CASTLENET

CastleNet Technology Inc.

# 2025 Sustainability Report

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# About this Report

This Report is CastleNet Technology Inc.'s (hereinafter referred to as "CastleNet," "the Company," or "we") the second sustainability report. The Report is available in both Chinese and English versions and can be accessed on the Company's website under the "Corporate Governance - Sustainability Committee" section for stakeholders and information users to review at any time.

**Editorial Principles**
**Compliance/Reference**

- Global Reporting Initiative (GRI)：GRI Sustainability Reporting Standards, GRI Standards 2021
- Sustainability Accounting Standard Board, SASB (SICS®)：Technology & Communications/Hardware
- Taiwan Stock Exchange (TWSE): Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies
- United Nations: Sustainable Development Goals (SDGs)
- Financial Stability Board (FSB)：Task Force on Climate-related Financial Disclosures (TCFD)
- Adhering to the RBA (Responsible Business Alliance) standards and other international and industry guidelines.

This Report aims to cover major issues of concern to stakeholders as comprehensively as possible and to demonstrate the Company's sustainability practices in its operations.

**Report Period**
The period covered by this Report falls within the financial year 2025 (from January 1, 2025 through December 31).

**Scope of the Report**
The scope of this report includes CastleNet's business locations, and only partial information of subsidiaries is disclosed. The disclosed areas will be specifically marked and explained, and some projects will be traced back to 2020. The "2025 Sustainability Report" does not involve information restatements. For more information about Subsidiaries, please refer their Sustainability Report.

**Management Approach**
The financial data disclosed in this Report is the consolidated financial information reviewed, audited, and published by PwC Taiwan in accordance with International Financial Reporting Standards (IFRS), with amounts stated in New Taiwan dollars. Other data or content in the Report were compiled and calculated by respective departments using commonly accepted numerical descriptions and the principle of rounding, and provided to the report editing team for the preparation of the Report. The completed report is examined and confirmed by department heads before being submitted to the Chairman for review and the Board of Directors for approval to go through the internal review process. The Company's ISO 9001 Quality Management System undergoes annual external verification and internal audits to ensure data accuracy.

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## Message from Chairman

Looking back on 2025, the global economic landscape underwent accelerated restructuring amid persistent volatility. The convergence of geopolitical conflicts, shifting tariff policies, and sustained inflationary pressures posed unprecedented challenges to industrial supply chains. Under such demanding conditions, CastleNet Technology experienced a period of short-term adjustment, as operations were impacted by cautious end-market demand and initial integration costs. Nevertheless, we remained steadfast in our commitment to our core principle of sustainable development, viewing external uncertainties as catalysts for transformation. We actively advanced organizational optimization and diversified market expansion, thereby steadily strengthening our corporate fundamentals. The year 2025 also marked a significant milestone in CastleNet's journey toward becoming a world-class broadband network solutions provider. We successfully completed the integration of our overseas subsidiaries, expanding our product portfolio from traditional broadband cables to include advanced optical fiber solutions, 5G FWA, video and multimedia applications, as well as AI/ML-based network management systems. Through regional resource integration, we broadened our market presence from Latin America to the Americas, Europe, and emerging markets in Asia, progressively establishing a globally competitive operational framework and advancing toward a leadership position in the networking industry.

In response to the rapid advancement of AI, CastleNet has not only continued to adopt cutting-edge technologies such as Wi-Fi 7, DOCSIS 3.1+, and next-generation 25G/50G optical fiber, but has also actively integrated AI into internal operations and R&D processes to enhance efficiency and increase product value. These efforts further reinforce our resilience and competitive advantage. At the same time, we remain deeply committed to sustainable corporate governance by embedding ESG principles into our business strategies. Environmentally, we have promoted low-carbon product design and the development of green supply chains. In 2025, together with our parent company, the Kinpo Group, we obtained ISO 14064-1 greenhouse gas inventory certification, while our Korean subsidiary was awarded a Gold rating by EcoVadis, demonstrating tangible achievements. Socially, we are dedicated to talent development and fostering a diverse and inclusive workplace that is both safe and growth-oriented. From a governance perspective, we continue to enhance operational excellence by optimizing our product portfolio and cost structure, strengthening global customer relationships, and steadily increasing corporate value and shareholder returns.

Looking ahead to 2026, while uncertainties such as supply constraints and trade barriers persist, we will capitalize on integration synergies, enhance global manufacturing flexibility, and deepen partnerships with international telecom operators. By advancing innovative, secure, and AI-enabled solutions, we are confident in driving sustainable growth. We sincerely thank our shareholders, customers, and employees for their continued trust and support. CastleNet will remain committed to innovation, balanced growth, and sustainable development, working together with our partners to build a prosperous future.

CastleNet Technology Inc. Chairman

Ying Chang

# Chapter 1 Operations and Performance

## 1.1 Company Profile

CastleNet was established in 1998, focusing on broadband network communications as a professional OBM/ODM manufacturer of networking equipment. The Company specializes in the development, manufacturing, and sales of products such as Broadband Cable CPE, Broadband Fiber CPE, Mesh WiFi System, 5G FWA CPE, and OCRA (Optical Campus & Robot Arm). As one of the leading companies in Taiwan's CPE industry, CastleNet is a major supplier of broadband modems in the nation, with its products primarily marketed in Europe, South America, Japan, and South Korea. Its quality and reliability have long been recognized by the networking industry and its customers.

CastleNet possesses expertise in the development and manufacturing of Wide Area Network (WAN), Local Area Network (LAN), and wireless technologies, offering comprehensive solutions to customers that encompass development design, production planning, marketing applications, and after-sales service. By leveraging its rapid market response in development and mass production capabilities, CastleNet effectively meets the customized demands of cable television multiple system operators (MSOs), telecom operators, and internet service providers (ISPs).

The Company is a member of the Kinpo Group, with its parent company being Kinpo Electronics, Inc. (hereinafter referred to as "Kinpo" or “Kinpo Group”). The company completed the acquisition of Humax Networks in South Korea through its subsidiary SPI in late April 2025. Humax Networks has also demonstrated a high commitment to ESG, including GHG reduction, energy-saving measures, and multiple international standard certifications. For more detailed information, please refer to Humax Networks' sustainability report.

## 1.2 Operating Locations

CastleNet has accumulated years of lean production technology, with its main production sites located in Southeast Asia. This allows the Company to offer customers the highest quality products and services, while strategically positioning its production sites close to markets to lower customer logistics costs and achieve supply chain carbon reduction goals. Internally, the Company uses a highly efficient ERP platform to strengthen internal management and provide customers with accurate shipping information. By leveraging an app-based data management system, CastleNet overcomes the limitations of time and space, and creates a win-win situation with real-time management applications for both the Company and its customers.

**Basic Company Information**

| | |
|---|---|
| Company Name | CastleNet Technology Inc. |
| Stock Code | 8059 |
| Headquarters Address | 10 F, No. 99, Sec. 5, Nanjing E. Rd., Songshan Dist., Taipei City 105031, Taiwan (R.O.C.) |
| Management Team | Ying Chang |
| Headcount | 85 |
| Lines of Business | To design, develop, produce, and sale the products such as Broadband Cable CPE, Broadband Fiber CPE, Mesh WiFi System, 5G FWA CPE, and OCRA (Optical Campus & Robot Arm). |
| Date of Incorporation | June 26, 1998 |
| Capitalization | NT$1.940 billion (Note) |
| Operating Revenue | NT 76 million |
| Company Website | https://www.castlenet.com.tw/tw |

Note: The amount of common stock capital as of December 31, 2025.

## 1.3 Operational Overview

CastleNet's primary business is concentrated in regions such as Taiwan, Japan, South Korea, Southeast Asia, North America, and Central and South America. Despite changes in the market environment, CastleNet remains committed to OBM (Original Brand Manufacturing) as its main business model. Leveraging its strong R&D capabilities and years of marketing experience, the Company actively partners with system integrators across various regions. Meanwhile, CastleNet is dedicated to exploring emerging markets to expand business opportunities, boost product competitiveness, and further bolster the Company's value.

Currently, over 90% of CastleNet's shipped products feature wireless network capabilities, primarily high-end home routers. This integrated approach to R&D, manufacturing, sales, and system integration differentiates CastleNet from competitors that only engage in contract manufacturing, enabling CastleNet to interact directly with end-users and achieve direct sales. Looking ahead, CastleNet will continue to focus on product development and closely collaborate with customers to respond flexibly to market demands. The Company will continually enhance its innovation capabilities to provide more valuable services to customers while striving for higher-quality products. Going forward, CastleNet is expected to achieve significant growth.

**Operating Share of Product**

| Year | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Consumer electronics | 99.9 | 99.9 | 96.84 | 96.45 | 99.97 |
| Other | 0.1 | 0.1 | 3.16 | 3.55 | 0.03 |
| Total | 100 | 100 | 100 | 100 | 100 |

**Products and Services**

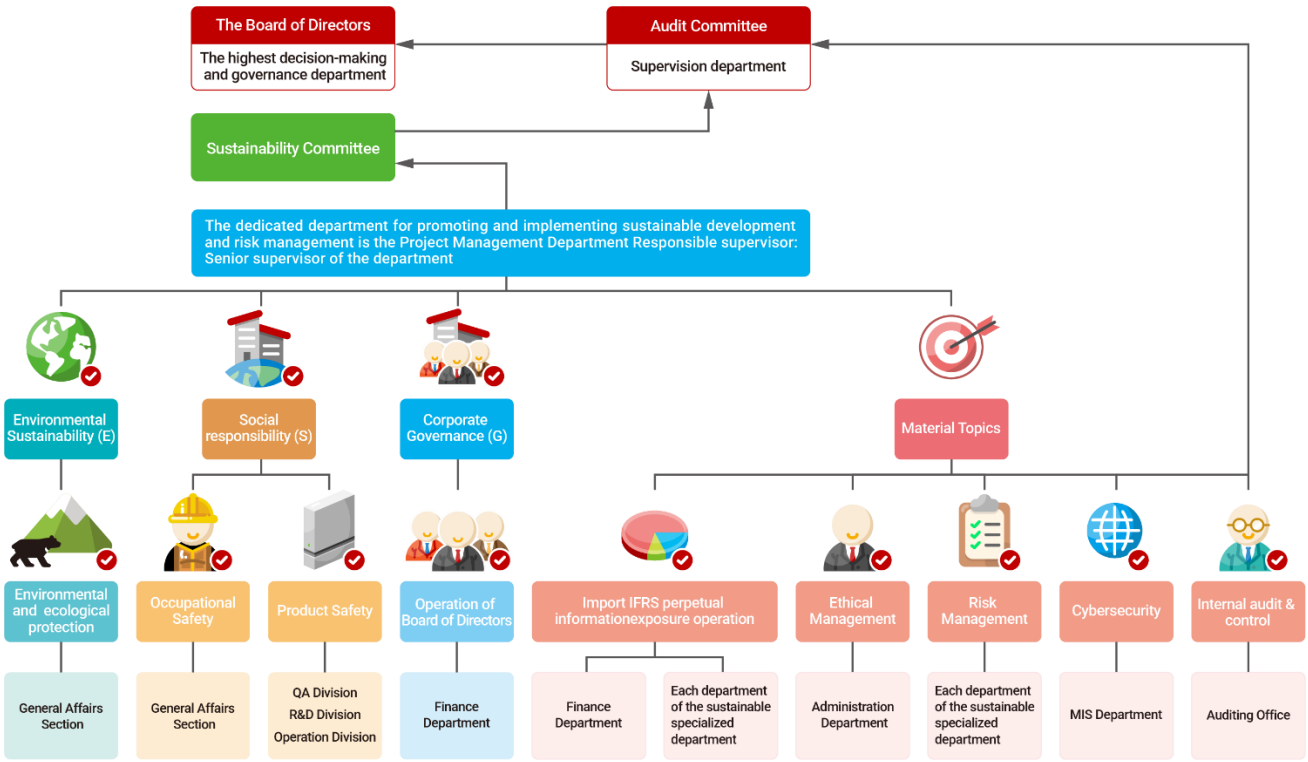
- Broadband Cable CPE product
- Broadband Fiber CPE product
- Mesh Wi-Fi system product
- 5G FWA CPE product
- Optical Campus & Robot Arm (OCRA) product

# Chapter 2 ESG Governance

## 2.1 ESG Governance Organization

In accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," CastleNet has established a Sustainability Committee, which is overseen and guided by the Board of Directors to ensure the implementation of the Company's sustainability initiatives. The Sustainability Committee is chaired by the President, with members including department heads and other designated personnel. The committee organizes necessary working groups based on the professional functions of each department, identifies relevant sustainability issues according to their respective responsibilities and authority, sets specific sustainability goals, promotes and ensures execution, reviews and tracks results, and reports to the Board of Directors at least once a year.

**Sustainability Management Organization Chart**




**Suatainability Management Organization and Operations**

| Organization | Frequency of Meetings / Issuance | Responsibilities |
|---|---|---|
| Board of Directors | Annually<br>2025: Once | • At least once a year, review the performance report of the Sustainability Committee based on the Company's operational status and current developments, and continuously monitor the Company's sustainability status and performance.<br>• Regularly review the annual sustainability report. |
| Sustainability Committee | Annually<br>2025: Once | • Responsible for setting the vision, goals, policies, and strategies for sustainable development, overseeing capital expenditures required for sustainability, and supervising and guiding the implementation of sustainability efforts.<br>• Chaired by the President, with high-level executives serving as committee members, forming the Company's highest decision-making and execution body for sustainability, the Committee maintains two-way communication with the Board of Directors to enhance implementation effectiveness.<br>• Optimize the use of external developments (e.g., regulations, economy, market, macro-environment changes) and internal resources (e.g., corporate development and vision) to formulate specific sustainability goals for the Company. |

*The Company established the Sustainability Committee in 2022, chaired by the President. The committee leads departmental heads in developing and implementing sustainability initiatives and reports the progress to the Board of Directors at least once a year.

## 2.2 Sustainability Blueprint and UN Sustainable Development Goals

**CastleNet's Sustainability Vision and Policies**

**Vision**

To pursue sustainable business operations and integrate with the environment and society, becoming the most trusted partner for stakeholders.

**Policies**

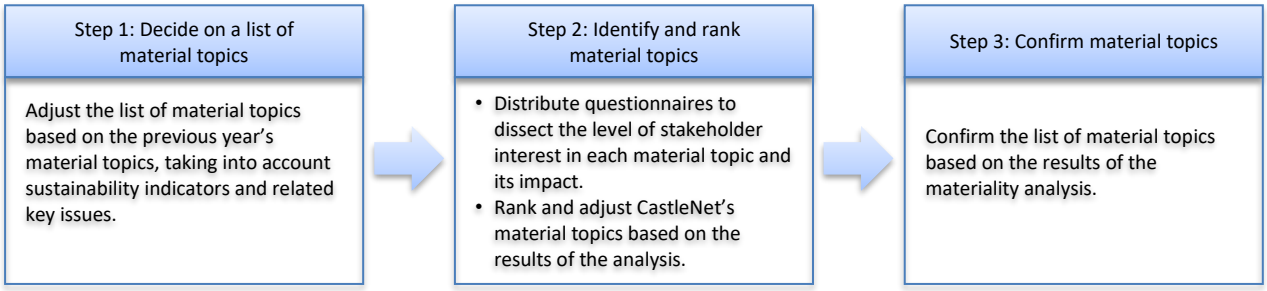
Following the parent company Kinpo's management philosophy of "Innovation, Harmony, Transcendence," and upholding core values of environmental, economic, and social sustainability, we are committed to advancing the five key areas of corporate governance, employee care, social engagement, supply chain management, and sustainable production to achieve CastleNet's sustainability goals.

| Core ESG | Five Topics | Strategy | SDGs | Corresponding GRI Topics | Corresponding Report Sections |
|---|---|---|---|---|---|
| Economic | Corporate Governance | Ethical Management<br>Regulatory Compliance<br>Risk Management<br>Internal Control<br>Economic Performance<br>Information Security | SDG8 Decent Work and Economic Growth<br>SDG17 Partnerships for the Goals | GRI201 Economic Performance<br>GRI205 Anti-corruption<br>GRI206 Anti-competitive Behavior | Chapter 3 Corporate Governance<br>Chapter 6 Partnerships |
| Environmental | Environmental Sustainability | Energy Management<br>Water Resources<br>Chemicals | SDG7 Affordable and Clean Energy<br>SDG12 Responsible Consumption and Production<br>SDG13 Climate Action | GRI302 Energy<br>GRI303 Water and Effluents<br>GRI305 Emissions<br>GRI306 Waste | Chapter 5 Environmental Sustainability |
| Social | Social Engagement | Caring for the Disadvantaged<br>Local Care | SDG1 No Poverty<br>SDG2 Zero Hunger<br>SDG4 Quality Education<br>SDG5 Gender Equality | N/A | Chapter 8 Social Engagement |
| | Employee Care | Respect for Human Rights<br>Occupational Health & Safety<br>Work-Life Balance<br>Human Resource Cultivation | | GRI202 Market Presence<br>GRI401 Employment<br>GRI403 Occupational Health and Safety<br>GRI404 Training and Education<br>GRI405 Diversity and Equal Opportunity<br>GRI406 Non-discrimination<br>GRI408 Child Labor | Chapter 7 Employee Wellbeing |
| | Value Chain Relationships | Customer Commitment<br>Supplier Management | | GRI308 Supplier Environmental Assessment<br>GRI414 Supplier Social Assessment | Chapter 6 Partnerships |
| | | Innovative R&D<br>Green Manufacturing<br>Quality Management | | GRI416 Customer Health and Safety<br>GRI417 Marketing and Labeling<br>GRI418 Customer Privacy | Chapter 4 R&D Innovation |

## 2.3 Analysis of Material Topics

CastleNet's sustainability report is prepared in accordance with the GRI Sustainability Reporting Standards, using materiality as the fundamental principle for determining the content and level of disclosure in the report. Higher materiality indicates a greater risk associated with the issue; if not properly managed, it could impact the Company's operations, stakeholder decisions, and result in serious environmental and social consequences. The list of potential material issues for this year is based on factors such as institutional investors' sustainability evaluation concerns, major global sustainability trends and issues, and material topics from benchmark companies. Once the issue list is established, materiality is assessed based on three criteria: "importance to business operations," "impact on stakeholder assessment and decision-making," and "external economic, environmental, and social impacts." This analysis determines the placement of each issue on the materiality matrix, which is then adjusted and finalized before submission for approval by the Chairman. The analysis process is outlined as follows:

**Material Topic Analysis Process**




We have revamped our list of material topics based on the previous year's material topics, taking into account the SASB, the TCFD proposal, CDP, and key economic, social, and environmental issues on a global scale and among peers. Following a selection process, we have narrowed down the list to 19 topics for 2025, including 6 on environmental sustainability, 6 on social inclusion, and 7 on sustainable governance.

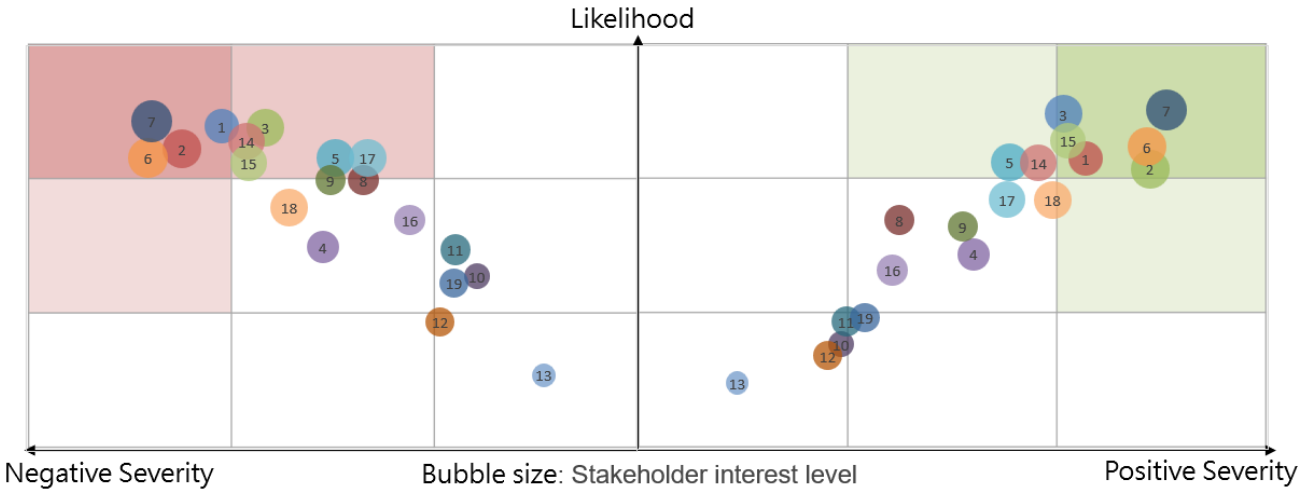
**CastleNet's List of Material Topics for 2025**

| Environmental Sustainability (E) | Social Inclusion (S) | Sustainable Governance (G) |
|---|---|---|
| • Climate Strategy<br>• Energy Management<br>• Water Management<br>• Waste Management<br>• Air Pollutant Management<br>• Biodiversity | • Product Responsibility<br>• Talent Attraction & Retention<br>• Diversity & Inclusion<br>• Human Capital Development<br>• Occupational Safety & Health<br>• Social Impact | • Economic Impact<br>• Ethical Management<br>• Sustainable Supply Chain<br>• Tax Management<br>• Innovation Management<br>• Information Security<br>• Quality Management |

We distributed questionnaires on sustainability issues and impact analysis to examine the level of stakeholder interest in each material topic and the positive and negative, actual and potential impacts, and likelihood of occurrence. Based on the results of the analysis, adjust the importance of the topics, taking into account the company's internal operations. In addition, we refer to the expression methods of major theme matrices internationally and in the industry, and design identification thresholds with higher readability and easier discrimination. The bubbles closer to the upper right and upper left corners are the topics with higher impact and likelihood. After evaluation,

falling within the green square in the upper right and the pink square in the upper left is the major theme of CastleNet.

**Material Topic List Matrix**




| Negative/Positive | | Negative/Positive | | Negative/Positive | |
|---|---|---|---|---|---|
| 1 | Economic Impact | 8 | Climate Strategy | 15 | Talent Attraction & Retention |
| 2 | Ethical Management | 9 | Energy Management | 16 | Diversity & Inclusion |
| 3 | Sustainable Supply Chain | 10 | Water Management | 17 | Human Capital Development |
| 4 | Tax Management | 11 | Waste Management | 18 | Occupational Safety & Health |
| 5 | Innovation Management | 12 | Air Pollutant Management | 19 | Social Impact |
| 6 | Information Security | 13 | Biodiversity | | |
| 7 | Quality Management | 14 | Product Responsibility | | |

Based on the results of the material topics analysis, our list of material topics was reviewed by the Sustainability Committee and confirmed by consensus. In 2025, CastleNet identified 4 material topics, which are 4 topics on governance. However, after internal discussion by the CastleNet Sustainable Development Committee and confirmation by the Chairman and General Manager, as climate strategy, energy management, water resource management, and waste management are important issues currently promoted by the government, CastleNet hopes to contribute more to environmental sustainability. Therefore, we have added the four comprehensive issues mentioned above to the climate strategy project for environmental sustainability to demonstrate our emphasis on them. After the addition, the major themes of CastleNet in 2025 should be 5 material topics, including 1 on the environment and 4 on governance.

**CastleNet's List of Material Topics for 2025**

| Aspects | Material Topics | Corresponding GRI Topics | Significance to CastleNet and Coping Strategies | Corresponding Report Sections |
|---|---|---|---|---|
| Environmental Sustainability (E) | Climate Strategy | GRI 201 Economic Performance<br>GRI 305 Emissions | By taking action to support international initiatives and national policies, CastleNet identified the risks and crises associated with climate change, built resilience to climate change in advance, and mitigated the risk of financial impact. We introduced a TCFD framework and energy management approach, set medium and long-term energy-saving targets, and | Chapter 5 Environmental Sustainability |

| Aspects | Material Topics | Corresponding GRI Topics | Significance to CastleNet and Coping Strategies | Corresponding Report Sections |
|---|---|---|---|---|
| | | | maintained a PDCA cycle to ensure that energy-saving goals were reached. In addition, we also work together with our Korean subsidiary to contribute more to the sustainable development of the enterprise. | |
| Sustainable Governance (G) | Economic Impact | GRI 201 Economic Performance | CastleNet disclosed its revenue, operating costs, employee salaries, etc., through a sustainability report, and focused on the field of network communication information. In 2025, the company officially acquired Humax Networks from its Korean subsidiary SPI to expand its territory and increase revenue. Together, we actively invested in the layout of high-value and high-profit new products, including smart antenna calibration systems, power rack switches, and other products. | Chapter 1 Operations and Performance<br>3.1 Corporate Governance |
| | Ethical Management | GRI 205 Anti-corruption<br>GRI 206 Anti-competitive Behavior | CastleNet has established the "Code of Conduct for Integrity in Business Operations", "Guidelines for Integrity in Business Operations and Conduct", and "Code of Ethical Conduct", adhering to the concept of "integrity and loyalty". In addition to implementing it in corporate governance, CastleNet also strengthens risk control mechanisms in daily business activities to achieve sustainable business development. We also have a reporting system and a whistleblower protection system, as well as regular legal compliance education and training. To implement the effective accounting system and internal control system established for honest operation, the operation and effectiveness of various aspects are regularly reviewed, and auditors also conduct regular audits and report to the board of directors and audit committee. | 3.2 Ethical Management and Compliance |
| | Quality Management | GRI 417 Marketing and Labeling | By upgrading quality in all aspects of R&D, production and management, CastleNet is able to consistently provide quality products and services to enhance the company's core competitiveness and create a win-win situation with our customers.<br>Insisting on the quality policy of "providing products and services that satisfy our customers, doing the job right from the outset, and constantly seeking to improve quality," we have established a comprehensive and sustainable quality management system through various quality management certifications to ensure that we furnish customers with products and services of the highest caliber | 4.2 Quality Management |

| Aspects | Material Topics | Corresponding GRI Topics | Significance to CastleNet and Coping Strategies | Corresponding Report Sections |
|---|---|---|---|---|
| | | | and boost the overall competitiveness of our industrial chain. | |
| | Information Security | GRI 418 Customer Privacy | CastleNet attaches great importance to information security, ensuring the stability and security of information and compliance with legal regulations through sound systems and effective monitoring. We hold ourselves to a high standard by continuously refining our internal management and obtaining ISO information security certification to protect the confidentiality, integrity, and availability of our information, and the reliability of our information equipment and network systems. Further, we raise our employees' awareness of information security and ensure that these resources are guarded against interference, destruction, intrusion, or any adverse actions and attempts that may compromise the interests of our customers and the Company. | 3.4 Information Security Management |

## 2.4 Stakeholder Communication

By referring to the GRI Standards and adopting the AA1000 Stakeholder Engagement Standard (SES) as the criteria for determination, CastleNet has identified 6 major stakeholders, including employees, customers, suppliers, government agencies, shareholders/investors, and the media, based on an analysis of the five essential principles of accountability, influence, intensity, frequency of communication, and dependency. By consistently communicating with stakeholders through various channels and responding to their needs, we make sure that the direction of the Company's operations meets the expectations of our stakeholders.

**Stakeholder Communication Outcomes for 2025**

| Stakeholder | Key Communication Issues | Communication Channels and Contact Points | Frequency | Our response and actions in 2025 |
|---|---|---|---|---|
| Employees | • Labor-Management Relations<br>• Understanding employee feedback and opinions | • Labor-management meetings<br>• Staff Suggestion Box | • Organized quarterly<br>• Processed immediately | • 4 employee Welfare Committee meetings<br>• Held 4 labor-management meetings<br>• Conducted performance appraisals as planned, one each in the first and second half of the year<br>• 0 employee grievance cases |
| Customers | • Understanding and responding to customer needs and feedback<br>• Complaint channels<br>• Product introduction and | • Business visits<br>• Company website - Customer complaints portal<br>• Company website - Product and technical support | • As needed<br>• As needed<br>• Processed immediately | • Contacted customers periodically, based on their needs, through video conferences and visits to understand their requirements and explore collaboration opportunities. |

| Stakeholder | Key Communication Issues | Communication Channels and Contact Points | Frequency | Our response and actions in 2025 |
|---|---|---|---|---|
| | service | | | • Actively participated in international electronics and communications product exhibitions, as well as new product development events hosted by customers (or potential customers), to understand customer needs, engage with new customers, and explore new business opportunities. |
| Suppliers | • Understanding company needs<br>• Maintaining relationships with vendors | • Phone communication and on-site visits<br>• Procurement personnel visits | • Occasionally<br>• Annually | • Suppliers are required to sign a procurement contract and comply with the following commitments between Kinpo Group and the suppliers:<br>1. Environmental standards for "Environmental Protection Requirements and Restricted Substances in Products."<br>2. Intellectual Property Rights guarantees.<br>3. An "Ethical Commitment Letter," prohibiting the supplier from providing any improper benefits to related parties in any form.<br>4. The Group's "Code of Conduct" and CSR regulations, fulfilling corporate social responsibilities.<br>5. Obligation of confidentiality for any information provided to the supplier by the Company, with a prohibition on unauthorized disclosure.<br>6. Conflict minerals declarations |
| Shareholders/ investors | • Facilitating shareholders, investors, and other stakeholders in obtaining material company operational information, and timely addressing | • Annual general meetings<br>• Investor conferences<br>• MOPS material information, announcements, electronic book xbrl sections, etc. | • Hold an AGM and organize or participate in at least one investor conference<br>• Regularly and irregularly disclose | • The management team, along with directors and auditors, would communicate periodically and also conduct separate meetings with management and independent directors, with a total of 3 times regular meetings. |

| Stakeholder | Key Communication Issues | Communication Channels and Contact Points | Frequency | Our response and actions in 2025 |
|---|---|---|---|---|
| | or handling inquiries, feedback, or suggestions from shareholders, investors, and other stakeholders | • Company website including investor, corporate governance, and stakeholder sections for reading, correspondence, and phone contact<br>• Spokesperson system<br>• Whistleblowing system | information on the MOPS and the company website as required by law<br>• Continuously implement the spokesperson system and whistleblowing system | • Held 1 AGM<br>• Held 1 investor conference<br>• Responded promptly to multiple investor calls or emails<br>• Kept an eye on the whistleblowing mailbox |

**Participation in External Organizations**

By participating in associations, CastleNet gains access to the latest professional information, which supports the Company's business development and offers opportunities to build new working relationships. In 2023, CastleNet engaged with a total of three external associations, as listed below:

| No. | Name of Associations and Organizations |
|---|---|
| 1 | Taiwan Electrical and Electronic Manufacturers' Association |
| 2 | CableLabs |
| 3 | Wi-Fi Alliance |

# Chapter 3 Corporate Governance

CastleNet adheres to the principles of ethical management and is committed to establishing a solid corporate governance system, practicing business ethics, observing legal regulations at all operational sites, and fostering a culture of ethics, transparency, and accountability. Our governance goals include strengthening the board structure, optimizing corporate governance, advancing corporate sustainability, and upgrading cybersecurity protections.

## 3.1 Corporate Governance

CastleNet places great importance on operational transparency and corporate governance. The Company abides by the Company Act, Securities and Exchange Act, and other relevant regulations, while focusing on establishing an effective corporate governance framework, strengthening the board's functions, protecting shareholder rights, enhancing internal controls and auditing, and improving information transparency. By adhering to the ethical management principles, CastleNet has developed various systems and methods to implement the principles of corporate governance, aiming to boost operational performance and achieve sustainable business practices.

We will consistently enhance board effectiveness and improve its functions through corporate governance evaluations, fostering a culture of good governance. A comprehensive stakeholder communication platform will be set up to encourage shareholder engagement. We'll also improve non-financial information disclosure to strengthen corporate governance reporting.

**CastleNet’s Corporate Governance Strategy**

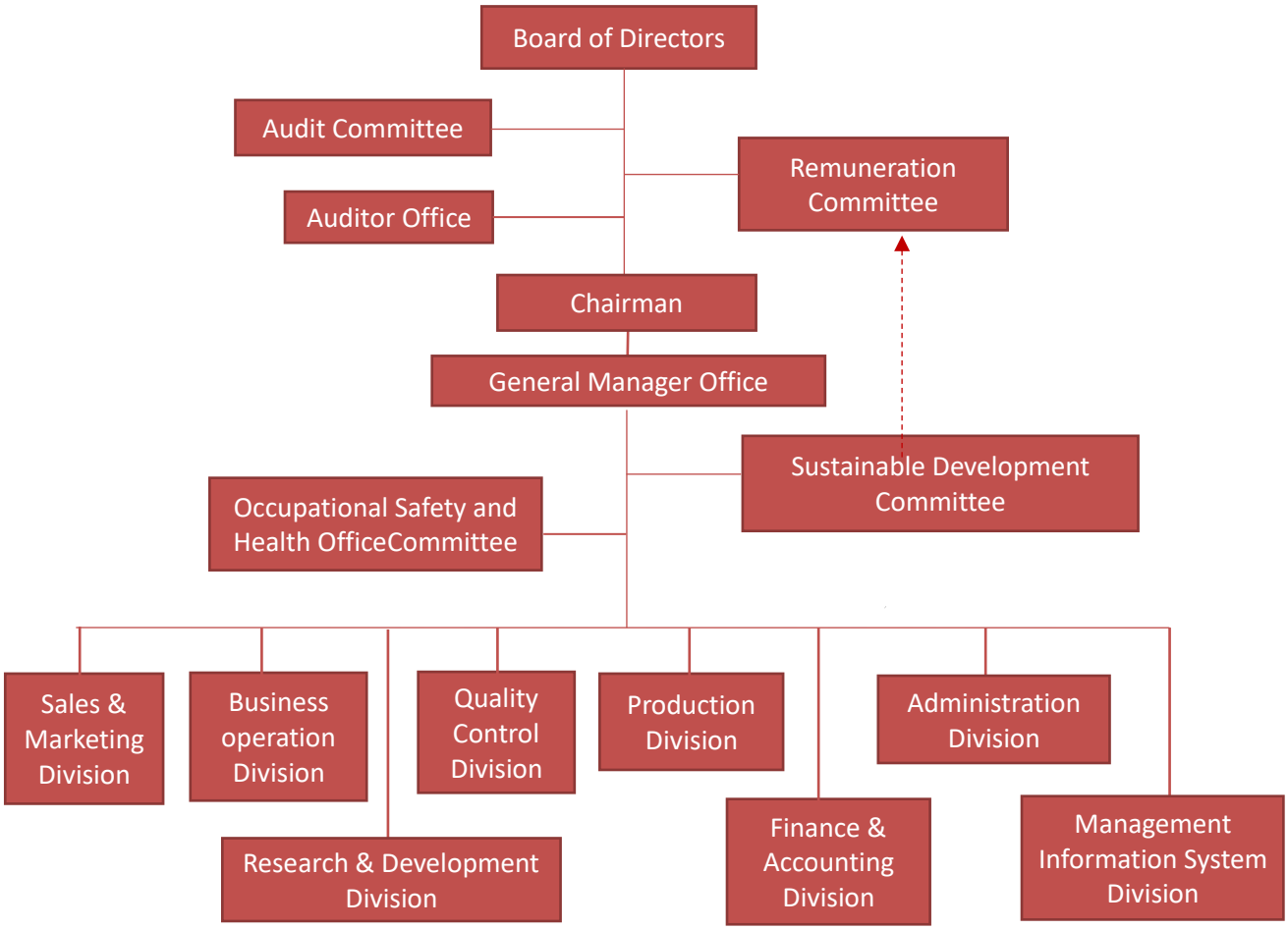
| Topic | Corresponding to Corporate Governance Requirements | Content |
|---|---|---|
| Regulatory Compliance | Comply with international requirements | Regularly search for international sustainability guidelines and incorporate them into corporate governance planning, and developed a corporate governance charter as required by the competent authorities as a guiding principle for internal corporate governance. |
| Division of Competences | Strengthen Board functions<br>Foster a sustainable corporate culture | The Board of Directors is composed of members with diverse expertise, backgrounds and experience, and a Compensation Committee and an Audit Committee are established to provide professional advice on corporate governance to the management team and to regularly keep track of operational performance. |
| Performance Appraisal | Upgrade Board functions<br>Improve corporate governance | Participated in the "Evaluation of Corporate Governance of TWSE/TPEx Listed Companies" by the competent authorities, formulated strategies to strengthen corporate governance, and laid down the "Rules for Performance Evaluation of Board of Directors" to regularly evaluate the performance of the board members and functional committees every year. |
| Information Disclosure | Boost information transparency | Hold a board meeting at least once a quarter to review the Company's operational performance and discuss important strategies, and make important board resolutions available on the Market Observation Post System and the Company's website for investors to obtain important information about the Company in real time. |
| Communication & Interaction | Enhance stakeholder communication | The Company holds AGMs and investor conferences on a regular basis to communicate directly with investors and shareholders on corporate governance issues, and prepares and publishes annual reports and CSR reports on the Company's website, while announcing the "Communication and Contact Channels for Stakeholders" on the website to facilitate two-way communication between stakeholders and the Company. |

**Sustainable Governance Structure**

The CastleNet Board of Directors is the highest governing body and major decision-making authority for the Company. Its primary responsibility is to oversee the Company’s operations in accordance with laws and company regulations, ensuring compliance with various legal requirements, regulations, and shareholder resolutions. Meanwhile, the board provides professional strategies and advice to the management team to maximize shareholder value and protect the interests of all stakeholders.

The Company's management team, led by the President and comprising the highest executives

from each department, fulfills its roles with dedication and expertise to achieve operational and performance goals.




The Board nominates candidates based on fundamental criteria, values, professional knowledge, and skills, with clearly defined qualifications and assessment standards. This process aligns with the Company's Articles of Incorporation, Rules for Election of Directors, Corporate Governance Best Practice Principles, Regulations Governing Appointment of Independent Directors, and Compliance Matters for Public Companies, and Securities and Exchange Act Article 14-2. The Company institutes diverse policies that consider varied professional backgrounds, gender, and fields of expertise, tailored to its in-house operations, business model, and developmental requirements. CastleNet prioritizes expertise and complementarity across different domains to strengthen the integrity of its board structure.

The composition of our Board of Directors is diverse, with members possessing the necessary knowledge, skills, and qualities required to perform their duties. To achieve the ideal goals of corporate governance, the board collectively has capabilities in business judgment, accounting and financial analysis, management, crisis management, industry knowledge, international market perspective, leadership, and decision-making. We believe that a professional, diverse, and independent board composition will contribute to enhancing the board’s governance performance. Our Board of Directors currently consists of 10 members, including four independent directors. At present, there is one female director, representing 10% of the board. The age distribution is as follows: 10% are under 50 years old, 12% are between 50-59 years old, 60% are between 60-69 years old, and 20% are over 70 years old. Regarding the tenure of independent directors, 80% have served for less than three years, and 20% have served for three to six years.

## Membership of the Board and Committees

| Title & Name | Gender | Concurrently serving as an employee or manager of the company, its parent, subsidiary, or sibling companies | Age | | | | Main diversified businesses/areas | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 40 - 49 years old | 50 - 59 years old | 60 – 69 years old | 70 years old and above | Business management | Internet and communication industry | International trade and commerce | Consumer electronics industry | Production and manufacturing | Financial accounting | Information management | ESG |
| Chairman Chang, Ying | Male | √ | | | √ | | √ | √ | √ | √ | | √ | √ | |
| Director Hsu, Wei-Yang | Male | | | | √ | | √ | | √ | √ | | | | √ |
| Director Huang, Yu-Hui | Male | √ | | | √ | | √ | | | √ | √ | √ | | |
| Director Chiang, Tai-Chang | Male | √ | | √ | | | | √ | √ | √ | | | | |
| Director Lin, Cheng-Hsien | Male | √ | | | √ | | √ | | | | | √ | | √ |
| Director Chen, Pei-Yuan | Male | √ | | | √ | | √ | √ | √ | √ | | | | |
| Independent Director Hsu, Sheng-Haur | Male | | | | | √ | √ | √ | √ | √ | √ | | | |
| Independent Director Tsai, Chien-Wen | Male | | | | | √ | √ | | | √ | √ | √ | | |
| Independent Director Chang, Yung-Ching | Male | | | | √ | | √ | | √ | √ | √ | | √ | √ |
| Independent Director Chen, Yi-Ling | Female | | √ | | | | | | | | | √ | | |
| % | Male 90% Female 10% | 50% | 10% | 10% | 60% | 20% | 20% | 10% | 15% | 20% | 10% | 13% | 5% | 8% |

Notes:

1. The current Board of Directors is the ninth term, with a tenure from May 29, 2025, to May 28, 2028.
2. Complete background information on the board members, including their education, experience, training, meeting attendance, and positions held in other companies, has been disclosed in the Company's annual report, on the official website, and on the Market Observation Post System (MOPS). Please refer to the "3. Corporate Governance Report" in the 2025 annual report.
3. For details on the diverse composition of the board, please refer to the Company's official website.

CTI Shareholder Information

CTI Board of Directors

**Operation of the Board of Directors**

The Board of Directors exercises its authority based on relevant laws, the Company's articles of incorporation, and the resolutions of the annual shareholders' meeting. The Board formulates the Company's specific business strategies, supervises the performance of the management team, and, with an independent and impartial spirit, provides specialized advice in the areas of operations, technology, and finance. The Board collectively shares responsibility for the Company's strategy, operations, and oversight. When the Board convenes, in addition to the attendance of the audit supervisor to report on the execution of audit tasks, other responsible personnel also attend and are available to answer questions depending on the agenda items.

The Board of Directors convenes regularly to discuss various operational matters of the Company, with the content of these discussions disclosed in accordance with legal requirements. When a matter involves the interests of a board member, the internal conflict of interest avoidance system is strictly followed. In 2025, the actual attendance rate of directors exceeded 91%, and with proxy attendance included, it reached 100%. (For more details on board operations, meeting content, and conflict of interest situations, please refer to the Annual Report: "2. Corporate Governance Report – 2.3. Corporate Governance Operations – (2.3.1) Board of Directors")

| | |
|---|---|
| Number of Meetings | • 7 Board meetings were held in 2025 to discuss topics such as the Company's business strategy and governance operations.<br>• Over 91% actual attendance at Board meetings in 2025 (100% including delegated attendance). |
| Sustainability Topics | • The Company's Sustainability Committee was established on August 5, 2022, following a resolution by the Board of Directors. The committee communicates sustainability-related issues with the Board at least once a year, covering five key areas: environment, society, corporate governance, risk management, and cyber security. The committee also provides updates on relevant plans and progress in these areas. The Sustainability Committee has reported to the Board on the Company's sustainability implementation, achievements, and future plans on May 13, 2025.<br>• On November 11, 2024, the Board of Directors of our company approved the revision of the regulations of the Sustainability Committee and appointed the Audit Committee as the supervisory unit of the Sustainability Committee and the Risk Management Group. The Sustainable Development Task Force is responsible for regularly reporting to the Audit Committee on the relevant strategies, risks, and implementation of sustainable development/risk management. |

**Functional Committees**

The Board of Directors is the highest governance body and the key decision-making authority of the Company. It establishes various committees to assist with the quality of the Board's supervision and decision-making. The Board's primary responsibility is to supervise the Company's operations in accordance with laws and Company regulations, ensuring compliance with legal requirements and the Company's Articles of Incorporation, as well as the execution of shareholders' resolutions. Meanwhile, the Board provides professional strategies and advice to the management team, aiming to maximize shareholder value and protect the rights and interests of all stakeholders.

**Operation of the Audit Committee**

The Company established the Audit Committee to enhance corporate governance and strengthen the professional functions of the Board of Directors, and laid down the Audit Committee Charter. The Audit Committee is composed of three independent directors, namely Hsu, Sheng-Haur, Tsai, Chien-Wen, Chang, Yung-Ching and Chen, Yi-Ling, and elected Hsu, Sheng-Haur as convenor.

The Audit Committee of the Company conducts annual meetings with the Company's certified public accountant (CPA) to discuss the review or audit results of quarterly financial statements and other matters mandated by relevant laws and regulations. The Committee also assesses the selection of the CPA and evaluates the independence of both audit and non-audit services provided. The Company's internal audit supervisor regularly presents audit summary reports and holds internal control self-assessment meetings with the Audit Committee according to the annual audit plan. Additionally, the Audit Committee regularly reviews the Company's internal control system, internal audit personnel, compliance with applicable laws and regulations, and the management of existing or potential risks. And since November 11, 2024, the board of directors has passed a resolution to appoint the Audit Committee as the supervisory unit of the Sustainability Committee and the Risk Management Group, to supervise and review the company's sustainable development and risk management strategies, procedural framework, risks, and execution status.

During the reporting period, the Company did not have any proposals that were passed by the Board of Directors with more than two-thirds approval without being reviewed and approved by the Audit Committee. Additionally, there were no proposals requiring the avoidance of conflicts of interest by independent directors. In 2025, the Audit Committee held 5 meetings, with an actual attendance rate of 95% (100% including delegated attendance). (For details on the Audit Committee's operations and resolutions, please refer to the Annual Report, "2. Corporate Governance Report – 2.3. Corporate Governance Operations – (2.3.2.) The Audit Committee")

**Operation of the Remuneration Committee**

The Company's Compensation Committee is composed of three independent directors: Hsu, Sheng-Haur, Tsai, Chien-Wen, and Chang, Yung-Ching, with Hsu, Sheng-Haur serving as the convener. The Committee's responsibilities include regularly assessing and setting the salaries and compensation for directors and managers, and periodically reviewing and updating the policies, systems, standards, and structures for performance evaluation and compensation of directors and managers. This ensures that compensation is aligned with individual and company performance to maintain fairness and attract and retain top talent. In 2025, the Compensation Committee held 3 meetings, with an actual attendance rate of 89% (100% including delegated attendance). (For details on the Compensation Committee's operations and resolutions, please refer to the Annual Report: "2. Corporate Governance Report – 2.3. Corporate Governance Operations – (2.3.4) The Remuneration committee").

**Operation of the Sustainability Committee**

To advance sustainability initiatives, the Company resolved on August 5, 2022, to establish a Sustainability Committee, as approved by the Board of Directors, and adopted the "Sustainability Committee Organizational Regulations." The committee is chaired by the President, with Huang, Chi-Hsien, Director of the President's Office, appointed as the Executive Officer. Committee members include department heads and other designated personnel. The committee first reported on the Company's sustainability performance to the Board of Directors on November 10, 2022, and provided a fourth report on May 13, 2025. And on August 14, 2025, the board of directors passed the proposal to approve the 2024 perpetual report. The Sustainable Development Committee was held once in 2025, with an actual attendance rate of 100%. (For details on the operation of the Sustainability Committee, please refer to the Annual Report: "2. Corporate Governance Report – 2.3.

Corporate Governance Operations – (2.3.5.) Fulfillment of sustainable development and Deviations from the “Sustainable Development Best Practice Principles for TWDE/TPEx Listed Companies”")

**Evaluation of the performance of the board**

To implement corporate governance and enhance the effectiveness of the Board of Directors, the Company has established the "Rules for Performance Evaluation of the Board of Directors and Functional Committees." Since 2021, the Board of Directors has conducted self-assessments, performing internal performance evaluations of the Board, its members, and the functional committees each year. The results of these evaluations are published in the annual report and submitted to the Board of Directors and Remuneration Committee for the first quarter of 2026. For the results of the 2025 internal performance evaluation, please refer to the Annual Report: "2. Corporate Governance Report – 2.3. Corporate Governance Operations – (2.3.1.) Board of Directors")

Director compensation-related information, please refer to the 2025 Annual Report: "2. Corporate Governance Report – 2.2. Recent Annual Compensation for Directors, the President, and Vice Presidents – (2.2.1.) Remuneration of Directors and Independent Directors")

**Operational Performance**

| Consolidated Financial Statements | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Operating Revenue | 1,692,313 | 1,145,661 | 556,439 | 411,280 | 7,649,915 |
| Net Income After Tax | (150,566) | 16,306 | 6,725 | (355,059) | (462,963) |
| EPS (NT$) | (0.80) | 0.09 | 0.04 | (1.84) | (2.39) |
| Debt Ratio (%) | 32.38 | 32.18 | 32.42 | 46.70 | 83.00 |
| Current Ratio (%) | 139.67 | 141.26 | 310.75 | 214.57 | 100.75 |
| Quick Ratio (%) | 105.03 | 73.20 | 224.10 | 150.24 | 73.04 |

In 2025, the consolidated revenue showed significant growth compared to previous years, but profits were impacted due to integration costs, inventory depreciation, exchange rate fluctuations, and customer delays, resulting in early-stage losses. However, these issues began to be controlled and improved in Q4. In late April 2025, the company officially completed the organizational merger of overseas subsidiaries, expanding its product line from original broadband cable products to high-end fiber optics, 5G FWA (Fixed Wireless Access), audiovisual products, and AI/ML network management systems. The market also expanded from the original focus on Central and South America and Taiwan to include major telecom and network operators in the U.S., Europe, and emerging Asian countries. However, as the short-term market focus shifted toward AI cloud upgrades, the remaining industries remained cautious about the spillover effects of AI transformation. Additionally, persistent inflationary pressures led both clients and consumers to maintain a relatively conservative stance, with market confidence yet to fully recover. The overall market conditions in the future still require close monitoring, and the pace of demand recovery is expected to be influenced by multiple uncertainties.

In terms of product diversification and forward-looking technology layout, we have made continuous progress. Our product lineup includes new-specification Wi-Fi 8 mesh routing systems and DOCSIS 3.1+ Wi-Fi 7 cable gateways. Next-generation 25G and 50G fiber-optic broadband gateways are also under joint development with clients. Beyond traditional network communication equipment, we have expanded into base station antenna automatic detection and adjustment

devices, as well as home personnel wireless detection systems and supporting software. These innovations are currently undergoing practical application testing with clients across multiple countries. These cutting-edge products and solutions will help us expand our market footprint, meet the diverse needs of clients in different regions, and strengthen our competitiveness in the smart home and wireless application sectors.

**Incentive Mechanism and Linkage to Sustainability Performance**

In line with international initiatives, the Company revised its Employee Performance Appraisal Management Regulations in November 2024 to include ESG and Enterprise Risk Management (ERM) indicators in the performance evaluation framework. Evaluation criteria and weightings are customized by job level based on the principles of measurability, relevance, and quantifiability. This ensures that compensation is linked to sustainability performance to drive and implement sustainable development.

**Key Management Team**

CastleNet focuses on developing key management team by considering the organizational and human capabilities needed to achieve future development goals. The Company emphasizes not only excellent strategic planning and management skills but also commitment to and practice of its core values: innovation, harmony, and transcendence. Our senior managers possess extensive industry experience and continuously sharpen their professional skills, increasing both the breadth and depth of their practical expertise. Additionally, our Compensation Committee regularly reviews the performance and development of senior managers according to the responsibilities of functional committees, ensuring that their development aligns with the organization's direction.

**AGM Operations**

CastleNet values interaction and communication with investors, using annual general meetings (AGMs) to foster forward-looking operations and promote the Company's sustainable development. In 2025, the Company held one AGM and two investor conferences. To enhance the transparency of information disclosure, improve the quality of disclosures, and align with international standards, CastleNet has been uploading financial statements in English to the MOPS since the fourth quarter of 2019. Starting from 2022, the Company began publishing material information, meeting notices, and the meeting handbook in English, and from 2025, it started issuing the annual report in English for stakeholder review. (For AGM major resolutions and post-meeting execution, please refer to the Annual Report, “2. Corporate Governance Report, 2.3. Corporate Governance Operations, (2.3.9.) Important resloutions passed by shareholders meetings and board meetings during the most recent fiscal year up to the date of publication of the annual repot. For a list of major shareholders, see “3. Fundraising Status, 3.1. Capital and Shares, (3.1.2.) List of major shareholder)

CastleNet's official website also features an investor section. For information on investor conferences and the annual general meetings (AGMs), please visit the shareholder section or scan the QR code below for quick access.

CTI Shareholder Services

CTI Shareholder Information

## 3.2 Ethical Management and Compliance

### Ethical Management and Standards

Robust corporate governance is the foundation of the Company's sustainable operations, with ethical management being crucial for business success and sustainability. We firmly believe that ethical practice is not only a business philosophy but also the cornerstone of our culture. We uphold the principle that everyone should be treated fairly, regardless of race, gender, age, religion, or other factors. These ethical standards guide our actions, strengthen our reputation, foster internal collaboration, and create a healthy and stable workplace.

To ensure adherence to its ethical management policies and compliance with relevant laws, the Company has established corresponding internal regulations for different stakeholders, which are approved by the Board of Directors and published on the website. We periodically disclose or update our ethical management policies through internal regulations, annual reports, the corporate website, and other publications. Additionally, we conduct internal training on ethical management and regularly promote our core values to raise employee awareness and strengthen corporate governance. We believe that by conforming to ethical practices and standards, CastleNet can achieve long-term success and make a positive contribution to society.

**Ethical Management Practices and Actions in 2025**

| Stakeholders | Relevant Policies/ Requirements/Contracts | Management Actions |
|---|---|---|
| Board of Directors | 1. Rules of Procedure for Board of Directors Meetings<br>2. Regulations concerning the Board of Directors<br>3. Corporate Governance Code<br>4. Code of Ethical Conduct<br>5. Code of Integrity Management<br>6. Operating Procedures and Behavior Guidelines for the Company's Integrity Management | 1. Established a conflict of interest policy to ensure that individuals with vested interests in matters that could harm the Company's interests are barred from participating in discussions or voting, thereby safeguarding the interests of the Company and shareholders. |
| Management/ Employees | 1. Code of Ethical Conduct<br>2. Code of Integrity Management<br>3. Operating Procedures and Behavior Guidelines for the Company's Integrity Management | 1. The company has incorporated important principles such as honest management, confidentiality, and integrity into the employee work agreement, which must be followed by all new employees, regardless of whether they are new or old staff.<br>2. In 2025, all employees participated in the "Striving for Excellence with Integrity and Honesty" training program, totaling 83 hours.<br>3. In 2025, all employees participated in the "Anti-corruption Policy and Confidentiality Obligation" training program, totaling 41 hours.<br>4. Starting from 2025, a new education and training program on personal data protection policies and employee conflict of interest statements will be added, with a total of 5 hours of employee participation.<br>5. The Company continues promoting the ethical management concept to employees, reinforcing |

| Stakeholders | Relevant Policies/ Requirements/Contracts | Management Actions |
|---|---|---|
| | | various measures in the "Operating Procedures and Behavior Guidelines for Integrity Management". |
| Customers | 1. Following Kinpo's RBA Code of Conduct and other international and industry standards<br>2. Non-disclosure agreements and outsourcing contracts<br>3. Other business contracts | 1. Before establishing relationships with other companies, the Company assessed their legality and whether they had a record of unethical behavior to ensure there were no requests for, provision of, or acceptance of bribes. |
| Suppliers, Contractors, and other Business Partners | 1. Following Kinpo's RBA Code of Conduct and other international and industry standards<br>2. Non-disclosure agreements and procurement contracts<br>3. Other business contracts<br>4. Suppliers' Code of Conduct | 1. Before establishing relationships with other companies, we assessed their legality and whether they had a record of unethical behavior to ensure there were no requests for, provision of, or acceptance of bribes.<br>2. the "Anti-Bribery Agreement" signed between Kinpo Group and its suppliers has legal effect on CastleNet, including clauses in contracts prohibiting any form of bribery towards our employees or their relatives/friends.<br>3. If violations of the "Anti-Bribery Agreement" or contract resulted in damages, we would pursue criminal liability as stipulated in the agreement, impose punitive breach penalties, and take immediate action to cease transactions, revoke or terminate contracts or agreements with the signatory. |

**Anti-Corruption and Anti-Bribery**

The "Anti-Corruption Policy" of CastleNet is announced and published on our website to establish clear and uniform standards. We uphold the principle of not accepting improper gifts or special favors and expect our customers, suppliers, business partners, and other stakeholders to understand and support KINPO's core ethical values together with us. We strictly prohibit all employees from accepting any form of bribery or other improper benefits. All current and new employees must also participate in confidentiality and ethical education programs to enhance their awareness and implementation of ethical standards. We also require all business partners to subscribe to an "Anti-Bribery Agreement". Our cooperating suppliers are forbidden from offering bribes to employees or their relatives/friends. In cases where damages occur due to breaches of ethical standards, we will seek compensation according to agreements and may take necessary legal actions, including termination of cooperation. Additionally, we have established a grievance channel to receive and investigate allegations of corruption and bribery. We handle all allegations with strict confidentiality and ensure no retaliation against whistleblowers, whether they are employees or business partners, who report contraventions of our Anti-Corruption Policies.

**Regulatory Compliance and Effectiveness**

With CastleNet's business spanning globally, we continuously monitor the impact of international policies and regulations on our operations and finances. Concurrently, we establish various corporate governance standards and regularly offer related educational training sessions. Our commitment is to ensure all business practices observe relevant local laws, safeguarding employees from conflicts of interest that could jeopardize company interests. We pledge to respect intellectual property rights and privacy, and refrain from engaging in business activities that violate the Fair Trade Act and antitrust laws. Should employees have concerns regarding regulations, measures, or penalties while conducting business, they may apply through their respective business units for guidance from the Legal and Intellectual Property Office.

**Protection of Personal Data (Privacy)**

When collecting personal data, we abide by the laws and regulations of each country to ensure legality and privacy protection. Our company is set to establish a data protection policy to express a firm commitment to respecting and safeguarding the privacy of every individual, including employees, customers, and clients. Regarding legal and ethical obligations for personal information protection, we pledge to:

1. Take all reasonable measures to protect all personal information from loss, misuse, unauthorized access, or disclosure;
2. Not retain personal information longer than necessary to fulfill the purposes for which it was collected;
3. Not sell, trade, transfer, share, or otherwise disclose personal information to any third party unless mandated by law or regulations;
4. Require strict compliance with this policy from our employees, agents, managers, directors, and other personnel.

In 2025, no significant violations related to business ethics, personal data protection, fair competition, intellectual property rights, human rights, or environmental protection were identified. To ensure effective ethical management and compliance with laws, we are stepping up employee education and training to ensure all staff understand and observe relevant policies and regulations.

| Category | Description | Management | Performance 2025 |
|---|---|---|---|
| Anti-Corruption, anti-bribery | Engaging in any act of providing or receiving directly or indirectly any improper benefits for the purpose of obtaining, acquiring, maintaining, or otherwise seeking business opportunities or commercial interests. | 1. Following KINPO's Anti-Corruption Policy to establish a clear and consistent anti-corruption and anti-bribery code.<br>2. Incorporated self-restraint clauses during contract reviewed by | 1. In 2025, all employees participated in the "Striving for Excellence with Integrity and Honesty" training program, totaling 83 hours. |

| Category | Description | Management | Performance 2025 |
|---|---|---|---|
| | | KINPO's legal team and reminded business units to prevent legal risks and negative impacts arising from violations.<br>3. For queries regarding the legality of actions, consult KINPO's Legal team and Intellectual Property Office. | 2. In 2025, all employees participated in the "Confidentiality and Ethical Obligations" training program, totaling 41 hours.<br>3. Starting from December 2025, a new education and training program on personal data protection policies and employee conflict of interest statements will be added, with a total of 5 hours of employee participation.<br>4. No reports of corruption and bribery incidents through formal channels were received. |
| Anti-trust practices | Activities involving restricting competition, damaging market fairness, manipulating market prices, or controlling market share. | 1. Incorporated self-restraint clauses during contract reviewed by KINPO's legal team and reminded business units to prevent legal risks and negative impacts arising from violations.<br>2. For issues related to regulations, submit applications through business units for advice from Kinpo's Legal team and Intellectual Property Office. | No incidents of antitrust or anti-competitive behavior. |
| Breach of environmental laws and regulations | Penalties for violations of environmental laws and regulations. | | No incidents of violations of relevant regulations. |
| Breach of social and economic laws and regulations | Penalties for violations of social and economic laws and regulations. | | |
| Violation of product and service information labeling | Penalties for violation of the law on the labeling of information on products and services. | | |
| Prohibition of child labor and labor coercion | 1. Penalties incurred for illegally employing local workers below the | Enhanced identity checks and verification during recruitment | No incidents of discrimination or violation of child labor. |

| Category | Description | Management | Performance 2025 |
|---|---|---|---|
| | minimum employment age.<br>2. Penalties incurred for inhumane treatment of employees from forced labor. | | |
| Protection of Privacy Rights | The right and measures to protect personal data and privacy information from illegal collection, use, storage, processing, or sharing. | 1. Stepped up cybersecurity risk controls to prevent leakage of sensitive information belonging to employees, customers, and collaborating partners.<br>2. Provided education on personal data protection laws during new employee training. | No infringement of privacy rights. |
| Protection of Intellectual Property Rights | Protecting own intellectual property rights, legally utilizing intellectual property rights, and preventing engagement in any activities that infringe upon others' intellectual property rights. | 1. Issued policies to incentivize creative inventions, enhancing the Company's intellectual property capabilities.<br>2. Signed licensing agreements when using others' intellectual property to ensure legal use.<br>3. Clearly defined responsibility for obtaining intellectual property rights when establishing contracts with clients or suppliers.<br>4. Issued an Anti-Piracy Statement to demonstrate KINPO's commitment to combating the use of pirated software.<br>5. Reinforced the prohibition against using illegal software through repeated announcements to employees.<br>6. Conducted regular anti-piracy software education and training courses in collaboration with the IT Center and KINPO’s Legal team. | No infringement of intellectual property rights. |

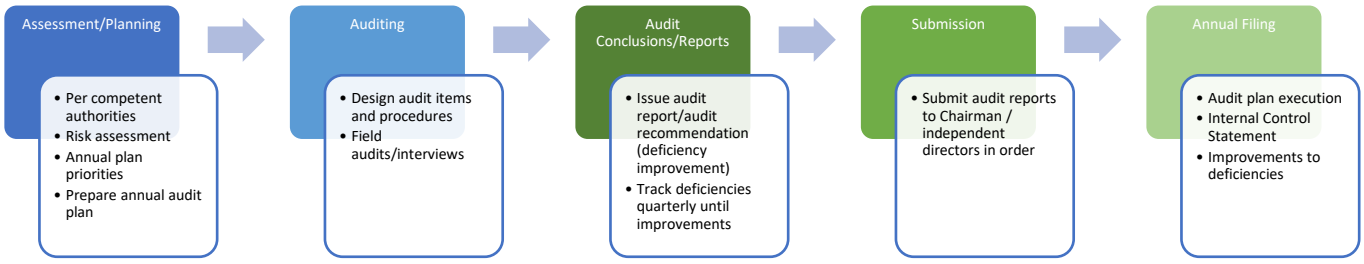
**Whistleblowing System and Whistleblower Protection**

Employees who come across illegal or unethical practices in the workplace can report them through the proper channels. CastleNet has set up a whistleblowing box, and has established specific reporting channels, handling procedures, rewards and punishments in the "Code of Ethical Conduct," "Procedures for Ethical Management and Guidelines for Conduct," "Employee Grievance Handling Regulations" and "Reward and Punishment Management Regulations." The Auditing Office is taking charge of the whistleblowing mailboxes and is responsible for case acceptance and filing. The supervisor of Auditing Office will assign a project leader or investigation team to investigate the relevant facts then submits it to the President Office. A dedicated department and staff are assigned to investigate and handle complaints in a protected and confidential manner Personnel who have a conflict of interest in the case should also recuse themselves from the investigation. The officer involved in the probe must maintain the confidentiality of the person filing the report. The rights of the person lodging the complaint should be protected and the person (s) concerned should be safeguarded against improper treatment or retaliation. No reported cases in 2025.
CastleNet Whistleblower Box: CTI_audit@castlenet.com.tw

**Internal Control and Audit System**

CastleNet has set up an independent auditing office under the Board of Directors to assist the Board and managers in inspecting and reviewing deficiencies in internal control systems and gauging the effectiveness and efficiency of operations. When performing internal audit duties, internal auditors should provide timely suggestions for improvement to ensure that the internal control system is applied effectively on an ongoing basis and that the efficient operations, reliable reporting and compliance with relevant laws and regulations are achieved and serve as the basis for reviewing and amending the internal control system. Upon submission of audit reports and tracking reports for approval, they are forwarded to the independent directors for review and inspection at the end of the next month following the conclusion of the audit items. In addition to reporting audit results to the independent directors on a regular basis, the internal auditing officer also attends regular Board meetings to brief Board members on the execution of audit activities. Meanwhile, the auditing office supervises and urges and assists each unit to conduct self-assessment and inspection of the internal control system annually to make sure that the Board and managers are aware of the effects of the operation. Furthermore, the appointment and dismissal of the internal auditing officer is subject to the approval of the Board of Directors and in accordance with the Corporate Governance Best Practice Principles laid down by the Company, the appointment and dismissal, appraisal and remuneration of the internal auditors shall be presented by the auditing officer to the Chairman for ratification. The auditing office prepares an audit plan based on risk assessment and regulations, turns it in to the Board of Directors for endorsement before implementation, and conducts ad hoc audits or reviews as necessary. According to the annual audit plan, the internal auditors execute the operation plan for individual audit cases and disclose the deficiencies and irregularities of the internal control system found by the audit in the audit report, providing timely suggestions for rectification, and following up after the report is filed. All audit items in the 2025 audit plan endorsed by the Board of Directors have been completed and filed. The audit supervisor is responsible for receiving reports from the reporting email and filing cases, and checking that there were no reported cases in 2025.

**Internal Control and Audit Process**




The audit report and tracking report are submitted to each of the independent directors for review after they have been handed over to the Chairman. The independent directors may contact the auditing officer if they need further information or instructions. The Company holds quarterly meetings of the Audit Committee and the Board of Directors, at which the auditing officer is required to attend and present a summary report of the quarterly audits. We also convene separate meetings annually with directors, internal auditing officers and independent auditors, with the internal auditing officers reporting separately to the independent directors on auditing activities and annual planning and other matters required by law. (For the Audit Committee's report and communications, please refer to the Annual Report 2025, III. Corporate Governance Report - 4. Corporate Governance Operation - 2) Audit Committee Operation)

## 3.3 Risk Management

In 2022, CastleNet introduced a risk management policy approved by the Board of Directors. This policy outlines the Company's commitment to a balanced risk management strategy, considering the overall impact of adverse risks on corporate sustainability while pursuing operational growth. The Company has established proactive monitoring and improvement procedures focused on risk factors to ensure timely risk management within its business scope, thereby enhancing corporate governance. The disclosed information covers the Company’s sustainability performance at major sites for 2025. While the risk assessment primarily focuses on the Company in Taiwan, it may include overseas subsidiaries as necessary, depending on their relevance to core operations and their impact on material topics.

For details on risk management policies or strategies based on the assessed risks, please refer to pages 70-72 of the 2025 Annual Report.

### Risk Management

Each business unit defines the risks within the Company's risk management scope, analyzes, identifies, and assess the potential impacts of these risks on the Company, and develops corresponding measures as the basis for risk management.

### Risk Management Process

The Company manages risks according to the following procedures: risk identification, risk assessment, risk control, risk supervision, and communication management.

### Risk Identification

| Issues | Risk Assessment Items |
|---|---|
| Environment | Environmental protection and ecological conservation |
| Social | Occupational safety |
| | Product safety |
| Corporate Governance | Internal Control system and compliance with regulations |
| | Enhancing board functions and fulfilling board responsibilities |
| | Stakeholder Communication |

| Information security |
| --- |
| Operational risks and financial status |

**Risk Assessment**

Each business unit defines the risks within the Company's risk management scope, analyzes, identifies, and assesses the potential impacts of these risks on the Company, and develops corresponding measures as the basis for risk management.

| Material Issues | Items | Description | Coping Strategies | Corresponding Sections |
| --- | --- | --- | --- | --- |
| Environmental | Environmental Impact | When risks occur, the When risks occur, they may lead to production disruptions, preventing normal operations, and causing losses to personnel and assets.y may lead to production disruptions, preventing normal operations, and causing losses to personnel and assets. | The Company aims for environmental sustainability, and the product designs comply with the latest energy efficiency and regulations from various countries. We also incorporate recycled materials into our packaging and effectively reuse office paper. Simultaneously introducing the use of renewable energy and reducing the impact of packaging on the environment. Harmful substances are not used and a green product process management is established in product design. Hazardous Substances (HS) are regularly checked and a list of restricted substances is published. Quality and hazardous substance reduction policies and requirements are advocated to ensure that suppliers continue to comply with the group's behavioral standards.<br>In addition, to improve the efficiency of energy resource utilization and reduce greenhouse gas emissions, the company also implements temperature control for office air conditioning and automatic timer shutdown to reduce electricity consumption. | 4.2 Quality Management<br>Chapter 5 Environmental Sustainability |
| | Climate Change | | Actively supporting international initiatives and national policies, the Company integrates climate change issues into its risk identification framework. In 2022, it became a TCFD Supporter and adopted the TCFD framework to identify climate change risks and opportunities, formulating response strategies to mitigate and adapt to potential impacts.<br>Through ISO 14064 GHG Inventory with Kinpo Group, the Company establishes credible data benchmarks as the basis for submitting SBTi reduction targets. The Company submitted its SBTi | |

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|---|---|---|---|---|
| | | | commitment letter with Kinpo Group in September 2022 and passed the target validation review in September 2024. | |
| Social | Occupational Safety | Risks arising from noncompliance, resulting in serious injuries, may result in negative perceptions from the public and supply chain partners towards the Company. | 1. Actively strengthening injury prevention measures and improving poor health conditions through ISO 45001 occupational health and safety management certification.<br>2. Conducting regular annual training on occupational safety, emergency response, and fire safety to enhance employees' emergency preparedness and self-management capabilities. | 7.5 Employee Health |
| | Human Rights Risks | | 1. Ensuring compliance with domestic and international human rights conventions and local government regulations regarding labor policies.<br>2. Holding regular labor-management meetings to discuss and achieve consensus on the implementation of human rights policies, labor environment and conditions, and issues related to policies, compensation, and benefits. Ensuring transparency and smooth communication between labor and management. | Chapter 7 Employee Wellbeing |
| Governance | Business Interruption | These impact employee and equipment safety, leading to operational disruptions. | Analyzing the impact on Kinpo's profit and loss from interest rate risks associated with floating-rate investments and borrowings as of the end of the financial reporting period, assuming a one-year accounting period and a 10-basis-point increase/decrease in interest rates. | Chapter 3 Corporate Governance |
| | Interest Rate Fluctuations | Floating rate investments for loans and receivables, fixed rate and floating rate borrowings. | Analyzing the impact on Kinpo's profit and loss from interest rate risks associated with floating-rate investments and borrowings as of the end of the financial reporting period, assuming a one-year accounting period and a 10-basis-point increase/decrease in interest rates. | |
| | Exchange Rate Fluctuations | Related to operating activities (when revenue or expenses are denominated in currencies other than the | Regularly reviewing assets and liabilities denominated in functional currencies, managing exchange rate risks through forward foreign exchange contracts based on The Company’s currency | |

| | | | | |
|---|---|---|---|---|
| | | Company's functional currency) and net investments in foreign operations. | funding needs. | |
| | Information Security | Resulting in significant asset losses for the Company, potentially causing operational disruptions and property damage, affecting sustainability foundations. | 1. Promoting the 'Information Architecture Virtualization Integration Project', shorten system recovery time (RPT), and substantially enhance enterprise operational resilience and business continuity capability (BCP).<br>2. Enhancing employee cybersecurity awareness training to improve recognition and response capabilities for security risks, reducing internal threats. | 3.4 Information Security Management |

**Risk Control and Supervision**

(1) Risks associated with daily operational activities of each unit are managed and controlled by the respective responsible units.

(2) For significant cross-departmental crises, the Risk Management Team conducts cross-departmental risk assessments, identifies feasible strategies to prevent crisis events, and develops response procedures and recovery plans based on the nature of the crisis.

**Risk Communication**

(1) In addition to disclosing relevant information as required by regulatory authorities, the Company also provides risk management information in the annual report and on the Company website.

(2) The highest-ranking officer of the Sustainability Committee or their designated representative reports the operations and implementation of risk management to the Board of Directors annually.

## 3.4 Information Security Management

**Information Security Policy**

To ensure the confidentiality, integrity, and availability of information, as well as the reliability of information equipment and network systems, and to raise awareness among staff regarding information security, the Company has established an Information Security Management Policy. This policy is designed to protect these resources from any disruption, destruction, intrusion, or adverse actions and intentions. The scope of the policy includes the following areas:

1. Information Security Policy
2. Information Security Organization
3. Personnel Security Management and Training
4. Information Asset Management
5. System Access Control
6. Cryptography
7. Physical and Environmental Security
8. Operational Security

9. Network Security
10. Application System Development and Maintenance Security
11. Response and Handling of Information Security Incidents
12. Outsourced Operations Management
13. Business Continuity Management
14. Information Security Compliance Audits

**Specific Management Measures**

1. Executed information architecture virtualization integration project
2. Email advanced persistent threat (APT) protection against attacks
3. Information security awareness and training
4. Synchronize the launch of the group's new generation email social engineering exercise platform, combined with online security education and training courses, to comprehensively strengthen personnel security awareness
5. The company's official website has switched to HTTPS encrypted online mode and implemented an Application Firewall (WAF) system to enhance security protection.
6. Collaborated with the Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC) for integrated information security defense

**Information Security Execution Results**

1. Implement an unforeseen email social engineering exercise. To verify the actual effectiveness of protection, the pass rate by 2025 is 95.58%. The overall awareness of communication among colleagues is good, but the misjudgment rate of phishing emails combined with internal information is relatively high, indicating that internal situational social engineering is still the main risk.
2. The results of advanced email protection show that the proportion of suspicious emails increased significantly from 3.47% in 2024 to 14.43% in 2025.
3. Performed regular vulnerability scans on critical servers and occasional major threat/ vulnerability scans, with timely patches and strengthened protection measures.
4. New employees completed information security and confidential information handling training. To raise overall information security awareness, provided 13 cybersecurity advocacy sessions, 6 agile project advocacy sessions, 5 cybersecurity lectures, and 44 cybersecurity podcasts (244 in 5 languages).
5. This year, CastleNet promoted the integration project of information architecture virtualization, effectively achieving the goal of energy conservation and carbon reduction in the data center by replacing multiple high-energy-consuming old servers. This move not only optimizes resource utilization but also has a core value in significantly reducing the system recovery time (RPT), essentially strengthening the operational resilience and business continuity (BCP) of the enterprise.

**Significant Cyber Security Incidents**

No significant cyber security incidents affecting the Group's operations occurred in 2025.

## 3.5 Tax Policy

**Tax Policy**

CastleNet designates the Finance and Accounting Department as the tax management unit, responsible for the review, identification, and execution of various tax matters. During tax filings, the department follows a tiered authorization process to secure appropriate approvals, assesses the tax implications of major transactions and decisions, and, as needed, seeks advice from external

professional tax consulting firms. The tax policy is proposed by the department, with each operational site adhering to the tax regulations of its respective country or region. The department regularly discusses and tracks tax law updates with external tax consulting firms to develop responsive strategies. To enhance the capabilities of tax professionals, relevant personnel participate in various tax seminars annually to stay informed about the latest policies and anticipate future regulatory changes.

To pursue sustainable development and fulfill corporate social responsibility, while upholding professional ethics and principles of ethical management, CastleNet's tax policy is as follows, and is implemented to ensure effective tax governance:

1. Compliance Principle: Adhere to the tax regulations and legislative spirit of the operating location, and honestly report and pay taxes, fulfilling tax obligations responsibly.
2. Transparency Principle: Disclose tax information in financial statements as required, ensuring transparency of information.
3. Arm's Length Principle: Transactions between affiliates follow the arm's length principle and observe the internationally recognized transfer pricing guidelines published by the Organisation for Economic Co-operation and Development (OECD).
4. Active Communication Principle: Establish a relationship of mutual trust and respect with tax authorities.
5. Comprehensive Decision-Making Principle: Consider the tax impact in all major company decisions.
6. Legal Tax Optimization Principle: Utilize legal and transparent tax incentives and avoid tax havens or low-tax jurisdictions for tax planning purposes.
7. Risk Management Principle: Assess related risks and implement appropriate measures when formulating and executing tax policies.

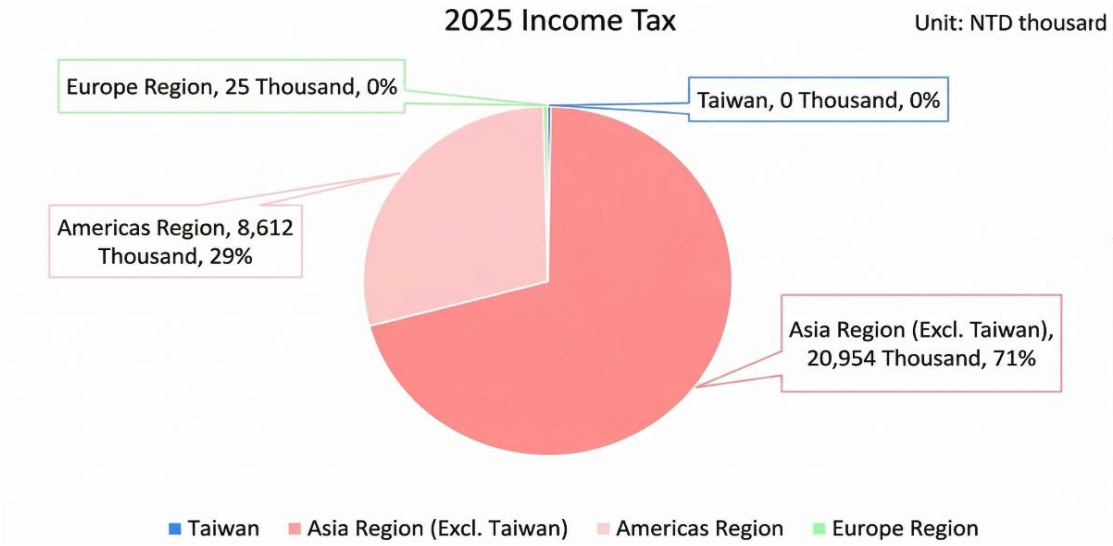
**Company Names, Main Operating Locations, Nominal Tax Rates, and Principal Activities**

| Tax Jurisdiction | Nominal Tax Rate | Tax Jurisdiction | Principal Activities |
|---|---|---|---|
| Taiwan | 20% | CastleNet Technology Inc. | Product Design, Manufacturing, and Sales |
| British Virgin Islands | 0% | CastleNet Technology (BVI) Inc. | Investment Holding |
| China | 25% | CastleNet Technology Inc (Kunshan). | Manufacturing and Sales |
| Korea | 20.9% | Superhero Patterns, Inc. | Investment Holding |
| | | Humax Networks, Inc. | Sales of broadcasting and network communication equipment |
| America | 21% | Humax Networks (USA) Inc. | Sales of broadcasting and network communication equipment |
| Japan | 23.2% | Humax Networks Japan Co.,Ltd. | Sales of broadcasting and network communication equipment |
| Thailand | 20% | Humax Networks (Thailand) Co.,Ltd. | Sales of broadcasting and network communication equipment |

| Tax Jurisdiction | Nominal Tax Rate | Tax Jurisdiction | Principal Activities |
|---|---|---|---|
| Germany | 29.94% | Humax Networks GmbH | Sales of broadcasting and network communication equipment |
| India | 25% | HUMAX NETWORKS INDIA PRIVATE LIMITED | Sales of broadcasting and network communication equipment |

**Tax Payment Status**

CastleNet's operations at each location comply with local tax laws. Tax information in financial reports is disclosed in accordance with relevant regulations and standards to enhance transparency. The 2025 Tax Situation showed as follows:




# Chapter 4 R&D and Innovation

CastleNet's primary product is Broadband Cable CPE and Broadband Fiber CPE, which combines VoIP and wireless network technologies to offer telecommunications and cable TV operators integrated solutions for fixed broadband networks. With its advanced DOCSIS 3.1 technology and 10G fiber gateway products such as GPON/XGS-PON, the Company provides ultra-high-speed bandwidth through both wired and wireless interfaces, supporting cloud services and home network device connections. This capability enables operator customers to offer competitive, high-quality services to end consumers. Additionally, CastleNet has expanded its product line to include WiFi 6/6E/7 mesh wireless routers and extenders, giving operators the flexibility to offer diverse interface solutions based on various home network configurations. This approach helps customers more effectively manage and maintain their network devices, enhancing user satisfaction with their network experience.

## 4.1 R&D and Green Design

CastleNet, a multinational corporation in the network communication sector, is dedicated to social responsibility and environmental protection. The Company consistently applies green principles across all stages of its product lifecycle—design, production, packaging, sales, and service—while ensuring regulatory compliance and customer satisfaction. Its policies focus on

energy conservation, green design, pollution prevention, and resource recycling. In 2025, CastleNet invested NT$292,381 K in research and development, representing 3.82% of the year's revenue.

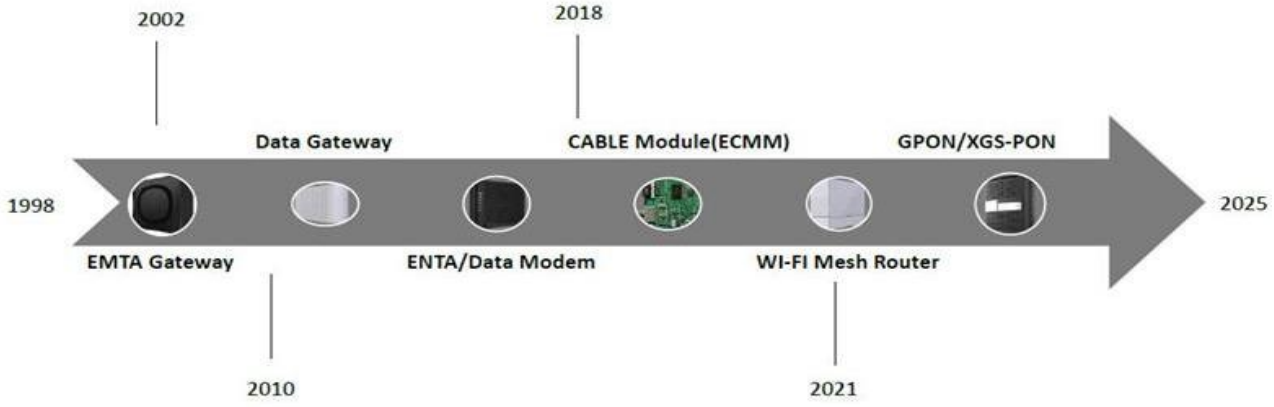
**2021-2025 R&D Expenses over the Years and as a Percentage of Revenue**

| Year | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Expenses (NT$ K) | 93,665 | 117,989 | 131,876 | 128,086 | 292,381 |
| Percentage of Revenue (%) | 5.53 | 10.30 | 23.70 | 31.14 | 3.82 |

CastleNet's main products include cable modems and home networking equipment. With technological advancements and the growing use of artificial intelligence (such as ChatGPT), network bandwidth demand has surged, expanding the need and application for network products. As a result, the Company is developing short-term, mid-term, and long-term strategies for both wired (cable/GPON) and wireless (WiFi) communications to address various bandwidth requirements.

**Short-, Medium-, and Long-term Goals for Innovation in Network Product Development**

| | |
|---|---|
| Short-term | • Strengthen the competitiveness of existing products to maximize their usage in response to market demands.<br>• Review current R&D achievements, incorporate innovative thinking, and transform them into new proposals. |
| Medium-term | • Network products benefit from the evolution of existing communication technologies and the increasing demand for external bandwidth, leading to the development of DOCSIS 3.1+ and XGSPON.<br>• Develop Wi-Fi 7 to meet the demands of multimedia and AI cloud computing.<br>• Stay attuned to market trends and plan relevant product lines and conduct related technical research and product development to meet new market demands. |
| Long-term | • Resource Renewability<br>• Green materials use<br>• Process intelligence / digitalization<br>• Green energy collaboration in industry |




CastleNet is committed to environmental sustainability, continuously advancing eco-friendly principles such as energy conservation across product design, production, packaging, sales, and services. In response to the trend toward sustainable development, the Company has set a mid- to

long-term goal for green product design: "Introducing low-carbon products and moving toward a circular economy." In 2025, the green design outcomes were reflected in three areas: sustainable materials and green packaging.

1. **Sustainable Materials - Using Low-Environmental-Impact Materials**
   - Plastic materials are entirely processed without painting or electroplating, allowing for direct recycling after disassembly without the need for additional decomposition.

2. **Green Packaging**
   - Instruction manuals are made without a glossy protective film, facilitating recycling and reuse.
   - Styrofoam is replaced with cardboard structures in packaging.
   - Some products incorporate QR code printing for accessing installation instructions, cutting the amount of paper used for instruction manuals. (The imported model in 2025 is Infinity 601)

**Green Design Case**

**Partial Replacement of Virgin Materials with Recycled Plastics**

CastleNet is dedicated to cutting plastic usage in its products. For instance, the Company reduces the amount of plastic in clamshell packaging, and also features paper-based packaging to secure the products, and plastic tags have been largely replaced with paper-based designs or QR code printing. The R&D team notes that incorporating recycled materials during manufacturing can lead to brittleness, cracking, or surface imperfections in plastic casings. To find the optimal proportion of recycled materials, continuous experimentation is necessary. Consequently, CastleNet carefully integrates 2~5% proportion of recycled materials in plastic casing production, ensuring that product appearance, durability, and quality are maintained. This approach lessens the reliance on virgin plastic while also decreasing the product's carbon footprint and the environmental impact of plastics.

**ErP ”Directive of Eco-design Requirements of Energy-using Products”**

Starting from goals to increase energy efficiency and protect the environment, the EuP directive became another regulation under the CE marking in Europe. The EuP Directive 2005/32/EC requires manufacturers and importers to assess the environmental factors throughout the entire life cycle of their products and to optimize design based on the assessment results. To further regulate energy-consuming products, the European Council issued the Energy-related Products Directive (ErP Directive) 2009/125/EC on October 21, 2009, replacing the previous EuP directive to alleviate the environmental impact of products. In response to customer requirements, CastleNet ensured that 56.25% of the models mass-produced or currently being tested by customers in 2025 complied with ErP standards.

## 4.2 Quality Management

Excellence in quality and customer satisfaction are the foundations and principles of CastleNet's operations and management. We have established the following quality policies to ensure that our quality management system meets customer and regulatory requirements.

**CastleNet Quality Policies**

- Provide products and services that satisfy customers
- Do the job right the first time
- Continuously pursue improvement and excellence in quality

**Quality Management**

To ensure that CastleNet follows clear guidelines in product design, sales, and customer service activities, we implement a quality management policy aimed at achieving quality assurance, customer satisfaction, and regulatory compliance. We ensure that all operations, from material approval, procurement, product design, to manufacturing and shipping, meet quality management standards. Additionally, we verify the effectiveness of our quality management system through regular internal audits and external third-party assessments, continually improving our review and management processes at every stage.

**Quality Control Strategy**

CastleNet establishes a quality policy and plans the Company's short, mid, and long-term quality processes and systems to ensure control over the quality of design, processes, personnel, materials, and equipment. This approach guarantees that our products and services meet specification requirements and instills confidence in our customers. We regularly perform comprehensive reviews of both the Company's and individual units' performance and improvements.

**Quality Education Training Outcomes 2025**

| Quality Education Training Course | Trainees | No. of trainees (person) |
|---|---|---|
| ESD Operating Instructions | Materials and Quality Assurance Personnel | 20 |
| CMRT and EMRT Introduction | Materials and Quality Assurance Personnel | 20 |

**Management System Operation**

CastleNet builds on the ISO 9001 Quality Management System framework to ensure that products fulfill TL 9000 quality control certification requirements at every stage of production and shipment. We conduct two internal audits and one third-party external audit each year, verifying that our quality management system complies with ISO 9001 standards. In 2025, we did not face any fines or warnings due to violations of product or service regulations, nor did we encounter any incidents of non-compliance with voluntary codes or significant quality defects leading to large-scale product recalls.

**New Supplier Evaluation**

All new suppliers to CastleNet are required to enter into a procurement contract which contains basic supplier information (e.g. company profile, existing customer base) and accompanying documents Environmental Protection Guarantee, Intellectual Property Rights Guarantee, Conflict of Minerals Policy Statement, ISO Quality Management System Certificate, etc. to ensure that new suppliers adhere to our quality standards. New suppliers are expected to conduct a prior self-assessment based on CastleNet's new supplier audit checklist, which covers quality management systems, process quality control, product green design requirements such as the EU RoHS Directive,

and product design and development process control. In 2025, new suppliers were evaluated with a 100% pass rate after rectification.

**Regular Supplier Delivery Quality Rating**

CastleNet Quality Assurance Center collects and compiles the quarterly report of the previous quarter's supplier's delivery quality ratings. The rating items are divided into three categories: incoming material quality, process material quality abnormalities, and whether the improvement/prevention measures for material quality abnormalities are answered in a timely manner (8D response), etc., with the total rating score being 100 points. No weighting is set for each evaluation item and deduction of points are adopted for all items. The evaluation results are classified into four levels: A (Excellent), B (Pass), C (Observation) and D (Counseling). For suppliers that got a fail with a C or D rating, our incoming quality control (IQC) unit at the factory will request the submission of improvement measures or improvement plans, and if necessary, the IQC unit will refer the case to our headquarter to urge them to improve.

We will continue to keep a close watch on the quality of our suppliers' deliveries. CastleNet's QA Center, Purchasing units and the IQC units are working together to upgrade suppliers with C and D grades to A and B grades, with the goal of continued amelioration in product quality.

**Supplier Rating Grades and Scoring Ranges**

| Grade | Scoring Range | Description |
|---|---|---|
| A (Excellent) | Score ≧ 90 | For good responsiveness to improvement measures for delivery quality and material quality abnormalities, they are recommended as first choice when new orders are available. |
| B (Pass) | 90 > Score ≧ 80 | For fair responsiveness to improvement measures for delivery quality and material quality abnormalities, current procurement can be maintained. |
| C (Observation) | 80 > Score ≧ 70 | For a supplier placed on the list of warning, the IQC unit at the factory will ask the supplier to submit an improvement report. |
| D (Counseling) | 70 > Score | For a supplier placed high on the list of concerns, the IQC unit at the factory will ask the supplier to submit an improvement plan and will also request the procuring unit together to urge the supplier to cooperate with continual improvement. |

# Chapter 5 Environmental Sustainability

As sustainability issues evolve, stakeholders’ focus on environmental sustainability now extends beyond just pollution prevention and management. With rapid industrialization and excessive resource consumption, global resource scarcity and the impacts of climate change affect everyone.

CastleNet adopts the strategy of "Innovative Production, Eco-friendliness" to drive environmental sustainability. We actively address issues related to environmental sustainability management, climate change, and net-zero emissions. Our main initiatives, such as "Towards Carbon Neutrality," aim to achieve our environmental sustainability goals.

**2025-2033 Environmental Sustainability Promotion Goals**

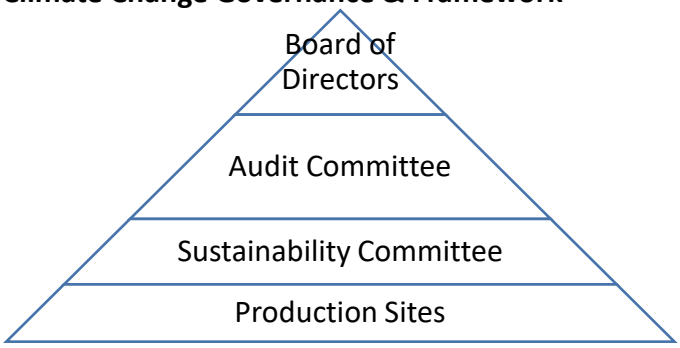
| Topics | Short-term | Medium-term | Long-term |
|---|---|---|---|
| | Goals in 2025 | Goals in 2026-2028 | Goals in 2029-2033 |
| GHG Management | • Plan carbon reduction pathways and strategies<br>• Importe greenhouse gas management information system<br>• Plan for headquarters carbon neutrality by 2033<br>• Followe the Group's 50th Anniversary Climate Declarationp<br>• Plan for headquarters carbon neutrality by 2033<br>• Collaborate with the group to pass the SBTi carbon reduction target review<br>• Followe the group to add greenhouse gas category three verifications (C1/C5/C6/C7/C11)<br>• Implement Internal Carbon Pricing | • Commit to SBT NET ZERO goals<br>• Propose NET ZERO roadmap<br>• CDP Leadership | • Carbon-neutral at headquarters<br>• Hold SBT temperature rise below 1.5°C |
| Energy Management | • Establish energy baseline and targets | • Save 2% on electricity | • Save 7% on electricity<br>• 100% use of electric company cars |

## 5.1 Climate Change Risk & Management

To address the uncertainties arising from climate change and the rapid shifts in international markets and policies, the Company established the Risk Management Regulations in 2022 and formed a Sustainability Committee the same year. The President chairs the committee, with a senior director from the Quality Assurance Department appointed by the Chair to lead the organization. The committee oversees seven working groups focused on ESG issues, consisting of department heads and other designated personnel. It develops, promotes, and strengthens the Company's key sustainability policies and action plans, conducts regular reviews, tracks progress, and updates sustainability performance. The committee reports to the Board of Directors at least once a year, enabling the Board to oversee goals and monitor progress.

The Company’s Sustainability Committee oversees working groups (WGs), including the Product Safety WG and the Environmental and Ecological Protection WG. These groups manage environmental issues, ensure compliance with environmental regulations and international standards, evaluate sustainability plans, improve resource utilization, and address climate change. The Company also has a Risk Management WG, led by the President, who serves as the highest authority. The group consists of personnel selected by the President from various departments, each bringing different expertise. The Risk Management WG is responsible for the Company's risk management policies, identifying risks as outlined in the Company’s Risk Management Regulations, encompassing environmental risk, social risk (including occupational safety and product safety), corporate governance risk, cybersecurity risk, and operational and financial risk. The WG defines all risks within acceptable levels, prevents potential losses, creates value for investors and stakeholders, and achieves optimal resource allocation to ensure the Company’s sustainable development goals are met.

**Climate Change Governance & Framework**




- Board of Directors：The highest decision-making body for climate change risk management, responsible for overseeing and approving risk management policies and key risk management systems, tracking the implementation of risk management and the achievement of performance targets.
- Audit Committee: The supervisory unit of the Sustainability Committee, responsible for supervising and reviewing management reports on sustainable development policies, procedures and structures, major risk issues, and implementation status, and submitting them to the Board of Directors at least once a year.
- Sustainability Committee: Responsible for setting the vision, goals, policies, and strategies for sustainability. The committee oversees the capital expenditures required for sustainability and supervises and guides the implementation of sustainability initiatives. Established in 2022, the committee is chaired by the President, with senior executives from various units and divisions serving as members. The committee monitors climate change issues, identifies and regularly reviews climate-related risks and opportunities, and reviews and integrates climate change risk management reports.
- Production Sites：CastleNet's production sites are operated by affiliated companies under the Group, utilizing an outsourcing model. Under the guidance of the parent company, Kinpo Group members implement the Group's climate change strategies and actions.

**Climate Change Strategy**

Through the TCFD framework, we identify the risks and opportunities associated with climate change, analyze the potential impact on our operations and finances, and grasp the opportunities for transformation, thus formulating coping strategies for moving towards carbon neutrality, practicing energy management, strengthening green product design, and promoting sustainable supply chain management, and reaching out to our operating locations worldwide.

**Climate Change Risk Management**

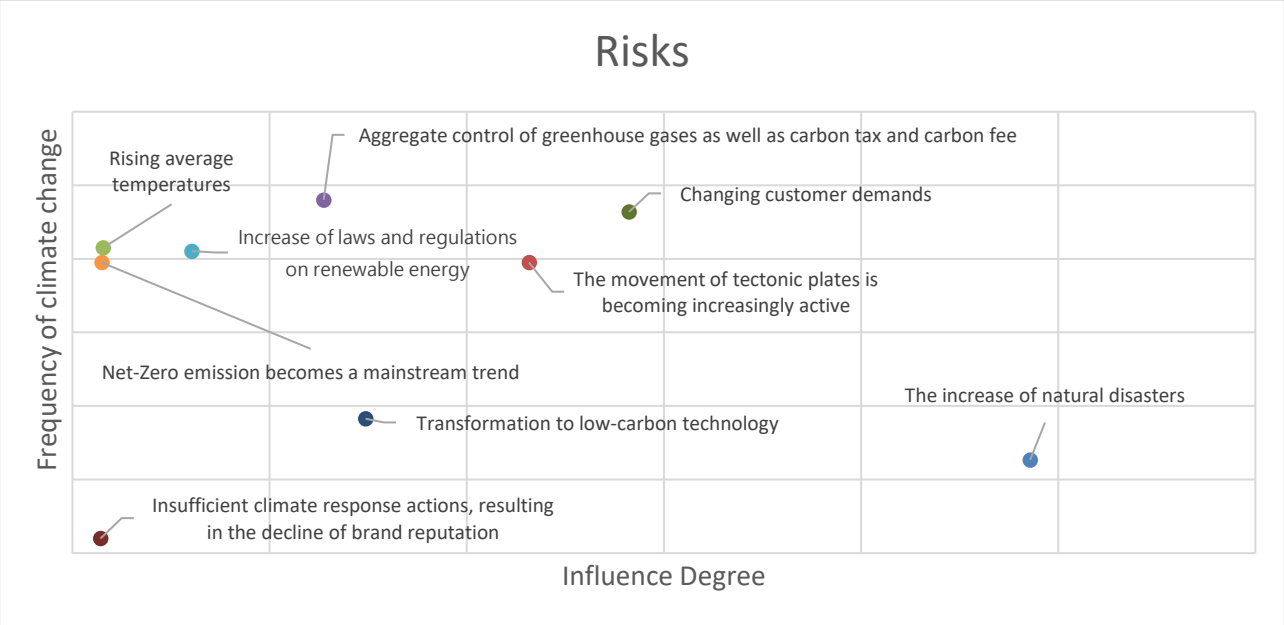
The Sustainability Committee is the highest authority for risk management in the Company, while the President serves as the highest supervisor of the Risk Management Team. The President selects team members from various departments based on their professional expertise. To enhance risk assessment and strengthen management functions, the Board of Directors approved the Risk Management Regulations in 2022. The Risk Management Team is responsible for the Company’s risk management policies, identifying risks as outlined in the Company’s Risk Management Regulations, encompassing environmental risk, social risk (including occupational safety and product safety), corporate governance risk, cybersecurity risk, and operational and financial risk. The team defines each risk within acceptable limits, prevents potential losses, creates value for investors and stakeholders, and achieves optimal resource allocation. It also reports to the Board

annually on operations and performance to strengthen the Company's resilience and achieve its sustainability goals.

**Risk Identification Process**

| Make Inventory of Risks | Rank Risks in Order of Materiality | Set up Responses and Disclosures |
|---|---|---|
| Collect and analyze domestic and international reports and information, and complete an inventory of risk items. | Conduct a matrix analysis of "frequency of occurrence" and "magnitude of impact " through interviews and questionnaires to determine the ranking of climate change risks and opportunities by materiality and present the results to the Sustainability Committee. | Identify the potential risks and opportunities of climate change, and then propose appropriate anagement strategies and damage prevention efforts, and disclose them in the annual sustainability report. |

**Climate Change Risk Matrix**




**Climate Change Risk Statement**

| Type of risk | Type of term | Potential risk items |
|---|---|---|
| Physical risks<br>Risks resulting from climate change due to incident driving (acute physical risks) or long-term climate change (long-term physical risks)<br>Acute physical risks are resulting from weather-related incidents, e.g., rainstorm, flood, draught, or heat wave, with severity and frequency gradually increased.<br>Long-term physical risks are resulting from the long-term changes in climate models, including changes in precipitation and temperature, which may result in the rising of sea levels, the reduction of availability of water resources, the loss of biodiversity, and the change in soil productivity. | Short term | • Extreme climate changes lead to the increased frequency of flood damage. If the overseas OEMs are damaged, the corporate operation may be affected. |
| | Medium term | • The increase of natural disasters results in the interruption of the supply chain.<br>• The movement of tectonic plates is becoming increasingly active, leading to a higher frequency of large-scale earthquakes. The corporate operation will be affected if such damage is suffered. |
| | Long term | Decline of average temperatures. |

| | | |
|---|---|---|
| Transition risks<br>Risks generated during the transformation of the company to low-carbon economy, including risks of policies, laws, technologies, markets, and reputation. | Short term | Aggregate control of greenhouse gases as well as carbon tax and carbon fee. |
| | Medium term | • Changes in customer requirements and preferences.<br>• Transformation to low-carbon technology.<br>• Increase of laws and regulations on renewable energy.<br>• Insufficient climate response actions, resulting in the decline of brand reputation. |
| | Long term | Net-Zero emission becomes a mainstream trend. |

| Corresponding opportunities | Type of term | Potential opportunity items |
|---|---|---|
| Potentially positive impact of climate change on individuals; the efforts made regarding climate change mitigation and adaptation may create climate-related opportunities for individuals. | Short term | R&D and innovation of new low-carbon products and services. |
| | Medium term | Improvement of resource utilization efficiency. |
| | Long term | Improvement of corporate reputation. |

Climate Change Risk Statement – Physical Risk

| Physical risks/Climate opportunities | | |
|---|---|---|
| R (risk) / O (opportunity) | Financial impact - /+ | Response strategies |
| R: The increase of natural disasters results in the interruption of the supply chain. For example, extreme climate changes lead to the increased frequency of flood damage or heat wave. If the overseas OEMs are damaged, the corporate operation may be affected. | - The shutdown of operating sites results in the decline of operating revenue.<br>- The damage of machinery quipment results in the property losses.<br>- The rising prices of raw materials lead to the increase in operating cost.<br>- The decrease in product output results in the decline of operating revenue. | • Give consideration to the risk of flood before new operating sites are established.<br>• Evaluate the risk of flood in the operating sites, and execute risk mitigation measures.<br>• Develop alternative raw materials.<br>• Search suppliers in other regions. |
| R: The movement of tectonic plates is becoming increasingly active, leading to a higher frequency of largescale earthquakes. The | - The toppling of plant buildings, the damage of materials and inventories, the damage of machinery equipment, the injuries of employees, etc. result | • In addition to the purchasing of earthquake insurance just in case, actively search suitable places for plant construction in non-seismic |

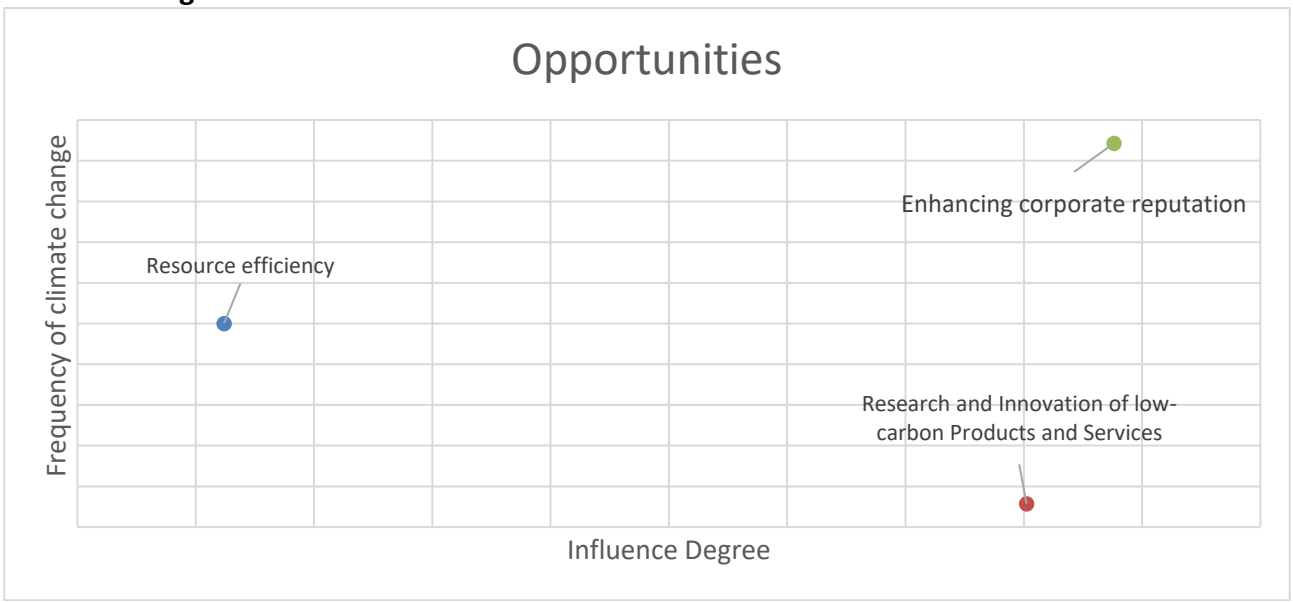
| | | |
|---|---|---|
| corporate operation will be affected if such damage is suffered. | in property losses, decline of operating revenue, and increase in operating cost due to restoration expenses. | regions to spread the supply chain risks and prevent the breakage of the supply chain.<br>• Pay close attention to the building safety, and immediately evaluate the hazard level in case of any amage. |
| R: Rising average temperatures<br>O: Improvement of resource utilization efficiency. | - The increase in power consumption results in the increase in operating expenses.<br>- The shortage of raw materials results in the rising price.<br>- The increase in cost, or decrease in production output results in the decrease in operating revenue.<br>+ Decrease in cost of power consumption. | • Construct green buildings.<br>• Use renewable energy.<br>• Develop alternative raw materials.<br>• Purchase energy-saving equipment.<br>• Adopt environmental management system and track the energy use status.<br>• Establish relevant energy-saving and carbon reduction policies and promote their implementation in the company. |

Climate Change Risk Statement – Transition Risk

| Transition risks/Climate opportunities | | |
|---|---|---|
| R (risk) / O (opportunity) | R (risk) / O (opportunity) | R (risk) / O (opportunity) |
| R: Aggregate control of greenhouse gases as well as carbon tax and carbon fee.<br>R: Increase of laws and regulations on renewable energy. | - The paying of carbon fee results in the increase in operating cost.<br>- The purchasing of RECs results in the increase in operating cost.<br>- The paying of penalties for violation of regulatory requirements results in the increase in operating expenses. | • Strengthen green R&D and innovation.<br>• Improve energy utilization efficiency, and seek opportunities to invest in green energy equipment.<br>• Search suitable renewable energy utilization solutions. |
| R: Changes in customer requirements and preferences.<br>O: R&D and innovation of new low-carbon products and services. | - The reduction of market sales results in the decline of operating revenue.<br>+ The improvement of sales ratio of low-carbon products increases the operating risk. | • Continually invest in the R&D of low-carbon products.<br>• Search raw materials with lowcarbon footprints and reallocate product ingredients.<br>• Research, develop, and make innovations in green products. |

| | | |
|---|---|---|
| R: Transformation to low-carbon technology. | - The development of new lowcarbon processes will increase the R&D cost. Financial losses will be caused in case of development failure. | Establish a project R&D team and develop most suitable, low-carbon technology that benefits management. |
| R: Insufficient climate response actions, resulting in the decline of brand reputation. | - The stakeholder's expectations cannot be satisfied, to harm the corporate reputation and lower the market sales. | Actively pay attention and respond to climate-related issues, strengthen the public welfare image of the enterprise, and enhance customers' sense of identity. |
| R: Net-Zero emission becomes a mainstream trend. | - The setting and operation of carbon reduction equipment result in the increase in cost. | • Continually implement greenhouse gas reduction actions.<br>• Encourage suppliers to take climate mitigation and adaption actions. |
| O: Improvement of corporate reputation. | + Improvement of financing availability and reduction of capital cost. | • Improve the enterprise's green image through transparent disclosure.<br>• Strengthen corporate governance, and establish a corporate culture of emphasis on climate-related issues and engagement in concrete actions.<br>• Improve the performance in sustainability appraisal and establish a favorable image. |

**Climate Change Risk Matrix**



**Description of Climate Change Opportunities**

| Item | Description | Response Strategies |
|---|---|---|
| Enhancing corporate reputation | Proactively proposing climate change measures to reduce risk impacts and help improve sustainability performance domestically and internationally, increasing stakeholders' trust in CastleNet. | • Accelerate the following measures to enhance climate change adaptation and mitigation:<br>1. Actively invest in green product design, energy-efficient plant management (ISO 50001), and increased use of renewable energy.<br>2. Strengthen plant infrastructure and introduce Business Continuity Plans (BCP).<br>• Actively participate in external sustainability organizations such as RBA and CDP with Kinpo Group, and make stakeholders more aware of relevant actions through our sustainability website, sustainability reports, etc. |
| Resource efficiency | 1. Improved energy efficiency to save operating costs.<br>2. Reduced water consumption and water consumption mechanisms. | 1. Set energy-saving targets to achieve long-term carbon reduction and energy-saving goals by achieving each short-term goal.<br>2. Improved process production efficiency, establish a recycling mechanism to extend product lifecycle. |
| Research and Innovation of low-carbon Products and Services | Products that meet energy-saving regulations, meet more energy-efficient features, and bring down overall costs can increase customer willingness to place orders and create revenue growth. | 1. Increase investment in product R&D to develop innovative low-carbon products to match customer needs.<br>2. Organize regular seminars on technical innovation to enhance the knowledge and capability of our staff. |

**Climate Change Metrics and Targets**

1. Conduct Regular Flood Risk Assessments: Evaluate the potential for flooding and establish preventive measures.
2. Monitor GHG Emission Baselines: Ensure the Daye office obtains ISO 14064 certification in line with the Group's standards.
3. Set GHG Reduction Targets: Based on SBTi-approved targets that submitted by Kinpo Group, develop a clear carbon reduction pathway. Using 2022 as the base year, commit to a 55% reduction in Scope 1 and Scope 2 emissions by
4. 2033, and a 62% reduction in emission intensity per million dollars from Scope 3 categories related to purchased goods and services and the use of sold products.
5. Promote Energy Efficiency and Innovation: Save energy and continue to advance energy improvement projects.
6. Enhance Supply Chain Sustainability and Resilience: Complete risk assessments for critical suppliers in 2025 with the Group's standards.

## 5.2 GHG Management

At the 26th UN Climate Summit (COP26), countries agreed to the Glasgow Climate Pact, which aims to limit global warming to 1.5°C. We aim to achieve the establishment of SBTs in the following ways:

**1. Following the establishing baseline of Kinpo Group GHG emissions**

We are promoting a GHG inventory of our factories worldwide, raising the coverage of GHG emissions is 100% since 2022, and ensuring the credibility of our data through third party verification of ISO 14064.

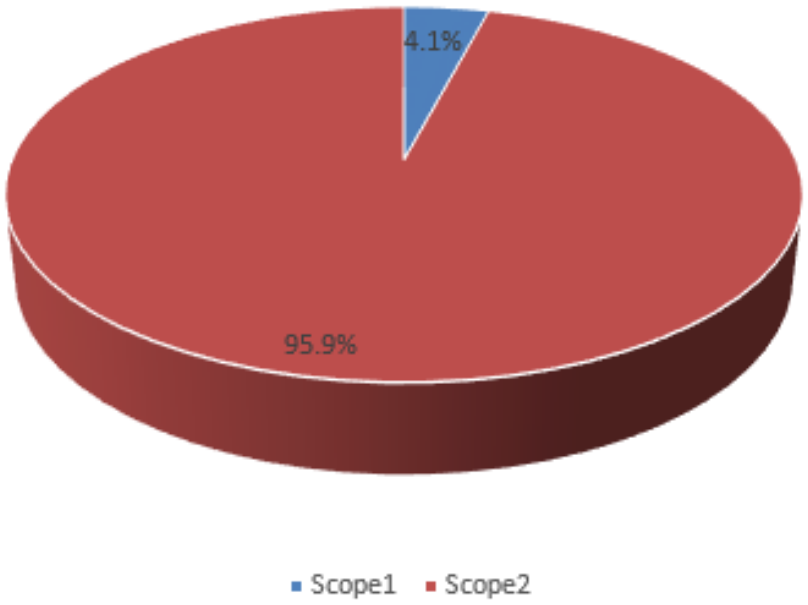
**GHG Emissions by Plant 2021-2025**

In 2025, verified GHG emissions showed that Scope 1 emissions amounted to 22.92 tonnes CO2e, representing 18.23% of total emissions, while Scope 2 emissions reached 525.81 tonnes CO2e, accounting for 81.77%. Due to the official merger with the Korean subsidiary in 2025, the base year needs to be recalculated from 2021 to 2025. CastleNet remains dedicated to implementing energy-saving measures to enhance energy efficiency.

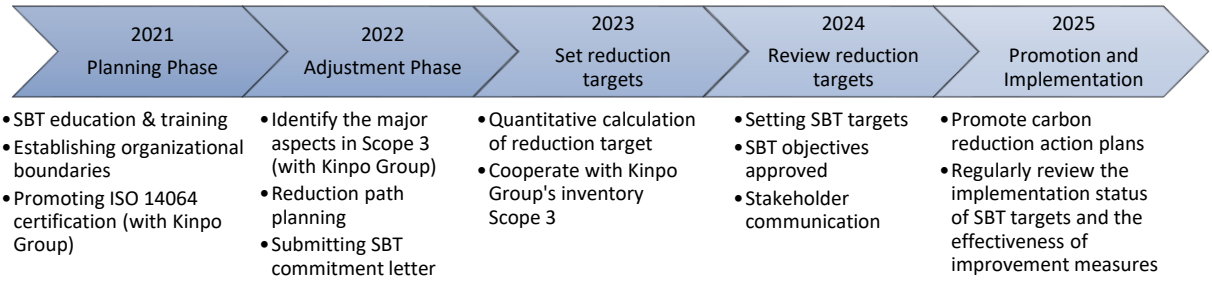
| Year/ Scope | 2021 (baseline year) | | | 2023 | | | 2024 | | | 2025 (New baseline year) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Scope 1 | Scope 2 | Total | Scope 1 | Scope 2 | Total | Scope 1 | Scope 2 | Total | Scope 1 | Scope 2 | Total |
| Beitou Daye | 37.65 | 91.01 | 128.66 | 15.68 | 132.72 | 148.4 | 22.97 | 104.2 | 127.17 | 20.92 | 93.81 | 114.73 |
| Korea | NA | NA | NA | NA | NA | NA | NA | NA | NA | 2 | 432 | 434 |
| Total | - | | 128.66 | - | | 148.4 | - | | 127.17 | - | | 548.73 |

Note: The reason for changing the baseline year from 2021 to 2025 is that HUMAX Networks officially merged into CastleNet in 2025.

**Share of GHG Emission in Scope 1 and Scope 2 in 2025 (Unit：%)**




## 2. Adoption of Scientific Methods




**3. Development of Carbon Reduction Initiatives**

Amid the ever-changing industrial structure and technological trends, companies must continuously innovate to ensure sustainable operations. As a corporate citizen, CastleNet actively promotes GHG reduction through the following methods:

(1) Implementing Energy-Saving and Carbon Reduction Measures: We continually introduce energy-saving and carbon reduction initiatives in the office environment, contributing to carbon reduction goals through process optimization and the improvement or replacement of high-energy-consuming equipment.

(2) SBT Carbon Reduction Targets: In alignment with Kinpo Group, we committed to reduce Scope 1 and Scope 2 emissions by 55% by 2033, as well as to reduce Scope 3 emissions intensity by 62% per million NT Dollars of operating gross profit, this target has been approved for the purchase of goods and services and the sale of products by SBT Compliance review assignment in September 2024. CastleNet and the group will conduct SBT inspections at a fixed time every year, and the current SBT annual target has been achieved.

(3) Implementing carbon pricing: Our company will begin evaluating internal carbon pricing implementation methods and develop a methodology for allocating greenhouse gas emissions to each department, starting in 2025. Starting from 2025, each business department must present internal carbon fees in its monthly departmental expenses. We collect data and estimate potential future carbon reduction costs (such as purchasing renewable energy), develop a calculation formula and principles for internal carbon pricing, and establish the internal carbon pricing at NT$ 300 per ton. In the future, after collecting the total greenhouse gas emissions of the previous year in April every year, carbon pricing will be announced in June, and each department will apply it to the next year's greenhouse gas emissions. Each operating department must include the internal carbon fee in the next year's budget by the end of the year.

Note: The internal carbon pricing fee refers to the carbon fee collection rate of Taiwan's Ministry of Environment, which is NT$ 300 per ton.

## 5.3 Energy Management

**Energy Management**

**CastleNet's Energy Policy**

We are committed to managing and improving energy efficiency to achieve sustainability goals. To this end, we pledge to provide the necessary resources to implement this energy policy.

- **Regulatory Compliance**
  Comply with government energy regulations and other relevant requirements, and honor voluntary energy-related commitments.
- **Reduction of Energy Consumption**
  Commit to energy conservation and energy efficiency, support the procurement of energy-efficient products and services, and the use of renewable energy.
- **Continual Improvement**
  Review and enhance energy efficiency on a regular basis to ensure that targets are met by setting and tracking indicators.
- **Enhanced Communication**
  Promote energy-saving education and training to raise awareness of energy saving among staff and establish good communication channels to consistently convey the Group's energy policy to stakeholders.

CastleNet will regularly review and update its energy policy to ensure its continued effectiveness and alignment with the Group's sustainability goals.

CastleNet is continue to be committed to the sustainable development of environmentally inclusive enterprises. Our management policy for energy conservation aims to reduce energy consumption and improve energy efficiency. In terms of implementation, we will improve related energy conservation improvements in three major directions: lighting, air conditioning, and energy management.

| Cutting Energy Consumption | Boosting Energy Efficiency | Heightening Staff Awareness of Energy Savings |
|---|---|---|
| • Newly procured equipment with high energy efficiency as a priority<br>• Energy management in office space (automatic switching of lighting sensors, air-conditioning set above 26°C) | • Equipment automation<br>• Upgrading equipment performance<br>• Raising production yields | • Environmental education courses<br>• Energy saving and carbon reduction presentation sessions |

In 2025, CastleNet primarily used electricity, which accounted for 85.22% of the Company's energy consumption, while vehicle gasoline usage was minimal at 14.78%.

CastleNet Energy Efficiency Policy:

1. Replace traditional lighting with LED fixtures: Improve lighting efficiency standards by eliminating low-efficiency sources and adopting LEDs. To date, 10 sets (decreasing 4w*4*8(hr)*22d*12*10) estimating a savings of 337.9 kWh.
2. Implement paperless processes: Utilize the Group's EIP and materials systems to digitize documents, forms, and approval processes, thereby cutting paper usage, and implement the recycling and reuse of waste paper.
3. Use eco-friendly office supplies: During the transition to full digitalization, some processes

will still require physical paper documents. In such cases, we choose paper certified by the Forest Stewardship Council (FSC). By using FSC-certified paper, we ensure that the paper is sourced from responsibly managed forests that are protected, support biodiversity, and uphold workers' and local communities' rights, thereby minimizing environmental impact.

4. Turn off lights during lunchtime to implement energy-saving measures.
5. The Korean subsidiary also implements energy-saving and carbon reduction measures. For more detailed information, please refer to its sustainability report.

**Water Management**

The Company's Water Consumption in the Last Two Years (cubic meters (Tonne)): (All Sites and Subsidiaries)

| Scope | Year/ Total Water Consumption (cubic meters (Tonne)) | |
|---|---|---|
| | 2024 | 2025 |
| CastleNet | 1,840 | 1,900 |
| Korean subsidiary | NA | 2,274 |

Compared to 2024, the water consumption in 2025 has increased 60 tons. High temperature months extended and temperatures above 27 degrees Celsius between October and December also happened in 2025. The water consumption of cooling towers also increased due to the increase in the heat dissipation rate of air conditioning.

Establishing a Water Conservation Policy:

1. Post water conservation slogans to encourage everyone to develop the habit of turning off the water promptly.
2. Immediately report any water leaks to prevent water waste.
3. Adjust water usage in public areas, such as pantries and restrooms, by reducing water flow.
4. Replace the sink with a bubble-type water-saving device and a two-stage flushing switch for the women's restroom.

Consolidated total water consumption and group data have been verified by a third party.

**Waste Management**

The Company's Waste Generation in the Last Two Years (Tonne): (All Sites and Subsidiaries)

| Scope | Year/ Total Waste Generation (Tonne) | |
|---|---|---|
| | 2024 | 2025 |
| CastleNet | 6.58 | 4.05 |
| Korean subsidiary | NA | 4.56 |

The company focuses on source management for waste reduction operations, treating the source area as employee household waste. Among them, employee household waste management aims to improve lunch quality, reduce kitchen waste, and promote reduction and classification management to enhance resource utilization and its value; At present, the company has no process waste. The centralized treatment of industrial waste is aimed at classification and safety and is carried out by

legitimate waste disposal operators. At the same time, we also cooperate with resource recycling operators to improve the value of resource utilization and reduce waste.

Waste Management Policy:

1. Sort and recycle resources such as used batteries, toner cartridges, and paper.
2. Manage and dispose of the Company's waste in accordance with legal regulations and comply with zero pollution and no fines.
3. Company waste primarily consists of general refuse, kitchen scraps, and a small number of used batteries. In 2025, all waste was managed and disposed of by a licensed cleaning company contracted through the Liancheng Office Building Management Center.

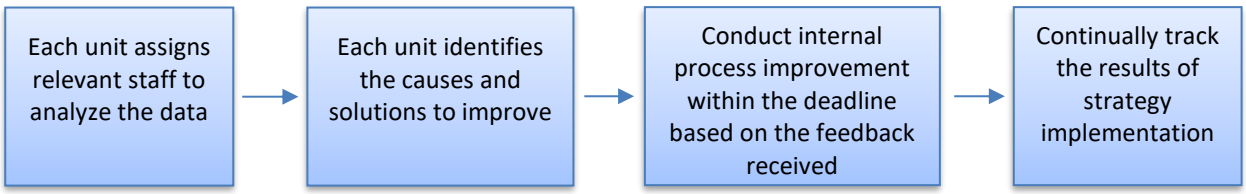
# Chapter 6 Partnerships

## 6.1 Customer Service

CastleNet remains dedicated to a customer-centric approach, delivering high-quality products and services while upholding ethical standards and pursuing continuous improvement. We actively seek innovative solutions, strive for alignment, and aim to exceed expectations, offering exceptional and professional services to enhance customer satisfaction.

Each year, we conduct regular customer satisfaction surveys focusing on three key areas: "Products Quality Satisfaction," "Engineering Technique Satisfaction," and "Interaction Satisfaction." We discuss and incorporate customer expectations into our practices. We have established effective communication channels to promptly, accurately, and efficiently address customer feedback using technological innovation, enhanced professional training, and feedback mechanisms. Additionally, senior management reviews and internal audits are conducted to track and evaluate improvement measures and their outcomes. Through continuous improvement, we steadily boost customer satisfaction.

**CastleNet's Customer Satisfaction Survey Process**




**Customer Satisfaction Survey Results**

We maintain close partnerships with our customers and accurately measure their satisfaction. From 2021 to 2025, our customer satisfaction survey response rate consistently exceeded 80%. In 2025, the average satisfaction level of the questionnaire survey remains at 95.1 points, which is better than the set Excellent score of 81 points and the three-year period from 2021 to 2023, but lower than Y2024. We will continue to engage with our customers, addressing their needs and feedback to progressively improve satisfaction.

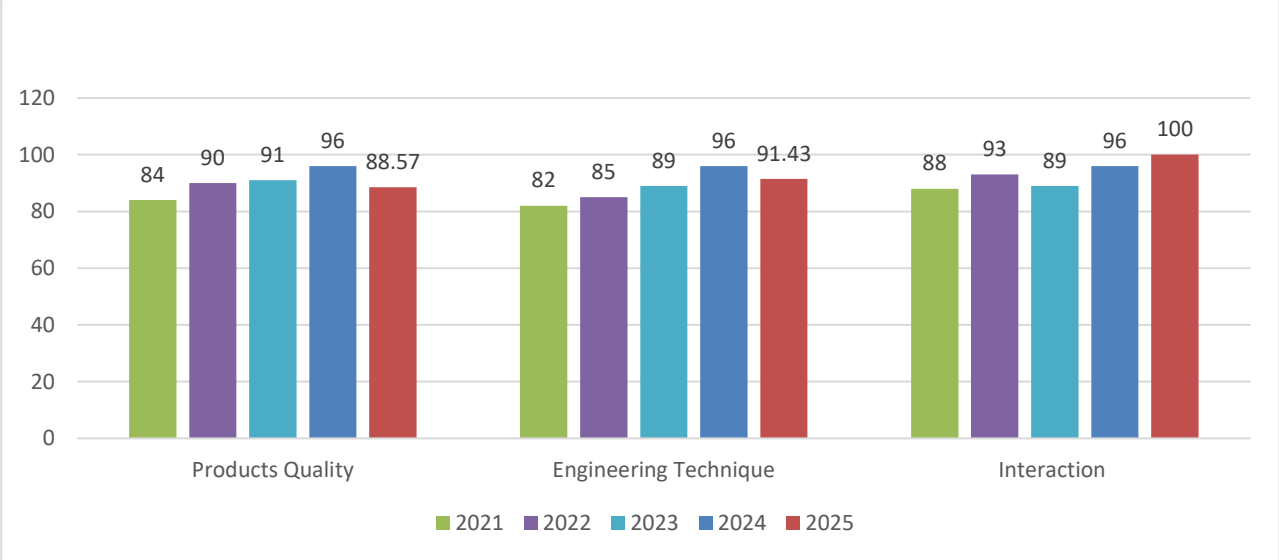
| Grade | Excellent | Good | Fair | Poor | Bad |
|---|---|---|---|---|---|
| Score | 81-100 | 61-80 | 41-60 | 21-40 | 0-20 |

| Year | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Score | 84.67 | 89.33 | 89.67 | 96.00 | 95.10 |

**Average Scores of the Three Capability Indicators in Recent Years**

Compared to 2023, three capability indicators showed an uptick: engineering technique capabilities grew notably by 7.87% and quality satisfaction rose by 5.49%. We will continuously improve and strive towards a customer satisfaction score of 100.

| Year | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Product Quality | 84 | 90 | 91 | 96 | 88.57 |
| Engineering Technique | 82 | 85 | 89 | 96 | 91.43 |
| Interaction | 88 | 93 | 89 | 96 | 100 |




## 6.2 Restricted Substance Management

CastleNet is in full compliance with the restrictions and bans on hazardous substances and responsible mineral sourcing and keeps its customers informed. All of our products conform to international safety standards and international environmental regulations, with compliance information marked on the product or packaging as required by environmental regulations in the

region of shipment (e.g. EU RoHS Directive, EU REACH, Chinese Measures for the Control of Pollution from Electronic Information Products, CE Certification, FCC Certification, BSMI Certification, etc.). We did not commit any breaches of information and labeling requirements or voluntary agreements for products and services in 2025.

**Establishment of the IECQ QC 080000 Hazardous Substance Process Management System**

We introduced the IECQ QC 080000 Hazardous Substances Process Management System to ensure that all processes from design to production abide by quality and hazardous substances regulations. According to the IECQ QC 080000 standard, we regularly collect and disseminate the latest international green laws and regulations as well as customers' requirements on the management of hazardous substances, and adopt green product design (product design that does not use hazardous substances) at the design and development stage and establish green product process management to minimize the use of hazardous substances and implement product green policies and environmental protection. We regularly review compliance with our Hazardous Substance (HS) procedures, maintain the effectiveness of our management mechanism, identify high and low risk materials, publish a list of restricted substances, and hold supplier conferences periodically to publicize our quality and HS reduction policies and requirements to ensure suppliers continue to adhere to the KINPO GROUP's Code of Conduct. We also perform annual audits of QC080000 compliance through an external third-party certification body to make sure that the Group's business units are effectively managing hazardous substances.

**Education and Training**

CastleNet regularly collects and identifies international hazardous substances regulations and responsible mineral initiative (RMI) standards and conducts compliance checks to verify status. Through internal training courses, staff are able to access international regulatory information in real time to enhance organizational knowledge and effectiveness, regardless of location or pandemic, Also enable suppliers to comply with our company's CMRT and EMRT standards.

## 6.3 Responsible Mineral Management

Kinpo is a member of the RBA, as a part of Kinpo Group, CastleNet also adheres to the five principles of the RBA Code of Conduct, including Labor, Health and Safety, Environment, Ethics and Management Systems. We also abide by the RBA's Responsible Sourcing Code and are committed to transparent disclosure of conflict minerals included in our products and components in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Mineral from Conflict-Affected and High-Risk Areas, requiring suppliers to disclose information on the smelters of gold, tungsten, tin, tantalum, cobalt and other minerals used in the supply chain using the Conflict Minerals Reporting Format as part of our corporate citizenship and social responsibility.

To enable responsible sourcing of minerals, suppliers are expected to sign up to the Responsible Minerals Policy Statement for their first partnership with us. We perform responsible minerals probes on an ongoing annual basis across our supply chain using the management tools published in the RMI – Responsible Minerals Reporting Template, including Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT). In addition, we check whether minerals such as tin, tantalum, tungsten, gold, cobalt and mica are used as raw materials for our products, disclose information on the source of minerals and identify whether smelters come from Conflict-Affected and High-Risk Areas (CAHRAs) to ensure that their minerals and metals are supplied from legitimate sources in order to meet our commitment to corporate citizenship and comply with the RBA Code of Conduct. In 2025, we achieved a 85% completion rate of due diligence, all of which satisfied the Conflict Free Minerals requirement, and all of our new suppliers subscribed to the Conflict Minerals Policy Statement.

## 6.4 Sustainable Supply Chain

### 2025-2028 Sustainable Supply Chain Goals

| Strategies | Actions | 2025 | 2026 | 2028 |
|---|---|---|---|---|
| **Enhance Sustainability Risk Management** Require suppliers to adhere to the Group's Supplier Code of Conduct, focusing on improving labor rights, health and safety, environmental protection, business ethics, and management system performance. Actively support suppliers in strengthening core capabilities and reducing operational disruption risks. | Identify suppliers' social and environmental responsibility risks | • Sustainability risk assessments of critical suppliers: 85% | • Achieve a 50% completion rate. | • Achieve a 75% completion rate. |
| | Assess and verify suppliers' social and environmental responsibility performance, providing guidance and support for continuous improvement. | • Effective corrective actions for high-risk critical suppliers are based on the actual completion rate of Kinpo. | • Effective corrective actions: Based on the annual evaluation of high-risk vendors. | • Effective corrective actions: Based on the annual evaluation of high-risk vendors. |
| | Evaluate the ESG potential or risks of new suppliers and provide information for negotiations and supplier selection. | • New supplier evaluations: no new supplier in 2025. | • Reach a 50% completion rate for evaluations. | • Reach a 100% completion rate for evaluations. |
| **Promote a Low-Carbon Supply Chain** Lead suppliers in conducting carbon footprint assessments and developing their GHG management capabilities. | Strengthen supply chain communication and enhance responsiveness to address evolving sustainability trends. | • Implementation of Supplier Code of Conduct and GHG management: According to Kinpo's policies and implementation | • Topic: Biodiversity. | • Topic: Talent-related disclosure requirements. |
| | Promote the development of local suppliers to reduce transportation-related carbon emissions. | • Based on SBTi calculation, set corresponding carbon reduction targets for 2025 carbon emissions | • Set carbon reduction targets for upstream transportation. | • Promote local procurement to meet annual carbon reduction targets. |
| | Assist suppliers in establishing carbon footprint assessment capabilities and set joint carbon reduction targets. Develop a supplier carbon emissions database to inform procurement decisions. | • Establish credible greenhouse gas emission data based on the group's policies and progress | • Push alliance members to establish credible GHG emissions data. | • Support alliance members in achieving carbon reduction goals. |

**Supplier Sustainability Management Strategy**

Kinpo Group is an RBA member, and CastleNet is a subsidiary of Kinpo. We developed the "Supplier Code of Conduct" based on the RBA Code of Conduct and the Company's sustainability requirements to build suppliers' sustainability capabilities. In managing and selecting suppliers, we consider four dimensions: Quality, Delivery, Cost, and Service (QDCS). Since 2022, we have integrated sustainability issues into supplier management. New suppliers are mandated to sign procurement contracts (including the Supplier Code of Conduct), Conflict Minerals Declarations, and Environmental Protection Guarantees to ensure compliance with Kinpo's sustainability standards. Existing suppliers undergo sustainable supply chain management processes so that the Company

can identify sustainability risks among critical suppliers, adopting support mechanisms to boost their performance.

The Company continues to implement its sustainable supply chain program under the ongoing supervision and guidance of the Board of Directors. We communicate our commitment to sustainability and our requirements to suppliers, working together with them to achieve high-quality supplies that meet sustainability goals. Each year, in addition to conducting sustainability risk assessments of critical suppliers to ensure compliance with CastleNet's Supplier Code of Conduct, we audit and guide high-risk suppliers and track their improvements. If a supplier fails to make improvements within the specified timeframe, we report to the procurement department and recommend replacing the supplier.

Supplier Code of Conduct

**Supplier Selection Criteria**

In 2025, CastleNet will select critical suppliers from the top 70% by transaction value in 2024 relative to the total procurement amount. We will introduce a new supplier sustainability risk assessment in 2025, proactively evaluating suppliers based on their environmental, social, governance, and business-related factors.

**Sustainable Supply Chain Management Process**

Carried out through a PDCA cycle, our supply chain sustainability management aims to establish core strategies to manage the sustainability risks in the supply chain, ensure suppliers meet CastleNet's standards and improve the sustainability performance of suppliers.

Plan - Sustainable Supply Chain Management Strategy

As a part of Kinpo Group, Kinpo is a member of the Responsible Business Alliance (RBA) and has developed a Suppliers' Code of Conduct in accordance with the RBA Code of Conduct as the overarching principle of sustainable supply chain management to identify and manage supply chain sustainability risks and enhance the sustainability of the supply chain.

Do - Supplier Risk Assessment

We conduct a Sustainability Assessment Questionnaire (SAQ) audit for key suppliers (excluding agents, RBA members, affiliates, etc.) whose purchase amount constitutes over 70% of our total procurement spend. The items assessed include labor rights, health and safety, environmental protection, corporate sustainability performance and management systems, and through analysis, we identify high-risk suppliers and issues of particular concern. The assessment results are categorized into three levels: Level A (low risk): ≥81 points; Level B (medium risk): 61-80 points; and Level C (high risk): <60 points.

Check - Audit Confirmation

For high-risk suppliers, we undertake on-site audits and request for improvement, and within one week of the audit, we will issue a Corrective Action Request for the supplier to make rectifications and reply within one month, and follow up until the case is closed.

Action - Improvement Plan

By identifying high risk issues through risk analysis, we create educational materials based on our own experience to share with our supplier partners.

▲ Supply Chain Sustainability Management P.D.C.A. Cycle

**Supplier Audits**

In 2025, we will adopt the SAQ questionnaire to identify potential risks in our supply chain. Suppliers scoring below 60 points will be classified as high-risk. To effectively manage sustainability risks, we will conduct audits on these high-risk suppliers to further evaluate and understand their risk status.

For high-risk suppliers whose audit results do not meet the Supplier Code of Conduct, we will require them to propose and take corrective actions within two months and provide supporting documentation of the improvements. Suppliers who fail to address the issues within the given timeframe will be reported to the procurement department with a recommendation for replacement.

# Chapter 7 Employee Wellbeing

Employees are a vital asset to the Company and are key to maintaining our competitive edge. Caring for our employees is a fundamental aspect of our human resource development. We recruit talented individuals to build a supportive workplace and work together towards serving our customers and achieving sustainable growth.

We are committed to creating the best and safest work environment by carefully listening to our employees, understanding their needs, and achieving the following results:

1. The headquarters with Kinpo Group won the 1111 Job Bank's Happy Enterprise Award for the second consecutive year.
2. Since 2020, we have provided childbirth subsidies to employees, offering NT$66,000 for each newborn, with a total subsidy amounting to NT$594,000.
3. The 2025 employee satisfaction survey encompasses internal communication and information, salary and benefits, job content and growth opportunities, as well as the work environment and atmosphere. The annual survey results show that the overall satisfaction of colleagues with the workplace environment averages 7.3 points (out of 10 points), reflecting that the company has established a solid foundation in employee well-being and workplace atmosphere.

## 7.1 Human Resource Management Policy

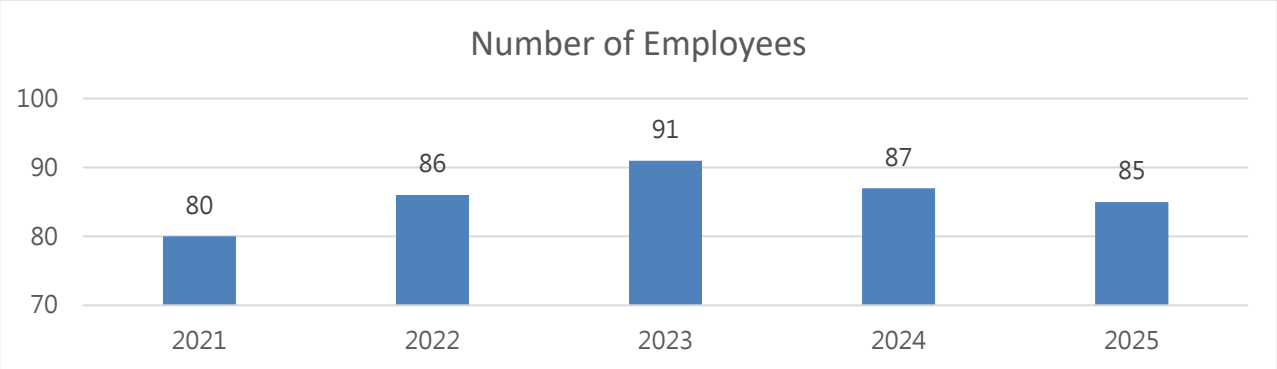
With the belief that employees are the fundamental and most valuable asset of a company, CastleNet respects the uniqueness of each employee and sees "people" as a strategic resource that can create advantages for the organization. In human resources management, we treat all employees fairly, humanely and systematically, and establish appropriate communication channels to give employees the opportunity to express their views. Additionally, we continue to strive for a balance between work and quality of life for our employees, creating an equal and harmonious working environment where they can excel in the right positions. The functional human resources

policies are as follows:

- Employment Policy: We correctly assess the human resource needs of the organization and conduct internal and external selection in an open, fair and equitable manner to select like-minded people to join the Company and realize the concept of "the right person for the right position".
- Training and Development Policy: Through a wide range of learning tools and a robust training and development system, we strengthen employees' willingness and ability to work, enhance their personal performance to achieve corporate goals.
- Compensation and Benefits Policy: We offer compensation and benefits that are fair externally, internally and personally based on market trends and operational considerations.
- Employee Relations: We provide quality labor conditions, working environment, communication channels, employee assistance and foster a quality corporate culture to align employee goals with organizational goals, enhance employee happiness and create maximum benefits for employees and employers.

**Human Resource Analysis**

**Headcount**




**Gender Ratio**

The company has established regulations on menstrual leave, maternity leave, paternity leave, and maternal protection in accordance with the “Labor Standards Act” and the “Act of Gender Equality in Employment”. We also provide parental leave, breastfeeding break, and family care leave, as well as well-equipped nursing rooms for female colleagues during the nursing period.

The company, in accordance with the "Act of Gender Equality in Employment" and the "Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace" issued by the Ministry of Labor, has formulated the "Measurement for Prevention, Complaint and Discipline against Sexual Harassment in Working Place" to uphold gender equality work and personal dignity, and prevent sexual harassment in the workplace. Kinpo group invites professional lecturers from time to time to give lectures, internalizing the positive concept of gender diversity in the workplace to every employee, in order to enhance teamwork, eliminate stereotypes, and establish a healthy workplace environment.

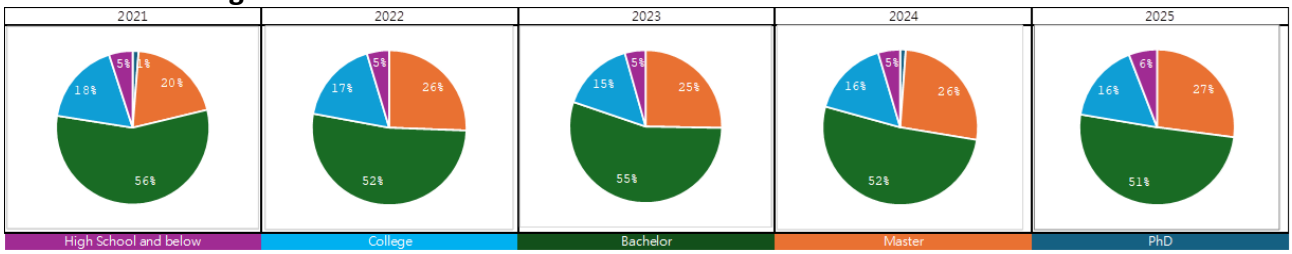
Number of Staff by Gender and Age in 2025:

| Gender Equality Metrics | Percentage |
|---|---|
| Percentage of Female Employees (%) | 28.24% |
| Percentage of Female Managers (%) | 21.15% |

| Percentage of Employees by Age Group | Percentage |
|---|---|
| Under 30 years old (%) | 5.88% |

| | |
|---|---|
| 31-50 years old (%) | 57.65% |
| Over 50 years old (%) | 36.47% |

**Educational Background Statistics**




**Employment for People with Disabilities**

As regards the employment of the physically and mentally challenged, in line with the efforts of various governments to facilitate the employment of people with physical and mental disabilities, our headquarters has collaborated with social welfare organization Eden Social Welfare Foundation to recruit visually impaired persons to give massage to our staff, so as to help them relieve their tense muscles and achieve the effect of relaxation and elimination of fatigue.

Currently, we employ one person with disability, meeting the employment standards.

**Human Resource Mobility**

The Company sets its recruitment targets according to the current year's industrial situation, business strategy, and employment needs. In 2025, our headquarters responded to job seekers' questions openly, transparently and immediately through our external recruitment website, while our overseas factories scouted for the best talent by profiling their own recruitment needs.

Newcomers are given an orientation session on the day they report for work, and are introduced to the internal and external environment and hardware and software of the Company to help them adapt to the unfamiliar environment and to provide them with guidance and assistance in their duties. For those who wish to leave the Company, our human resources staff will meet with them to understand their needs and reasons for departure, If needed, we provide coaching or internal transfer assistance for career development opportunities. In 2025, there were 7 new employees and 11 resignations, with an annual retention rate of 87%. (Note: Annual retention rate=(number of new hires at the end of the period)/number of new hires at the beginning of the period)

| | |
|---|---|
| Significance to the Company/ Management Policy | Founded on the idea that talent is the fundamental and most valuable asset of acompany, CastleNet has built a diverse and inclusive workplace through diverse and innovative recruitment channels to bring in talented people from all over the world, and is committed to building a happy workplace and contributing to the sustainable growth of our customers and the Company together. |
| Policies and Commitments | The Company has set up a responsible unit to take charge of relevant matters, adhering to the relevant labor laws and regulations and international human rights conventions in the places where the Group's factories are based, and striving to protect the rights of employees. Through a fair and open selection mechanism, our employment policy does not differentiate nor discriminate in any form under any circumstances, and we provide reasonable remuneration packages, comprehensive welfare programs, a sound talent cultivation system and staff wellbeing scheme to effectively enhance work efficiency and team cohesion. |

| | |
|---|---|
| Goals | 1. Short-term goals<br>• Create an equal and harmonious workplace to enable employees to give full play to their talents in suitable positions and promote retention of talents, with a retention rate of over 70%.<br>• Implement employee care and provide various benefit packages.<br>2. Medium and long-term goals.<br>• Set up a better performance appraisal system to motivate staff by awarding them more competitive rewards.<br>• Comply with the relevant labor laws and international human rights conventions in each of the Group's operating locations to remain free from human rights violations and discrimination.<br>• Take care of the physical and mental health of our employees and design a more flexible benefit package based on their needs. |

**Performance Appraisal and Job Rotation**

To understand the performance of our staff and to provide a basis for promotion, training and development, salary adjustment, staff remuneration and performance improvement, we have established the "Employee Performance Appraisal Management Regulations" and conduct half-yearly appraisals of our staff. We also have an internal transfer mechanism in place, which allows staff to be transferred to other units if they meet the following criteria:

1. In the event of a change in the organization of a department, the staff of the department may be transferred to other units of the same department based on their professional qualifications and wishes.
2. Where a department intends to downsize, the staff chosen for redundancy may be transferred to other units in different departments according to their qualifications and wishes.
3. To nurture outstanding talents, the department head will select and arrange for them to be transferred to different units for training, so as to cultivate them into all-round personnel.

**Performance Appraisal Process (Excluding Newcomers)**

**Promotion Mechanism**

To make the most of human resources and their capabilities, and to motivate employees to deliver excellent performance, the Company has created a comprehensive internal promotion

mechanism to ensure a smooth promotion mechanism across all positions and to cater for the development needs of the Company and its employees, so as to enhance the core competitiveness of the Company and its employees, thereby boosting the Company's operational performance.

**Human Rights Management**

As a part of Kinpo Group, Kinpo abides by the labor-related laws and regulations in all of the locations where it operates worldwide, and makes reference to the spirit and basic principles of human rights protection enshrined in international human rights conventions such as the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the UN Global Compact, and the International Labour Organization Conventions, and strictly implements the Responsible Business Alliance Code of Conduct to protect the human rights of all its employees, including regular employees, contract and temporary workers, and interns.

The Company's human rights policy applies to the Company and its domestic and foreign subsidiaries and other enterprise organizations affiliated with the Group over which it exercises substantial control, and is applied as follows:

1. Prohibition of Discrimination: We eliminate unlawful discrimination on the grounds of race, color, age, gender, sexual orientation, religion, disability, trade union membership or political affiliation and to ensure equal opportunities in employment.
2. Prohibition of Child Labor: We do not use child labor and do not accept any suppliers or outsourcers who use child labor.
3. Prohibition of human trafficking: The use of forced, bonded (including debt) or contractually bound labor, involuntary or exploitative prison labor, and enslaved or trafficked persons is prohibited.
4. Prohibition of forced labor: Respect employees' freedom, and workers have the right to freely resign or terminate their employment relationship at any time.
5. Reasonable Pay and Benefits: We provide employees with basic pay and benefits that meet or exceed the requirements of local laws and regulations.
6. Protecting employees' freedom of association and collective bargaining rights: Employees can freely form associations in accordance with the local laws and regulations of the country where they operate, and have the freedom to choose whether to join or not to join trade unions or employee organizations they form. And respect the collective bargaining rights of employees, ensuring communication with employers or management regarding working conditions without fear, retaliation, threats, or harassment.
7. Diverse and Inclusive Workplace: We protect the labor rights of disadvantaged groups such as indigenous people, women, migrant workers, contract workers and people with disabilities.
8. Healthy, Safe and Friendly Workplace: We provide a safe, healthy and harassment-free workplace.
9. Maintain the Physical and Mental Health of Employees: We support and assist our employees in maintaining their physical and mental health and work-life balance.
10. Keep Communication Channels Open: We have established an open management style and communication environment that encourages frank expression of opinions.
11. Respect for Privacy: We make sure that the collection and use of personal information conforms to regulatory requirements.
12. Continued Improvement: We regularly review and evaluate relevant risks and effectiveness and optimize management measures.

We are committed to creating a harmonious working environment and eliminating illegal discrimination and harassment. We respect the uniqueness of each individual and comply with the

relevant labor laws and international human rights conventions in each of the Group's factories. We are committed to protecting the human rights of our employees and have instituted reasonable remuneration packages, comprehensive welfare programs, a sound talent cultivation system and appropriate communication channels. Therefore, during the reporting period, we did not commit any human rights offenses such as child labor, forced labor, labor disputes, breach of gender equality and sexual harassment in 2025.

## 7.2 Salaries & Benefits

**Descent Salary**

The Company has established a remuneration management regulation that combines the employee performance appraisal system with bonus payment standards, and provides year-end bonuses based on operational conditions and individual performance, and shares the Company's profits with employees. On top of providing social, medical and retirement benefits as required by the government, we also offer a wide range of benefits in order to win the hearts and minds of our staff, so that they can contribute to their work. In addition, we abide by government regulations and operate with ethical principles in order to attain our goal of sustainable business and prosperity.

According to the Taiwan Stock Exchange, listed companies are required to disclose the number of full-time employees who do not hold executive positions, average salary, median salary and the difference between the first three items and those in the previous year.

**Full-Year Average and Median Salary**

| Company | Item | 2024 | 2025 | Difference |
|---|---|---|---|---|
| CastleNet | Full-time employees (person) | 89 | 79 | -10 |
| | Average salary (NT$) | 1,040,000 | 1,117,000 | 77,000 |
| | Median (NT$) | 944,000 | 975,000 | 31,000 |

**Better-than-Statutory Benefits**

| Item | Content |
|---|---|
| Flexible Working Hours | Employees may arrange their own commuting time within their time slots. |
| Employee Remuneration/ Bonus | Payments are based on the Company's annual operating status and individual performance. |
| Employee Stock Option Certificates | Benefits based on individual performance. |
| Marriage leave | Employees can apply for engagement leave when they hold an engagement ceremony before getting married. |
| Breather break | Unrestricted breastfeeding period, employees can go to the breastfeeding room as long as they need. |
| Maternity Allowance | Maternity allowance of NT$1,000. |
| Maternity Bonus | Apart from the employee himself/herself, the employee's children are also entitled to a maternity bonus of NT$66,000 per newborn baby. |
| Club Grants | Application for club grants. |
| Scholarships | Employees and their direct descendants who are enrolled at senior grades in elementary schools, junior high schools, senior high schools, vocational high schools and tertiary institutions at home or abroad, |

| Item | Content |
|---|---|
| | and whose academic results meet the required standards, are eligible to apply for scholarships. |
| Volunteer Leave | Volunteers can apply for paid volunteer leave during the working hours if they participate in volunteer activities organized by the Company. |
| Epidemic Childcare Leave | In response to an upsurge in COVID-19 cases and the closure of schools, staff were granted epidemic care leave to take care of children at home. |
| Typhoon day-off | If the government announces a day-off due to a typhoon, paid leave will be granted |
| Staff Transport | The Company provides shuttle bus service for staff to and from work and overtime. |
| Staff Meals | Staff lunch is provided on working days. |
| Stress Relief Massage | The Company employs visually impaired masseurs to provide stress relief massage services. |
| Travel Allowance | Travel allowance for staff. |
| Vacation leave | Paid travel leave for employees and value their life balance. |
| Year-End Bonus | Based on individual salary ratio/performance/annual employment ratio. |
| Lunar New Year and Birthday Bonus | Birthday and Lunar New Year bonus / gifts for staff. |
| Staff Gathering / Raffle | Spring party, year-end banquet, raffle. |
| Annual Health Check | Free staff health check. |
| Staff Referral Bonus | Referral bonus for newcomers. |
| Medical Benefits | Medical benefits for staff. |

**Retirement System**

CastleNet has established the "Employee Retirement Rules" in accordance with the Labor Standards Act and the Labor Pension Act. We ensure that employees' pension contributions and benefits comply with these regulations, and we engage an actuary to provider regular actuarial reports to safeguard employees' future pension rights. For employees hired on or after July 1, 2005, we apply the new labor pension system as mandated by the Labor Pension Act.

**Maternity Allowance**

Starting from 2020, all regular employees or children of employees at the headquarters received a subsidy of NT$66,000 for each newborn child, a total of 6 employees in CastleNet received maternity bonus and the total amount of the maternity bonus amounted to NT$396,000.

| Year | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Number of Recipients (Person) | 2 | 2 | 1 | 0 | 3 |
| Amount of Benefit (NT$) | 132,000 | 132,000 | 66,000 | 0 | 198,000 |

**Employee Welfare Committee**

As required by law, the Company allocates 0.05% to 0.15% of its monthly turnover to the Employee Welfare Committee, which uses the funds to provide various benefits to its employees. We have also set up an "Employee Welfare Committee," which is comprised of both employers and

employees, with members of the committee being elected by and from among the departments. The committee holds regular meetings to discuss and implement matters and activities related to staff welfare and to design staff welfare activities, including the provision of benefits such as Labor Day cash gifts, birthday cash gifts, wedding and funeral allowances, education grants and scholarships for children, company tours and annual yearend banquets to cater for the daily needs of staff.

**Staff Welfare Programs and Input Costs**

| Item | 2022 | 2023 | 2024 | 2025 | Remarks |
|---|---|---|---|---|---|
| Benefits (Marriage, Funeral, Maternity and Hospitalization) | 20,500 | 16,600 | 18,000 | 8,000 | Paid by Employee Welfare Committee |
| Travel Allowance | - | 237,000 | 223,732 | 484,813 | |
| Festival and Birthday Bonus | 394,241 | 335,825 | 348,000 | 337,729 | |
| Scholarships for Employees' Children | 48,500 | 23,500 | 29,000 | 67,000 | |
| Club Grants | 0 | 0 | 0 | 0 | |
| Departmental Social Events and Lunar New Year Gifts | 241,757 | 67,000 | 6,000 | 0 | |
| Year-end Party consolation prize | 128,183 | 110,840 | 262,270 | 218,577 | |
| Event expenses | 108,345 | 323,512 | 226,556 | 41,808 | |
| Year-end Party | 386,000 | 1,063,600 | 584,728 | 697,969 | Paid by Company |
| Total | 1,327,526 | 2,177,877 | 1,698,286 | 1,855,896 | |

## 7.3 Staff Development

**Complete Training Plan**

Guided by the belief that "Employees are the fundamental and most valuable asset of a company," CastleNet is committed to providing quality nurturing and development opportunities to help our employees grow stronger. From the first day of employment, we provide our employees with a comprehensive learning plan, continuously exploring new knowledge through flexible learning methods, and creating a growth environment full of innovation and progress. In the face of constantly changing environments, we establish a more diverse and happy workplace, cultivate a sense of diversity, equality, and inclusiveness, so that every member can feel their own value in the organization, and work together towards an inclusive future.

We offer a wide range of programs and resources to help employees realize their self-worth, thereby fostering their identification with the organization and enabling them to grow, thrive and excel together. To fine-tune our staff training programs and to keep them attuned to the needs of the workplace, we design a training needs questionnaire each year to serve as a reference for the direction of training in alternate years, with the goal of helping the organization to continuously improve the value of their people and their competitive edge, as well as helping employees to achieve high levels of productivity and effectiveness.

In the meantime, through the Company's internal basic training (including but not limited to: newcomer training, Group quality-based training, fire drills, legal and information security related courses, etc.), internal training courses for each function (including without limitation: core functions, management functions courses, tool skills training, language training, etc.), external training, and on-the-job training in the department, we have embedded mandatory training courses and credits in the promotion criteria for each job rank, in a bid to strengthen the professional knowledge, skills and expertise and learning motivation of our employees and enhance their performance and continued growth. We include compulsory education and training courses and scores in the promotion criteria for various job levels to strengthen the professional knowledge, skills, expertise, and learning motivation of employees, enhance their work performance, and promote their continuous growth. The average training hours per person for education and training in 2025 are about 23 hours.

**Kinpo Group Online Library**

Kinpo has partnered with HyRead ebook in building the Group's online library, providing staff (including CastleNet staff) with more access to ebooks. The Kinpo Group Online Library offers a wide range of magazines and books for self-study and further study. Not only are their specialist knowledge reinforced, but through the use of technology and mobile app, staff can study anytime and anywhere, utilizing fragmented time to enhance their learning output.

**Kinpo Group Online Academy**

With the ever-changing environment, digital transformation has become an integral part of business. Kinpo's headquarters has also introduced an online learning platform, Kinpo Group Online Academy, which features convenient, flexible, diverse learning resources, including language training, tools and skills series (e.g. Excel and PowerPoint), soft-skills seminars (e.g. emotional management, workplace stress relief, etc.) and industry trend seminars to cater to the different needs and learning styles of employees, and furnishing employees with more diverse learning channels to enrich their skills and knowledge.

## 7.4 Employee Communication

**Promoting Harmonious Labor Relations**

Harmonious labor relations and a friendly working environment are the strength driving a company's constant growth. Dedicated to the management philosophy of "Innovation, Harmony and Excellence," Kinpo Group has attached special significance on labor relations since established. On top of its management philosophy revealing the idea of "harmony," the Company also seeks to understand the voices and thoughts of its employees at all levels through various communication channels in its daily operations. To enhance two-way communication between management and employees and to foster good labor relations, we have built up various channels of communication within the Company, through which employees can express their views and suggestions to senior management, thus eliminating misunderstandings and barriers, and enabling employees' ideas and opinions to be responded to and dealt with immediately.

| Channel | Content |
|---|---|
| Kinpo Group EIP | Set up the Company's intranet site to publish important corporate news, regulations and activities. |
| CastleNet Portal System | Publish announcements, file center and resource center, portal website integration applications. |
| TV Wall | A TV wall was set up at each major entrance of the Shenkeng plant to broadcast the Company's initiatives and activities and invite staff to join. |
| Staff Computer Desktop | Set up the group's media promotion icon and monthly slogan in the bottom right corner of the computer desktop to promote relevant content. |

**Create Diverse Communication Channels**

The Company provides a wide range of channels for reporting and filing complaints to prevent unlawful, unethical and other violations of government regulations and corporate rules, and has set up an employee mailbox as a way for employees to voice their problems and receive suggestions. Alternatively, employees can lodge a complaint or report to their BU head, local auditing officer, human resources officer, legal officer, local report box, or suggestion box, and the relevant officer will respond and handle the matter appropriately. We are committed to safeguarding the rights and interests of our employees, and we have instituted various policies that take into consideration the rights and interests of our employees so that they are fully protected. The Company expects its employees to live up to its corporate culture of "Innovation, Harmony and Excellence." The Company has maintained harmonious labor relations with each of its plants, and the work rules are governed by the relevant laws and regulations, and the notice period for the departure of employees is regulated under the Labor Standards Act. In 2025, we did not suffer any losses due to labor disputes.

| Communication Channels | Description |
|---|---|
| Physical Mailbox | Physical mailboxes at Daye office. |
| Online Complaints | A mailbox on the Company's intranet site for staff to fill in forms and express their views directly online. |
| E-mail | A dedicated e-mail address at CTI audit@castlenet.com.tw for employees to send their opinions. |

**Labor Organization / Employee Welfare Committee**

We have a well-established Employee Welfare Committee, which is composed of elected representatives from each department and holds irregular meetings to discuss relevant topics. The committees conduct relevant employee welfare measures and activities from time to time to create a work-life balance for employees through various events. In 2025, the Employee Welfare Committee met 4 times.

## 7.5 Employee Health

**Environmental Safety and Health Policy**

- Comply with the relevant national and governmental environmental and safety and health laws and regulations.
- Promote environmental and safety and health management-related education and training activities to enhance employees' awareness of environmental and safety and health issues and facilitate their participation and implementation.
- Consistently improve environmental and health and safety performance through pollution prevention, accident prevention, energy conservation and responsible care.

- Establish good communication channels to communicate our environmental, safety and health policies to employees, suppliers, related organizations and the public.

**Risk Identification and Assessment**

We identify potential safety and health risks in the workplace and develop appropriate control measures to reduce the incidence of occupational hazards and diseases. Risk identification and assessment includes routine and non-routine operations, such as the office is equipped with fresh air ventilation devices to reduce the hazards of carbon dioxide concentration and conducts carbon dioxide concentration testing every six months.

**Occupational Safety and Health Education and Training**

We are devoted to protecting the health and safety of our employees. We provide a safe and suitable workplace and take an active role in disseminating safety and health information to heighten employees' safety awareness. We have made safety and health education and training courses compulsory for new recruits, teaching them how to avoid possible injuries and emergency response techniques at work, so that they can have a proper and professional consciousness of safety and lower the chance of hazards when they start working.

We educate our staff on occupational safety and health through workplace safety promotion campaigns and internal training, by engaging experts to give lectures at our factory, as well as through our intranet site, e-mails and bulletin boards. In addition, we have set up a comprehensive emergency response procedure and notification mechanism to protect the health and safety of our employees.

**Occupational Safety Education and Training at Headquarters 2025**

| Category | Course Title | Target Audience | No. of people |
|---|---|---|---|
| Safety and Health Training | Occupational Safety and Health Education Training for Newly Employed Workers | New staff | 4 |
| | On-the-job Training for Occupational Safety and Health Personnel | Occupational safety and health staff | 1 |
| Fire Safety Training | Fire Safety Training | New and current emplyees | 16 |
| Evacuation Drill | Emergency evacuation drill | Current emplyees | 7 |

**Safety Management Measures**

We are committed to providing a safe and comfortable working environment for our staff and to ensuring their safety and health. To safeguard the safety of the factory grounds, we do so by the following means:

- Employees are required to swipe their cards to enter the factory and wear identification cards for identification purposes.
- Public areas are equipped with surveillance cameras.
- The first-floor gate is patrolled by security personnel 24 hours a day. The office has electronic security measures that will be set up after work to prevent potential safety hazards.
- Installation of surveillance cameras at office entrances and laboratories to ensure the safety of our personnel and assets.

**Contractor Safety and Health Management**

We continue to practice contractor safety and health management. In accordance with the Occupational Safety and Health Act, we communicate the construction safety and health requirements to our contractors prior to their operations at the plant, and undertake pre-, mid-, and post-construction inspections to prevent occupational hazards at workplaces. In addition, the contractor can communicate with our Occupational Safety and Health Office at any time on matters pertaining to construction safety and health, in order to safely complete all contracted tasks.

**Occupational Injury Information**

To gain knowledge of the causes and effects of accidents, we have laid down the Accident Investigation and Occupational Injury Handling Procedures to probe into and analyze the source of hazards and keep them in check so as to prevent them from occurring and mitigate the risk of injury to personnel, loss of property and increased costs. For near-miss events that do not result in casualties, property loss or process interruptions, but do cause alarm, we encourage our staff to react promptly while immediately developing preventive measures to pre-empt accidents.

| | 2023 | 2024 | 2025 |
|---|---|---|---|
| Hours Worked in a Year (Hours) | 180,248 | 177,952 | 168,768 |
| Number of Occupational Injury Mortalities (Person) | 0 | 0 | 0 |
| Number of Serious Occupational Injuries (Person)[*1] | 0 | 0 | 0 |
| Number of Labor Occupational Accident (Person) | 2 | 1 | 1 |
| Number of Lost Time Injuries (Cases) | 2[*2] | 1[*3] | 1[*4] |
| Number of Restricted or Transferred Days without Days away from Work (Cases) | 0 | 0 | 0 |
| Number of Near Miss Incidents (Cases) | 0 | 0 | 0 |
| Number of Workdays Lost (Days) | 38 | 1 | 1 |
| Number of Recordable Occupational Injuries (Cases)[*5] | 2 | 1 | 1 |

Notes:*:

1. Serious occupational injury is an injury that causes workers to be unable and unable to recover to their pre injury health status within six months.
2. In 2023, the number of occupational injuries caused lost working hour included 2 cases resulting from traffic accidents during commuting.
3. In 2024, the number of occupational injuries caused lost working hour included 1 cases resulting from traffic accidents during commuting.
4. In 2025, the number of occupational injuries caused lost working hour included 1 cases resulting from traffic accidents during commuting.
5. The number of occupational injuries that can be recorded is defined according to GRI 403-9.

| | 2023 | 2024 | 2025 |
|---|---|---|---|
| Occupational Injury Mortality Rate[*1] | 0 | 0 | 0 |
| Serious Occupational Injury Rate[*2] | 0 | 0 | 0 |
| Total Recordable Incident Rate (TRIR) or Lost Time Incident Rate (LTIR)[*3] | 2.22 | 1.12 | 1.12 |
| Days Away/Restricted or Job Transfer Rate (DART) [*4] | 2.22 | 1.12 | 1.12 |
| Near Miss Frequency Rate (NMFR) [*5] | 0 | 0 | 0 |
| Lost Workday Rate (LWD) [*6] | 42.16 | 1.12 | 1.12 |
| Occupational Injury Rate[*7] | 0.022 | 0.0112 | 0.0112 |

Notes:*:

1. Occupational injury mortality rate = (number of occupational injury mortalities x 200,000) / hours worked in a year.
2. Serious occupational injury rate = (number of serious occupational injuries) x 200,000/hours worked in a year. (Excluding the number of deaths)
3. Total Recordable Incident Rate (TRIR) or Lost Time Incident Rate (LTIR) = ((number of recordable occupational injuries x 200,000) / total hours worked in a year. (including the number of deaths caused by occupational injuries)
4. Days Away/Restricted or Job Transfer Rate (DART) = ((number of lost time injuries + number of restricted or transferred days without days away from work) x 200,000)/hours worked in a year.

5. Near Miss Frequency Rate (NMFR) = (number of near miss incidents x 200,000) / hours worked in a year.
6. Lost Workday Rate (LWD) = (number of workdays lost x 200,000)/hours worked in a year.
7. Occupational injury rate = number of recordable occupational injuries/average number over the year.

**Occupational Injury Improvement Measures:**

1. Conduct occupational injury investigations.
2. Provide training for new staff.
3. Improve unsafe and unsanitary working conditions.
4. Promote traffic safety awareness.

**Employee Health Screening and Follow-Up**

We are concerned about the physical and mental health of our employees. CastleNet provides free personal health check-ups for all employees every year to track their health status. In addition to the health check items stipulated by laws and regulations in 2025, CastleNet actively adds multiple cancer screening items for employees, such as liver cancer, oral cancer, and male and female cancer screening, and allows colleagues to choose between two ultrasound examinations, to allow them to understand their own health status. In 2025, a total of 80 employees participated in the health examination.

**Care for Female Employees**

CastleNet is concerned with the issue of female employees, emphasizing diversity and inclusion, echoing gender equality, and enhancing the welfare and rights of women in the workplace through various means.

- A breastfeeding room and unlimited breastfeeding leave during working hours are available for female employees.
- We provide maternity leave, pregnancy check-up leave, paternity leave and leave without pay for childcare as required by law.

**Unlawful Assault**

CastleNet has declared zero tolerance for workplace violence to ensure the physical and mental health of all employees, to prevent internal and external workplace violence against all employees in the performance of their duties, and to build a work culture of safety, dignity, non-discrimination, mutual respect and tolerance, and equal opportunity. All employees can report cases of workplace abuse through the complaint hotline and mailbox, and there were no workplace abuse cases at Kinpo in 2025.

**Hike Together for Health**

We are dedicated to maintaining a balance between work and life for our employees. By organizing outdoor activities, employees can unwind and relieve work-related stress. In 2025, we participated in the “Go Biking, Go Healthy” hosted by the Group headquarters and invited colleagues to embark on a low-carbon and joyful journey together. To enjoy the fun of parent-child riding together, timely set aside the busy pace of life, support the green earth with actions, and create a better environment for future generations. A total of 8 employees signed up for this event in 2025.

## 7.6 Employee Participation

**1. Green Kinpo Lecture Series**

The Group regularly organizes relevant lectures are assessed and recorded on-site, then converted into online courses for Kinpo Group's online academy. This allows employees who cannot attend in person to view the lectures online.

| Topics | Speakers | Attendance |
|---|---|---|
| Analysis of the Application Scope of Enterprise Carbon Sink | Qir-ong Qiu | 2 |
| Analysis of the Development of Net Zero Technology | En-hao Huang | 2 |
| Carbon Credits Strategy Series | Ching-hui Liao | 3 |
| How to plan an mini green trip | Zhao-ting Wei | 4 |
| Biodiversity - Our Home in Nature | Meng-rou Qi | 6 |

**2. Earth Hour - Lights Out One Hour**

The World Wide Fund for Nature initiated Earth Hour in 2007, encouraging people to turn off "non-essential lights" for one hour at 8:30 PM local time on the last Saturday of March every year. It has become the world's largest voluntary public carbon reduction campaign. Over 192 countries, including more than 18,000 landmarks such as Taipei 101, participate in this international environmental movement.

CastleNet followed Kinpo Group's Shenkeng headquarters on the evening of March 22 by switching off exterior signs and non-essential lighting. The managers and employees held signs to promote the "lights-off" action, emphasizing that under global climate change, everyone, regardless of age or status, has the power and responsibility to make a difference in the world. Also demonstrated a commitment to environmental sustainability.

**3. Mother's Day Activities**

May is the month to celebrate Mother's Day, which varies in date worldwide but is mostly observed on the second Sunday of May. On this special day, we prepared "Carnation Soap in Soap" as a token of appreciation, it is not only a Mother's Day gift but also a concrete practice and sincere commitment to sustainable development and humanistic care. Presented to all colleagues of the company, it conveys blessings to mothers worldwide—"Happy Mother's Day."

**4. Father's Day Activities**

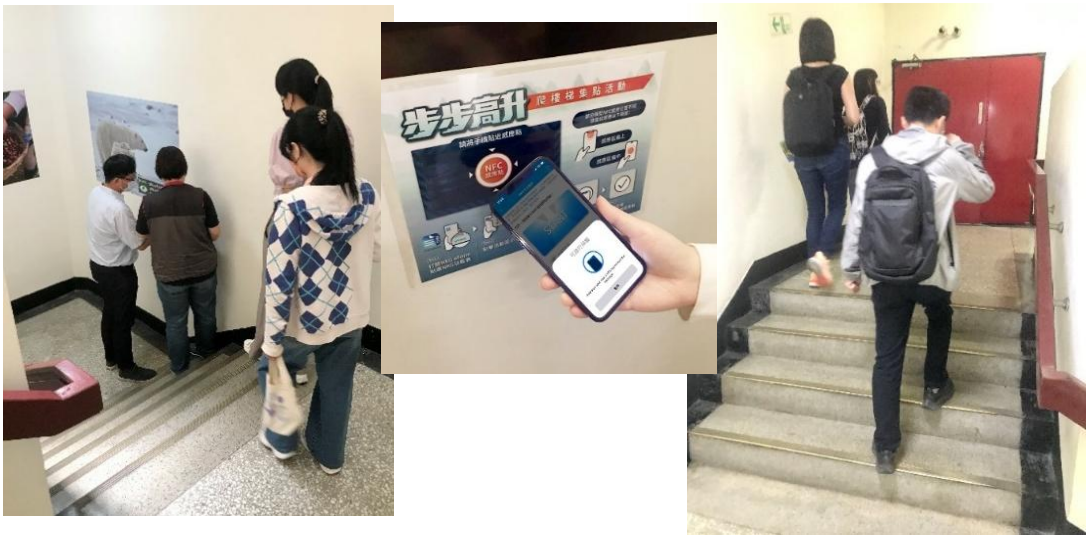
On the eve of Father's Day, we collaborated with local tea farmers in Shenkeng to meticulously prepare the [Kinpo Mingxuan tea] gift box. Each tea leaf is imbued with heartfelt emotions and

blessings. Every egg roll in the box is carefully crafted and packaged by partners from the Heart Path Foundation's sheltered workshops, conveying care and warmth. This gift expresses gratitude and love to every father, as well as a recognition and appreciation for their hard work.

**5. Stair Climbing Competition**

To encourage staff to ascend the stairs more and take the elevator less, the Group organized a stair climbing activity, which not only saved electricity but also prevented them from sitting in office for long hours and urged them to exercise more to keep themselves fit. Stair Climbing Competition is an event since 2022, a series of promotional activities were carried out to provide good air quality in stairwells, we relocated the smoking area to a zone that did not affect the air quality in stairwells, in accordance with the LEED standard for green buildings, which stipulates that smoking areas should be 8 meters away from building openings. Secondly, in order to give our staff a suitable brightness and a good mood when climbing the stairs, the WELL Healthy Building Standard recommends that the stairwell should be adorned with beautiful pictures to add to the aesthetic appeal. The addition of scenic images in the stairwell, combined with explanatory text of the SDGs, slogans to promote stair climbing and the Company's sustainable ESG policy.

The event in 2025 was the same as before, using NFC sensors and the Group's internal app – Kinpo Group eFrom to collect points, with each floor climbed being recorded with a swipe of a card. Achieving 450 points within 3 months of the event can earn the 'Healthy Living Award'.The staff responded enthusiastically and could be seen on the staircases before and after work and during lunch break. A total of 40 colleagues from CastleNet participated in this event, with a cumulative total of over 20,000 stairs.




## Chapter 8 Social Engagement

For the Chinese characters “ 企業” (enterprise), if you take away radical “ 人” (people) out of “ 企,” you get “ 止”(stop). As such, it is clear that people are the most important asset of a business. We are therefore convinced that social inclusion and community involvement are an integral part of corporate development. As a part of Kinpo, we are not only committed to promoting a diverse and inclusive workplace culture, but also actively participates in activities organized by the Hsu Chao Ying Foundation and pushes for various charity services. These services include caring for the vulnerable seniors and families in the community, education programs (e.g. the Dreams Come True project), support for the local community, volunteer services, etc. Moreover, we also encourage our staff to

spend their time outside work to engage in social service work, so as to realize the spirit of "all employees for charity" and the concept of corporate and social integration. “All employees for charity” will be an essential direction for our Company going forward, and we will continue to dedicate ourselves to making more contributions to the progress and development of society.

We have long supported social welfare, cared for vulnerable groups, and invested in rural education through the Hsu Chauing Social Welfare Charity Foundation. The kindness of CastleNet employees has been pooled into a warm current, spreading like ripples to reach more people in need, so that love can soar and land in every corner of the world.

## 8.1 Caring for the Underprivileged

**Dream Fulfillment Project - Children's Day Activity**

Vulnerable children frequently lack adequate support due to their family environments. The Hsu Chauing Social Welfare Charity Foundation aims to raise awareness of their needs by inviting employees to partake in Children's Day caring activities. Through this initiative, employees joined hands to support vulnerable children, offering care and encouragement to boost their confidence and courage on their educational journey. In 2025, the Group, including CastleNet, assisted 37 underprivileged children through this program.

## 8.2 Education Programs

**“Dreams Come True Project” - Living the Dream with Children**

Many factors, such as rural location, family background and financial situation, should not stand in the way of a child's happy growth and learning. We are there for these children with a positive and loving heart! The foundation hopes to build children's self-confidence through encouragement and companionship, while nurturing their skills and talents, developing their interests and abilities for future development, and helping them take on the challenges of life with courage.

In 2025, the foundation's Dreams Come True program raised NT$58,000 from 7 staff members of CastleNet to help make children's dreams come true.

Dreams Come True Project

## 8.3 Caring for the Local Community and Volunteer Services

**1. “Jingmei River Charity Care Project” - Adopting a Riverbank**

KINPO has initiated the "Jingmei River Charity Care Project" in 2022, which was held regularly every other week, including litter picking and flower maintenance, inviting staff to do their part for a sustainable environment and raising awareness and action for environmental protection and beautification. This activity not only improved the working environment and quality of work for the staff, but also enhanced their job satisfaction and engagement, and helped to preserve the environment in the long run.

We believe that the riverbank clean-up campaign would spread the concept of caring for the earth to every one of our employees and neighbors. These efforts would not only improve the quality of life and living experience of the people in the local community, but also help to stimulate social participation and responsibility, and indirectly build up a good social image of Kinpo and facilitate the establishment and development of a harmonious relationship between the Company and the community. Residents in the neighborhood applauded Kinpo's dedication and left messages of appreciation on the local Shenkeng Facebook group, further enhancing the Company's image,

cohesiveness and solidarity.

In 2025, 3 sessions were staged, with 104 participants and about 14.3 kg of refuse cleared out with the whole Kinpo Group. We will continue to contribute to Jingmei River and follow the SDGs agenda, believing that the power of goodness can continue to have a positive impact. Moving forward, we also intend to bring in neighboring primary schools to volunteer and participate in environmental protection to heighten public awareness of the importance of environmental issues.

**2. "Bag Recycling" - Paper Bag Reuse Project**

Disposable plastic bags are commonly used in daily life. To cut down on overuse, our Taipei headquarters launched the "Bag Recycling" paper bag reuse project by inviting employees to collect unused paper bags from their homes and turn them in to the Company's "Paper Bag Bank for time to time," so that instead of using plastic bags when needed, they can choose to take the paper bags from the bank and then put them back when not in use. Reuse every paper bag utill it goes back to the Earth.

**3. Small Appliance Repair Clinic**

The Group is actively involved in the repair movement, beginning with the "Small Appliance Repair Clinic" initiative to combat electronic waste by promoting resource reuse over disposal. In 2025, the Group collaborated with NanjiFix and Shenkeng District's Wanshun Borough warden Yang, Wen-te. In the morning, they offered educational training sessions for volunteer staff, imparting basic repair skills and insights on forming local repair communities. In the afternoon, they provided free diagnostics and repairs to residents at the Wanshun Civic Center in Shenkeng District. Through knowledge sharing and practical actions, the Group is dedicated to mainstreaming the concepts of

"repair" and "repair instead of buying," advocating them as sustainable living choices. This initiative seeks to minimize carbon emissions associated with new products, promote a circular economy, and support environmental restoration efforts.

28 employees from the Group, including CastleNet, along with their families, volunteered for this event and successfully mending 30 items. Appliances that couldn't be fixed often required parts that could be sourced for future repairs. Even as the event extended from day into night, the employees' enthusiasm never waned. Witnessing the smiles and gratitude of borough residents as they received their repaired appliances transformed fatigue into a sense of accomplishment. This initiative not only honed repair skills but also highlighted the importance of designing products with easy repairability in mind. As environmental challenges intensify, we hope that everyone will embrace repair as a starting point, transform waste into value, bridge the gap to net-zero, and actively create multiple sustainable, circular living possibilities.

# Appendix

## GRI Standards Indicator Comparison Table

| | |
|---|---|
| Statement of Use | CastleNet published its Sustainability Report 2025 against the GRI Standards for the period from January 1, 2025 through December 31. |
| GRI 1 Version in Use | GRI 1: Foundation 2021 |
| GRI Sector Standards | No applicable GRI Sector Standards |

| Disclosure | Corresponding Report Sections | Omission | Page |
|---|---|---|---|
| GRI 2: General Disclosures 2021 | | | |
| The Organization and its Reporting Practices | | | |
| 2-1 Organizational details | 1.1 Company Profile | | P. 6 |
| 2-2 Entities included in the organization's sustainability reporting | About this Report | | P. 3 |
| 2-3 Reporting period, frequency and contact point | About this Report | | P. 3 |
| 2-4 Restatements of information | About this Report | | P. 3 |
| 2-5 External assurance | About this Report | CastleNet doesn't need external assurance yet. | |
| Activities and Workers | | | |
| 2-6 Activities, value chain and other business relationships | 1.3 Operational Overview<br>6.4 Sustainable Supply Chain | | P. 7<br>P. 54 |
| 2-7 Employees | 7.1 Human Resource Management Policy | | P. 57 |
| 2-8 Workers who are not employees | Omission | CastleNet doesn't have non-employee workers currently. | |
| Governance | | | |
| 2-9 Governance structure and composition | 2.1 ESG Governance Organization<br>3.1 Corporate Governance | | P. 7<br>P. 15 |
| 2-10 Nomination and selection of the highest governance body | 3.1 Corporate Governance | | P. 17 |
| 2-11 Chair of the highest governance body | 3.1 Corporate Governance | | P. 18 |
| 2-12 Role of the highest governance body in overseeing the management of impacts | 2.1 ESG Governance Organization<br>3.1 Corporate Governance | | P. 8<br>P. 19 |
| 2-13 Delegation of responsibility for managing impacts | 2.1 ESG Governance Organization<br>3.1 Corporate Governance | | P. 7<br>P. 17 |
| 2-14 Role of the highest governance body in sustainability reporting | About this Report<br>2.1 ESG Governance Organization<br>3.1 Corporate Governance | | P. 3<br>P. 8<br>P. 17 |
| 2-15 Conflicts of interest | 3.2 Ethical Management and Compliance | | P. 23 |
| 2-16 Communication of critical concerns | 3.1 Corporate Governance<br>3.2 Ethical Management and Compliance | | P. 16<br>P. 24 |
| 2-17 Collective knowledge of the highest governance body | 2.2 Sustainability Blueprint and UN Sustainable Development Goals<br>3.1 Corporate Governance | | P. 9<br>P. 17 |
| 2-18 Evaluation of the performance of the highest governance body | 3.1 Corporate Governance | | P. 21 |
| 2-19 Remuneration policies | 3.1 Corporate Governance<br>7.2 Salaries & Benefits | | P. 20<br>P. 61 |

| Disclosure | Corresponding Report Sections | Omission | Page |
|---|---|---|---|
| 2-20 Process to determine remuneration | 3.1 Corporate Governance<br>7.1 Human Resource Management Policy | | P. 20<br>P. 59 |
| 2-21 Annual total compensation ratio | Omission | CastleNet is not disclosing its maximum annual total remuneration for the time being due to pay confidentiality rules. | |
| Strategy, Policies and Practices | | | |
| 2-22 Statement on sustainable development strategy | Message from Management<br>2.2 Sustainability Blueprint and UN Sustainable Development Goals | | P. 5<br>P. 9 |
| 2-23 Policy commitments | 3.1 Corporate Governance<br>3.3 Risk Management<br>6.4 Sustainable Supply Chain<br>7.1 Human Resource Management Policy | | P. 16<br>P. 29<br>P. 54<br>P. 57 |
| 2-24 Embedding policy commitments | 2.2 Sustainability Blueprint and UN Sustainable Development Goals<br>3.3 Risk Management<br>6.4 Sustainable Supply Chain<br>7.1 Human Resource Management Policy | | P. 9<br>P. 29<br>P. 54<br>P. 57 |
| 2-25 Processes to remediate negative impacts | 3.2 Ethical Management and Compliance<br>4.1 R&D and Green Design<br>5.1 Climate Change Risk & Management<br>6.4 Sustainable Supply Chain<br>7.4 Employee Communication<br>Chapter 8 Social Engagement | | P. 24<br>P. 35<br>P. 40<br>P. 54<br>P. 65<br>P. 70 |
| 2-26 Mechanisms for seeking advice and raising concerns | 3.2 Ethical Management and Compliance | | P. 27 |
| 2-27 Compliance with laws and regulations | 3.2 Ethical Management and Compliance | | P. 25 |
| 2-28 Membership associations | 2.4 Stakeholder Communication | | P. 15 |
| Stakeholder Engagement | | | |
| 2-29 Approach to stakeholder engagement | 2.4 Stakeholder Communication | | P. 13 |
| 2-30 Collective bargaining agreements | CastleNet did not established any union or enter into any collective bargaining agreement. | | |
| GRI 3: Material Topics 2021 | | | |
| 3-1 Process to determine material topics | 2.3 Analysis of Material Topics | | P. 10 |
| 3-2 List of material topics | 2.3 Analysis of Material Topics | | P. 10 |
| 3-3 Management of material topics | 2.3 Analysis of Material Topics | | P. 10 |

**Material Topics**

| GRI Standards | Disclosure | Corresponding Report Sections | Page |
|---|---|---|---|
| Climate Strategy | | | |
| 3-3 Management of material topics | | Chapter 5 Environmental Sustainability | P. 39 |
| 201 Economic Performance | 201-2 Financial implications and other risks and opportunities due to climate change | 5.1 Climate Change Risk & Management | P. 42 |
| | 201-1 Direct economic value generated and distributed | 3.1 Corporate Governance - Operational Performance | P. 21 |

| GRI Standards | Disclosure | Corresponding Report Sections | Page |
|---|---|---|---|
| | 201-4 Financial assistance received from government | 4.1 R&D and Green Design | P. 35 |
| 305 Emissions | 305-1 Direct (Scope 1) GHG emissions | 5.2 GHG Management | P. 47 |
| | 305-2 Energy indirect (Scope 2) GHG emissions | | |
| | 305-3 Other indirect (Scope 3) GHG emissions | CastleNet does not need to dislose other indirect (Scope 3) GHG emissions in 2025. | |
| | 305-5 Reduction of GHG emissions | 5.2 GHG Management | P. 48 |
| Ethical Management | | | |
| 3-3 Management of material topics | | 3.2 Ethical Management & Compliance | P. 23 |
| 205 Anti-corruption | 205-1 Operations assessed for risks related to corruption | 3.2 Ethical Management & Compliance<br>No violations in 2025. | P. 23 |
| | 205-2 Communication and training about anti-corruption policies and procedures | | |
| | 205-3 Confirmed incidents of corruption and actions taken | | |
| 206 Anti-competitive Behavior | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | 3.2 Ethical Management & Compliance | P. 26 |
| Economic Impact | | | |
| 3-3 Management of material topics | | 1.3 Operational Overview<br>4.1 R&D and Green Design<br>7.2 Salaries & Benefits | P. 7<br>P. 36<br>P. 61 |
| 201 Economic Performance | 201-1 Direct economic value generated and distributed | 1.3 Operational Overview<br>4.1 R&D and Green Design<br>7.2 Salaries & Benefits | P. 7<br>P. 36<br>P. 61 |
| | 201-2 Financial implications and other risks and opportunities due to climate change | 5.1 Climate Change Risk & Management | P. 42 |
| Quality Management | | | |
| 3-3 Management of material topics | | 4.2 Quality Management | P. 37 |
| 417 Marketing and Labeling | 417-1 Requirements for product and service information and labeling | 4.2 Quality Management<br>6.2Restricted Substance Management | P. 37<br>P. 52 |
| | 417-2 Incidents of non-compliance concerning product and service information and labeling | 6.2Restricted Substance Management<br>No violations in 2025. | P. 52 |
| Information Security | | | |
| 3-3 Management of material topics | | 3.4 Information security management | P. 32 |
| 418 Customer Privacy | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | 3.4 Information security Management<br>No violations in 2025. | P. 32 |

**Topics of Ongoing Interest**

| GRI Standards | Disclosure | Corresponding Report Sections | Page |
|---|---|---|---|
| Water Management | | | |
| 303 Water and Effluents | 303-3 Water withdrawal | Appendix - Sustainability Disclosure Indicators - Communications and Internet Industry | P. 79 |
| | 303-5 Water consumption | 5.3 Energy Management<br>Appendix - Sustainability | P. 50<br>P. 79 |

| GRI Standards | Disclosure | Corresponding Report Sections | Page |
|---|---|---|---|
| | | Disclosure Indicators - Communications and Internet Industry | |
| Waste Management | | | |
| 306 Waste | 306-3 Waste generated | 5.3 Energy Management<br>Appendix – Sustainability<br>Disclosure Indicators - Communications and Internet Industry<br>No hazardous waste in 2025. | P. 50<br>P. 79 |
| Energy Management | | | |
| 302 Energy | 302-1 Energy consumption within the organization | Appendix – Sustainability<br>Disclosure Indicators - Communications and Internet Industry | P. 79 |
| | 302-4 Reduction of energy consumption | 5.3 Energy Management | P. 49 |
| Sustainable Supply Chain | | | |
| 308 Supplier Environmental Assessment | 308-1 New suppliers that were screened using environmental criteria | 6.4 Sustainable Supply Chain | P. 54 |
| | 308-2 Negative environmental impacts in the supply chain and actions taken | 6.4 Sustainable Supply Chain | P. 56 |
| 414 Supplier Social Assessment | 414-1 New suppliers that were screened using social criteria | 4.2 Quality Management | P. 38 |
| | 414-2 Negative social impacts in the supply chain and actions taken | 4.2 Quality Management | P. 39 |
| Product Responsibility | | | |
| 301 Materials | 301-3 Reclaimed products and their packaging materials | 4.1 R&D and Green Design | P. 37 |
| 416 Customer Health and Safety | 416-1 Assessment of the health and safety impacts of product and service categories | 4.2 Quality Management<br>6.2 Restricted Substance Management | P. 38<br>P. 52 |
| | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | 4.2 Quality Management<br>No violations in 2025. | P. 38 |
| Human Capital Development | | | |
| 201 Economic Performance | 201-3 Defined benefit plan obligations and other retirement plans | 7.2 Salaries & Benefits | P. 62 |
| 404 Training and Education | 404-1 Average hours of training per year per employee | 7.3 Staff Development | P. 64 |
| 406 Non-discrimination | 406-1 Incidents of discrimination and corrective actions taken | 7.1 Human Resource Management Policy<br>7.5 Employee Health | P. 58<br>P. 68 |
| GRI 408 Child Labor | 408-1 Operations and suppliers at significant risk for incidents of child labor | 7.1 Human Resource Management Policy | P. 61 |
| Talent Attraction & Retention | | | |
| 202 Market Presence | 202-2 Proportion of senior management hired from the local community | 7.1 Human Resource Management Policy | P. 56 |
| 401 Employment | 401-1 New employee hires and employee turnover | 7.1 Human Resource Management Policy | P. 58 |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | 7.2 Salaries & Benefits | P. 61 |
| | 401-3 Parental leave | 7.1 Human Resource Management Policy<br>7.5 Employee Health | P. 57<br>P. 68 |

## SASB Standards Comparison Table – Technology & Communications/Hardware

| Topic | Metric | Code | Corresponding Report Sections |
|---|---|---|---|
| Product Security | Description of approach to identifying and addressing data security risks in products | TC-HW-230a.1 | All employees must complete the mandatory online training course on confidentiality agreements and may choose to take courses related to product safety management. The company implements strict information security measures, including the file system adopting an encrypted hierarchical access function, information system backup, antivirus and vulnerability analysis mechanisms, and product development strictly adhering to relevant regulations to ensure legality and compliance. |
| Employee Diversity & Inclusion | Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) technical employees and (d) all other employees | TC-HW-330a.1 | 7.1 Human Resource Management Policy |
| Product Lifecycle Management | Percentage of products by revenue that contain IEC 62474 declarable substances | TC-HW-410a.1 | 6.2 Restricted Substance Management<br>(Currently, customers use RoHS and REACH as management standards for prohibited and restricted substances, and the sales percentage of products that comply with RoHS and REACH is 100%.) |
| | Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent | TC-HW-410a.2 | The products manufactured by CastleNet are not EPEAT-compliant products. |
| | Percentage of eligible products, by revenue, certified to an energy efficiency certification | TC-HW-410a.3 | CastleNet's products sold in Europe are all CE-certified. |
| | Weight of end-of-life products and e-waste recovered; percentage recycled | TC-HW-410a.4 | CastleNet operates under a B-to-B model without any related product waste recycling procedures. |
| Supply Chain Management | Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities | TC-ES-320a.2 | CastleNet has completed 85% of RBA Kinpo Group's Supplier Code of Conduct by 2025 |
| | Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority nonconformances and (b) other nonconformances | TC-ES-320a.3 | CastleNet investigated all suppliers that comply with the RBA Kinpo Group Supplier Code of Conduct in 2025 |
| Materials Sourcing | Description of the management of risks associated with the use of critical materials | TC-ES-440a.1 | 6.3 Responsible Mineral Management |

## Sustainability Disclosure Indicators - Communications and Internet Industry

| No. | Indicator | Indicator Type | 2025 Disclosure | Unit | Remarks |
|---|---|---|---|---|---|
| 1 | Total energy consumption | Quantitative | 9874.41 | Gigajoules (GJ) | 5.3 Energy Management |
| | Percentage of purchased electricity | Quantitative | 100 | Percentage (%) | |
| | Utilization rate (renewable energy) | Quantitative | 0 | Percentage (%) | |
| 2 | Total water withdrawn | Quantitative | 4.174 | Thousand cubic meters (m3) | |
| | Total water consumption | Quantitative | 4.174 | Thousand cubic meters (m3) | |
| 3 | Total hazardous waste generated | Quantitative | 0 | Metric tons (t) | -- |
| | Total hazardous waste percentage recycled | Quantitative | 0 | Percentage (%) | |
| 4 | Types of, number of employees in occupational accidents | Quantitative | 1 | Number (person) | 7.5 Employee Health |
| | Rate of occupational accidents | Quantitative | 0 | Percentage (%) | |
| 5 | Product Lifecycle Management Disclosure: including weights of scraps and electronic waste and percentage recycled | Quantitative | 1.7 | Metric tons (t) | Note: As there is no electronic waste generated by CastleNet in 2025, this figure is derived from Korean subsidiary. For detailed data, please refer to its sustainability report. |
| | | | 12.78 | Percentage (%) | |
| 6 | Description of the management of risks associated with the use of critical materials | Qualitative description | CastleNet fully complies with regulations on the restriction and prohibition of harmful substances and responsible minerals, and incorporates relevant issues into supplier management, requiring suppliers to sign procurement contracts. | - | 6.2 Responsible Mineral Management<br>6.3 Sustainable Supply Chain<br>6.4 Sustainable Supply Chain |
| 7 | Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations | Quantitative | 0 | NT dollar | 3.2 Ethical Management and Compliance |
| 8 | Production by product category | Quantitative | - | Varies by product category | - |