive management team.

In conducting this analysis, SSP5-8.5 was used as the scenario for physical risks, and a national policy target scenario was selected for transition risks. External factors such as regulations, physical environment, and technology development were also taken into account as the foundation for the Company's annual climate risk assessment.

Risk Management

Since 2024, AP Memory Technology Corporation has initiated climate-related risk management and integrated it into the Company' s overall risk management framework. Climate risks and opportunities are regularly reported and discussed in management team meetings to serve as references for high-level governance and decision-making.

Climate Risk Management Process

Climate-Related Risk Identification and Assessment Process	Risk Item Identification	● With reference to the TCFD recommendations, relevant regulations, industry benchmarks, and expectations from external stakeholders, the Company identifies climate-related risks and opportunities most relevant to its operations and compiles them into an evaluation list.
	Key Risk Analysis	● Execution method: - The Risk Management Task Force leads the assessment by inviting relevant departments to evaluate and discuss the risk and opportunity items listed in the evaluation list. - The Risk Management Task Force analyzes the evaluation results. - The Risk Management Task Force confirms key risks and opportunities through discussion with relevant departments. - Departments develop response measures for the identified key risks and opportunities. ● Assessment dimensions include: - Expected occurrence period (short-term: 1 – 3 years, mid-term: 3 – 5 years, long-term: over 5 years) - Likelihood of occurrence - Potential location of impact (direct operations, upstream supply chain, downstream customers) - Degree of impact ● Results are quantified and ranked to determine the top three key risks and opportunities.
	Financial Impact Assessment of Risks and Opportunities	● For the identified key risks and opportunities, the Company further evaluates the potential financial impact types and their significance. Quantified data is used for internal reference only.
Climate-Related Risk Management Process	Response Planning and Reporting	● Relevant departments are responsible for developing response plans, which are reviewed and approved by the management team before being integrated into daily operations. ● The results of climate risk and opportunity assessments are reported in accordance with internal management procedures and disclosed regularly in relevant reports.
Integration of Climate-Related Risk Identification, Assessment, and Management into the Company' s Overall Risk Management Framework	Incorporation of Climate Risks into Existing Management Mechanisms	● Climate change has been included as a key material issue for corporate sustainability and classified as a critical risk item within the Company' s existing risk management system.

Metrics and Targets

Since 2023, AP Memory has voluntarily conducted greenhouse gas (GHG) inventories. The Company will continue performing GHG inventories and initiate third-party verification starting in 2026 to fully understand its emissions profile. Based on actual business operations, the Company will further develop carbon reduction pathways, methodologies, and set corresponding metrics and targets (see Section 7-3: Greenhouse Gas Management for details).

7.3 Greenhouse Gas Management

Disclosure Topic **Greenhouse Gas Emissions**

SASB Code	Accounting Metric	2022	2023	2024
TC-SC-110a.1	(1) Gross global Scope 1 emissions (metric tons CO_2e)	13.0395	14.6725	11.0196
	(2) Total emissions from PFCs (perfluorinated compounds) (metric tons CO_2e)	● AP Memory Technology Corporation does not engage in semiconductor manufacturing processes such as wafer fabrication, packaging, or testing; therefore, there are no emissions of PFCs (perfluorinated compounds).		
TC-SC-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	● AP Memory began conducting greenhouse gas (GHG) inventories in 2023 to better understand and monitor emission sources and volumes. Scope 1 emissions primarily come from refrigerant leakage in lab equipment and air conditioning systems, accounting for less than 5% of total emissions, resulting in limited reduction benefits. ● The Company plans to evaluate the adoption of more environmentally friendly refrigerants when replacing equipment in the future.		

Note：The 2022 GHG inventory covered only the Hsinchu operational site. Starting in 2023, the scope expanded to include both the Hsinchu and Hangzhou, China sites. The Portland, USA site mainly emits electricity-related emissions, which are included in the rent and thus temporarily excluded from the inventory scope.

AP Memory is a fabless IC design company engaged in the research, design, and sales of customized memory chips and operates entirely within office buildings. Since 2023, the Company has conducted annual GHG inventories following ISO 14064-1:2018 standards, beginning with its 2022 emissions.

In 2024, the total annual GHG emissions amounted to 353.3957 metric tons of CO_2e, with Scope 1 direct emissions totaling 11.0196 metric tons of CO_2e, primarily from gas usage in employee dormitories, refrigerant leakage from lab equipment, and septic tank emissions. Scope 2 indirect emissions amounted to 342.3761 metric tons of CO_2e, reflecting a 4.99% reduction compared to 2023. Scope 2 emissions from purchased electricity accounted for 96.88% of total emissions, while Scope 1 emissions from stationary combustion and refrigerant leakage accounted for 3.12%.

GHG Emission Reduction Targets

To align with the national net-zero carbon emission policy, AP Memory completed the 2023 GHG inventory for all operational sites in 2024. The Company will continue annual inventories to maintain visibility over emission conditions. In 2024, the Company also completed green power procurement, which will take effect starting in 2025. Alongside internal energy-saving and carbon-reduction initiatives, the Company is working toward a 2% emission reduction. Future goals will be reviewed and adjusted periodically, with enhanced planning of carbon reduction pathways and methods to achieve the ultimate goal of net-zero emissions.

Internal Carbon Pricing (ICP)

Starting in 2025, AP Memory will begin assessing the operational impact and risks of carbon emissions. In alignment with the Regulations Governing the Collection of Carbon Fees issued by the Ministry of Environment, the Company will develop an implementation timeline for an Internal Carbon Pricing (ICP) mechanism. Through this system, internal carbon fees will be used to support energy-saving and carbon-reduction programs as well as the procurement of renewable energy (e.g., green power certificates), accelerating the transition toward low-carbon development. In the future, capital expenditure decisions and investments in renewable energy will consider carbon costs to improve decision-making precision and enhance progress toward emission reduction goals.

Scope 1 Direct Emissions (by GHG Category)

Unit: metric tons CO_2e

Category	CO_2			N_2O			CH_4			HFCs			Total		
Operational Site	Hsinchu	Hangzhou	Total	Hsinchu	Hangzhou	Total	Hsinchu	Hangzhou	Total	Hsinchu	Hangzhou	Total	Hsinchu	Hangzhou	Total
2022	0.4427	-	0.4427	12.0380	-	12.0380	0.0002	-	0.0002	0.5586	-	0.5586	13.0395	-	13.0395
2023	0.3243	0.2969	0.6212	0.0002	0.0001	0.0003	12.6480	0.0001	12.6481	0.5586	0.8443	1.4029	13.5311	1.1414	14.6725
2024	0.2988	0.6700	0.9688	-	-	-	7.2233	-	7.2233	2.1291	0.6984	2.8275	9.6512	1.3684	11.0196

Greenhouse Gas Emissions by Scope

Unit: metric tons CO_2e

Scope	Scope 1			Scope 2			Scope 1 + Scope 2 GHG Emissions		
Category	Direct GHG Emissions			Purchased Electricity					
Operational Site	Hsinchu	Hangzhou	Total	Hsinchu	Hangzhou	Total	Hsinchu	Hangzhou	Total
2022	13.0395	-	13.0395	255.1400	-	255.1400	268.1795	-	268.1795
2023	13.5311	1.1414	14.6725	307.5076	52.8411	360.3487	321.0387	53.9825	375.0212
2024	9.6512	1.3684	11.0196	289.3707	53.0054	342.3761	299.0219	54.3738	353.3957

Note：Emission factors used:
Scope 1: Based on the original IPCC 2006 emission factors × local published calorific values.
Scope 2: Hsinchu, Taiwan: 2024 emission factor of 0.474 $kgCO_2e/kWh$ published by Taiwan Energy Administration in 2025.
Hangzhou, China: 2022 national grid emission factor of 0.5703 $kgCO_2e/kWh$ published by the Ministry of Ecology and Environment of China.

GHG Emissions Intensity (Scope 1 + Scope 2)

	GHG Emissions (metric tons CO_2e)	Floor Area (m^2)	GHG Emissions Intensity (metric tons CO_2e/m^2)	GHG Emissions Intensity (metric tons CO_2e / NT$ million in revenue)
2022	268.1795	2,497.1	0.1074	0.0539
2023	375.0212	4,172.4	0.0899	0.0898
2024	353.3957	4,537.9	0.0789	0.0843

Note：The 2024 GHG emission data disclosed in this Sustainability Report are the corrected figures following internal audit. The data disclosed in the Annual Shareholders' Meeting Report represent preliminary estimates.

Greenhouse Gas Emissions (Scope 3)

Category		Greenhouse Gas Emissions (Scope 3)
Scope 3-3: Fuel- and Energy-Related Activities (Not Included in Scope 1 or Scope 2) (Unit: metric tons CO_2e)	**2022**	49.80
	2023	60.55
	2024	59.40

Note 1: The data scope covers AP Memory's Hsinchu site; emissions were calculated in accordance with the GHG Protocol standard for Category 3-3 (Fuel- and Energy-Related Activities).
Note 2: The indirect electricity carbon footprint emission factor (2021) is 0.0973 $kgCO_2e/kWh$.

7.4 Energy Management

Disclosure Topic **Energy Management**

SASB Code	Accounting Metric	2021	2022	2023	2024
TC-SC-130a.1	(1) Total energy consumed (including fuel and electricity) (GJ)	1,606.07	1,850.66	2,586.93	2,550.76
	(2) Percentage grid electricity	100%	99.5%	99.5%	99.3
	(3) Percentage renewable	0%	0%	0%	0%

AP Memory's primary energy use is for office lighting, air conditioning, and laboratory equipment. Its electricity is supplied by Taiwan Power Company. The Company currently does not use any official vehicles nor does it operate any emergency generators. To promote efficient energy use and environmental protection, AP Memory has in recent years implemented several electricity-saving measures, including scheduled shutdowns of office equipment such as water dispensers and coffee machines, reminders for employees to power off their personal workstation equipment before holidays, and awareness campaigns on energy conservation and carbon reduction. Starting in 2024, AP Memory began upgrading office lighting systems, prioritizing replacement of lighting fixtures in the areas with the highest electricity consumption. This work has been completed in the main office areas, and assessments for additional floors are underway.

Driven by the principle of electricity conservation, AP Memory's total electricity consumption in 2024 was 703,430 kWh. Electricity consumption at the Hsinchu site was 610,487 kWh, representing a 2% reduction compared to 2023. In terms of energy intensity, the 2024 Hsinchu site recorded 0.60 GJ/m², which remained consistent with 2023. Efforts to reduce electricity usage will continue in 2024, including managing office temperature settings, implementing area-based lighting controls, reducing power waste, and purchasing energy-efficient hardware with certified energy labels. In addition, AP Memory signed a green electricity procurement agreement with a renewable power retailer in 2024, under which 4,000 kWh of green power will be supplied monthly beginning in February 2025. This is expected to account for approximately 5% of the Company's total electricity consumption in 2025. The Company plans to increase its proportion of green energy year by year as part of its commitment to sustainable development.

		2021	2022	2023		2024	
		Hsinchu	Hsinchu	Hsinchu	Hangzhou	Hsinchu	Hangzhou
Energy Consumption (Original Usage)	Liquefied Natural Gas (cubic meters, m³)	-	235.65	172.61	158.00	159	339
	Non-renewable Electricity (kWh)	446,136	511,611	622,485	92,655	610,487	92,943
Energy Consumption (in GJ)	Liquefied Natural Gas	-	8.88	6.50	5.95	5.88	12.54
	Non-renewable Electricity	1,606.07	1,841.78	2,240.92	333.55	2,197.75	334.59
Total energy consumed		1,606.07	1,850.66	2,247.42	339.49	2,203.63	347.13
Energy Consumption per Unit (GJ / Floor Area m²)		0.65	0.63	0.64	0.48	0.60	0.40

Note 1 : Electricity data for 2021 – 2022 include Hangzhou.
Note 2 : Electricity conversion factor: 1 kWh = 0.0036 GJ; Liquefied natural gas conversion factor: 1 m³ = 9,000 kcal; 1 kcal = 4,186.798 J, so 1 m³ = 0.037 GJ.

7.5 Water Resource Management (HR)

Disclosure Topic **Water Resource Management**

SASB Code	Accounting Metric	Operational Site	2021	2022 年	2023	2024
TC-SC-140a.1	(1) Total water withdrawn (thousand m^3), percentage in regions with High or Extremely High Baseline Water Stress	Hsinchu	1.48	2.25	2.669	2.638
		Hangzhou	–	–	0.034	0.052
		● According to the WRI (World Resources Institute) Aqueduct Water Risk Atlas, Hsinchu is classified as Low-Medium and Hangzhou as Low, indicating that neither location is in a high or extremely high baseline water stress region. Therefore, the percentage of water withdrawn from areas under water stress is 0%.				
	(2) Total water consumed (thousand m^3), percentage of each in regions with High or Extremely High Baseline Water Stress	Hsinchu	1.48	2.25	2.669	2.638
		Hangzhou	–	–	0.034	0.052
		● At the Hsinchu site, apart from the losses from the chilled water system, all other water usage results in domestic wastewater, which is discharged into the public sewer system via the building' s piping. Additionally, water consumption from high or extremely high water stress areas remains at 0%.				

Note : 1 thousand cubic meters (1,000 m^3) = 1 million liters (ML). Water usage in Hangzhou only includes the employee dormitory, as office water usage is included in the lease agreement.

AP Memory uses the WRI Aqueduct tool to confirm that its operating locations in Hsinchu, Taiwan and Hangzhou, China are not situated in regions with high or extremely high water stress. Water is directly supplied by local tap water providers (classified under GRI as third-party freshwater sources) and is not drawn from other water bodies. Water facilities in rented office spaces are managed centrally by the building. As a fabless IC design company in the semiconductor industry, AP Memory' s operations are primarily manpower-driven, and water use is limited to domestic purposes. There is no water used for large machinery or equipment in production. The Company' s wastewater consists mainly of domestic sewage, which is discharged into the public sewer system and subsequently treated at government-operated wastewater treatment facilities before being released into natural water bodies, posing no environmental impact.

In 2024, the total water withdrawal was approximately 2.690 million liters, with 2.638 million liters consumed at the Hsinchu headquarters, representing a 1.16% reduction compared to 2023. When measured by the number of employees, the water withdrawal intensity in 2024 was 0.015 million liters per employee, a reduction of 11.76% compared to 2023.

To further improve efficiency and reduce water waste, AP Memory continued its water conservation efforts in 2024 by promoting awareness through signage and educational campaigns to enhance employees' awareness of water conservation and environmental protection.

Water Resource Usage Overview by Year

Year	2021	2022	2023	2024
Number of Employees	129	144	156	181
Water Withdrawal (ML)	1.48	2.25	2.669	2.638
Water Withdrawal Intensity (ML / Employee)	0.0115	0.0156	0.017	0.015

Note : The employee count used to calculate intensity only includes staff at the Hsinchu site, as water usage in Hangzhou only covers the dormitory and is therefore excluded.

Appendix

8

8.1 GRI Content Index
8.2 SASB Index
8.3 Semiconductor Industry Sustainability Disclosure Metrics
8.4 Greenhouse Gas Inventory and Assurance Status
8.5 TCFD Disclosure Index
8.6 SDGs Disclosure Index
8.7 Scope of Data Disclosure
8.8 Glossary of Semiconductor Terminology

8.1 GRI Content Index

GRI Statement of Use	Statement of Use	AP Memory has reported the information for the period from January 1, 2024 to December 31, 2024 in accordance with the GRI Standards.
	GRI 1 Used	GRI 1: Foundation 2021
	Applicable GRI Sector Standards	None

GRI 2: General Disclosures 2021

GRI Standards/Disclosures		Corresponding Section		Page	Explanation
GRI 2: General Disclosures 2021					
■ The Organization and Its Reporting Practices					
2-1	Organizational Details	-	About This Report	5	
2-2	Entities Included in the Organization' s Sustainability Reporting	-	About This Report	5	
2-3	Reporting Period, Frequency, and Contact Point	-	About This Report	5	
2-4	Restatements of Information	-	-	-	No restatements of information in 2024
2-5	External Assurance	-	-	-	The 2024 Sustainability Report has not been externally assured
■ Activities and Workers					
2-6	Activities, Value Chain, and Other Business Relationships	1.3	Operational Overview	11	
2-7	Employees	6.2	Talent Recruitment and Retention	66	
2-8	Workers Who Are Not Employees	6.2	Talent Recruitment and Retention	66	All workers at AP Memory are employees; there are no non-employee workers

GRI Standards/Disclosures		Corresponding Section		Page	Explanation
■ Governance					
2-9	Governance Structure and Composition	3.1	Corporate Governance	31	The Sustainability Committee was established on January 1, 2025
2-10	Nomination and Selection of the Highest Governance Body	3.1	Corporate Governance	31	
2-11	Chair of the Highest Governance Body	3.1	Corporate Governance	31	
2-12	Role of the Highest Governance Body in Overseeing the Management of Impacts	3.1	Corporate Governance	31	The Sustainability Committee is authorized as the highest governance body.
2-13	Delegation of Responsibility for Managing Impacts	2.3	Sustainability Issue Management Policy	24	
2-14	Role of the Highest Governance Body in Sustainability Reporting	3.1	Corporate Governance	31	
2-15	Conflicts of Interest	3.1	Corporate Governance	31	
2-16	Communication of Critical Concerns	3.1	Corporate Governance	31	
2-17	Collective Knowledge of the Highest Governance Body	3.1	Corporate Governance	31	
2-18	Evaluation of the Performance of the Highest Governance Body	3.1	Corporate Governance	31	

GRI Standards/Disclosures		Corresponding Section		Page	Explanation
2-19	Remuneration Policies	3.1	Corporate Governance	31	
2-20	Process to Determine Remuneration	3.1	Corporate Governance	31	
2-21	Annual Total Compensation Ratio	3.1	Corporate Governance	31	
■ Strategy, Policies, and Practices					
2-22	Statement on Sustainable Development Strategy	-	Message from the Management	1	
2-23	Policy Commitments (Responsible Business Conduct, Respect for Human Rights)	-	Message from the Management	1	The Sustainability Committee is responsible for planning and formulating sustainability management policies.
		2.3	Sustainability Issue Management Policy	24	
		3.1	Corporate Governance	31	
		3.3	Ethical Corporate Management	38	
		6.1	Human Rights	65	
2-24	Embedding Policy Commitments	-	Message from the Management	1	
		2.3	Sustainability Issue Management Policy	24	
		3.1	Corporate Governance	31	
		3.3	Ethical Corporate Management	38	
		6.1	Human Rights	65	
2-25	Processes to Remediate Negative Impacts	2.3	Sustainability Issue Management Policy	24	
		3.1	Corporate Governance	31	
		3.3	Ethical Corporate Management	38	
		6.1	Human Rights	65	
2-26	Mechanisms for Seeking Advice and Raising Concerns	3.3	Ethical Corporate Management	38	
2-27	Compliance with Laws and Regulations	3.3	Ethical Corporate Management	38	
2-28	Membership Associations	1.1	Company Overview	7	
■ Stakeholder Engagement					
2-29	Approach to Stakeholder Engagement	2.1	Identification and Engagement of Key Stakeholders	16	
2-30	Collective Bargaining Agreements	-	-	-	No labor union has been established; therefore, no collective bargaining agreement has been signed

GRI 3: Material Topics 2021

GRI Standards/Disclosures		Corresponding Sectiont		Page	Explanation
GRI 3: Material Topics 2021					
3-1	Process to determine material topics	2.2	Materiality Assessment and Analysis	18	
3-2	List of material topics	2.2	Materiality Assessment and Analysis	18	
■ Material Topic 1: Sustainable Supply Chain					
3-3	Management of material topic	2.3	Sustainability Issue Management Policy	24	
204-1	Proportion of spending on local suppliers	5.3	Supply Chain Management	58	
■ Material Topic 2: Quality Management and Product Responsibility					
3-3	Management of material topic	2.3	Sustainability Issue Management Policy	24	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	5.2	Quality Management	56	No related incidents

GRI Standards/Disclosures		Corresponding Sectiont		Page	Explanation
Material Topic 3: Product Responsibility					
3-3	Management of material topic	2-3	Sustainability Issue Management Policy	24	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	5-2	Quality Management	56	No related incidents
Material Topic 4: Innovation Management (Custom Topic)					
3-3	Management of material topic	2.3	Sustainability Issue Management Policy	24	
-	Custom Indicator: Energy consumption and power performance	4.1	Innovation Management	46	
Material Topic 5: Talent Attraction and Retention					
3-3	Management of material topic	2.3	Sustainability Issue Management Policy	24	
401-1	New employee hires and employee turnover	6.2	Talent Recruitment and Retention	66	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.3	Compensation and Benefits	71	
401-3	Parental leave	6.3	Compensation and Benefits	71	
405-1	Diversity of governance bodies and employees	3.1	Corporate Governance	31	
		6.2	Talent Recruitment and Retention	66	
405-2	Ratio of basic salary and remuneration of women to men	6.3	Compensation and Benefits	71	

GRI Standards/Disclosures		Corresponding Sectiont		Page	Explanation
Material Topic 6: Energy Management					
3-3	Management of material topic	2.3	Sustainability Issue Management Policy	24	
302-1	Energy consumption within the organization	7.4	Energy Management	92	
302-2	Energy consumption outside of the organization	-	-	-	Energy consumption outside the organization is not yet quantified
302-3	Energy intensity	7.4	Energy Management	92	
302-4	Reduction of energy consumption	-	-	-	Reduction measures not yet implemented
302-5	Reductions in energy requirements of products and services	-	-	-	Not end products; not applicable
305-1	Direct (Scope 1) GHG emissions	7.3	Emissions	90	
305-2	Energy indirect (Scope 2) GHG emissions	7.3	Emissions	90	
305-3	Other indirect (Scope 3) GHG emissions	-	-	-	It is expected to be disclosed in 2025
305-4	GHG emissions intensity	7.3	Emissions	90	
305-5	Reduction of GHG emissions	-	-	-	Reduction measures not yet implemented
305-6	Emissions of ozone-depleting substances (ODS)	-	-	-	No production or emission of ODS; not applicable
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-	-	-	Not applicable
Material Topic 7: Information Security (Custom Topic)					
3-3	Management of material topic	2.3	Sustainability Issue Management Policy	24	
-	Custom Indicator: Information security breaches	3.5	Information Security and Cybersecurity	41	

Voluntarily Disclosed GRI Topics and Indicators

GRI Standards/Disclosures		Corresponding Section		Page	Explanation
GRI 200: Economic Topics					
GRI 201: Economic Performance 2016					
201-1	Direct economic value generated and distributed	1.3	Operational Overview	11	
GRI 202: Market Presence 2016					
202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	6.3	Compensation and Benefits	71	
202-2	Proportion of senior management hired from the local community	6.2	Talent Recruitment and Retention	66	
GRI 207: Tax 2019					
207-1	Approach to tax	3.2	Tax Governance	37	
GRI 300: Environmental Topics					
GRI 303: Water and Effluents 2018					
303-3	Water withdrawal	7.5	Water Resource Management	93	
GRI 306: Waste 2020					
306-3	Waste generated	7.1	Environmental Management and Waste	86	
306-4	Waste diverted from disposal	7.1	Environmental Management and Waste	86	
306-5	Waste directed to disposal	7.1	Environmental Management and Waste	86	

GRI Standards/Disclosures		Corresponding Section		Page	Explanation
GRI 400: Social Topics					
GRI 402: Labor/Management Relations 2016					
402-1	Minimum notice periods regarding operational changes	-	-	-	In the event of significant operational changes, AP Memory complies with local regulations for notice and communication.
GRI 404: Training and Education 2016					
404-1	Average hours of training per year per employee	6.4	Talent Development	75	
404-3	Percentage of employees receiving regular performance and career development reviews	6.3	Compensation and Benefits	71	
GRI 406: Non-discrimination 2016					
406-1	Incidents of discrimination and corrective actions taken	6.1	Human Rights	65	

8.2 SASB Srandards

Semiconductors Sustainability Accounting Standard | Version 2023-12

Topic	Accounting Metric	Code	Corresponding Section in Report
Greenhouse Gas Emissions	Disclosure of the following information: (1) Gross global Scope 1 emissions and (2) About of total emissions from perfluorinated compounds	TC-SC-110a.1	7-3 Emissions
	Discussion of long and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	TC-SC-110a.2	
Energy Management in Manufacturing	Disclosure of the following information: (1) Total energy consumed (including fuel and electricity) (2) Percentage grid electricity and (3) Percentage renewable	TC-SC-130a.1	7-4 Energy Management
Water Management	Disclosure of the following information: (1) Total water withdrawn (thousand m^3) es (2) Total water consumed (thousand m^3), percentage of each in regions with High or Extremely High Baseline Water Stress	TC-SC-140a.1	7-5 Water Resource Management
Waste Management	(1)Amount of hazardous waste from manufacturing, (2)Percentage recycled	TC-SC-150a.1	7-1 Environmental Management and Waste
Employee Health & Safety	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards	TC-SC-320a.1	6-5 Employee Health & Safety
	Total amount of monetary losses as a result of legal proceedings associated with employee safety and health violations	TC-SC-320a.2	
Recruiting & Managing a Global & Skilled Workforce	Percentage of employees that require a work visa	TC-SC-330a.1	6-2 Talent Recruitment and Retention
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474-declarable substances	TC-SC-410a.1	4-3 Product Lifecycle Management
	Processor energy efficiency at a system level for: (1) servers, (2) desktops, and (3) laptops	TC-SC-410a.2	
Materials Sourcing	Description of the management of risks associated with the use of critical materials	TC-SC-440a.1	5-3 Supply Chain Management
Intellectual Property Protection & Competitive Behavior	Total monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	TC-SC-520a.1	4-2 Intellectual Property Protection and Competitive Behavior
Activity Metric		Code	Corresponding Section in Report
Total Production		TC-SC-000.A	1-2 Product Overview
Percentage of Production from Owned Facilities		TC-SC-000.B	1-2 Product Overview

8.3 Semiconductor Industry Sustainability Disclosure Metrics

No.	Metric	Category	Annual Disclosure
1	Total energy consumed (GJ), percentage grid electricity, and percentage renewable	Quantitative	● Total energy consumed: 2,550.76 ● Percentage grid electricity: 99.3% ● Percentage renewable: 0
2	Total water withdrawn and total water consumed (thousand m^3)	Quantitative	● Total water withdrawn: 2.690 ● Total water consumed: 2.690
3	Weight of hazardous waste generated (metric tons) and percentage recycled (%)	Quantitative	● Hazardous waste generated: 0.106 ● Hazardous waste recycled: 0%. A small amount of industrial waste is generated annually, including scrapped wafers and ICs. These are classified as hazardous waste and are regularly handled by qualified outsourced vendors.
4	Description of occupational incidents: types, number of cases, and rates	Quantitative	● No violations of employee health and safety regulations in 2024
5	Product lifecycle management disclosure: weight of disposed and electronic waste (metric tons) and percentage recycled (%	Quantitative	● Electronic waste generated during the product development testing phase totaled 0.106 metric tons, mainly consisting of scrapped wafers and ICs. ● Since all manufacturing processes are outsourced, no additional electronic waste or recycling methods were generated or applicable.
6	Description of risk management related to the use of critical materials	Quantitative	● All wafers, which are one of the primary raw materials, are 100% outsourced to foundries for manufacturing. Rare earth metals, a key material used by foundries, present procurement risks related to supply stability and delivery lead times. AP Memory continues to monitor and manage these risks through regular supplier evaluations.
7	Total monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations (Presentation currency)	Quantitative	● No violations related to anticompetitive behavior occurred in 2024
8	Toral Production by main product category	Quantitative	● 838,250 (Unit: thousand pieces)

8.4 Greenhouse Gas Inventory and Assurance Status

AP Memory Technology Corporation is classified as a company with a capital amount between NT$5 billion and NT$10 billion. According to the Sustainability Development Roadmap for TWSE/TPEx-listed Companies, the disclosure of greenhouse gas emissions is currently voluntary for companies of this size. The greenhouse gas (GHG) emission data presented in this report has been inventoried based on ISO 14064-1:2018, covering Scope 1 and Scope 2 emissions. For the organizational boundaries and assurance scope, please refer to the section titled 'Description of Organizational Boundaries.'

Greenhouse Gas Emissions (Scope 1 and Scope 2)

Category	Total Emissions (metric tons CO_2e)	Emissions Intensity (metric tons CO_2e / NT$ million)
Scope 1	11.0196	-
Scope 2	342.3761	-
Total	353.3957	0.0843

Operational Site	Description	Verification	Assurance	Exclusion
Taiwan	AP Memory Technology Corporation (parent company), VIVR Corporation	V		
	CascadeTeq Inc.			V
Mainland China	AP Memory Technology (Hangzhou) Co., Ltd.	V		
United States	AP Memory Corp,USA			V
Others	APware Technology and AP Memory Technology (Hong Kong) Co., Ltd. [Note 2]			V

Exclusion Scope	Description
CascadeTeq Inc. AP Memory Corp, USA	Since electricity and water usage for the offices are included in rental fees, the associated emissions are categorized under Scope 3. Additionally, emissions from offices with fewer than 6 employees are excluded, as such emissions account for less than 5% of the total.

Note 1：Emissions intensity = Scope 1 or Scope 2 emissions ÷ consolidated revenue in the financial report
Note 2：'Others' refers to investment holding companies or entities without an actual operating site as of December 31, 2024.

8.5 TCFD Disclosure Index

Governance Framework	Recommended Disclosure Items	Corresponding Section in Report		Page
Governance	Describe the board' s oversight of climate-related risks and opportunities	7.2	Climate Strategy	88
	Describe management' s role in assessing and managing climate-related risks and opportunities	7.2	Climate Strategy	88
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	7.2 4.1	Climate Strategy Innovation Management	88 46
	Describe the impact of climate-related risks and opportunities on the organization' s businesses, strategy, and financial planning	7.2	Climate Strategy	88
	Describe the resilience of the organization' s strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario	7.2	Climate Strategy	88
Risk Management	Describe the organization' s processes for identifying and assessing climate-related risks	7.2	Climate Strategy	88
	Describe the organization' s processes for managing climate-related risks	7.2	Climate Strategy	88
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization' s overall risk management	7.2	Climate Strategy	88
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	7.2	Climate Strategy	88
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	7.3	Emissions	90
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	7.2	Climate Strategy	88

8.6 SDGs Disclosure Index

SDGs		SDG Targets	Corresponding Section	Page
	1.1	Eradicate extreme poverty for all people everywhere, currently measured as people living on less than $1.25 a day.	1-4 Social Impact	14
	4.3	Ensure equal access for all women and men to affordable and quality technical, vocational, and tertiary education.	6-4 Talent Development	75
	4.4	Substantially increase the number of youth and adults who have relevant skills for employment, decent jobs, and entrepreneurship.	6-4 Talent Development	75
	5.1	End all forms of discrimination against all women and girls everywhere.	6-1 Human Rights	65
	5.5	Ensure women' s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.	6-1 Human Rights	65
	8.2	Achieve higher levels of economic productivity through diversification, technological upgrading, and innovation.	1-2 Product Overview 1-3 Operational Overview	9 11
	8.8	Protect labor rights and promote safe and secure working environments for all workers.	6-1 Human Rights	65
	13.2	Integrate climate change measures into national policies, strategies, and planning.	7-2 Climate Strategy 7-3 Emissions	88 90
	16.5	Substantially reduce corruption and bribery in all their forms.	3-3 Ethical Corporate Management	38

8.7 Scope of Data Disclosure

AP Memory and Its Subsidiaries[Note 1]	Major Operational Sites		
	Taiwan	Hangzhou, China	Portland, USA
AP Memory Technology Corporation	●		
AP Memory Technology (Hangzhou) Co., Ltd.		●	
AP Memory Corp,USA			●
VIVR Corporation	●		
CascadeTeq Inc.	●		
APware Technology Corp. and Technology (Hong Kong) Co., Ltd.[Note 2]	-	-	-
Governance			
Financial Performance	●	●	●
Ethical Corporate Management and Training	●	●	-
Intellectual Property	●	●	
Environment			
Environmental Management	●	●	-
Greenhouse Gas Emissions [Note 4]	●	●	-
Energy Management [Note 4]	●	●	-
Water Resource Management [Note 4]	●	●	-
Air Pollution Management	Note 3	Note 3	Note 3
Waste Management	●	●	-
Social			
Number of Employees	●	●	●
Training and Education	●	●	-
Compensation and Benefits	●	●	●
Occupational Health and Safety	●	●	-

Note 1 : Wholly owned subsidiaries.
Note 2 : Investment holding companies without physical operational sites.
Note 3 : No air pollutant emissions.
Note 4 : Data disclosure for 2019 – 2022 covers only the Hsinchu, Taiwan location. Starting in 2023, the scope expanded to include Hangzhou, China and Portland, USA. For Portland, USA, utility costs are already included in office lease expenses, making separate collection impossible. Additionally, other subsidiaries are not yet included in the data statistic

AP Memory Technology Corporation

www.apmemory.com