CH4 Optimal Integrity

Committed to integrity, transparency, and responsible governance, we enhance Board functionality and fortify our risk management systems to drive stable development and generate enduring value.

4.1
Corporate Governance

4.2
Integrity Management & Legal Compliance

4.3
Economic Performance

4.4
Risk Management

4.1 Corporate Governance

I Governance of Sustainable Development Structure

SAI has established a Sustainability Development Committee and a Sustainable Development Promotion Team to formulate its sustainability blueprint. Through the establishment of a clear vision, SAI strives to continuously innovate and achieve breakthroughs across operational, economic, environmental, and social dimensions, with the goal of becoming a leading enterprise in sustainable value creation. The Sustainability Development Committee is responsible for planning SAI's sustainability development roadmap, while the Sustainable Development Promotion Team formulates implementation plans and objectives to strengthen the sustainability governance framework and continuously create value for stakeholders.

Highest Governance Body	Board of Directors	
Advisory Units	Sustainable Development Committee	
	Chairman Tsung-Jung Huang	Committee Member, Independent Director Wan-Yu Liu, Ding-Wang Cheng
Executing Unit	General Secretary, Vice President Ben Huang	Deputy General Secretary, Assistant Vice President Shih-Heng Kuo
	Chairman's Office	
	Office of the President	
	Environmental Sustainability, Social Care, Corporate Governance, Value Chain Management	
	Occupational Safety and Health Management Unit, Management Unit, Materials Unit, Audit Unit, Technology Unit, Legal Unit, Production Unit, Finance Unit, Quality Assurance Unit, Facility Affairs Unit, Sales Unit, Welfare Committee, and SAI Fu-De Social Welfare and Charity Foundation	

1. Sustainable Development Committee

SAI's Sustainable Development Committee is chaired by the Chairman and consists of two independent directors with expertise in sustainability. The committee is responsible for setting the strategic direction and vision for sustainability development at SAI, guiding the Sustainable Development Promotion Team and various units in implementing sustainability goals. Prior to the publication of the sustainability report, the Sustainable Development Committee reports to the Board of Directors on the progress of sustainability goals, presenting at least annually to the Board. In 2025, the Committee reported to the Board once, including the presentation of materiality assessment results and approval of the ESG Report. Based on due diligence and materiality assessment results, the Board of Directors identifies key sustainability issues and incorporates them into SAI's strategy and risk management framework. The Board also requires management to establish action plans and performance indicators and to regularly monitor and review implementation effectiveness to ensure that related risks are properly managed.

In addition, the Board of Directors and the Chairman of the Sustainability Development Committee engage directly with investors, employees, and other stakeholders through shareholder meetings, investor conferences, and employee communication channels. Feedback gathered through these engagement activities is incorporated into SAI's decision-making processes and the development of its sustainability strategies.

2. Sustainable Development Promotion Team

SAI's Sustainable Development Promotion Team is headed by the Vice President as the General Secretary, with the Assistant Vice President as Deputy General Secretary, convening departments to form four teams: Environmental Sustainability, Social Care, Corporate Governance, and Value Chain Management. Relevant department heads are appointed as conveners responsible for overseeing the operations of each team. Each team aligns with SAI's sustainability pillars, devising and implementing corresponding strategies and objectives, and is responsible for engaging stakeholders through communication and alignment. The General Secretary and Deputy Executive Director assist in driving and monitoring these efforts, providing regular updates to the Board of Directors on the execution of the Sustainable Development Committee's initiatives.

4.1 Corporate Governance

Professor Wan-Yu Liu is a Distinguished Professor in the Department of Forestry at National Chung Hsing University, and serves as an Independent Director and Sustainable Development Committee Member of SAI. Professor Liu has long been deeply engaged in the academic fields of environmental resource management, natural carbon sinks, and climate change. Drawing on top-tier environmental expertise, Professor Liu assists SAI on its path to carbon reduction by providing precise guidance and recommendations.

Distinguished Professor, National Chung Hsing University

Professor **Wan-Yu Liu**

President Ding-Wang Cheng is an Independent Director and Sustainable Development Committee Member of SAI. President Cheng also serves as the Chairperson of the Sustainability Standards Committee of the Accounting Research and Development Foundation. As a core leader in the formulation of Taiwan's sustainability standards, his professional guidance ensures that SAI's disclosure of financial and non-financial information align precisely with international standards, thereby enhancing investor trust in SAI's sustainability governance.

Former President of National Chengchi University

Professor **Ding-Wang Cheng**

2025 Achievements of the Sustainable Development Promotion Team

1. SAI 2025 Material Topic Execution Results and 2025 Targets
2. SAI 2025 ESG Report Execution Results: 2-1. SAI has completed preparation of the 2025 ESG Report. The Sustainable Development Promotion Team worked with SAI's departments to achieve SDGs and implement ESG management. 2-2. SAI conducts a materiality analysis of the material topics in its ESG Report every two years and conducts surveys of internal and external stakeholders to identify 13 material topics based on impact and likelihood of occurrence. At the same time, short-, medium-, and long-term targets are set, and the effectiveness of material topic targets is assessed annually.
3. Planned the adoption of internal carbon pricing
4. Planned the adoption of IFRS Sustainability Disclosure Standards

4.1 Corporate Governance

3. IFRS Sustainability Disclosure Standards

	Work Item	Planned Completion Time
Phase 1	1-1. Establish a cross-departmental project team for the adoption of IFRS Sustainability Disclosure Standards	Completed in 2024
	1-2. Preliminarily identify major differences and impacts between current sustainability information and the IFRS Sustainability Disclosure Standards	Completed in December 2024
	1-3. Preliminarily identify reporting entities	Expected completion in Q3 2026
	1-4. Formulate the adoption plan	Expected completion in Q3 2026
Phase 2	2-1. Identify sustainability-related risks and opportunities and their financial impacts, and assess material sustainability-related financial information	Expected completion in Q4 2026
	2-2. Identify and collect required data	Expected completion in Q1 2027
	2-3. Revise and adjust Company processes, financial and non-financial reporting processes, information systems, supply chain management processes, internal controls, and daily operations of each department	Expected completion in Q3 2028
Phase 3	3-1. Trial preparation of the annual report sustainability information chapter	Expected completion in Q3 2028
	3-2. Continue updating internal control operation manuals related to IFRS sustainability information and conduct education and training	Expected completion in Q4 2028
Phase 4	4-1. Publicly announce and file the annual report sustainability information chapter	Expected completion in Q1 2029

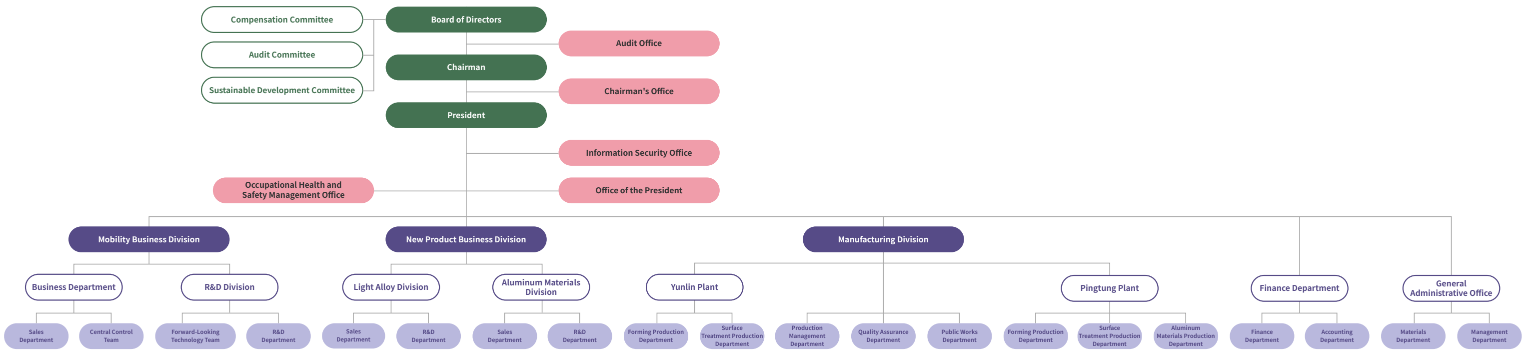
4.1 Corporate Governance

II | Corporate Governance Framework

Corporate sustainable operation is based on a sound governance system. SAI is committed to strengthening its corporate governance framework through the principles of safeguarding shareholders' rights, enhancing Board functionality, exercising effective oversight through the Audit Committee, respecting the rights of stakeholders, and improving information transparency. SAI continuously refines its governance mechanisms to elevate the quality of corporate governance and pursue long-term sustainable development.

The Board of Directors serves as SAI's highest governing body, with responsibilities encompassing the formulation of operational direction, supervision of management performance, prevention of conflicts of interest, ensuring regulatory compliance, and identification and response to risks. While upholding shareholders' rights, the Board is also guided by the principle of balancing the interests of stakeholders including employees, customers, suppliers, communities, government authorities, and the environment.

The Board convenes at least once per quarter, during which the management team reports on operational and governance-related matters. Three functional committees have been established under the Board — the Audit Committee, the Remuneration Committee, and the Sustainability Development Committee — responsible for reviewing and providing recommendations on significant decision-making matters before submitting them to the Board for deliberation, thereby strengthening governance effectiveness. In 2025, SAI convened 5 Board of Directors meetings with an average Director attendance rate of 98%. For related information, please refer to page 8 of the 2025 Annual Report.



SAI's Board of Directors comprises ten directors with diverse professional backgrounds, including four independent directors, four general directors, one external director, and one director who concurrently serves as a Managerial Officer. The Board's collective competencies encompass operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market perspective, as well as sustainability management and decision-making capabilities.

To enhance Board performance and independence, SAI has established a board diversity policy in accordance with its operational characteristics and future development needs. The policy covers basic conditions and values — including gender, age, and nationality — as well as professional knowledge and skills in areas such as law, accounting, industry expertise, finance, and marketing, thereby ensuring that the Board's composition reflects both diversity and professional competence.

For information regarding Board of Directors diversity and independence, please refer to page 11 of the 2025 Annual Report

4.1 Corporate Governance

Member Profiles of the Board of Directors

Member	Position	Term (November 3, 2023-November 12, 2026)	Other Important Positions	Gender	Notable Professional/Academic Experiences
Tsung-Jung Huang	Executive Director	3 years	Chairman of SAI	Male	Department of International Business, Feng Chia University
Lung-Cheng Wei	Non-Executive Director	3 years	Chairman, PVI Chemical Co., Ltd.	Male	Department of Chemical Engineering, National United University
Mao-Lin Shih	Non-Executive Director	3 years	Honorary Chair Professor, Department of Financial and Economic Law, Asia University	Male	Department of Law, National Taiwan University
Ke-Chang Liu	Non-Executive Director	3 years	None	Male	Department of International Business, Feng Chia University
Chiu-Yueh Chang	Non-Executive Director	3 years	Representative of Yong Ming Investment Co., Ltd.	Female	Department of Business Administration, National Taipei University of Business
Shun-Chung Wang	Non-Executive Director	3 years	Representative of Cheng Yi Management Consulting Co., Ltd.	Male	Department of Commerce,National Chia-Yi Senior Commercial Vocational School
Ding-Wang Cheng	Independent Director	3 years	Chairperson, Sustainability Standards Committee, Accounting Research and Development Foundation (ARDF)	Male	PhD in Accounting, University of Missouri, United States
Wan-Yu Liu	Independent Director	3 years	Lifetime Distinguished Professor, College of Agriculture and Natural Resources, National Chung Hsing University	Female	PhD, Production Management and Environmental Economics Division, Department of Agricultural Economics, National Taiwan University
Ming-Shiou Cherng	Independent Director	3 years	Professor, Department of Law, Soochow University	Male	PhD in Law, University of Münster, Germany
Wen-Tsung Chen	Independent Director	3 years	None	Male	Department of Finance, National Chung Hsing University

All members of the Board of Directors of SAI are professionals with extensive industry experience and an excellent reputation. In accordance with Article 20 of SAI's Corporate Governance Best Practice Principles, the composition of the Board of Directors must take diversity into consideration. In addition to the requirement that Directors concurrently serving as Managerial Officers must not exceed one-third of the total number of board seats, SAI shall also formulate appropriate diversity policies in accordance with its operational characteristics, governance needs, and future development direction. For complete information on the Board of Directors members' educational and professional backgrounds, areas of expertise, and concurrent positions, please refer to SAI website.

10 Board Members

40% Independent Director

20% Female Directors

4.1 Corporate Governance

III | Director Nomination and Selection

SAI's Board of Directors serves as the central decision-making mechanism for corporate governance and sustainable development. Beyond its critical responsibilities of oversight and safeguarding corporate value, the Board also draws on its cross-disciplinary expertise to guide SAI in navigating market changes and industry transformation. The nomination and selection of Board members are conducted in accordance with the "Rules for Election of Directors", utilizing a candidate nomination system and cumulative voting by name, with directors elected by shareholders from a list of board candidates at the general shareholders' meeting.

Pursuant to SAI's Articles of Incorporation, the Board shall comprise between seven and thirteen directors, serving terms of three years and eligible for re-election upon the expiration of each term. Current board members possess diverse professional backgrounds spanning law, finance, environmental affairs, and industry expertise, and their independence fully complies with the relevant provisions of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. Through a governance framework grounded in both professional competence and integrity, the Board continues to strengthen SAI's operational resilience and to create long-term sustainable value for all stakeholders.

IV | Director Performance Evaluation

SAI has established the "Performance Evaluation of Board of Directors" and conducts an internal Board Performance Evaluation once each year. The evaluation dimensions include: understanding of SAI's objectives and mission, awareness of roles and responsibilities, degree of participation in operational oversight, internal communication and collaboration, directors' professional competencies and continuing education, effectiveness of internal control mechanisms, and ESG-related initiatives. Through the above indicators, the Board is able to comprehensively review its operational effectiveness and take improvement measures accordingly, with the aim of continuously enhancing the quality of corporate governance. On December 29, 2025, the deliberation unit distributed self-assessment questionnaires to Board members and functional committee members. The self-assessment results indicated that both the Board of Directors and the functional committees operated effectively, with a meeting attendance rate exceeding 98%.

The overall capabilities required of the Board of Directors include operational judgment, accounting and financial analysis, management skills, crisis management, industry knowledge, international market perspective, and sustainability management and decision-making abilities. The composition of the Board of Directors should consider diversity and develop a policy for board member diversification based on the needs of SAI's operations, business model, and future development trends. This policy should include basic criteria and values (such as gender, age, nationality), as well as professional knowledge and skills (such as law, accounting, industry, finance, marketing), among which includes two female directors.

None of the directors of SAI have spousal or second-degree kinship relationships with each other. Furthermore, if any board meeting agenda involves a conflict of interest for a director, the director will recuse themselves from the discussion and voting on the matter to ensure the Board can independently and objectively perform its duties. At present, the Board Performance Evaluation is conducted through self-evaluation. Although evaluation assistance by an external institution has not yet been implemented, during the term of office, there has been no relationship with management or related parties of SAI that could compromise SAI's interests or impair impartial judgment.

Board Performance Evaluation

- Level of involvement in company operations
- Decision-making quality of the Board of Directors
- Board composition and structure
- Election and continuing education of directors
- Internal control
- ESG Initiatives (Environmental Protection, Social Inclusion, Sustainable Governance)

Performance Evaluation of Individual Directors

- Grasp of SAI's goals and missions
- Director's awareness of responsibilities
- Level of involvement in company operations
- Internal relationship management and communication
- Professional expertise and continuing education of directors
- Internal control
- ESG Initiatives (Environmental Protection, Social Inclusion, Sustainable Governance)

Functional Committee Performance Evaluation

- Level of involvement in company operations
- Functional Committee responsibilities awareness
- Functional Committee decision-making quality
- Composition and member election of the Functional Committee

4.1 Corporate Governance

V | Director Executive Remuneration

Guided by the principles of openness, transparency, and sound governance, SAI has established a reasonable director remuneration system that aligns directors' compensation with their professional contributions and SAI's operational results. Director remuneration is determined in accordance with SAI's Articles of Incorporation, with an allocation of no more than 3% of annual profits, taking into comprehensive consideration SAI's operational performance and each director's level of contribution. Relevant remuneration items, including compensation and director remuneration, are handled in accordance with the Remuneration and Compensation Procedures for Directors, Independent Directors, Functional Committee Members, and Managers, and are submitted to the Remuneration Committee and the Board of Directors for review and approval prior to disbursement. Furthermore, SAI does not provide signing bonuses, recruitment bonuses, severance payments, or clawback mechanisms, ensuring that the director remuneration system remains aligned with the spirit of corporate governance and reflects substantive contributions and operational performance.

Position	Remuneration Policies
Chairman	Fixed Salary: Determined by the level of participation and contribution to SAI's operations, based on industry salary standards, and adjusted according to SAI's years of service and job value. Variable Salary: Includes performance bonuses and year-end bonuses.
General Directors	Remuneration allocated based on SAI's profit and loss ratio.
Independent Director	Fixed Compensation: Provided as a fixed monthly remuneration regardless of SAI's profit or loss.
Managers	Fixed Salary: Determined by the level of participation and contribution to SAI's operations, based on industry salary standards, and adjusted according to SAI's years of service and job value. Variable Salary: Includes performance bonuses, year-end bonuses, and employee compensation.

VI | Director Training

SAI arranges timely training courses for directors each year to continuously enhance their competencies in sustainable development, governance, and professional expertise, thereby strengthening the Board's decision-making resilience in the face of market changes and sustainability-related issues. In 2025, directors' continuing education focused on key topics including risk management, supply chain management, carbon management, and energy management. Through a variety of courses and professional seminars, directors deepened their understanding of climate risk, supply chain resilience, and trends in energy transition. Demonstrating SAI's continued efforts to strengthen its governance capabilities through knowledge advancement and respond to stakeholder expectations.

51 hours
Total professional development hours completed by Directors in 2025

100%
The participation rate of all Directors in professional training regarding sustainable development.

4.1 Corporate Governance

Organizer	Course Title	Director Attending Training	Total Time (hours)
Taiwan Stock Exchange	2025 Taiwan Capital Market Summit	Chairman Tsung-Jung Huang	3
Securities & Futures Institute	Legal Compliance Briefing on Insider Equity Transactions for 2025	Chairman Tsung-Jung Huang	3
Taiwan Academy of Banking and Finance	Corporate Governance Forum	Director Lung-Cheng Wei	3
Taiwan Academy of Banking and Finance	Corporate Governance Forum	Director Ke-Chang Liu	3
Securities & Futures Institute	Legal Compliance Briefing on Insider Equity Transactions for 2025	Director Ke-Chang Liu	3
Taiwan Corporate Governance Association	Corporate Governance and Securities Regulation	Director Mao-Lin Shih	3
Taiwan Corporate Governance Association	ESG Latest Regulatory Requirements	Director Mao-Lin Shih	3
Securities & Futures Institute	Legal Compliance Briefing on Insider Equity Transactions for 2025	Representative Shun-Chung Wang	3
Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	Representative Chiu-Yueh Chang	3
Securities & Futures Institute	2025 Seminar on Preventing Insider Trading	Representative Chiu-Yueh Chang	3
Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	Independent Director Ding-Wang Cheng	6
Securities & Futures Institute	Latest practical developments in insider trading in Taiwan and corporate prevention measures (including gender equality)	Independent Director Wan-Yu Liu	3
Securities & Futures Institute	Sustainability disclosure trends — IFRS S1 and S2 sustainability disclosure standards: Issuance, impacts, and responses	Independent Director Wan-Yu Liu	3
Taiwan Project Management Association	Digital Governance and Information Security: Perspectives on Risk Management	Independent Director Ming-Shiou Cherng	3
Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	Independent Director Wun-Zong Chen	3
Securities & Futures Institute	Legal Compliance Briefing on Insider Equity Transactions for 2025	Independent Director Wun-Zong Chen	3

For detailed information on director training, please refer to pages 30—31 of SAI's 2025 Annual Report.

VII | Functional Committee

In order to comprehensively safeguard the rights and interests of all stakeholders, SAI has established multiple functional committees. Through clearly defined responsibilities and professional deliberation mechanisms, SAI translates its corporate governance vision into the oversight and management of material issues. Each committee oversees matters within its designated area of expertise, and leverages the professional experience of its members in fields such as financial oversight, risk control, and talent incentivization to enhance the efficiency of issue handling and the quality of decision-making, while simultaneously strengthening corporate governance transparency and organizational effectiveness. Through a well-structured committee framework, SAI is able to balance risk management with sound growth in a changing environment, and to continuously safeguard the long-term interests of all stakeholders.

4.1 Corporate Governance

1. Audit Committee

Position	Name	Number of Actual Attendances (Actual Attendance Rate)	Proxy Attendances	Term of Office
Chairman	Ding-Wang Cheng	5 (100%)	0	2023/11/13~ 2026/11/12
Committee Member	Wan-Yu Liu	5 (100%)	0	2023/11/13~ 2026/11/12
Committee Member	Ming-Shiou Cherng	5 (100%)	0	2023/11/13~ 2026/11/12
Committee Member	Wen-Tsung Chen	5 (100%)	0	2023/11/13~ 2026/11/12

Key Sustainability Initiatives for 2025:
Approved amendments to SAI's sustainability information management procedures.
Approved amendments to SAI's payroll and personnel authorization matrix.

2.Compensation Committee

Position	Name	Number of Actual Attendances (Actual Attendance Rate)	Proxy Attendances	Term of Office
Convener	Ming-Shiou Cherng	2 (100%)	0	2023/11/13~ 2026/11/12
Committee Member	Ding-Wang Cheng	2 (100%)	0	2023/11/13~ 2026/11/12
Committee Member	Wen-Tsung Chen	2 (100%)	0	2023/11/13~ 2026/11/12

Key Sustainability Initiatives for 2025:
- Approval of the distribution of employee compensation and director remuneration for 2024, as well as the allocation of bonuses for management.
- Approved the policy, system, standards, and structure for the 2026 performance evaluation of directors and independent directors.
- Approved the policies, systems, standards, and structure for the 2026 performance evaluation standards for managerial officers.
- Approved the 2025 year-end bonuses for executive directors and managerial officers.

Ⅷ | Conflict of Interest

SAI regards integrity in business operations as a fundamental pillar of corporate governance, and ensures through clearly defined mechanisms that all decisions are grounded in fairness, objectivity, and the overall interests of SAI. SAI has expressly incorporated conflict of interest recusal provisions into its Rules and Procedures of Board of Director Meetings and Procedures for Ethical Management and Guidelines for Conduct. When a matter under discussion at a Board meeting involves a director's personal interests or those of a juridical person they represent, and there is a concern that such interests may be detrimental to SAI, the director in question is prohibited from participating in the discussion or voting, and may not exercise voting rights on behalf of other directors. By implementing the conflict of interest recusal mechanism, SAI continues to enhance the quality of board decision-making and governance transparency, while strengthening stakeholders' trust in SAI's commitment to integrity-based governance. For details regarding situations where directors hold positions in other boards, please refer to the following table:

Director Name	Company Name and Title
Tsung-Jung Huang	Cheng Yi Management Consulting Co., Ltd.—Chairman
Lung-Cheng Wei	PVI Chemical Co., Ltd.—Chairman Jia Yi Investment Co., Ltd.—Chairman Jeou Luh Enterprise Co., Ltd.—Director IV Technologies Co., Ltd.—Director and Representative PVI Co., Ltd.—Director and Representative
Mao-Lin Shih	Century Wind Power Co., Ltd.—Independent Director CTBC Bank Co., Ltd.—Director Taiwan Life Insurance Co., Ltd.—Director
Ding-Wang Cheng	HannsTouch Holdings Company—Independent Director Acepodia, Inc.—Independent Director
Wan-Yu Liu	Chung Hwa Pulp Corp.—Independent Director Lion Travel Service Co., Ltd.—Independent Director CH Biotech R&D Co., Ltd.—Independent Director
Ming-Shiou Cherng	Celxpert Energy Corporation—Independent Director

4.1 Corporate Governance

IX | Communication of Material Topics

SAI places great importance on the transparency of operational information and regards timely, comprehensive communication as a critical foundation for building stakeholder trust. To this end, SAI has established the Procedures for Preventing Insider Trading, and has designated a spokesperson and deputy spokesperson to disclose material information in real time through SAI's official website and the Market Observation Post System (stock code: 1563), ensuring that stakeholders have access to accurate and complete information. When the Sustainable Development Promotion Team identifies a significant issue requiring adjustments to current practices, or when an important sustainability matter arises that may affect SAI's risks and opportunities, the matter is submitted to the Sustainability Development Committee for deliberation. Upon confirmation, it is then escalated to the Board of Directors, ensuring that sustainability-related issues are incorporated into the governance decision-making process in a timely manner.

In May 2025, a contractor occupational safety incident occurred at SAI. In addition to issuing a material information disclosure at the earliest opportunity, SAI reported the follow-up handling progress and improvement measures to the Board of Directors on December 24, 2025, demonstrating SAI's governance commitment to continuous monitoring, prudent response, and accountability in the face of significant incidents.

X | Stakeholder Communication Channels

SAI has established a comprehensive and diverse stakeholder communication mechanism, treating feedback from all parties as an important basis for continuous improvement, and actively collecting and responding to stakeholder opinions and expectations through dedicated and transparent communication channels. In accordance with the specific needs of each stakeholder group, SAI has established multiple communication channels, including SAI website, customer service inquiry windows, internal employee communication mechanisms, shareholders' meetings, and material information disclosures, ensuring that information is conveyed in a timely, accurate, and complete manner. Through sustained and effective two-way communication, SAI not only strengthens governance transparency and the foundation of mutual trust, but also transforms external feedback into an important driving force for SAI's continued growth. Furthermore, to promptly respond to the needs of each sector, a dedicated communication channel was also established. The relevant contact information is listed in the table below:

Stakeholders	Contact Information
Customers	Vice President Tseng +886-5-551-2288#646 stephen.tseng@superalloy.tw
Employees	Manager Huang +886-5-551-2288#748 gary.huang@superalloy.tw
Shareholders	Spokesperson: Vice President Huang +886-5-551-2288#156 ben.huang@superalloy.tw Acting Spokesperson: Manager Wang +886-5-551-2288#204 kelly.wang@superalloy.tw
Government Organizations	Manager Lee +886-5-551-2288#215 tony.lee@superalloy.tw
Banking Institutions	Manager Wang +886-5-551-2288#204 kelly.wang@superalloy.tw
Suppliers	Manager Huang +886-5-551-2288#748 gary.huang@superalloy.tw
Community/Local Organizations	Manager Lee +886-5-551-2288#215 tony.lee@superalloy.tw

4.2 Integrity Management and Legal Compliance

I | Integrity in Business Operations

In accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the relevant laws and regulations of the jurisdictions in which it operates, SAI has formulated a series of internal governance policies, including the Code of Ethical Conduct, Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, and Corporate Social Responsibility Best Practice Principles. These policies encompass requirements relating to anti-corruption and fraud prevention, insider trading prevention, intellectual property protection, information security, and accurate disclosure, and set clear standards for employees to follow with regard to ethical and professional conduct, thereby reinforcing a corporate culture of integrity.

SAI requires all employees to thoroughly understand and comply with its professional ethics standards, to strictly protect customer confidentiality, and to refrain from accepting bribes or any form of improper benefit. We also expect our customers, suppliers, business partners, and other associated parties to jointly uphold our values of integrity and to collectively maintain a fair and transparent business environment.

Furthermore, in March 2025, SAI conducted a corruption risk identification exercise, during which a dedicated risk assessment team evaluated eight corruption risk factors in relation to key stakeholders such as customers, suppliers, government authorities, employees, and third-party audit personnel. The assessment results indicated that all identified factors were low-risk.

Board of Directors

To ensure the effective implementation of integrity management, SAI has established comprehensive audit and evaluation mechanisms, and has clearly defined conflict of interest management regulations governing matters submitted for deliberation by the Board of Directors. Where a matter under Board review involves a personal interest of a director or of a juristic person the director represents, the director concerned is required to disclose the material details of such interest during the meeting. If the matter may potentially affect SAI's interests, the director is prohibited from participating in the discussion or voting, and must recuse themselves throughout the entire process, in order to preserve the fairness of decision-making.

For the 2025 Directors' conflict-of-interest recusal matters, please refer to page 18 of SAI's 2025 Annual Report.

Employees

2025 Integrity Management Awareness and Training Results

1,352 employees completed awareness training on anti-corruption policies and procedures, achieving a completion rate of 100%

100% of directors and senior executives signed the Integrity and Anti-Corruption Commitments

A total of 179 people participated in the anti-corruption education and training for new recruits

Business Counterparts (suppliers, customers)

To ensure that all business dealings comply with applicable regulations and the principles of integrity, SAI has expressly stipulated that unlawful or improper conduct in any commercial transaction is strictly prohibited. If any business partner is found to have engaged in unethical conduct, SAI will immediately terminate the relationship and designate the party as ineligible for future dealings, in order to uphold SAI's integrity management policy.

With regard to supplier management, all suppliers are required to sign the Supplier Code of Conduct Declaration, committing to compliance with standards relating to ethics, labor rights, environmental responsibility, and integrity in business operations.

Customer relations: SAI signs corporate social responsibility or integrity-related commitment letters as required by customers, ensuring that the cooperative relationship between both parties meets the standards of responsible business conduct.

II | Transparency and Integrity Policy Implementation

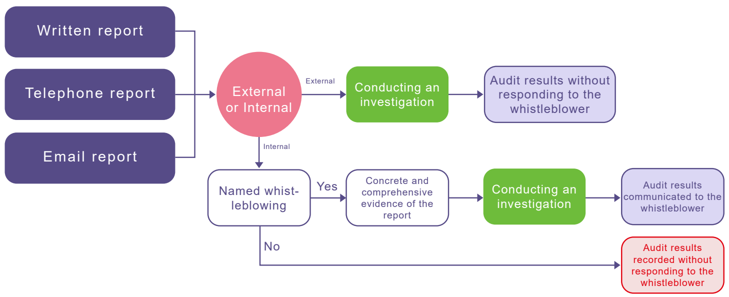
To implement corporate ethics and strengthen responsible business conduct, SAI has established relevant policies, and each operating unit has integrated them into daily operations to ensure compliance by employees, suppliers, and other stakeholders. Each unit is required to implement policy requirements and regularly report on its implementation status. The following is a summary of the results of SAI's policy implementation for 2025:

4.2 Integrity Management and Legal Compliance

Policy Name	Policy Execution Unit	Policy Advocacy Method	Policy Implementation Method	Execution Results
Integrity Management Policy	Corporate Governance Body	Announcement and Dissemination	Establishing a Code of Conduct	100% compliance with the Code of Conduct across all staff
Information Security Policy	Information Security Unit	Announcement and Education Training	Compliance with ISO 27001 requirements	Maintaining Certificate Validity
Anti-Corruption and Anti-Bribery Policy	Audit Unit	Announcement and Dissemination	Establishing a Code of Conduct	100% compliance with the Code of Conduct across all staff
No Harassment, No Bullying Workplace Environment Policy	Administrative Unit (Human Resources Team)	Announcement and Dissemination	Establishment of Complaints Channel	No Complaint Cases in 2025
ASI Policy	Quality Assurance Unit	Announcement and Dissemination	Compliance with ASI Management System Requirements	Maintaining Certificate Validity
Human Rights Policy	Administrative Unit (Human Resources Team)	Announcement and Dissemination	Human Rights Due Diligence	Please refer to Chapter 3.2 Human Rights Management of this report.
Environmental Health and Safety Policy	Occupational Health and Safety Management Unit	Educational Training	Compliance with ISO 14001 and ISO 45001 requirements	Maintaining Certificate Validity
Supplier Code of Conduct	Materials Unit (Procurement Team)	Signing of Declaration Statement	Request for Suppliers to Sign Declaration	Please refer to Chapter 2.1 Supplier Management of this report.

III Complaint and Whistleblowing Mechanism

SAI has always upheld a corporate culture of integrity and transparency to promote sound business practices. We have established procedures for handling whistleblowing and employee complaint through the “Whistleblowing Handling Procedure” and “Employee Complaint Handling System.” These procedures outline the acceptance and investigation timelines, with the Audit Department designated as the unit responsible for handling fraud and dishonest behavior. We have established and publicized multiple channels such as a whistleblowing hotline and whistleblowing email address on our official website and internal platforms, available for both internal employees and external parties to use. In response to negative impacts arising from operations, remediation, improvement measures, and recovery actions determined on the basis of investigation findings are incorporated into the Business Continuity and Recovery Management Procedures and Emergency Response Plan. These measures are continuously monitored and reviewed to ensure that the rights and interests of affected communities and workers receive appropriate remedy.



Whistleblowing Case Handling Procedure

Upon receiving a complaint, the designated unit registers the case and verifies its acceptance based on whistleblowing documents, records, or transcripts, along with relevant information. Cases confirmed for acceptance are then forwarded to the investigation unit for further inquiry. The unit handling complaints notifies whistleblowers appropriately, either in writing or through other suitable means, regarding the status of the whistleblowing case. Employees can also file complaints through a dedicated hotline or by filling out an employee complaint form. The Workplace Misconduct Investigation Team is responsible for handling these cases to ensure the protection of employees’ legal rights and interests.

4.2 Integrity Management and Legal Compliance

In accordance with the Occupational Safety and Health Act, its enforcement regulations, the Sexual Harassment Prevention Act, and the Personal Data Protection Act, SAI ensures the confidentiality of whistleblowers' personal information and other identifying details unless necessary for investigation purposes. Such information is not disclosed to third parties unrelated to the investigation to prevent unfair treatment or retaliation. Whistleblowers may also legally seek preventive measures if they foresee potential harm. For internal employee whistleblowers, SAI guarantees protection from adverse treatment due to whistleblowing. It strictly prohibits any retaliatory measures and allows for anonymous reporting, actively preventing dishonesty, fraud, and criminal activities. In 2025, SAI received 0 complaints and 1 whistleblowing case.

Complaint/Whistleblowing Channels
Whistleblowing Channel for Integrity Issues: sharon.tu@superalloy.tw Harassment and Workplace Misconduct: 05-5512288#224, sai-shpt@superalloy.tw General Employee Complaints: 05-5512288#748, gary.huang@superalloy.tw

Number of Grievances/Whistleblowing Cases in the Past Three Years			
Reporting Aspects	2023	2024	2025
Integrity in Business Operations	0	0	0
Labor Rights	0	0	0
Environmental Protection	0	0	0
Customer Service	0	0	0
Others	0	0	1

IV | Approach to Tax

SAI understands that honest tax practices is an important foundation for a company to fulfill its social responsibility as well as an important part of supporting sustainable operation. SAI upholds the principles of integrity, transparency, and compliance, and adheres to the laws and regulations of each operating location as well as international tax standards to implement responsible tax governance, while incorporating tax management as a critical component of risk control and business decision-making. For this purpose, SAI established the following tax policy:

- ◆ Lawful Tax Reporting and Payment: SAI complies with tax regulations and their legislative intent across all relevant jurisdictions, accurately calculates tax expenses, and completes all filings and payments within statutory deadlines.
- ◆ Timely Response to Tax Regulatory Changes: SAI continuously monitors and assesses the impact of changes in domestic and international tax regulations, and plans and adjusts its tax strategies accordingly.
- ◆ Implementation of Information Disclosure and Transparency: Relevant tax information is disclosed through financial reports, annual reports, and other public information platforms, enabling stakeholders to obtain a comprehensive understanding of SAI's tax affairs.
- ◆ Maintaining Integrity in Interactions with Tax Authorities: SAI engages with tax authorities in an open, honest, and cooperative manner, and provides practical input where appropriate to foster a sound tax environment.
- ◆ Lawful Use of Tax Incentives: Tax incentives are applied for only where they are lawful and consistent with their intended policy purposes; SAI does not seek tax reductions or exemptions through means that circumvent tax obligations or contravene the spirit of applicable regulations.
- ◆ Maintaining Commercial Substance in Transactions and Corporate Structure: All transactions and operational arrangements are driven by genuine business purposes, and reducing tax liability is not treated as the sole or primary consideration.
- ◆ Strengthening Tax Risk Management and Decision-Making Governance: SAI has established sound tax assessment and decision-making processes to effectively manage tax risks and ensure the long-term stability of its operations.

Tax Information for the Past Three Years (Unit: NT$ thousand)

Income Tax Information		2023	2024	2025
Net Profit Before Tax		761,910	943,520	394,939
Income Tax Expense	Income Tax for the Period	195,744	168,056	71,191
	Deferred Income Tax	(42,270)	19,980	5,550
Effective Tax Rate (%)		20%	20%	19%
Income Tax Paid		129,182	289,673	22,850
Cash Tax Rate (%)		17%	31%	6%

4.2 Integrity Management and Legal Compliance

V | Compliance with Laws and Regulations

SAI adheres to principles of legal compliance, strictly operating in accordance with laws and regulations, and establishes internal operational procedures based on standards for publicly traded companies. Furthermore, SAI closely monitors domestic and international policies and regulations that may impact SAI's financial and business operations, establishing relevant risk management procedures. SAI also enhances employees' legal literacy through continuous education and training. In 2025, SAI's operational sites reported no significant fines (exceeding NT$1 million) related to corporate governance, environmental protection, human rights protection and sustainable workplace, products, or services.

Corporate governance-related regulations	Environmental protection-related regulations	Human rights protection and sustainable workplace-related regulations	Product and service-related regulations
No violations of company law No violations of commercial law No violations of securities and financial regulations No involvement in corruption incidents No political contributions No legal disputes arising from anti-competitive practices, antitrust, and monopoly behaviors	No violations of the Air Pollution Control Act No violations of the Water Pollution Control Act No significant violations under the Waste Disposal Act	No violations of gender equality laws No forced labor practices No child labor No infringements on indigenous rights No significant violations of the Occupational Safety and Health Act	No prohibited or controversial products No violations of marketing-related regulations and voluntary codes. No incidents resulting in substantial fines due to violations of laws and regulations in the provision and use of products and services. No infringements on customer privacy or loss of customer data.

Although no major compliance violations occurred during the year, certain matters resulted in penalties due to incomplete adherence to relevant regulations or procedural requirements. In response to the above, SAI has approached each instance with integrity and accountability, promptly reviewing the underlying causes and implementing improvement measures. These measures include strengthening internal control systems, revising operational procedures, enhancing employee education and training, and reinforcing cross-departmental audits, to ensure that applicable regulatory requirements are consistently and effectively fulfilled.

2025 Fines from Regulatory Violations

Type of Penalty	Name of Legal Provision Violated	Reason	Fines and Penalties
Environmental and Safety Regulations	Waste Disposal Act	On January 17, 2025, the Department of Environmental Protection independently reconciled the online declaration data from June 2022 to October 2024. It was found that SAI's waste R-0403, in April 2023, reported a production quantity exceeding the maximum monthly output listed in the waste clearance document by 10%, without submitting a revised waste management plan. This situation constitutes a violation of Article 31, Paragraph 1, Item 1 of the Waste Disposal Act.	Received an administrative fine of NT$6000. 1-hour environmental training session.
Occupational Safety and Health Regulation	Occupational Safety and Health Facilities Regulations	Regarding the air compressor's power supply, with a ground voltage of 215 volts and a ground voltage of 150 volts or more, portable electrical equipment has not been equipped with a leakage circuit breaker with high sensitivity and fast action to effectively prevent electric shock, as required by the regulations.	Received an administrative fine of NT$100,000.
	Occupational Safety and Health Act	The forklift did not place the forks on the ground when the driver left the seat; for the counterbalance forklift, the driver did not consistently use the seatbelt as required.	Received an administrative fine of NT$100,000.
	Occupational Safety and Health Act	The maintenance project for the A Building, 3rd floor, Y2 pre-treatment track in Plant 2 was subcontracted by Kaixin to Syed Thai Machinery Co., Ltd. However, no designated agreement organization or responsible person for the worksite was set up to oversee, supervise, and coordinate the work.	Received an administrative fine of NT$100,000.
	Occupational Safety and Health Facilities Regulations	While an employee was conducting cleaning operations on a blanking machine, another employee pressed the inching button of said machine, thereby activating the hydraulic cylinder, which clamped the left hand of the former employee, resulting in an open fracture of the former's left index finger.	Received an administrative fine of NT$100,000.

4.3 Economic Performance

I | Operating Results and Strategic Outlook

SAI continues to cultivate the high-end forged aluminium wheels and automotive components markets. Through sound operations, technological advancement, and sustainability deployment, SAI enhances product competitiveness and operational resilience, while actively seizing industry trends and market opportunities to drive long-term growth and sustainable development.

1. Financial Performance

In 2025, the manufacturing industry faced severe environmental challenges. Demand in international end markets slowed due to the impact of the U.S. reciprocal tariff policy, and the significant appreciation of the New Taiwan Dollar in 2025 generated considerable foreign exchange pressure, both of which had an adverse effect on overall revenue performance. Consolidated revenue for 2025 amounted to NT$6,977,352 thousand. In response to external political, economic, and currency fluctuations, SAI adopted proactive countermeasures, including continuously optimizing production process efficiency and expanding the proportion of recycled aluminium materials used, in an effort to strengthen its core competitiveness amid a turbulent operating environment.

Type	Items	2023	2024	2025
Direct Economic Value Generated	Operating Revenue	7,779,316	7,473,579	6,977,352
	Non-Operating Revenue	181,960	122,631	52,694
Economic Value Distributed	Operating Costs	5,051,041	4,476,669	4,517,598
	Operating Expenses and Non-Operating Expenses	740,153	755,342	769,965
	Employee Remuneration and Benefits	1,219,115	1,250,647	1,191,477
	Community Investment/Donations	9	225	1,041
	Dividends and Interest Paid	591,801	585,479	645,816
	Payments to Governments for Taxes and Fines (Including Income Tax)	167,613	200,874	90,332
Economic Value Retained		191,544	326,974	-Note 1

(Unit: NT$ thousand)

Note 1: In 2025, the economic value retained was net income with EPS of NT$1.42. Cash dividends of NT$2 were paid, comprising NT$1 from earnings distribution for the year and NT$1 from capital surplus distribution.

Note 2: Operating costs, operating expenses, and non-operating expenses exclude salaries and benefits, interest expenses, and community investments, which are disclosed separately.

2. Identification of Sustainable Economic Activities

As global climate action has progressed from declaratory commitments to substantive transformation, the international community — including the European Union — has placed great emphasis on aligning capital flows with sustainability objectives, using regulatory frameworks to channel investment toward economic activities that deliver tangible environmental benefits. In this context, the Taiwan Sustainable Economic Activity Recognition Guidelines published by Taiwan's Financial Supervisory Commission represent a localized adaptation of the EU Taxonomy, designed to provide industry and financial institutions with a common "green language."

4.3 Economic Performance

Although SAI does not fall within the industries currently covered by these guidelines, SAI — guided by its commitment to excellence in operational governance — has proactively adopted a forward-looking approach by referencing the newly published second edition of the guidelines to review its core business activities and various expenditures. We firmly believe that by aligning with locally adapted guidelines benchmarked against EU standards, it can more objectively demonstrate its substantive contributions to sustainability and green transformation, and provide stakeholders with transparent and reliable sustainable finance data.

	2024 Operating Revenue		2025 Operating Revenue	
	Amount (NT$ Thousands)	Percentage (%)	Amount (NT$ Thousands)	Percentage (%)
Total	7,473,579	100%	6,977,352	100%
Total value of business activities qualifying as sustainable economic activities (recycled aluminium wheels + recycled aluminium materials)	1,679,221	**22%**	2,273,596	**33%**
Total value of business activities not qualifying as sustainable economic activities	5,794,358	78%	4,703,756	67%

3. Application for Government Subsidy Programs

To strengthen its innovation capabilities and accelerate technological advancement, SAI continuously monitors various government research and development and industrial upgrading subsidy programs, encompassing fields such as smart manufacturing, energy conservation and carbon reduction, circular materials, local revitalization, and industrial transformation. Through cross-departmental collaboration, SAI integrates the expertise of its research and development, manufacturing, finance, and strategy units to assess the alignment of available subsidy programs with SAI's medium- to long-term development direction, and submits project applications that are consistent with relevant policy objectives.

Throughout the application process, SAI carefully evaluates the feasibility of project implementation while concurrently planning anticipated benefits and risk management measures, ensuring that project outcomes translate into tangible improvements in production efficiency, energy management optimization, carbon emission reduction, and new material development. By making effective use of government resources, SAI is able to accelerate the practical deployment of technology, reduce research and development costs, drive production line upgrades, and further strengthen SAI's operational resilience and sustainable competitiveness.

Application for Government Subsidy Programs (NT$)

Items	Subsidy Provider	2023	2024	2025
Interest Rate for The Investment Plan of Taiwanese Businessmen Root in Taiwan	Ministry of Economic Affairs	7,547,714	7,047,527	3,373,604
Industrial Innovation	Ministry of Economic Affairs/Taiwan Small and Medium Enterprise Counseling Foundation (Taiwan SMECF) (Note)	6,450,000	1,000,000	11,044,000
Employment Incentives	Ministry of Labor	1,054,196	—	—
Power and Utility Equipment Subsidy	Bureau of Energy, Ministry of Economic Affairs	999,000	—	—

4.3 Economic Performance

Items	Subsidy Provider	2023	2024	2025
Large Enterprises Leading SMEs	Industrial Development Bureau, MOEA	—	13,039,000	3,761,000
Trade financing interest subsidy	Ministry of Finance	—	—	997,261
Others	—	—	—	247,200
Annual Total		16,050,910	21,086,527	19,787,065

Note: In 2023, the subsidy unit for "industrial innovation" was the Taiwan SMECF. In 2024 and 2025, it was reclassified under the Ministry of Economic Affairs. The items are therefore presented together under the same category.

4. Future Operational Outlook

Looking ahead, the global political and economic situation and the industrial environment remain highly uncertain. The Israel-U.S.-Iran war that broke out in early 2026 further intensified geopolitical risks, leading to the threat of disruptions to the global supply chain for critical raw materials. As SAI's main source of primary aluminium originates from the Middle East, the instability in the region and the potential supply disruption risks arising from regional conflicts have made supply chain resilience a foremost operational priority. Furthermore, with the implementation of the United States reciprocal tariff policy and the continued pursuit of net-zero emissions targets by 2050 among governments worldwide, international customers facing pressures from trade barriers and carbon border adjustment mechanisms are expected to experience explosive growth in demand for low-carbon materials.

In this turbulent environment, SAI's long-cultivated recycled aluminium technology presents significant business opportunities and competitive advantages. By expanding the adoption and application of recycled aluminium, SAI can not only effectively reduce its dependence on primary aluminium from a single region and substantially mitigate the risk of geopolitically induced supply disruptions, but also meet the firm and growing demand from global customers for low-carbon and recycled materials. SAI will continue to develop its circular economy model, and through the flexible adjustment of global production planning and foreign exchange risk management, will transform external supply chain challenges into momentum for materials transformation. By increasing market penetration of high-grade circular aluminium alloys, SAI aims to ensure greater operational resilience and a stronger long-term foundation for profitability amid an increasingly volatile landscape.

II | Main Products and Technical Services

SAI continues to invest in the research and development of key technologies, with a focus on providing advanced, customized, and lightweight forging solutions for the automotive and aerospace industries. Drawing on years of accumulated expertise in forging and process technology, SAI has established itself as a leading brand in the global forged wheel market and serves as a key partner to international premium and supercar manufacturers.

While consolidating its core business, SAI is also actively responding to global trends in net-zero emissions and the green transformation of supply chains, progressively extending its core capabilities into the fields of circular materials and high-end industrial applications, and continuing to develop a presence in new markets including semiconductors and aerospace. To enhance its overall competitiveness, SAI continuously strengthens its forging technology capabilities, improves plant automation, optimizes coating processes and surface treatment technologies, and deepens its design proposal capacity, with the aim of offering the market a diverse range of products that are lighter, safer, more personalized, and more cost-competitive.

From early-stage technical consultation, raw material procurement, and design development, through to manufacturing, processing, coating, logistics management, and after-sales service, SAI provides end-to-end support through its one-stop integrated capabilities. By leveraging vertical supply chain integration and cross-departmental collaboration, SAI responds swiftly to customer needs and enhances both product value and the benefits of partnership.

In 2025, SAI's products were sold across major markets in Europe, the Americas, and Asia, with total product sales reaching NT$6,977,352 thousand, reflecting SAI's stable positioning in the global high-end forging market and its continued growth momentum.

4.3 Economic Performance

1. Product Introduction

Forged Aluminium Wheels

Forged aluminium wheels are the core product, supplied to sedan, convertible, luxury, sports, SUV, armored, hybrid, and electric vehicle markets. SAI serves as a Tier 1 supplier to major automotive manufacturers, with extensive design experience spanning across European, American, and Japanese automakers, catering to global clientele.

Suspension Parts

The suspension parts integrate various components and systems. SAI possesses mature and advanced metal forming forging technology, capable of collaborating with customers to develop the most suitable forming solutions based on product shape, structure, and performance requirements. Energy efficiency, carbon reduction, the use of high-strength materials, and lightweight structural design are key trends in the automotive industry market development.

Recycled Aluminium

SAI not only focuses on providing top-notch automotive wheel and chassis component solutions but also strives to uphold environmental sustainability. RESAICAL® 100% Recycled Aluminium represents a sustainable practice of energy conservation and waste reduction, giving aluminium alloys an eternal life cycle, thus exemplifying best practices in environmental sustainability and the circular economy.

4.3 Economic Performance

2. Product Sales Status

Products or Services	Sales Regions	Customer Types	Sales Volume in 2023	Sales Volume in 2024	Sales Volume in 2025	Unit of Sales Volume
Wheels	Europe	OEM	376	367	313	1,000 units
Wheels	Americas	OEM	236	138	117	1,000 units
Wheels	Others	OEM	94	149	167	1,000 units
Aluminium	Others	Aluminium Product Processing	9,699	6,554	3,908	metric tons
Others	Others	Others	365	78	85	1,000 units

Note: Other major items include chassis parts, accessories, and mold design and development revenue.

3. Production Output Value for the Past Three Years (Unit: NT$ thousand)

	2023 年		2024 年		2025 年	
	Production Volume	Production Value	Production Volume	Production Value	Production Volume	Production Value
Wheels	752	4,531,273	629	3,794,151	525	3,399,470
Aluminium	22,589	1,525,713	21,968	1,530,688	21,399	1,603,806
Others	183	307,292	134	221,071	127	257,456
Total	-	6,364,278	-	5,545,910	-	5,260,732

Note: Unit of wheel production volume is thousand units; unit of aluminium production volume is metric tons; unit of other production volume is thousand units.

4.3 Economic Performance

4. Top Five Customers

Customer Name (Five major customers in 2025, ranked in order)

1	2	3	4	5
Lexus (Toyota)	Porsche AG	JLR	BMW	Mercedes-Benz

Looking across 2025, SAI's top five partners remained mainly global leading automakers, serving as the solid foundation of which SAI is proud. However, facing the global wave of net-zero transformation, SAI is not satisfied with its current leadership position and is more actively transforming the sustainability seeds it has planted into tangible momentum for market transformation.

As the global industrial demand for low-carbon circular materials surged, SAI's long-cultivated recycled aluminium technology is receiving strong responses from customers in different sectors. We are not only a raw material supplier, but also a trusted partner that co-creates decarbonization value with customers across diverse industries.

As SAI continues expanding into non-automotive fields, we estimate that the revenue contribution from recycled aluminium will achieve breakthrough growth in 2026. This not only demonstrates SAI's progress toward diversified deployment, but also strengthens our operational resilience in response to global political and economic volatility.

4.4 Risk Management

I Risk Management

To strengthen corporate governance, ensure stable business operations, and achieve sustainable development goals (SDGs), SAI has established a comprehensive risk management mechanism designed to keep potential risks within acceptable limits. SAI continuously monitors changes in internal and external conditions and the operating environment, conducts business impact analyses, and strengthens its capacity to respond to challenges and recover from disruptions, thereby enhancing overall operational resilience.

SAI adopts a prevention-oriented risk management strategy and has established a reasonable and effective internal control system in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies. Through regular and ad hoc audits, the internal audit unit examines the implementation status of various processes, conducts prior assessments of significant risk events, and formulates crisis management procedures and recovery plans to minimize operational disruptions and their impact. SAI also continuously optimizes its risk management practices and shortens response times.

SAI has established a dedicated Audit Department directly reporting to the Board of Directors that is led by an Audit Manager. Working in conjunction with the Audit Committee, the Audit Department assists the Board and management in examining and reviewing the operation of internal control systems, and regularly provides reliable, timely, and transparent audit reports. SAI also conducts ongoing self-assessments to strengthen organizational resilience, ensuring uninterrupted business continuity and fulfilling its commitment to safeguarding the rights and interests of customers and stakeholders. For more details on our internal audit operations, please refer to our company website.

II Risk Identification and Management Measures

SAI adheres strictly to its overall operational guidelines and is committed to building a risk management mechanism capable of early identification, accurate measurement, effective monitoring, and rigorous control, ensuring that all operational activities are conducted within acceptable risk parameters. Through proactive prevention of potential losses, continuous monitoring of dynamic developments in both internal and external environments, and ongoing optimization of risk management practices, SAI safeguards the rights and interests of its employees, shareholders, business partners, and customers, thereby enhancing corporate value and achieving optimal resource allocation.

At the same time, department heads at all levels implement risk assessment and control measures in their day-to-day management in accordance with the risk management policies formulated by the Risk Management Team. Each unit is also required, in accordance with its respective functions and business nature, to report risk management information to its department head on a regular basis. In the event of a material or abnormal risk occurrence, it shall immediately be reported to facilitate a prompt response. Furthermore, the Audit Department is responsible for overseeing compliance by all departments with established approval authorities, relevant management regulations, procedures, and applicable laws and regulations, thereby strengthening risk management awareness and execution capabilities across the organization.

For risk identification, SAI conducts annual systematic analyses using a risk matrix to identify priority risk items, which serve as the basis for formulating and implementing the annual audit plan. Through the application of a risk matrix, SAI can comprehensively assess the likelihood of occurrence, potential impact, and risk level of various risk events. In addition, based on the risk levels, SAI has formulated corresponding management strategies to strengthen operational resilience, continuously improve management effectiveness, and ensure sound business operations. When risks occur, corresponding strategies such as avoidance, transfer, control, or acceptance are adopted accordingly in order to effectively manage and mitigate potential impacts.

Likelihood of Occurrence / Impact Materiality	High (probability ≥ 80%)	Moderate (20% < probability < 80%)	Low (probability ≤ 20%)
Severe	High Risk	Moderate Risk	Moderate Risk
Moderate	Moderate Risk	Moderate Risk	Moderate Risk
Light	Moderate Risk	Moderate Risk	Low Risk

High Risk	Immediately adopt effective risk mitigation measures. Before the risk has been reduced to an acceptable range, related operations should be suspended or avoided
Moderate Risk	An improvement plan should be actively advanced, and the proportion of moderate risk items gradually reduced while taking cost-effectiveness and financial considerations into account
Low Risk	No additional mitigation measures are required. However, risks should continue to be monitored and the effectiveness of existing protective measures should be ensured

4.4 Risk Management

The 2025 risk assessment and implementation status of response measures for SAI is as follows:

Risk Category	Risk Content	Likelihood of Occurrence	Impact Materiality	Risk Level	Management of Material Topics	Response Measures for Risk Improvement or Prevention
Operating Risk	Assessed changes in market supply and demand, purchase concentration, legal compliance, recruitment and retention, and corporate image maintenance, and implemented improvement measures and preventive measures in response to concentrated purchase risk.	High	Light	B	Yes	◆ Among these, there is a higher likelihood of concentrated purchases occurring. Corresponding improvement measures accelerate customer certification and increase the usage rate of in-house recycled aluminium.
Economic/ Financial Risk	Assessed market risk, credit risk, liquidity risk, accounts receivable risk, and financial operational risk, and implemented improvement measures and preventive measures in response to accounts receivable risk.	High	Moderate	B	No	◆ Implement credit management measures, perform credit investigations before transactions, monitor accounts receivable payment status after transactions, and suspend supply when necessary.
Environmental Risk	Operational risks such as climate change (TCFD), natural capital and biodiversity (TNFD), occupational safety and protection, environmental pollution, fire safety, and employees' physical and mental health	High	Severe	A	Yes	◆ Actively develop solutions (such as low carbon manufacturing) with the aim to reduce the operational and financial impacts brought about by climate change and enhance the organization's climate resilience. ◆ SAI obtained ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management certifications, and conducted annual reexaminations in accordance with environmental and occupational safety management regulations to ensure implementation effectiveness. ◆ SAI has designated personnel responsible for the safety and health maintenance of employees and their work environment. Apart from requiring all new employees to undergo physical examinations and health education training upon joining SAI, we also provide annual safety and health education training for current employees, as well as free health check-ups for employees and their families, along with regular on-site doctor services. ◆ Conducts regular internal Human Rights Impact Assessments (HRIA) to assess employee risk exposure and develop risk management measures.
Technology Risk	New technology and intellectual property (IP) protection, product safety, trade secrets, and cybersecurity risk	Low	Severe	B	Yes	◆ Apply for patents and intellectual property rights. ◆ Sign confidentiality agreements. ◆ Employing the requirements of the ISO 27001 Information Security Management System, in addition to enhancing information security capabilities to effectively reduce risks such as theft, misuse, leakage, tampering, or destruction of information assets due to human error, intentional acts, or natural disasters, SAI also protects its assets, helps ensure compliance with international regulations regarding sensitive customer and employee information, reduces the risk of regulatory violations and penalties, and enhances SAI's reputation and competitiveness.
Human-factor Risk	Operational risk, system risk	Moderate	Light	B	No	◆ Audits are conducted by the Audit Office in accordance with the audit program, thereby reducing system risk; ◆ The Quality Assurance Unit conducts irregular inspections to reduce operational risk.
Legal and Other Risks	Contract risk, compliance risk, and other risks that may affect SAI	Low	Light	C	No	◆ Strengthen legal functions and implement contract review

Explanation:
Likelihood of Occurrence: Please fill in "high," "moderate," or "low."
Impact Materiality: Please fill in "severe," "moderate," or "light."
Risk Level: Fill in "A" for high risk, "B" for moderate risk, and "C" for low risk.

4.4 Risk Management

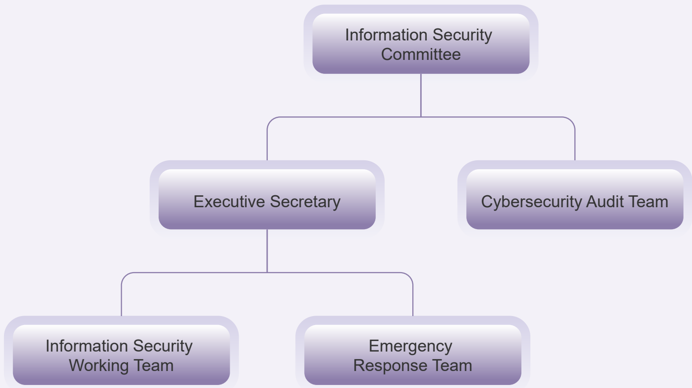
III | Information Security

To strengthen information security management, SAI obtained ISO 27001:2013 Information Security Management System certification in 2023, followed by the TISAX® (AL3) Information Security and Prototype Protection label in 2024. In 2025, SAI obtained updated certification under ISO 27001:2022, demonstrating its strong commitment to information security and the protection of customer confidentiality. In accordance with the requirements of the relevant certifications, SAI continuously implements its information security policies and operational procedures. Through strengthening personnel security awareness, conducting regular internal and external audits and reviews, and adopting the PDCA (Plan-Do-Check-Act) cycle framework, SAI continuously enhances the monitoring and management of information security and prototype protection, comprehensively reducing potential cybersecurity risks from both a technical and systems perspective.

SAI has also established an Information Security Policy to serve as the basis for all information security management operations, with the aim of preventing the theft, improper use, disclosure, alteration, or destruction of information assets due to human error, malicious acts, or natural disasters, thereby ensuring the integrity and security of critical operational information and stakeholder data, and supporting SAI's long-term sustainable operations. No information security incidents occurred in 2025, and there were also no complaint records involving violations of customer privacy or loss of customer data.

Information Security Committee

Dedicated Unit Management Structure



Composition of Dedicated Units

Information Security Committee	The Vice President serves as the Convener and Chief Information Security Officer. Reviews management systems and establishes policy objectives.
Executive Secretary	Provides early warning, monitors, and manages security situations. Proposes improvement suggestions and assists in conducting self-assessments.
Information Security Working Team	Representatives from each department, responsible for planning and executing various information security operations, such as education and training, corrective/recovery measures, and compliance with cybersecurity regulations.
Emergency Response Team	Key business process owners serve as team members. In case of emergencies, initiate contact and notification with relevant external stakeholders.
Cybersecurity Audit Team	Develop an internal cybersecurity audit plan to assess the implementation status of cybersecurity management, and prepare internal audit reports.

4.4 Risk Management

IV | Personal Data and Privacy Protection

Regulation compliance

In the collection, processing, and use of personal data, SAI complies fully with the Personal Data Protection Act and all relevant regulatory requirements, and manages such data in accordance with the principles of lawfulness, legitimacy, and necessity. SAI ensures that the collection, use, and retention of personal data conform to applicable laws and regulations through its internal management systems and information security mechanisms.

Personal Data and Privacy Protection Policy Statement

SAI places great importance on the protection of personal data and privacy, and has established relevant management systems and information security measures to govern the collection, processing, use, and retention of personal data. Through access control, system security management, and data access management mechanisms, SAI ensures the confidentiality, integrity, and availability of personal data.

Personal Data Rights Inquiry Channel

Employees who have questions regarding the collection, processing, or use of their personal data, or who wish to exercise their rights to inquiry, access, correction, or other rights provided under applicable law, may submit a request through the Human Resources unit. SAI will provide assistance in accordance with the relevant procedures.

Personal Data and Privacy Protection Evaluation Mechanism

SAI continuously reviews the effectiveness of its personal data protection management through its information security management system, audit and internal control mechanisms, and periodic reviews of access control measures. Risk assessments and improvement initiatives are conducted in relation to relevant risks, with the aim of reducing the risk of personal data leakage or improper use.

Personal Data Incident Response Mechanism

In the event of a suspected personal data breach or information security incident, SAI will immediately activate its incident notification, impact assessment, and response procedures in accordance with its established information security incident reporting and response process, and will implement necessary improvement measures to mitigate potential impact and strengthen subsequent protective measures.

Personal Data Protection Education and Training

To enhance employees' awareness of personal data protection and information security, SAI regularly conducts education and training programs on information security, including personal data protection, with the aim of strengthening employees' sense of responsibility and management capabilities regarding personal data protection.

V | Information Security and Customer Privacy Education and Training

Item/Course Name	Number of Participants	Total Hours of Participation
Information Security Awareness Training	1,434	1,434
ISO 27001 Lead Auditor Transition Training	2	32
ISO 27001 Internal Auditor Training	2	32
TISAX Prototype Protection Awareness Course	1,434	1,434
Social Engineering Exercises	A total of 550 employees participated in this year's social engineering exercises, and six different scenario templates were designed to conduct random simulated tests based on employees' job responsibilities. The overall exercise results were as follows: the average email open rate was 8.21%, the average click-through rate was 4.88%, the average attachment open rate was 2.91%, and the average phishing page trigger rate was 4.06%. For personnel who opened the email, clicked the link, or opened an attachment during the exercise, subsequent social engineering information security training was arranged to strengthen employees' ability to identify social engineering attacks and their prevention awareness, thereby continuing to improve SAI's overall level of information security protection.	

4.4 Risk Management

Item/Course Name	Number of Participants	Total Hours of Participation
2025 Cybersecurity-Related Testing / Disaster Drills		
Cybersecurity-Related Engineering Tests and Protection Scans	To enhance SAI's overall cybersecurity defense capabilities, SAI deploys firewalls to guard against potential network security threats, and has implemented endpoint protection mechanisms and antivirus software to strengthen the security of client-side devices. At the same time, to improve monitoring and response capabilities against advanced attack behaviors, SAI has deployed Advanced Threat Protection and EDR (Endpoint Detection and Response) systems to detect and block potential intrusions and malicious activities in real time. Since 2023, SAI has consistently allocated an annual budget for cybersecurity technical assessments, encompassing system vulnerability scanning, website vulnerability scanning, and penetration testing. Risk assessments and remediation work are carried out based on the assessment results, with the aim of reducing potential threats and enhancing the overall security of information systems. The 2025 technical assessment was completed in October. Following re-scanning, a combined total of 44 Critical and High severity items were identified, of which 39 were remediated in accordance with the targeted timeline, representing a completion rate of 90%. There are still five remaining items that could not be remediated within the deadline, but they have been included in a risk improvement plan and were fully addressed by June 30, 2026.	
Cybersecurity Inventory and Disaster Drills	To ensure business continuity and minimize the impact of major failures or disasters on critical business processes, SAI plans to conduct disaster recovery drills three times per year, thereby continuously strengthening its emergency response and system recovery capabilities. The scope of the information security management system covers nine critical business processes, including network services and core systems. In accordance with various risk scenarios, corresponding emergency response and recovery procedures have been formulated to ensure the stable operation of critical functions. The 2025 disaster recovery drills encompassed the ERP system, MES system, AD system, and power outage simulation. All related drills were completed before November 2025, ensuring that SAI is equipped with the capability for immediate response and continued operations in the event of unexpected incidents.	

VI | Information Security Incident Response Mechanism

SAI defines the following circumstances as a material information security incident:

1. Leakage of confidential or sensitive official data
2. Unauthorized tampering with core business systems or important data
3. Disruption to core business operations or interruption of information systems that cannot be restored to normal operation within the tolerable downtime.
4. Occurrence of an information security incident that falls within the scope of the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities."

VII | Response Mechanism Process

STEP 1
Upon detection of a suspected information security incident, relevant personnel must immediately notify the information security management unit in accordance with applicable regulations

STEP 2
The information security management personnel conduct incident analysis and impact assessment, and implement response measures

STEP 3
Depending on the severity of the incident, actions including system isolation, vulnerability remediation, data recovery, and improvement measures are taken to minimize the impact of the incident and prevent recurrence

No material information security incidents occurred in 2025.