



2024

SUSTAINABILITY
REPORT

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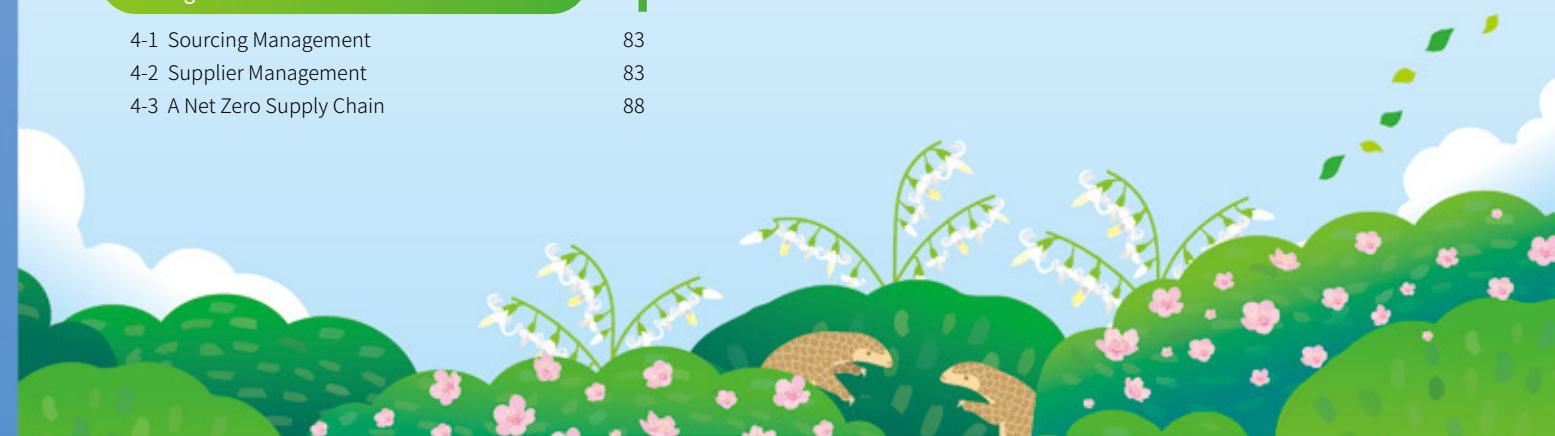
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About this Report

Thank you for reading the 2024 Corporate Sustainability Report of YULON MOTOR CO., LTD (hereinafter, referred to as "Yulon Motor" or "we"). This year, we take "The New Future of Mobility" as the vision, consistent with our business philosophy of "People, Vehicle, Life." In addition to vehicle manufacturing, we wish to provide our customers with the freedom of mobility.

In 2022, Yulon Motor established the ESG department, reflecting its commitment to sustainable development, and devised three major ESG strategies: environmental sustainability with energy saving and waste reduction; social engagement and inclusive growth; governance implementation and resilience enhancement, for endless creation of new opportunities with innovative thoughts. We explicitly disclose the results and strategic targets about sustainability topics to facilitate a better understanding of Yulon Motor's efforts and commitment to corporate sustainability of our stakeholders, and build stakeholders' consensus on sustainability to enable mutual growth with the industry and supply chain for a better society.

Reporting Boundary

The reporting period for the 2024 Report is from January 1, 2024 to December 31, 2024, consistent with the period of the financial statements. This report was issued in July 2025 Reports are issued annually on our official website and the Market Observation Post System as an important medium for stakeholder communication. The boundary of this Report primarily covers YULON MOTOR CO., LTD., whose consolidated financial statements include 134 entities. Contents involving other companies affiliated to the Yulon Group, such as Yulon Nissan Motor and Luxgen Motor will be marked. Data collection for sustainability information of the remaining entities included in the consolidated financial statements is underway, and such information will be gradually disclosed in the future. This report contains both past and future plans in order to present relevant information on corporate sustainability thoroughly.

Report Writing Guidelines

This report was prepared in accordance with the GRI Standards issued by the Global Sustainability Standards Board (GSSB) in 2021 and the industry standards issued by the Sustainability Accounting Standards Board (SASB). The financial data disclosed was based on information from the consolidated financial statements attested to by CPAs, while other non-financial data and information were provided by each responsible unit, edited and prepared by each task team under the Sustainable Development Department, and ultimately confirmed by the Board of Directors.

Report Assurance

We have retained the services of Deloitte Taiwan, which is independent and accountable, to provide limited assurance on the 2024 Corporate Sustainability Report prepared under the GRI Standards in accordance with the International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information." The assurance engagement results have been fully communicated to the governance body, and please refer to the Independent Assurance Statement attached to this Report for the assurance scope and conclusion.

Feedback and contact

This report is published in Mandarin. As the Company adopts paperless operations in answer to environmental protection, the whole content of this report is available in PDF format on the official website of Yulon Motor (<https://ylesg.yulon-motor.com.tw/>) for all people to download. Please feel free to contact us via email if you have any opinions or suggestions on this report or on the sustainable development of the Company. We will reply to you as soon as possible. Thank you!

► [The Official Website Of Yulon Motor](#)

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Publication Time

Yulon Motor issues the corporate sustainability report on an annual basis.

- Publication of the previous issue: July 2024
- Publication of this issue: July 2025
- Publication of the next issue: Scheduled for July 2026

Letter from the Chairperson

Yulon Motor is a corporation that has stood the test of time. During the 70 years since its inception, the Company has never stopped moving forward. To respond to changes in the overall environment, we have undergone business reengineering several times, made continuous adjustments, and reinforced our corporate structure to pursue sustainable operations with the corporate culture of “Innovation (I), Speed (S) and Team (T).” We have been adhering to the sustainable business principles “Customer Satisfaction, Social Contribution, Value Creation” for years without any diversion and persist in driving the growth of automotive industry in Taiwan. For a wide range of contribution to social progress and prosperity, we not only pay attention to business innovation and success, but also focus on the national demands for living and mobility of the general public by promoting solutions for accessible travel and mobile healthcare and education in remote areas. Since its launch in April 2019, the “Happy Wheels in the South Link Area in Taitung” program had served 29,005 local people in the South Link areas with a total driving distance of over 1.40 million km as of the end of 2024.

Yulon Motor has kept its unique culture and norm since our establishment. By continuously advancing corporate governance, upholding ethical management, enhancing the transparency and quality of information disclosure, strengthening investment and information security risk management, and improving the competency of the Board and relevant functional committees, we elevate the value of corporate sustainability. As a result, we have been ranked in the top 5% in the corporate governance evaluation for 10 consecutive years as of 2024. We also obtained ISO 27001:2022 certification from BSI UK Standards Institution in May and built a foundation for diversified and sustainable business development through intelligent manufacturing and low-carbon operations. Our persistence has pushed us towards independent R&D, development of self-owned and jointly owned brands, development of smart vehicles using green energy and implementation of smart plant, in order to improve the customer satisfaction with the products and services and further enhance the customer and brand value. Along the way, Yulon Motor has not only opened the door to the development of the automotive industry in Taiwan, but also built great relations with stakeholders, including shareholders, clients, suppliers, employees, government, non-profit organizations, community and media.

With respect to the people-oriented approach and social capital, Yulon Motor continues to build a friendly workplace, increase the employment opportunities for physically disabled people and boost industry-academia collaboration for training outstanding talents to promote the “Talent Training and Acquisition through Industry-Academia Collaboration,” cultivate specialists in automotive electro-mechanics by providing scholarships for special projects and competitions and introducing internship and early-hire systems bridging the gap after graduation and train wood carving talents with the Youth Training Scholarship. For social engagement, we have sponsored the Taiwan International Competition of Wood Sculpture in Miaoli and a basketball team for a long time to promote sports activities for all and taken initiatives in local care, including the “Happy Wheels” and the “Taiwan Wood Sculpture Culture Support,” in the hope of supporting disadvantaged transportation in remote areas and bringing the value of sustainable mobility to the community. Local development and well-being efforts are led by the volunteer club, which has initiated projects like “Heartwarming Donation” and “Lonely Elderly Care” projects, creating a more positive impact across communities in Miaoli. In terms of green operations and natural capital, as of 2024, Yulon Motor has completed the installment of solar generators at the Sanyi plant with a total capacity of 15.6 MW, greater than the total power consumption of the plant, to reduce the impact of a professional manufacturer on the environment. We have taken initiatives such as the facilitation of greenhouse gas inventory and verification; the monitoring of energy consumption and carbon hotspots; the establishment of sustainable development organization to implement manufacturing process improvement, energy saving and waste reduction; the electrification and decarbonization of vehicles, zero waste resource recycling; and the platform for resource reuse and recycling. These initiatives are expected to play a role in achieving the national net zero emission goal with an annual energy saving and carbon-reduction.



Customer Satisfaction, Social Contribution, Value Creation

In the future, Yulon Motor will adhere to the philosophy of “Pursuing Customer Satisfaction, Creating Corporate Prosperity, Contributing to Society” in implementing corporate sustainability. Rooted in Taiwan and facing the world, Yulon Motor is committed to sustainable practices in every aspect, driven by our love for this land, the continuous advancement of Yulon Motor’s mobility value, and our active fulfillment of responsibilities as a corporate citizen in the pursuit of a sustainable future.

YULON MOTOR CO., LTD.
Chairman Yen Chen Li-Lien

About Yulon Motor Co., Ltd.

Yulon Motor has transformed from a traditional manufacturer to a manufacturing service provider. We have built a service system extended from the existing operational system, and involved in the IA (IT+Auto) plan following the governmental policy to assist the IT industry in entering the automotive electronic part market and form a competitive edge of the automotive IA industry in Taiwan. In the future, Yulon Motor will maintain our ability in research, development and design and at the same time drive the new business model of an open platform and sharing economy for global automotive industry. Through the collaboration and complementation in resources with the Group and its partners, Yulon Motor builds key future mobility solutions for target clients around the globe. Yulon Motor also keeps abreast of the global sustainable green energy trend by tapping into the energy storage product market and developing green energy business platform.

We adhere to the philosophy of “Pursuing Customer Satisfaction, Creating Corporate Prosperity, Contributing to Society” in implementing corporate sustainability. Rooting in Taiwan and facing the world, we are committed to sustainable practices from every aspect with the love for this land and continuous advance of Yulon Motor’s value in mobility.



History

1953

The birth of the domestic automobile manufacturing industry

1957

Technology cooperation and industrial integration

- Yue Loong Machinery Co., Ltd. was established with a capital of NT\$2 million



- Signed a technical cooperation agreement with Nissan Motor Co., Ltd.

1976

- The Company's shares were officially listed on the centralized market of the stock exchange.

1981

- The first phase construction of the San-Yi Plant was completed and production began.

<<<<

Business development

1999

<<<<

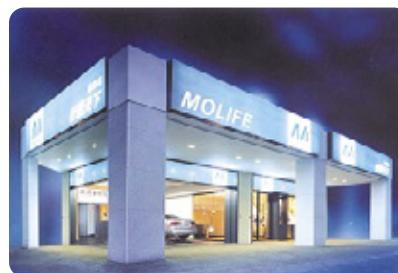
The development of the private brand for passenger cars

1986

2000

- Acquired the dealership of Renault France in Taiwan.

- Developed the "Automobile Peripherals Business" to provide customers with a full-dimensional service in transportation.



Business development

>>>>

2001

- PDM system was officially launched, and became the first car manufacturer developing the "International R&D Integration System" in Taiwan.

2003

- Yue Loong Corporate spun off into "Yulon Motor" and "Yulon Nissan Motor"

2005

- Grand opening of the Auto Mall
- Participated in the investment and establishment of Hua-Chuang Automobile Information Technical Center Co., Ltd. for research and development of innovative automobile electronic modules.

2006

- "Yulon General Motors Co., Ltd." was established as a joint venture with General Motors to sell under the BUICK, CADILLAC and OPEL brands.

Boosting sustainable competitiveness >>>>

2023

- 70th anniversary of Yulon Motor
- Grand opening of Yulon City



2024

- The first domestically produced electric passenger car, the n7, has launched.



<<<< Boosting sustainable competitiveness

2015

- The Company announced its initiative to subscribe 1.89 million kWh of green power, becoming the first domestic automobile company to subscribe to green power.



2022

- The Board of Directors established the “Sustainable Development Committee” to exercise oversight of the ESG implementation

2020

- Foxconn and Yulon entered into a joint venture agreement to form a company to collaborate in promoting the transformation, upgrading, and development of the industries in Taiwan

2019

- Value chain transformation, fully opened up to diversified customers, announced the OEM assembly of ADIVA three-wheeled heavy motorcycle for export to Europe, Japan and Southeast Asia.

2008

New start of the private car brand >>>>

- Established Luxgen Motor Co., Ltd. to develop a private car brand



2009

- Established Yulon TOBE Motor Co., Ltd. to market own brand of cars – tobe.



2010

- Launched the electric car LUXGEN EV, which was the first electric car certified by the government



Business Overview of Yulon Motor



Listing date	<ul style="list-style-type: none"> July 8, 1976; stock code 2201
Total No. of employees	<ul style="list-style-type: none"> 1,200 employees (December 2024)
Headquarters	<ul style="list-style-type: none"> No. 39-1, Bogongkeng, Sanyi Township, Miaoli County
Capital	<ul style="list-style-type: none"> NT\$ 10,700,013 thousand

Operating revenue	<ul style="list-style-type: none"> NT\$ 85,776,046 thousand
Major business items and proportion	<ul style="list-style-type: none"> The manufacture and sale of various automobiles and related components accounted for 93.5% of business.
Major operational location	<ul style="list-style-type: none"> Sanyi Township, Miaoli County (headquarters, R&D Center, manufacturing location)

Performance in Sustainability and Highlights in 2024

◆ Environmental protection, promotion of energy saving and waste reduction

- Since 2017, the Sanyi plant has been installing solar power generators, and until now the cumulative capacity has reached 15.6 MW
- The waste reuse rates for the most recent 5 years has been kept above 90%.
- In 2024, energy optimization measures for air conditioning improvements at the vehicle inspection rooms reduced CO₂e emissions of 24.07 tCO₂e.
- The carbon emissions were reduced by 2,170 metric tons, from 10,986 metric tons (scopes 1 and 2) in 2023 to 8,816 metric tons (scopes 1 and 2) in 2024, an achievement of the yearly goal of 19.75% reduction in greenhouse gas emissions.
- Obtained the statement for ISO 14064-1 greenhouse gas verification



◆ Sustainable supply chain driving value production

- Assisted 22 suppliers in quality improvement supervision and 13 suppliers in the assessment of QAR self supervision in 2024.
- Assisted 8 contract manufacturers in the improvement of 51 environmental, health and safety issues in 2024.
- Total green procurement of NT\$33,724,223 was made in 2024.
- We promoted energy conservation and carbon reduction initiatives among suppliers, which included ISO 14064 training and coaching that totaled 57.5 hours. A total of 125 consolidated subsidiaries and 30 key suppliers participated, with 740 people from the Group taking part. To date, we have trained 247 qualified internal auditors for carbon inventory and 41 qualified internal auditors for carbon footprint assessment.
- Completed the 2023 GHG inventory list and report



◆ Innovative R&D leading to the future of mobility

- In 2024, we completed the performance test for 2 motors (passenger car, electric bus) and the rolling resistance and minimum energy performance tests for 2 EVs.
- In 2024, we operated 99 vehicle charging stations (self-operated charging station, partnering vehicle manufacturing charging station) and 209 motorcycle charging stations.
- In 2024, Energy storage containers with a total capacity of 2.2GWh were actually manufactured.
- Electric car n⁷ is now in mass production and officially launched.
- Introduced smart manufacturing process (introduction of automated inspection equipment, automated manufacturing equipment) to 49 workstations



❖ Integrity and transparency steering corporate governance

- In 2024, the Company has been recognized as one of the top 5% listed companies for ten consecutive years in Financial Supervisory Commission's Corporate Governance Evaluation.
- Included as a constituent of the FTSE4Good Taiwan Sustainability Index.
- Ranked 17th in the Manufacturing Category of the CommonWealth Magazine's Sustainable Citizen Award
- Awarded the "Comprehensive Performance Award – Traditional Industry Group" Excellence Award by CommonWealth Magazine.
- Received the TCSA Award for Comprehensive Performance of Sustainability
- Received the TCSA Sustainability Report Award – Platinum Medal
- Ranked among the Top 100 Companies in Carbon Competitiveness by Business Weekly.
- Obtained the D&B ESG Sustainability Mark
- Introduced the Taiwan Intellectual Property Management System (TIPS) and obtain verification



❖ Friendly workplace of diversity and inclusiveness

- Selected for the 2024 CommonWealth Talent Sustainability Award.
- Selected for the CHR Healthy Corporate Citizenship Award – "Health 99" Enterprise.
- Yulon earned the "iSport Certification" from the Ministry of Education
- Offered minimum employee salary that was 1.4 times the minimum wage required by law.
- The average salary adjustment in 2024 was 3.00% while that for outstanding employees reached 5.14%.
- 57% of employees are local residents in Miaoli area.
- In 2024, the Happiness Point program was launched, which gave out a total of NT\$356,600.



❖ Social welfare with virtuous influential actions

- The social welfare solution "Easy Transportation in the South Link Area" has served 29,005 persons in the South Link Area since 2019.
- The "Love's Miles" public welfare platform offers mobility services to 31 non-profit organizations and student racing teams throughout Taiwan, totaling 461,354 kilometers and 54,943 trips.
- The City of Children brought together 22 companies and NGOs, attracting over 15,000 participants.
- Supported the development of Sanyi woodcarving culture for over 25 years, with more than NT\$27.5 million invested.



CHAPTER

Sustainability

Strategies and Vision

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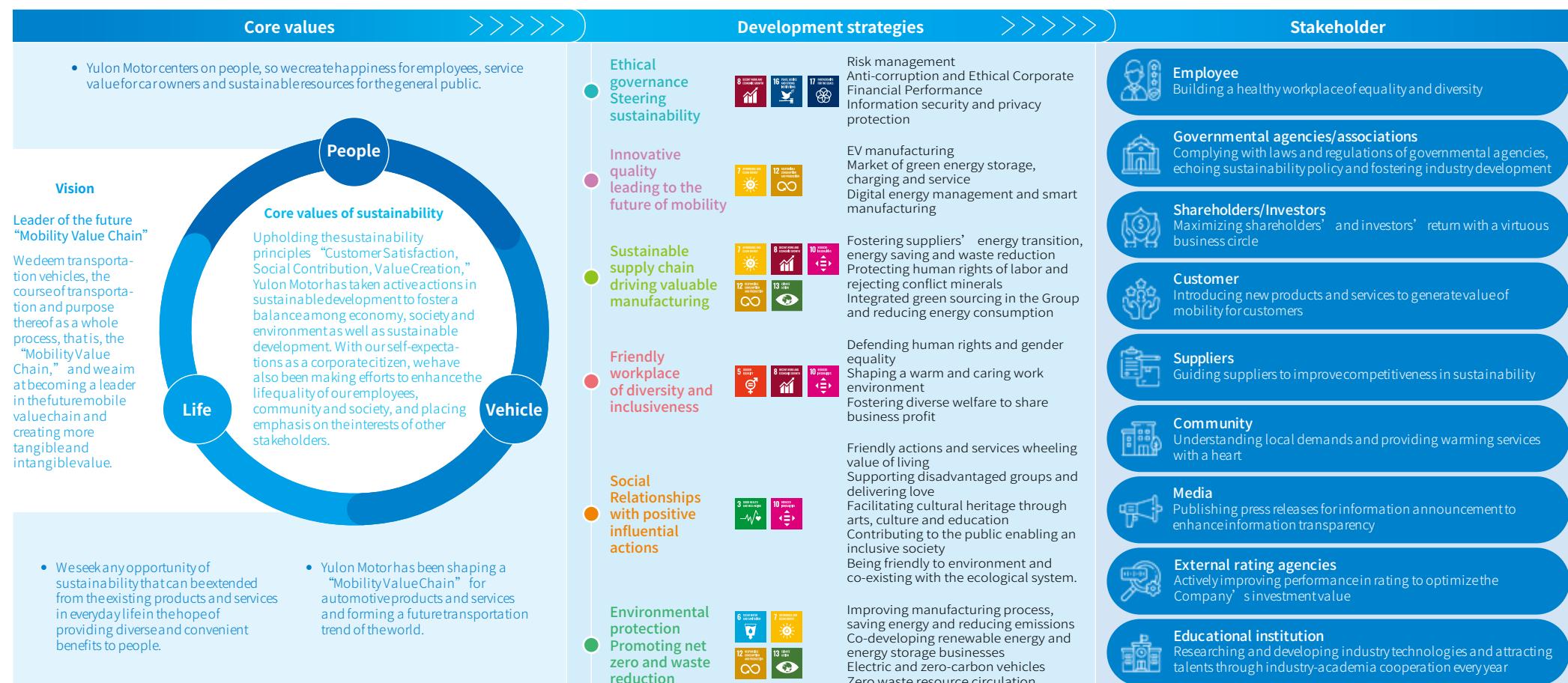


2024 SUSTAINABILITY REPORT

1-1 Sustainability Blueprint

Yulon Motor strives to become the leader of “Mobility Value Chain,” wishing to provide the general public with a more sustainable and better driving experience. We aim to develop more environmentally friendly products and services, drawing on over six decades of local experience and our advocacy of the business philosophy of “Customer Satisfaction, Social Contribution, Value Creation,” while promoting sustainability in respect to “People, Vehicle, Life.” Oriented on this core philosophy, Yulon Motor has further developed the six major sustainability strategies-“Ethical Governance,”“Innovative Quality,”“Sustainable Supply Chain,”“Friendly Workplace,”“Social Relationships” and “Environmental Protection,” and eight sustainable development goals (SDGs) to guide our implementation of sustainability. In addition to addressing the challenge for all on the earth and concerns of all stakeholders, we will layout the short-, mid- and long-term goals and action plans under the six major sustainability strategies by taking into account the global trend and local needs while constantly scrutinizing the performance of such mechanism and implementation thereof to put together the sustainability blueprint of Yulon Motor.

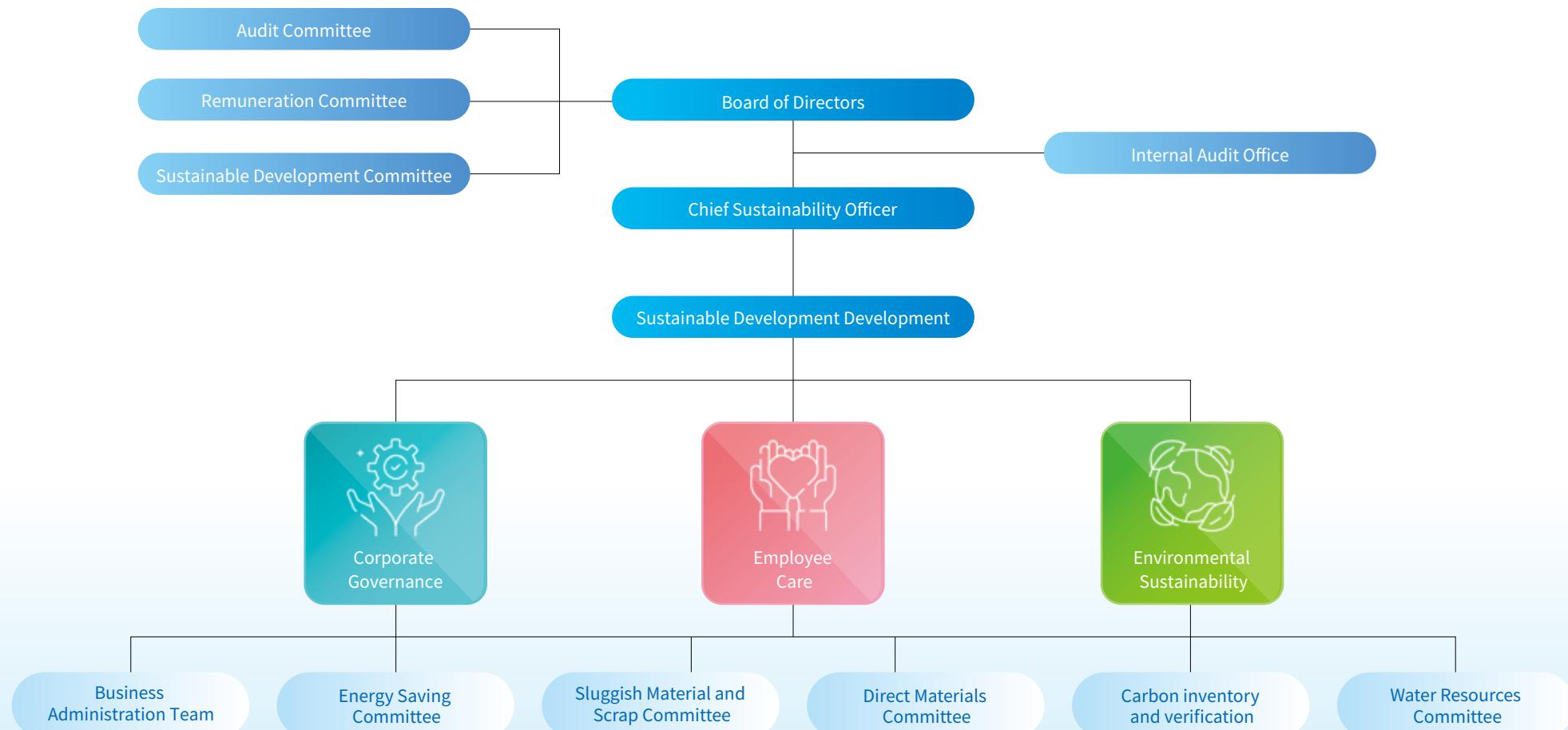
Yulon Motor's sustainability blueprint



1-2 Sustainable Development Committee and Sustainable Development Department

Yulon Motor cares about stakeholders' rights, and by understanding their expectations and demands via a wide range of communication channels, we have incorporated the objective "Taking from Society and Giving Back to Society" into our operational strategies and management. Yulon Motor grasps various types of virtuous possibility for sustainability with its mission and responsibility for society in mind, so we established the ESG implementation body and adopted the "Corporate Social Responsibility Best-Practice Principles" in 2014 for the practice of corporate governance and promotion of environmental and social welfare, so as to create the new value of "People, Vehicle, Life" for society.

Structure of Yulon Motor's Sustainability Organization



Coping with the trend of sustainability, Yulon Motor's Board of Directors officially adopted the establishment of the "Sustainable Development Committee" in November 2022 as a mean for implementing ESG strategies.

Duties of the "Sustainable Development Committee"

- Review the corporate sustainable operation strategy
- Review environmental sustainability, social engagement, corporate governance (ESG) work promotion
- Scrutinizing the mid- and long-term strategy planning and the implementation thereof.
- Examining the adoptions of and amendments to the Company's major regulations such as the Articles of Incorporation, Rules of Procedure for Shareholders' Meetings, Procedure for Board of Directors Meetings, Corporate Governance Best-Practice Principles, Sustainable Development Best Practice Principles and Ethical management;
- examining the adoptions of and amendments to the charters of functional committees under the Board of Directors
- Supervising and guiding the Company to participate in various corporate governance evaluations and assessing the results thereof; evaluating the performance of the Board and functional committees in accordance with the Regulations for the Performance Evaluation of the Board of Directors

For achieving our sustainability mission and vision, Yulon Motor has set the Sustainable Development Department (formerly known as the CSR Committee before January 2022) as the management platform chaired by the President to supervise the Company's ESG strategy planning and activities and prepare the annual sustainability report. We have established three core pillars – Environmental Sustainability, Social Engagement, and Corporate Governance – and appointed a chief sustainability officer in March 2025, to be led by a department-level executive. We are driving ESG initiatives through a division of labor and will hold monthly sustainability project management meetings to review, track, and share the progress and results of each ESG program. Subsequently, we will report to the Board of Directors on a quarterly basis. A report on the implementation results of the year is briefed to the Board at least once a year, and the follow-up ESG strategies and plans shall be approved by the Board of Directors.

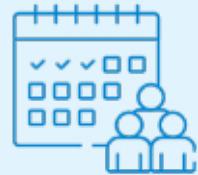
Sustainable Development Department Responsibilities

Planning ESG and sustainability activities	Coordinating the implementation of the Group's ESG activities	Managing public relations
<ol style="list-style-type: none"> 1. Formulating and facilitating the Company's direction, strategies and goals for ESG and sustainability 2. Controlling and analyzing the performance towards sustainability goals, and track and revise such goals 3. Paying attention to topics concerned by all stakeholders, including shareholders, clients, suppliers, employees, government, non-profit organizations, community and media, overseeing communication plans and responding to demands of external stakeholders 4. Preparing annual sustainability reports 5. Coordinating for ESG evaluations, act as a contact point for ESG evaluations, and initiating and making efforts to win awards and good ratings 	<ol style="list-style-type: none"> 1. Facilitating cross-company partnerships for sustainability in alignment with the Group's ESG and sustainability vision and policies 2. Putting the ESG and sustainability strategies, goal setting and performance management into practice in subsidiaries 3. Facilitating social engagement and commitment of subsidiaries and promoting their images of caring public welfare 	<ol style="list-style-type: none"> 1. Planning and executing media events 2. Planning and executing activities for corporate image 3. Planning and organizing activities enhancing community relations 4. Maintaining and centrally managing the Company's official website

Sustainable Development Department – Implementation of Meeting Affairs

Frequency and number of meetings

The Committee meets semi-annually, and in 2024, the Sustainable Development Department reported to the Board 4 times with 1 proposals passed



Achievements

- Obtained the statement for ISO 14064 greenhouse gas verification in April 2024
- Ranked the top 5% in the 10th corporate governance evaluation for listed companies in April 2024.
- The Sustainability Report passed the third-party assurance in July 2024.



Plan for the Sustainability Blueprint

According to the six major development strategies of the sustainability blueprint, the Sustainable Development Department has laid out the qualitative and quantitative short-, mid- and long-term goals for the sustainability vision and the individual annual check points for each goal oriented on the key ESG strategies discussed with the senior management and various departments. Thereby, Yulon Motor gradually puts each low-carbon-emissions and low-energy-consuming ESG and sustainability actions into practice to enhance the value of sustainability and carry through our vision for corporate sustainability.

Major development strategy in the blueprint	2024 Performance	Short-term (2025-2026)	Medium-term (2027-2028)	Long-term (After 2029)	Corresponding 2024 sustainability topics (2024 sustainability topics are in bold)
Environmental protection, promotion of energy saving and waste reduction	<ul style="list-style-type: none"> Reduced 19.75% GHG emissions/year (scopes 1 and 2) 	<ul style="list-style-type: none"> Greenhouse gas emissions to be reduced by 4.2% Cumulative installation of solar power generation facilities reached 17 MW. Water consumption to be reduced by 5%/year 	<ul style="list-style-type: none"> Greenhouse gas emissions to be reduced by 4.2% Water consumption to be reduced by 5%/year 	<ul style="list-style-type: none"> Greenhouse gas emissions to be reduced by 50% by 2030 100% electrification of vehicles in the plant by 2030 Net zero carbon emissions by 2050 	<ul style="list-style-type: none"> GHG emissions Air pollution Biodiversity Hazardous substance disposal Energy management Water resource utilization and wastewater discharge management
	<ul style="list-style-type: none"> Level of VOCs emissions to be lowered to: 60.4 g/m² Waste recycling ratio reached 94.19% 	<ul style="list-style-type: none"> Level of Volatile Organic Compounds emissions (hereinafter referred to as VOCs) to be lowered to: below 67 g/m² Recycling ratio reached over 90% 	<ul style="list-style-type: none"> Level of VOCs emissions to be lowered to: below 65 g/m² Recycling ratio reached over 90% 	<ul style="list-style-type: none"> Level of VOCs emissions to be lowered to: below 60 g/m² Recycling ratio reached over 90% 	<ul style="list-style-type: none"> Biodiversity
	<ul style="list-style-type: none"> Grew 4,361 tubs of 143 varieties of native sapling in total Native tree species restoration Project – 5 Locations 	<ul style="list-style-type: none"> Continued cultivation of native tree seedlings (6,000+ plants, totaling 60 species). Establish campus eco tree islands and promote tree-care education 	<ul style="list-style-type: none"> Expand the scale of campus eco tree islands and continue to promote tree-care education Cultivate environmental education volunteers Establish a native plants database 	<ul style="list-style-type: none"> Cultivate environmental education volunteers Continue to expand the native plants database 	

Major development strategy in the blueprint	2024 Performance	Short-term (2025-2026)	Medium-term (2027-2028)	Long-term (After 2029)	Corresponding 2024 sustainability topics (2024 sustainability topics are in bold)
Sustainable supply chain driving value production	<ul style="list-style-type: none"> Local sourcing ratio (equipment/expenses / indirect materials 85.4%) Assisted 22 suppliers in quality improvement supervision and 13 suppliers in assessment of QAR self-supervision. Green Procurement Scoring System: Compiling scores from 517 procurement projects and 392 vendors. Completed 16 supplier sustainability risk assessments. Completed guidance and performance evaluation for 16 key suppliers. 	<ul style="list-style-type: none"> Local procurement rate and the percentage of environmentally friendly products purchased (over 85.0% for equipment, expenses, and interior materials) Sustainability high-risk suppliers in on-site audit Carry out carbon inventory for subsidiaries included in the consolidated financial statements 	<ul style="list-style-type: none"> Continuously increase the rate of local and green procurement. Continue to increase the proportion of suppliers who signed the “Letter of Commitment for Sustainable Development of Suppliers” Sustainability high-risk suppliers in on-site audit 	<ul style="list-style-type: none"> Sustainability high-risk suppliers in on-site audit 	<ul style="list-style-type: none"> Sustainable supply chain GHG emissions
Innovative quality leading to the future of mobility	<ul style="list-style-type: none"> Electric car ⁷ in mass production and officially launched <p>Planned, developed, and introduced a new-generation automotive body chassis joining technology (SPR/FDS) to replace traditional arc spot welding and reduce energy consumption. All four stations have been fully completed.</p> <p>Introduced smart manufacturing process (introduction of automated inspection equipment, automated manufacturing equipment) to 49 workstations</p> <p>Replaced new refrigerant charging equipment to reduce refrigerant emissions.</p>	<ul style="list-style-type: none"> Officially mass-produce battery EV n5, a collaboration with Foxtron, and deliver to customers Continuously invest in the R&D of EVs and expand into overseas markets. <p>Improvement of the optimized vehicle laser welding technology</p> <p>Research, develop and introduce high-precision spray coating robotic arm to reduce paint usage and waste production</p> <p>Research, develop and introduce new-generation environmentally friendly refrigerant to reduce GHG emissions.</p> <p>Research, develop and introduce smart manufacturing stations (introduce automated inspection equipment, automated manufacturing equipment) to improve product reliability</p>	To continue growing the self-owned brand Luxgen with the open platform and shared resources by rolling out more competitive and demand-oriented new products	To keep fostering technology innovation in Taiwan's EV industry and creating forward-looking energy storage technology and products	<ul style="list-style-type: none"> EV development Product quality and reliability Technology R&D and innovation Customer relationship management <ul style="list-style-type: none"> To keep improving quality, enhancing testing technology and optimizing management skill Continue to introduce smart manufacturing stations

Major development strategy in the blueprint	2024 Performance	Short-term (2025-2026)	Medium-term (2027-2028)	Long-term (After 2029)	Corresponding 2024 sustainability topics (2024 sustainability topics are in bold)
Innovative quality leading to the future of mobility	<ul style="list-style-type: none"> Completed the production line construction, which went into production in response to customer demands in 2024. The total capacity for energy storage containers was 2.2GWh, capable to meet order quantity. Completed CUBE product development verification and began mass production. Energy storage cabinets have obtained domestic and international safety certifications, including IEC 62619 and VPC certification. 	<ul style="list-style-type: none"> Mass production and launch of independent energy storage container products Expand the scope of product development – enter a wider range of product and service markets. Continuously optimize design to reduce procurement and manufacturing costs. 	<ul style="list-style-type: none"> Boost market development for existing energy container products, expand scopes of services and sale In answer to market trend, invest in R&D of household energy storage products Develop various energy storage products and integrate manufacturing services Actively expand into overseas markets. 	<ul style="list-style-type: none"> Continue to improve the R&D technology, patent strategy and product efficiency for energy containers Explore the business opportunities for energy containers in overseas markets To develop liquid-cooling energy storage products and integrate manufacturing services 	<ul style="list-style-type: none"> EV development Product quality and reliability Technology R&D and innovation Customer relationship management
Ethical governance steering sustainability	<ul style="list-style-type: none"> Ranked the top 5% in the corporate governance evaluation for 10 consecutive years Included as a constituent of the FTSE4Good Taiwan Sustainability Index. Received the CommonWealth Magazine's Sustainable Citizen Award – Large Enterprise Award TOP50 Received the TCSA Award for Comprehensive Performance of Sustainability and Sustainability Report Award-Platinum Medal Obtained ISO 50001 energy management system certification Obtained ISO 27001 information security risk management system Introduced the Taiwan Intellectual Property Management System (TIPS) and obtain verification 	<ul style="list-style-type: none"> Introduce IFRS S1 and S2 Sustainability Disclosure Standards. Introduce Taskforce on Nature-related Financial Disclosures (TNFD) To improve credit rating and lower the capital costs for developing manufacturing services and investing in energy storage business Ranked the top 5% in the corporate governance evaluation To implement diversification for increasing revenue from new businesses Continuous certification of ISO (9001/140 01/45001/14064/17025/27001/50001) and IATF 16949 , as well as other automotive and manufacturing industry certifications. Continuous certification of ISO 27001 information security risk management system To continue to update the framework of sustainability report 	<ul style="list-style-type: none"> To improve communication efficiency between the Company and external personnel To keep close relations with the capital market in order to increase the number of diverse funding channels and seek appropriate investment targets Ranked the top 5% in the corporate governance evaluation To continue to update the framework of sustainability report Continuous certification of ISO (9001/14001/45001/14064/17025/27001/50001) and IATF 16949 , as well as other automotive and manufacturing industry certifications. Continuous certification of ISO 27001 information security risk management system To implement diversification for increasing revenue from new businesses 	<ul style="list-style-type: none"> Ranked the top 5% in the corporate governance evaluation Keep improving disclosures in the sustainability report in accordance with international standards. Continuous certification of ISO (9001/14001/45001/14064/17025) and IATF 16949 , as well as other automotive and manufacturing industry certifications To implement diversification for increasing revenue from new businesses 	<ul style="list-style-type: none"> Operational and financial performances Risk management Corporate governance Brand image Information security and privacy management

Major development strategy in the blueprint	2024 Performance	Short-term (2025-2026)	Medium-term (2027-2028)	Long-term (After 2029)	Corresponding 2024 sustainability topics (2024 sustainability topics are in bold)
Friendly workplace of diversity and inclusiveness	<ul style="list-style-type: none"> Selected for the 2024 CommonWealth Talent Sustainability Award. Selected for the CHR Healthy Corporate Citizenship Award – “Health 99” Enterprise. Yulon earned the “iSport Certification” from the Ministry of Education In 2024, rolled out three types of industry-academia collaboration: Yen Tjing Ling Industrial Development Foundation’s industry-academia collaboration, summer internships, and a one-day automotive industry training camp for emerging talent. The percentile rank of employee satisfaction was 49 <ul style="list-style-type: none"> 0 catastrophes and fatal occupational accident/year 1 employee work injury/year 48 safety and health promotional events/year 12 employee safety seminars/year 4 agreement and organization meetings with contractors/year 	<ul style="list-style-type: none"> Key position inventory and talent pathway program Mid-level and senior talent development credit system program To facilitate industry-academia cooperation for key talents recruitment: to increase the number of partnering organizations and recruit interns To intensify corporate talents development and raise the percentile rank of employee satisfaction above 45 Turnover rate of new employees <16% 	<ul style="list-style-type: none"> To facilitate industry-academia cooperation for key talents recruitment: to increase the number of partnering organizations and recruit interns To intensify corporate talents development and raise the percentile rank of employee satisfaction above 50 Turnover rate of new employees <16% 	<ul style="list-style-type: none"> To facilitate industry-academia cooperation for key talents recruitment: to increase the number of partnering organizations and recruit interns To intensify corporate talents development and raise the percentile rank of employee satisfaction above 55 Turnover rate of new employees <15% 	<ul style="list-style-type: none"> Recruitment and retention Occupational Health and Safety Human Rights Career development, education and training
Social welfare with virtuous influential actions	<ul style="list-style-type: none"> The social welfare solution “Easy Transportation in the South Link Area” has served 29,005 persons in the South Link Area since 2019. The “Love’s Miles” public welfare platform offers mobility services to 31 non-profit organizations and student racing teams throughout Taiwan, totaling 461,354 kilometers and 54,943 trips. The City of Children brought together 22 companies and NGOs, attracting over 15,000 participants. Supported the development of Sanyi woodcarving culture for over 25 years, with more than NT\$27.5 million invested. 	<ul style="list-style-type: none"> Help local arts and cultural industries by supporting the development of wood carving externally and encourage employees to participate in arts and cultural events internally Join other relevant units to assist rural transportation, involve in public welfare and give back to the community with our expertise in automobiles. 	<ul style="list-style-type: none"> To continue to strengthen and develop differentiated featured programs in regard to becoming environmentally friendly and support for disadvantaged groups, which meet the SDGs 	<ul style="list-style-type: none"> To work with governmental agencies in Miaoli, Taipei City and New Taipei City, companies at the industrial park, social welfare organizations and communities to introduce caring events that connect to SDGs with local color and to support local events that address topics on steering value, social engagement and support for disadvantaged groups. 	<ul style="list-style-type: none"> Social Relationships

1-3 Stakeholder Communication – Analysis of Material Topics

Yulon Motor cares about the demands of all stakeholders and hopes to create total value among the economy, environment, society, and ourselves with the efforts of the Board of Directors, management, and all of our employees. We have constructed a variety of channels, e.g. company website, business reports, routine meetings, investor conferences, shareholders' meetings, annual reports and sustainability reports, which are issued annually, in order to capture stakeholders' needs and facilitate communication with them. In addition to understanding topics of stakeholders' concern, picking material topics and disclosing properly, we have also built a model for long-lasting mutual trust and interaction through the said means.

1-3-1 Stakeholder Engagement

Based on the different levels of interaction during the daily operations and with reference to the AA1000 Stakeholder Engagement Standard, Yulon Motor has identified nine major groups of stakeholders that have influence on or are influenced by Yulon Motor.

Subject	Significance to Yulon Motor	Topics of concern	Communication channel(s)/ frequency	Achievement	Corresponding chapter(s)
 Employee	Employees are the foundation of Yulon Motor's development, so it offers a wide range of competitive welfare and compensation to attract and retain talents, thereby improving its operational efficiency	<ul style="list-style-type: none"> Operational and financial performances Information Security and Privacy Security Management Recruitment and retention Workplace diversity, equity, and inclusion. Occupational health and safety 	<ul style="list-style-type: none"> Labor-management meetings (quarterly) New employee seminars (quarterly) Employee seminars (annually) Employee satisfaction survey (annually) New employee satisfaction survey (semi-annually) Employee magazines (annually) Employee feedback mailbox (on an unscheduled basis) Nice to meet Yu Line@ (on an unscheduled basis) Employee grievance hotline (on an unscheduled basis) Manager consensus camp (semi-annually) Education and training (irregular) 	<ul style="list-style-type: none"> Held 4 labor-management meetings and 3 employee discussions Received 40 feedback letters from the employee feedback mailbox 6 promotional announcements released on Line, and new hires received timely QA responses from time to time Employees completed and consulted about illegal infringements at workplace. Promotional events concerning illegal infringements and legal issues – 1 physical courses, 2 online course and 1 legal circulars 	<ul style="list-style-type: none"> 2-2 Financial Performance 5-1 Diverse talent strategy 5-3 Friendly and safe work environment
 Media	Media is the important bridge between Yulon Motor and our stakeholders, and we improve the transparency of information through publication of newsletters.	<ul style="list-style-type: none"> Brand image Information Security and Privacy Security Management Product quality and reliability Social Relationships 	<ul style="list-style-type: none"> Publication of newsletters via media (on an unscheduled basis) Media interviews (on an unscheduled basis) 	<ul style="list-style-type: none"> Published 24 newsletters regarding topics such as performance of corporate governance, corporate social responsibility and ESG and sustainability actions 	<ul style="list-style-type: none"> 2. Ethical governance 2-4 Risk Management 3-2 Quality Control and Safety Guarantee 6 Social Relationships

Subject	Significance to Yulon Motor	Topics of concern	Communication channel(s)/frequency	Achievement	Corresponding chapter(s)
 Governmental agencies/ associations	<p>Yulon Motor complies with relevant standards and regulations provided by governmental agencies/ associations and takes the initiative to communicate and offer opinions as a reference for their decisions.</p>	<ul style="list-style-type: none"> • Corporate governance • Operational and financial performances • Risk management • Information Security and Privacy Security Management • Product quality and reliability • Sustainable supply chain • Climate strategy 	<ul style="list-style-type: none"> • Communication with associations (annually) • Seminars, public hearings and conferences (on an unscheduled basis) • Official documents (on an unscheduled basis) • Corporate governance evaluation (annual) 	<ul style="list-style-type: none"> • Received 73 official documents on average every month • Ranked the top 5% in the 10th Corporate Governance Evaluation 	<ul style="list-style-type: none"> • 2. Ethical governance • 2-2 Financial Performance • 2-4 Risk Management • 3-2 Quality Control and Safety Guarantee • 4 Sustainable supply chain • 7-1 Climate change management
 Shareholders/ Investors	<p>Shareholders/Investors are an important source of capital. Transparent disclosure of financial and non-financial information indicates the use of fund and further creates value for shareholders.</p>	<ul style="list-style-type: none"> • Brand image • Corporate governance • Operational and financial performances • Information Security and Privacy Security Management • Risk management • Technology R&D and innovation • Sustainable supply chain 	<ul style="list-style-type: none"> • General Meeting of shareholders (annually) • Publication of annual reports (annually) • Investor conferences (quarterly) • Announcements of material information on the Market Observation Post System (on an unscheduled basis) • Calls/emails from minority shareholders (on an unscheduled basis) 	<ul style="list-style-type: none"> • The annual report was published in May • Investor conferences were held in April, May, August and November • Made 64 material information announcements • Received inquiries from 27 minority shareholders 	<ul style="list-style-type: none"> • 2. Ethical governance • 2-2 Financial Performance • 2-4 Risk Management • 3-1 Leading products and innovative R&D • 4 Sustainable supply chain
 Customer	<p>Customers' support is a major source of Yulon Motor's revenue. As a symbolic car manufacturer in Taiwan, we provide high-quality products and services to attain sustainability and for the common good.</p>	<ul style="list-style-type: none"> • Corporate governance • Operational and financial performances • Risk management • Product quality and reliability • Customer relationship management • Sustainable supply chain 	<ul style="list-style-type: none"> • Customer satisfaction survey (annual) • Production and sales meetings (monthly) • Market quality meetings (weekly) 	<ul style="list-style-type: none"> • Conducted 2 customer satisfaction surveys regarding delivery • Held a total of 36 production and sales conferences for 4 brands. • Held a total of 296 market quality meetings and investigated, tracked and improved production issues based on market feedback 	<ul style="list-style-type: none"> • 2. Ethical governance • 2-2 Financial Performance • 2-4 Risk Management • 3-2 Quality Control and Safety Guarantee • 3-3 Customer relationship management • 4 Sustainable supply chain
 Suppliers	<p>Suppliers are Yulon Motor's most important business partners. In addition to producing high quality products, we work with these partners in value chain to create the value of sustainability.</p>	<ul style="list-style-type: none"> • Corporate governance • Sustainable products and services • Product quality and reliability • Customer relationship management • Sustainable supply chain 	<ul style="list-style-type: none"> • Annual review of suppliers' specification compliance and inspection on 8 major aspects (annually) • Supplier conferences (annually) • Quality audit meetings (annually) • SCM Platform (irregular) • SQM Platform (irregular) 	<ul style="list-style-type: none"> • Inspections have been carried out on 22 suppliers • Quality audit meetings with 13 suppliers were held • Examined the platform regarding early indication, view and change of presentation 	<ul style="list-style-type: none"> • 2. Ethical governance • 3-1 Leading products and innovative R&D • 3-2 Quality Control and Safety Guarantee • 3-3 Customer relationship management • 4 Sustainable supply chain

Subject	Significance to Yulon Motor	Topics of concern	Communication channel(s)/frequency	Achievement	Corresponding chapter(s)
 External rating agencies	<p>The rating results of external rating agencies may influence the decisions and views of investors. By actively engaging with rating agencies, we improve the rating performance and hence increase the overall investment value of the Company.</p>	<ul style="list-style-type: none"> Corporate governance Sustainable products and services Sustainable supply chain Occupational health and safety Greenhouse Gas Management 	<ul style="list-style-type: none"> Publication of sustainability reports (annually) Company website (on an unscheduled basis) Election data/interviews (on an unscheduled basis) 	<ul style="list-style-type: none"> Published the Sustainability Report of the year Maintained ESG-related information on a monthly basis Participated in 9 elections/interviews 	<ul style="list-style-type: none"> 2 Ethical management 3-1 Leading products and innovative R&D 4 Sustainable supply chain 5-3 Friendly and safe work environment 7-1 Climate change management
 Community	<p>Community allows Yulon Motor to gain a more diverse point of view, and together, we pose virtuous impact through constant communication and cooperation.</p>	<ul style="list-style-type: none"> Brand image Human Rights Social Relationships Climate strategy 	<ul style="list-style-type: none"> Volunteer services (on an unscheduled basis) Community visits (on an unscheduled basis) Announcements on the company website (on an unscheduled basis) Schools (annually) Public Relations Department (on an unscheduled basis) 	<ul style="list-style-type: none"> Held 5 volunteer services and activities Paid 8 visits to community Made 194 announcements on the company website Offered sponsorship to 34 schools/communities 	<ul style="list-style-type: none"> 2. Ethical governance 5-1 Human rights protection 6 Social Relationships 7-1 Climate change management
 Educational institution	<p>Educational institutions cultivate talents for the industry, and through the industry-academia collaboration every year, we research and develop industry technology and attract talents.</p>	<ul style="list-style-type: none"> Brand image Operational and financial performances Information Security and Privacy Security Management Sustainable products and services 	<ul style="list-style-type: none"> Industry-academia collaboration (yearly) 	<ul style="list-style-type: none"> Collaborated with 4 schools to jointly launch 5 industry-academia cooperation projects. 	<ul style="list-style-type: none"> 2. Ethical governance 2-2 Financial Performance 2-4 Risk Management 3-1 Leading products and innovative R&D

1-3-2 Analysis of Material Topics and Assessment of Impacts

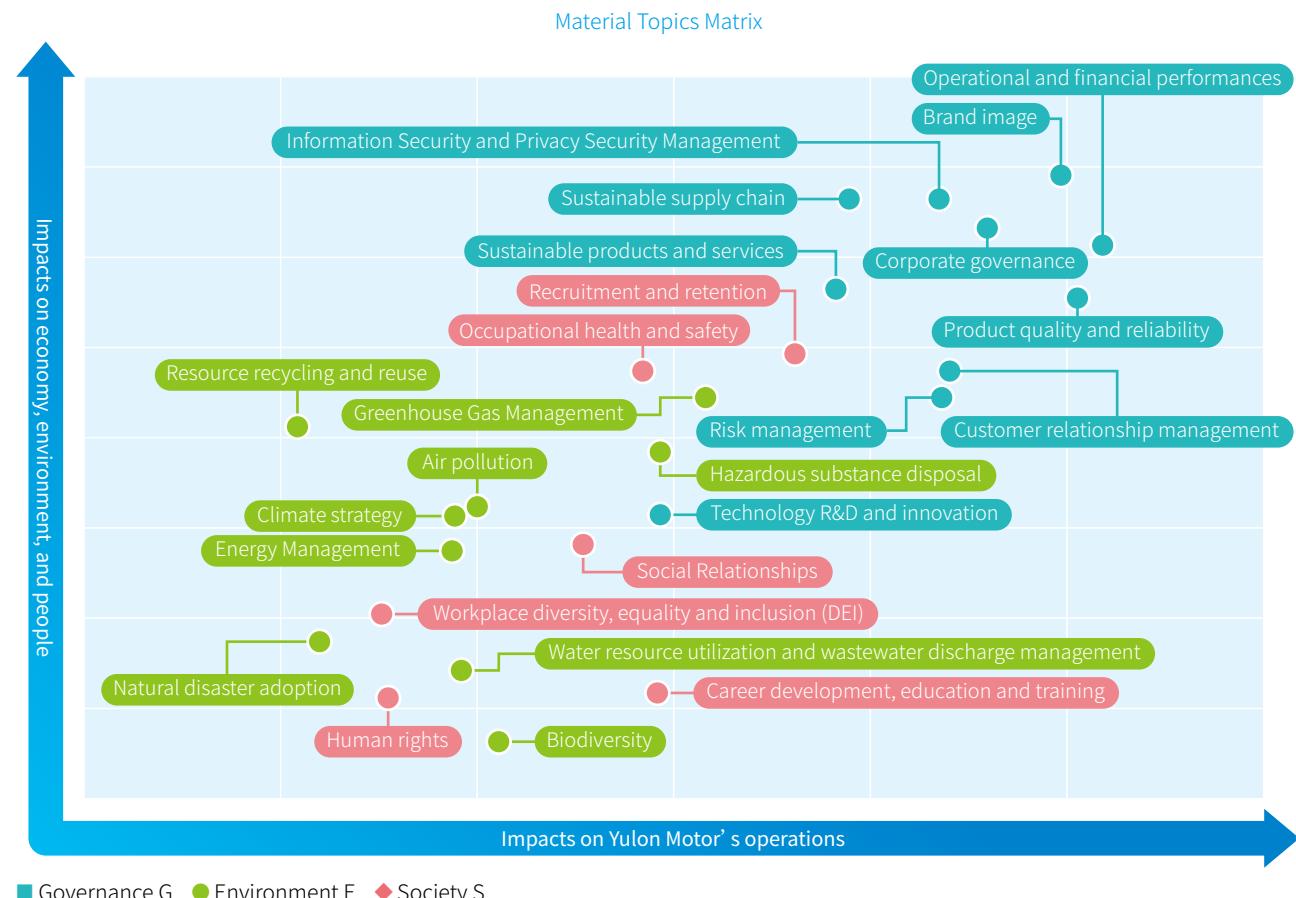
The identification of material sustainability topics were carried out in compliance with the latest GRI Standards (2021). During the identification process, Yulon Motor facilitated a good understanding about topics of stakeholders' concern via various channels such as the media, the website, the union, relevant meetings, annual reports and internal publications. We also referred to information from media reports, consumer surveys for vehicle purchases, customer satisfaction surveys, social media and benchmark in the global automotive industry using the method of questionnaire analysis. Based on the summary and analysis result, we have listed the key topics in order from an objective point of view, and concluded the top 12 material topics that may pose significant impacts on "Yulon Motor" and "economy, environment and people" and set them as this year's goals for sustainability. Meanwhile, based on the materiality of impacts on Yulon Motor, economics, environment and society, we have explicitly disclosed the material topics and in the meantime described our actions for sustainability on other relevant topics.

Procedure	Step	Implementation
Continuous identification and assessment of impacts	01 Understanding organizational context	<ul style="list-style-type: none"> Identified stakeholders: With reference to the five major principles of the AA1000 Stakeholder Engagement Standard (SES), identified nine major groups of stakeholders: employees, customers, suppliers, shareholders/investors, governmental agencies/associations, external rating agencies, community, media and educational institution. Summarized topics concerning sustainability: In addition to material topics of stakeholders' concern and that are generally found in the car manufacturing industry throughout daily operations, it referred to various international sustainability standards and regulations such as GRI and SASB Standards and concluded with 3 major aspects and 25 topics.
	02 Identifying actual and potential impacts	<ul style="list-style-type: none"> Confirmed stakeholders' level of concern on each topic: we analyzed the weights of each group of stakeholders based on the communication frequency, reliability and influence of each group of stakeholders and distributed 27 questionnaires regarding levels of concern on internal and external topics to summarize and assess the degree of attention paid by each group of stakeholders on Yulon Motor's sustainability topics. Actual and potential impacts: taking the positive and negative impacts of each topic on operations and business relations and the aforementioned stakeholders' level of concern on these topics into account, we used the method of questionnaire analysis and multiplied the scores by a factor reflecting the degree of effects and the possibility of impacts to calculate the degree of impacts on each topic.
	03 Assessing the significance of impacts	<ul style="list-style-type: none"> Assessed the threshold of impacts: Based on the material topic assessment result of 2024, we chose topics from the 3 major aspects that individually have a threshold higher than 3.39 as the top 12 material topics. We then decided on the final reporting method with reference to the opinions of consultants from the management team.
	04 Determining the priority of the most significant impacts for reporting	<ul style="list-style-type: none"> Topics confirmed: After the Sustainable Development Department and the senior management confirmed all material topics, aspects and the priority thereof, they formulated the management approaches and had relevant information disclosed on the sustainability report. Regular reviews: regularly reviewed the implementation status of existing material topics and carried out mitigation and remedial measures in the event of a negative impact.

Conclusion about material topics to be reported

Materiality Matrix

In considering material issues for 2024, Yulon Motor's investments in the energy sector – including contract manufacturing and export of energy storage systems, its own energy storage business, and solar power installation – prompted a change from the original issue of "EV development" to "sustainable products and services" to expand its definition.



Movement of Material Topics

Material topic	Priority in 2024	Priority in 2023	Movement
Brand image	1	1	Unchanged
Sustainable supply chain	2	8	↑
Information Security and Privacy Security Management	3	15	↑
Corporate governance	4	18	↑
Operational and financial performances	5	5	Unchanged
Sustainable products and services	6	2	↓
Product quality and reliability	7	4	↓
Recruitment and retention	8	3	↓
Occupational health and safety	9	7	↓
Customer relationship management	10	17	↑
Greenhouse Gas Management	11	12	↑
Risk management	12	10	↓

Note 1: Compared to the 2023 materiality assessment, information security and privacy management, corporate governance, and customer relationship management have been added to the 2024 materiality issues. This reflects stakeholders' growing concern about the Company's response to increasing cybersecurity risks amid digital transformation.

List of Material Topics and Description of Impact Boundary

Priority	Material topic	Aspect	Description of impact	Corresponding GRI-specific topic	Reporting boundary									Corresponding chapter for management approach	
					Within the organization		Outside the organization								
					Employee	Customers (end consumers)	Shareholders	Suppliers	Customers (brand owners)	Community	Media	Go ✓ environmental agencies/associations	External rating agencies	Educational institution	
1	Brand image	G	<p>Positive impact: The brand image can help to raise stakeholders' trust and bring about their supports to the Company's operations, such as customers' willingness to purchase, suppliers' willingness to cooperate with the Company's strategy, employees' support, and talents' willingness to join the Company.</p> <p>Negative impact: A negative brand image can lead to unsupportive stakeholders who may even boycott the Company's operations, for example, consumers' boycott of the Company's products, suppliers' refusal to take orders, employee strikes or resignation, and recruitment challenges.</p>	Self-defined topics	✓	✓	✓	✓	✓	✓	✓		✓		2. Ethical governance
2	Sustainable supply chain	G	<p>Positive impact: Push Yulon to work with its suppliers from the perspectives of sustainable development, for instance, to seek carbon neutrality environmentally, to emphasize human rights topics on the social aspect and to meet evaluation requirements for its corporate governance (e.g. ISO), in order to meet legal requirements and enhance industry competitiveness.</p> <p>Negative impact: Failure in sustainable supply management, inability to connect with suppliers to improve their quality, failure to meet governmental regulations (such as carbon inventory of subsidiaries) and lowered competitiveness.</p>	GRI 204-1 GRI 414-1	✓			✓					✓		4 Sustainable supply chain

Priority	Material topic	Aspect	Description of impact	Corresponding GRI-specific topic	Reporting boundary								Corresponding chapter for management approach
					Within the organization		Outside the organization						
Employee	Customers (end consumers)	Shareholders	Suppliers	Customers (brand owners)	Community	Media	GoVERNMENTAL agencies/associations	Educational institution	External rating agencies				
3	Information security and privacy management	G	<p>Positive impact: Improve data security, enhance privacy protection, build trust, foster innovation, and drive digital economic growth.</p> <p>Negative impact: May create systemic vulnerabilities, data breach risks, privacy violations, and increased cybersecurity costs and management burdens.</p>	GRI 418-1	✓	✓	✓	✓	✓	✓	✓	✓	2. Ethical governance
4	Corporate governance	G	<p>Positive impact: Good corporate governance supports long-term business development, enables the formulation of appropriate operating strategies, and contributes to sustainable business operations.</p> <p>Negative impact: Gaps or deficiencies in corporate governance could lead to consequences such as integrity management issues and imbalances in strategic planning, which may affect company operations.</p>	Self-defined topics	✓	✓	✓	✓	✓	✓	✓	✓	2. Ethical governance
5	Operational and financial performances	G	<p>Positive impact: Financial and operational strategies and profits are crucial to the Company's overall performance since they will directly affect the economic performance of the Company and consequently its R&D, environmental protection and human resource expenses.</p> <p>Negative impact: Unfavorable financial performance may lead to endangered operations and tightened business investment strategies.</p>	GRI 201-1	✓	✓	✓	✓	✓	✓	✓	✓	2-2 Financial Performance

Priority	Material topic	Aspect	Description of impact	Corresponding GRI-specific topic	Reporting boundary								Corresponding chapter for management approach
					Within the organization		Outside the organization						
Employee	Customers (end consumers)	Shareholders	Suppliers	Customers (brand owners)	Community	Media	Governmental agencies/associations	Educational institution	External rating agencies				
6	Sustainable products and services	G	<p>Positive impact: By leveraging sustainability trends, Yulon Motor is able to boost its brand standing and revenue through effective resource utilization and strategic investment in the energy market.</p> <p>Negative impact: Failing to achieve the expected results from investments in sustainable products and services may result in liabilities or a loss of resources invested to enter the market.</p>	Self-defined topics	✓	✓	✓	✓	✓	✓	✓	✓	3-1 Leading products and innovative R&D
7	Product quality and reliability	G	<p>Positive impact: Good product quality and reliability will influence customers' trust in us, our goodwill, and the impression that investors and the general public may have of us.</p> <p>Negative impact: In addition to fines for violations of laws, product quality issues may also result in consumer distrust or boycotts.</p>	Self-defined topics	✓	✓	✓	✓	✓	✓	✓	✓	3-2 Quality Control and Safety Guarantee
8	Recruitment and retention	S	<p>Positive impact: If we can provide more competitive salary and welfare, we will be able to attract more talents of diversity, raise the retention rate and reduce additional costs for recruitment.</p> <p>Negative impact: Unfavorable talent recruitment and retention can cause high recruitment costs of the human resources department arising from endless new recruits and increased frequency of handovers.</p>	GRI 401-1	✓	✓	✓	✓	✓	✓	✓	✓	5-1 Diverse talents strategy

Priority	Material topic	Aspect	Description of impact	Corresponding GRI-specific topic	Reporting boundary								Corresponding chapter for management approach	
					Within the organization		Outside the organization							
Employee	Customers (end consumers)	Shareholders	Suppliers	Customers (brand owners)	Community	Media	GoVERNMENTAL agencies/associations	Educational institution	External rating agencies					
9	Occupational Health and Safety	S	<p>Positive impact: Ensured health and safety of operational personnel in the plant that increase employee trust and satisfy environmental safety laws and regulations.</p> <p>Negative impact: If we fail to effectively manage occupational safety at the plant, in addition to the impacts on employees' health, we will face high medical costs, violation of relevant laws and loss on human resources, which will further affect the work shifts at the plant and inventory level.</p>	GRI 403-1~403-9	✓		✓	✓						5-3 Friendly and safe work environment
10	Customer relationship management	G	<p>Positive impact: Proactive customer relationship management provides timely customer feedback, improves customer satisfaction, builds a positive brand image, and encourages product purchases.</p> <p>Negative impact: Poor customer relationship management may lower customer satisfaction, potentially damaging the online reputation and brand image, and leading to decreased sales.</p>	Self-defined topics	✓	✓	✓	✓	✓					3-3 Customer relationship management

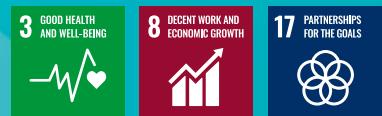
Priority	Material topic	Aspect	Description of impact	Corresponding GRI-specific topic	Reporting boundary								Corresponding chapter for management approach	
					Within the organization		Outside the organization							
					Employee	Customers (end consumers)	Shareholders	Suppliers	Customers (brand owners)	Community	Media	Government agencies/associations	Educational institution	
11	Greenhouse Gas Management	E	<p>Positive impact: A good GHG emissions strategy can gradually reduce the emissions to achieve carbon neutrality and save the money spent on future renewable energy investment.</p> <p>Negative impact: If we fail to reduce GHG emissions with our partners in the value chain, we may face expensive environmental compliance costs and worsen the progression of global climate change.</p>	GRI 305-1~305-6	✓		✓	✓	✓	✓	✓	✓	✓	7-1 Climate change management
12	Risk management	G	<p>Positive impact: Proper management and prevention of any potential risks in the future may mitigate losses arising from different crises and build confidence in employees and investors.</p> <p>Negative impact: Risk management errors may result in the Company's untimely response to risks due to omission of potential risks or defective corresponding strategies, thus leading to violations of laws or lagging behind market trends.</p>	Self-defined topics	✓	✓	✓	✓	✓					2-4 Risk Management

CHAPTER

Ethical Governance

Steering Sustainability

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2024 SUSTAINABILITY REPORT

Material issue

Operational and financial performances, Risk management, Brand image, Corporate governance

Major stakeholders

Governmental agencies/associations, employees, shareholders/investor, external rating agencies, media

Performance highlights

- ◆ In 2024, the Company has been recognized as one of the top 5% listed companies for ten consecutive years in Financial Supervisory Commission's Corporate Governance Evaluation.
- ◆ Included as a constituent of the FTSE4Good Taiwan Sustainability Index.
- ◆ Ranked 17th in the Manufacturing Category of the CommonWealth Magazine's Sustainable Citizen Award
- ◆ Awarded the “Comprehensive Performance Award – Traditional Industry Group” Excellence Award by CommonWealth Magazine in 2024
- ◆ Awarded by TCSA for Comprehensive Performance of Corporate Sustainability – Top 100 Sustainable Models in 2024
- ◆ Received the TCSA Sustainability Report Award – Platinum Medal in 2024

上市上櫃公司 第十屆公司治理評鑑 頒獎典禮



Since its inception in 1953, Yulon Motor has always been thinking about the development of Taiwan's automotive industry and realized the importance of corporate governance to Taiwan. Therefore, our carefulness and caution have rewarded us with the title of top 5% in the Corporate Governance Evaluation for 10 consecutive years as the best proof of our efforts in 2024. We saw the trends of net zero emissions and sustainability in the world, and Yulon Motor understands our responsibility for the transformation of Taiwan's automotive industry and for the expectations from a wide array of stakeholders, e.g. proportion of directors, remuneration to senior management and its connection to sustainability performance. Therefore, we have established the ESG Committee in 2022, along with the existing Audit Committee and Compensation Committee, and adopted and amended the “Corporate Social Responsibility Best-Practice Principles” and the “Corporate Governance Best-Practice Principles” in 2014 and 2016, respectively. A dedicated unit shall summarize the implementation status of corporate governance and regularly report to the Board of Directors and the senior management. We will step up to lead the transformation in Taiwan's automotive industry and stabilize profits under a comprehensive governance framework while creating more positive impacts on society and environment.

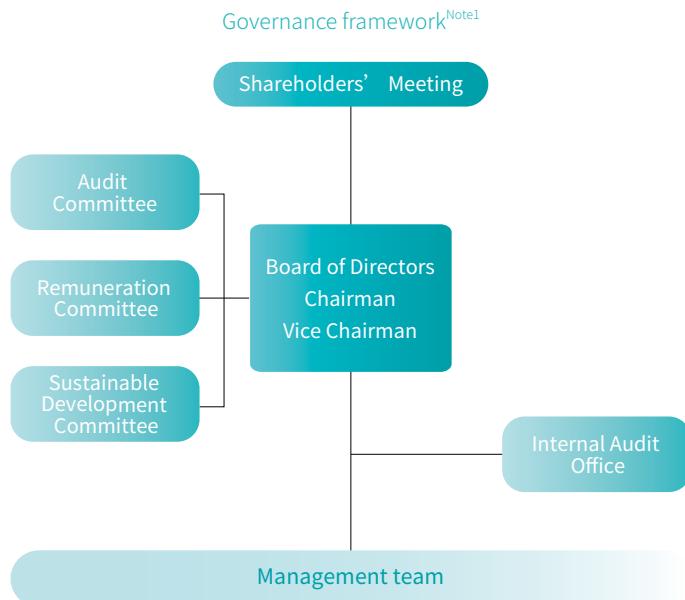
Corporate Governance Management Approach

Significance to Yulon Motor	<p>Yulon Motor is committed to ethical business conduct and maintains a robust corporate governance framework, ensuring integrity, combating corruption, promoting information transparency, actively engaging with stakeholders, upholding effective board functions, and safeguarding shareholder rights and decision-making involvement. Furthermore, we establish sustainability goals, policies, and procedures, and integrate sustainable development concepts into all levels and departments of management.</p>				
Policy and commitment	<ul style="list-style-type: none"> Report to the Board of Directors annually on corporate governance operations and regular external board assessments. With a corporate culture built on “innovation, speed, and teamwork,” we are committed to realizing our business vision of “customer satisfaction, social contribution, and value creation.” Continuously review of the governance systems in accordance with applicable laws and regulations and corporate governance best practices, and publicly disclose our implementation status. Regularly review stakeholder concerns and establish communication and response channels. 				
Goals	<p>Short-term (2025-2026)</p> <ul style="list-style-type: none"> Striving to achieve a top 5% ranking in corporate governance assessments 				
	<p>Medium-term (2027-2028)</p> <ul style="list-style-type: none"> Continuously work toward achieving a top 5% ranking in corporate governance assessments or winning international governance or sustainability awards 				
	<p>Long-term (after 2029)</p> <ul style="list-style-type: none"> Continuously work toward achieving a top 5% ranking in corporate governance assessments or winning international governance or sustainability awards 				
Achievement in the previous year	<table border="1" data-bbox="265 843 2160 997"> <thead> <tr> <th data-bbox="265 843 1201 906">Goals of the previous year</th><th data-bbox="1201 843 2160 906">Achievement</th></tr> </thead> <tbody> <tr> <td data-bbox="265 906 1201 997">Rank the top 5% in the corporate governance evaluation</td><td data-bbox="1201 906 2160 997">Ranked the top 5% in the corporate governance evaluation for 10 consecutive years</td></tr> </tbody> </table>	Goals of the previous year	Achievement	Rank the top 5% in the corporate governance evaluation	Ranked the top 5% in the corporate governance evaluation for 10 consecutive years
Goals of the previous year	Achievement				
Rank the top 5% in the corporate governance evaluation	Ranked the top 5% in the corporate governance evaluation for 10 consecutive years				
Responsible unit	Business Administration Team				
Specific actions	<ul style="list-style-type: none"> Rank the top 5% in the corporate governance evaluation Awarded the 2024 TCSA Taiwan Sustainability Awards: Sustainability Comprehensive Performance Award – a Top 100 Sustainable Model, and Sustainability Report Award – Platinum Medal Awarded recognition in the 2024 CommonWealth Global Sustainability Citizen Award 				

Management Approach to Brand Image

Significance to Yulon Motor	The brand Yulon represents quality, innovation and reliability in customers' mind. By tapping into the good image, we boost our market competitiveness, increase the trust from society, attract talents and build strong partnerships. We have been active in showing our corporate values to affirm our leadership in the industry and continue to build a sustainable corporate image.								
Policy and commitment	<ul style="list-style-type: none"> • Complete a sound vehicle product quality management system to ensure a brand quality based on product quality. • Participate in the corporate governance evaluation and continue to disclose information on corporate governance required by laws and regulations • Disclose corporate business information via the sustainability report to maintain the continuous communication with stakeholders 								
Goals	<p>Short-term (2025-2026)</p> <ul style="list-style-type: none"> • Ranked the top 5% in the corporate governance evaluation • Continue to have the ISO systems, including the ISO 9001/14001/45001/14064/17025 and the IATF 16949 Automotive Quality Management System certified. • Continue to obtain and maintain ISO 27001 information security risk management certification • Continue to update the framework of sustainability report and introduce the TNFD • Continue to update the sustainability reporting framework to align with IFRS S1 and S2 sustainability financial disclosure standards 								
Goals	<p>Medium-term (2027-2028)</p> <ul style="list-style-type: none"> • Ranked the top 5% in the corporate governance evaluation • Continue to have the ISO systems, including the ISO 9001/14001/45001/14064/17025 and the IATF 16949 Automotive Quality Management System certified. 								
Goals	<p>Long-term (after 2029)</p> <ul style="list-style-type: none"> • Ranked the top 5% in the corporate governance evaluation • Continue to have the ISO systems, including the ISO 9001/14001/45001/14064/17025 and the IATF 16949 Automotive Quality Management System certified. • Keep improving disclosures in the sustainability report in accordance with international standards. 								
Achievement in the previous year	Goals of the previous year			Achievement					
Achievement in the previous year	<p>Ranked the top 5% in the corporate governance evaluation</p> <p>To introduce the ISO 27001 Information Security Risk Management System</p>			<ul style="list-style-type: none"> • Ranked the top 5% in the corporate governance evaluation for 10 consecutive years • Obtained ISO 27001 Information Security Risk Management System Certification in 2024 • Introduced the Taiwan Intellectual Property Management System (TIPS) and obtain verification 					
Responsible unit	Business Administration Team, Quality Assurance Department, Sustainable Development Department, Digital Development Department								
Specific actions	<ul style="list-style-type: none"> • Rank the top 5% in the corporate governance evaluation • Continue to have the ISO systems and the IATF16949 Automotive Quality Management System certified. • Publicly disclose the sustainability report and participate in competitions for disclosure assessment (2024 TCSA Awards- Platinum Medal for Sustainability Report) • Obtained ISO 27001 information security risk management system 								

2-1 Sustainable Governance Framework



Performance of the Board of Directors

The Board of Directors is the highest governance body of Yulon Motor mainly in charge of guiding the Company's operational strategy, overseeing the management and is responsible for the Company and its shareholders. According to relevant regulations, one general meeting of shareholders shall be held annually, one general meeting of the Board of Directors shall be held quarterly, and special meetings may be held when necessary. The Board of Directors is composed of nine professionals who have rich experience in the industry or academia, including six directors and three independent directors, and they all have professional abilities in finance, accounting, management or law and hold a 3-year term of office. We believe that a diverse board composition enhances overall company performance. Therefore, our current board members represent a diverse range of backgrounds and complementary expertise across industries, and we are committed to gender equality.^{Note2} Currently, the Board of Directors consists of one female member and eight male members, representing 11% and 89%, respectively.

The nine directors (including three independent directors, six executive directors, and three non-executive directors) of the 17th Board of Directors collectively possess the capabilities of operational judgment, decision-making leadership, business administration, global perspectives, and crisis management. Among them are Chairman Yen Chen Li-Lien, Vice Chairman Chen-Hsiang Yao (also an employee), Director Shin-I Lin, Director Kuo-Hsing Hsu (also an employee), and Director Chien-Shun Liao, who are equipped with industrial experience and professional capabilities in leadership, operational judgment, business administration, crisis handling, industrial knowledge, and global perspectives. Independent Director Yun-Hua Yang is competent in legal affairs, while Independent Directors Liang Zhang and Yen-Chin Tsai are experts in economic financing. The composition of the Company's 17th Board of Directors is comprised of 55% directors with management expertise, 22% with financial expertise, and 11% with legal expertise. The body of the Board mainly comprises senior and experienced members over 50 years old.

Yulon Motor's Board members are first nominated by the Board of Directors where the qualification of an independent director was reviewed by the Board, and raised forward to a shareholders' meeting for election. Candidates for directors are nominated based on their contribution to the diversity of the Board, independency and professionalism in addition to their experience in academia and in the industry.

Please refer to Yulon Motor's annual report and major corporate regulations for details regarding the composition of the Board, major resolutions made in the fiscal year and regulations for corporate governance.



Note1: The Chairperson of Yulon Motor internally presides over the shareholders' meetings, the meetings of the Board of Directors, and the meetings of the managing directors whereas the President is the head of senior management. The Chairperson and the President are not the same person.
Note2: In 2024, there was yet any representative of disadvantaged groups sitting on Yulon Motor's Board of Directors.



► Yulon Motor's
annual report



► Major corporate
regulations

Continuing Education of Directors

Yulon Motor constantly improves the competency of directors where directors take courses in corporate governance, economics, environment and society in compliance with the competent authority's regulations to acquire new knowledge and keep abreast of the global trend of corporate governance. Along with directors' experience and knowledge in actual practices, they are expected to offer valuable opinions to the Company's development and pay comprehensive and adequate attention to the interests of stakeholders. In 2024, the education received by the directors totaled 54 hours; all the directors met the requirements of the competent authority, and the average participation time per director was around 6 hours.

Director Independence and Management of Conflicts of Interest

In the independence evaluation of directors, factors such as whether the directors concerned are able to continuously raise constructive questions to the management team and other directors, whether the views expressed are independent of the management team and other directors, and whether their conduct inside and outside the board are appropriate are taken into account.

The "Procedures for Board of Directors Meetings" adopted explicitly stipulate that a director shall recuse himself/herself/itself from proposals of his/her/its interest. If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting and shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter. Regarding the directors' compliance with the interest avoidance in 2024, all of our directors and supervisors have performed their duties in good faith and with due care and attention, and no litigation or illegal acts have occurred.

Operation of the Functional Committees

For a more comprehensive protection of stakeholders' rights, Yulon Motor has established the functional committees to coordinate and process various functional issues, thereby enhancing the operational efficiency of the governance organization.

Name of committee	Major responsibilities	Composition of members	The state of operation in 2024	
			No. of meetings held	Average attendance of committee members
Compensation Committee	The committee is responsible for setting and reviewing the policies, systems, standards and structures of long-term performance goals and remuneration for the Company's directors and managerial officers, regularly evaluating the achievement of the performance goals for the directors and managerial officers, and setting their individual remuneration.	Composed of three independent directors	2 times (a minimum of 2 times per year)	100%
Audit Committee	Responsible for the fair presentation of the Company's financial statements, the selection (dismissal) and independence of CPAs, the effective implementation of internal controls, and the control on existing or potential risks to the Company, thereby strengthening our internal control mechanism.	Composed of three independent directors	5 times (a minimum of once per quarter)	100%
Sustainable Development Committee	Responsible for examining the Company's sustainability strategies and its implementation of ESG initiatives so as to assist Yulon Motor in the continuous pursuit and implementation of such ESG initiatives	Composed of three independent directors	2 times (a minimum of 2 times per year)	100%

Note 1: The Sustainable Development Committee was established in November 2022.

Performance Evaluation of the Board of Directors

To ensure that the board members perform their duties in good faith, exercise the due care of a good administrator, and use their powers based on high self-discipline and carefulness, the Company has developed the “Board of Directors Evaluation Measures” pursuant to the “Corporate Governance Best-Practice Principles for TWSE or TPEx Listed Companies” to evaluate the performance of the board (including the functional committees) and the individual directors annually. With respect to the performance self-evaluation, the four aspects covered by the 2024 self-evaluation were the Board members, the Audit Committee’s operation, the Compensation Committee’s operation and the Sustainable Development Committee’s operation.

Besides this, at least one performance evaluation of Yulon Motor’s Board of Directors shall be carried out by external independent professional institutions or by external experts or scholars every three years. The latest evaluation of the “efficiency of the Board’s operation” was conducted by the Taiwan Institute of Ethical Business, appointed in November 2024, and the results were reported to the Board of Directors. The four key dimensions of this assessment included: the competence and professionalism of the Board of Directors, the effectiveness of Board decision-making, the Board’s emphasis on and oversight of internal controls, and the Board’s attitude toward sustainable development, covering indicators such as ESG information disclosure, talent development and succession planning, and sustainable business practices. The average score from the external assessment was 4.75 points. The highest-scoring dimension was “Professional Competence” at 4.78, while the lowest-scoring dimension was “Internal Controls” at 4.73. Based on the assessment agency’s recommendations, we will propose corresponding improvements to the Board of Directors in three areas: strengthening Board diversity, enhancing investment risk assessment controls, and continuously reviewing performance evaluation standards to attract diverse talent. The next external assessment is scheduled for 2027.

Remuneration Policies for the Board of Directors and Senior Executives

1. Principles of Compensation Policy

Yulon Motor has established an independent Compensation Committee. The Committee consists of independent directors responsible for assisting the Board in evaluating and overseeing the Company’s overall remuneration policy. Personnel from whom the Committee may seek opinions may be invited to attend its meetings (including directors or independent external professional advisors). The Committee evaluates the remuneration of directors and senior executives and forwards their suggestions to the Board of Directors’ meetings.

The remuneration to directors and executives is paid in accordance with the remuneration policies, systems, standards and structure set by the Compensation Committee by taking into consideration of the accomplishment of the annual and long-term performance goals of the Company’s directors and executives. Along with the additional considerations of the salary amount, payment method and future operational risk, payments are subsequently made upon the approval of the Board of Directors; payments to be distributed from earnings shall be raised to a Shareholders’ Meeting for approval before proceeding.



Policy for the distribution of remuneration		Description of policy
Directors (independent directors included)		<ul style="list-style-type: none"> The remuneration to directors is determined by the Board of Directors based on the level of contribution to the Company of each individual with reference to the standard of the industry. If the Company records a profit, an amount of no more than 0.5% of the profit of the fiscal year may be allocated as directors' remuneration (excluding independent directors) in accordance with Article 27-1 of the Company's Articles of Incorporation. Independent Directors are paid with fixed amounts of compensation and attendance fee. According to the "Board Evaluation Guideline," except the Chairperson, directors, excluding independent directors, are remunerated based on the evaluation result as regards the degree of participation in the Company's operations, professionalism, continuing education and internal control.
Executives		<ul style="list-style-type: none"> Remuneration to executives: <ol style="list-style-type: none"> Salary: taking the industry standard, job title, job level, education, professional skills and responsibilities into account. Bonuses: distributed based on the evaluation results of executives and employees in accordance with the "Regulations for Performance Evaluation" Employee remuneration: If the Company earns a profit, employee remuneration may be distributed according to Article 27-2 of the Company's Articles of Association, at a rate of no less than 0.1% of the annual profit. Pension: The pension for executives to whom the Labor Standards Act applied is separately financed and paid by the Company; the pension for executives to whom the new labor retirement system applies is transferred to individual labor pension accounts monthly by the Company. Criteria for the evaluations of executives: in addition to professional management and operational goals and daily management performance of each department, corporate governance, social engagement and environmental sustainability are also covered in the evaluation. By referring to the Company's overall profitability, goal achievement rate, operational efficiency and contribution of executives, remuneration is calculated accordingly and reasonably and constantly reviewed to align with the Company's actual business performance and applicable laws and regulations.

Note: Please refer to Yulon Motor's Annual Report for information such as the remuneration to directors and the remuneration brackets table.

2. Sustainability-Focused Key Performance Indicators (KPIs)

Since 2022, the Company has been progressively linking its sustainability strategy goals and key performance indicators for material sustainability issues to the incentive compensation of the president and senior executives, establishing sustainability performance metrics to ensure sustainability is embedded in company performance. Performance indicators related to the president's sustainability goals for 2024 are detailed in the table below. The indicators for other senior management include reductions in waste density, a 4.2% improvement in energy conservation, and a 10% reduction in water consumption.

Sustainability performance indicators		Performance weighting
Environment	<ul style="list-style-type: none"> Driving net-zero waste reduction, with a yearly carbon intensity reduction of 4.2% or higher. 2024 target: 0.5071 tCO₂e/NTD million. 	4%
	<ul style="list-style-type: none"> Obtained ISO 14064-1 verification for the 2023 organizational GHG inventory 	1%

2-2 Financial Performance

Management Approach to Operational and Financial Performance

Significance to Yulon Motor	We are committed to becoming a leader in the mobility value chain in the Chinese-speaking markets, so we have developed a service system that leads to the growth of economic profit and sales and strengthen our ability in asset management from the existing manufacturing model. As a result, we increase the Company's competitiveness and provide a wider range of service value for stakeholders.	
Policy and commitment	<ul style="list-style-type: none"> Under the trend of EV development, Yulon Motor continues to provide turnkey solutions for targeted global clients with the new business model of open platform and resource sharing to improve and stabilize its profitability. Yulon Motor has been active in the energy storage market and developing the green energy business platform in order to lead the trend of green transportation and energy, and this multi-dimensional and breakthrough business deployment will lead to the outstanding of the Company. 	
Goals	<p>Short-term (2025-2026)</p> <ul style="list-style-type: none"> To boost ability in smart manufacturing and new vehicle development and management, implement preventive quality management, and ensure new vehicle development timeline using digital billboards. To coordinate partners in the development of large power plants and to participate in Taipower's ancillary service market To improve credit rating and lower the capital costs for developing manufacturing services and investing in energy storage business <p>Medium-term (2027-2028)</p> <ul style="list-style-type: none"> To improve communication efficiency between the Company and external personnel To keep close relations with the capital market in order to increase the number of diverse funding channels and seek appropriate investment targets <p>Long-term (after 2029)</p> <p>To root in Taiwan and aim at the world; to keep the most essential and critical R&D technologies and resources in Taiwan for both the existing manufacturing services and energy storage products that we have been actively involved in.</p>	
Achievement in the previous year	Goals of the previous year	Achievement
	<ol style="list-style-type: none"> On-time development of new vehicles: Nissan Sentra, Luxgen URX NEO, Luxgen U6 NEO Operating revenue: NT\$ 33,657,391 thousand Diversification through new business development 	<ol style="list-style-type: none"> On-time mass production and launch of new models: Nissan Sentra, Luxgen URX NEO, Luxgen U6 NEO To ensure core business revenue: NT\$25,910,182 (in thousands); achievement rate of 76.98%, with automobile sales lower than expected. Diversification into new business development: Ongoing development of energy storage and expansion of manufacturing capabilities.
Responsible unit	Technology Development Department, Financial Management Department	
Specific actions	<ul style="list-style-type: none"> Used the preventive quality management approach and information billboards to reflect the timeline of new cars development in real time, so as to enhance management abilities in smart manufacturing and new cars development Lowered the capital costs for developing manufacturing services and investing in energy storage business so as to increase the credit rating 	

Challenges in the Market

In 2024, vehicle registrations in Taiwan totaled 458,000 units, down 4% from 477,000 units in 2023. This decrease is mainly due to the clearance of backlog demand from the vehicle shortages experienced during the pandemic, which resulted in peak sales in 2023. With vehicle supply normalizing in 2024, the market has returned to a more typical sales level. Among which, the two major brands NISSAN and LUXGEN under Yulon Motor held the market shares of 4.4% and 1.8% in 2024, respectively. Looking ahead in 2025, despite the uncertainties on global political and economic environment and currency policies of various countries, the automotive market size in Taiwan is estimated to reach 450 thousand vehicles annually as the supply from various car manufacturers returns to normal,

In Taiwan market, as car manufacturers introduce a variety of new energy vehicles making it a trending top, the competition among new energy vehicles have also been intensified. To secure a foothold in the new energy vehicle market, Yulon Group partnered with Foxtron Vehicle Technology in March 2024 to launch the all-electric LUXGEN n⁷, with a commitment to stable deliveries and the introduction of a long-range version by year-end. In addition to continually developing innovative service models centered around a digital membership system to provide consumers with the best all-electric experience, we look forward to showcasing Taiwan's automotive R&D capabilities on the global stage through more diversified and open approaches. We aim to expand our EV lineup and actively explore all potential collaborations, strengthening our business operations and pursuing stable growth.

Production Value and Sales of Yulon Motor (Standalone)

Year/ item	Yield (vehicle)	Output value (NTD thousand)	Sales volume (vehicle)	Sales value (NTD thousand)
2022	24,962	11,883,242	27,687	20,705,668
2023	23,885	12,986,838	27,374	23,282,072
2024	23,660	12,001,231	29,122	23,378,614

Consolidated Condensed Statement of Comprehensive Income of Yulon Motor

Unit: Thousand NTD

	Item/company	Yulon Motor Co., Ltd.
Direct economic value generated	Operating revenues	85,776,046
	Operating costs	58,894,837
	Employee wages and benefits	10,553,201
	Distribution of dividends to shareholders	3,778,811
	Income tax expense	2,017,510
	Allocated economic value Subtotal	75,244,359
Retained economic value		10,531,687
Earnings per share (NT\$)		3.78

Operating Revenues of Yulon Motor and its Significant Subsidiaries, and which as a Percentage to the Group's Consolidated Operating Revenue

Unit: Thousand NTD

Year/ company	Yulon Motor Co., Ltd.		Other (Luxgen Motor Co., Ltd.)		Others (Yulon Finance Corporation)	
	Revenues	Revenues	Revenues	Proportion %	Revenues	Proportion %
2021	24,310,315	31.15%	7,743,105	9.92%	31,962,181	40.95%
2022	22,410,271	29.07%	5,396,886	7.00%	36,556,719	47.43%
2023	25,222,538	30.71%	5,303,876	6.46%	41,489,371	50.85%
2024	25,910,182	30.21%	9,233,114	10.76%	41,471,247	48.35%

Tax Risk Management and Governance Mechanism

Tax filings, general tax administration and tax payments are executed by different responsible personnel in accordance with ISO standards and reviewed by the supervisor of the Financial Management Department to ensure Yulon Motor's duty to pay taxes is duly performed. In the event that any major tax issues occur during a fiscal year, it consults with the National Taxation Bureau and the accounting firm appointed for professional opinions and responds with a plan lawfully. At the end of a fiscal year, the appointed accounting firm conducts an audit to confirm the taxable income for the year calculated by Yulon Motor according to laws, and the tax filing is completed thereafter.

Yulon Motor also has subsidiaries in other locations such as Mainland China and Philippine. Following the rollout of anti-tax avoidance system in the globe, new tax laws are gradually introduced in Taiwan and other areas, so for effective tax risk management, Yulon Motor assesses the impacts of new laws on the Company's taxes before their enactments and consults with the accounting firm appointed for further tax planning. In recent years, we have collected information on capital expenditure that meets the requirements provided in the Statute for Industrial Innovation and filed such information with the Ministry of Economic Affairs for applying the investment credits, which effectively lowers the tax rate.

Future Business Development Plan

Timeline	Program	Description
Short-term development plan	1. Automotive intelligent manufacturing shift	<ul style="list-style-type: none"> • Complete Vehicle Intelligence Manufacturing: We are continuously deepening our collaboration with customers to expand our EV manufacturing footprint, actively adopting innovative joining technologies and intelligent manufacturing techniques. This enables us to build a highly automated and flexible production base, leveraging big data for complete vehicle development and dynamic quality control throughout mass production – steadily driving our transition to intelligent manufacturing. • Diversified OEM/ODM Services: In response to evolving market dynamics and to capitalize on economies of scale, Yulon is proactively shifting toward a specialized contract manufacturing strategy. By expanding its multi-brand OEM/ODM services, Yulon is strengthening its EV manufacturing prowess and solidifying its position as Taiwan's leading EV manufacturer.
	2. Diversified brand services	To effectively improve production capacity utilization, enhance product line completeness, and further reduce overall manufacturing costs, we continue to leverage resources across the Yulon Group's value chain to provide comprehensive manufacturing technology solutions for next-generation vehicles.
	3. Enhanced customer satisfaction	We are committed to the enhancement of manufacturing quality, costs, delivery, and service satisfaction of each brand and wish to become the best professional automobile manufacturer who can create a win-win-win situation among the brands, Yulon Motors, and consumers by furnishing the most competitive manufacturing quality.
	4. Internal process improvement	Continuously improve risk management, control and oversight processes through internal process improvements and audits. Leverage OKR (Objectives and Key Results) and KOM (Kernel Objectives Management) systems to dynamically track progress toward company goals and effectively enhance the quality of operational performance management.
	5. Quality resource integration	Connecting the industrial supply chain with the assembly factory as the center, we will take the initiative to visit the suppliers for quality management, implement a comprehensive quality management system, form the operation mechanism of the quality value chain, and adopt a two-way control mode to drive the overall industrial value chain.
Long-term development plan	1. Complete vehicle solutions.	<ul style="list-style-type: none"> • Through the joint venture, Foxtron Vehicle Technologies, which the Company established with Hon Hai, we promote the new business model of MIH open platform and sharing in the global automobile industry, combining the complementary of both companies in vehicle research and development and ICT industry resources to provide comprehensive whole-vehicle design and manufacturing solutions for our target customers. • Luxgen will utilize the joint venture company's development platform and shared resources to grow its independent brand. Since its mass delivery began in March 2024, the first model ⁷ has become a leading EV in Taiwan, and ongoing collaboration will focus on launching new, competitive products tailored to market needs.
	2. Energy business development	<ul style="list-style-type: none"> • Yulon continues to install solar power generation facilities at its Sanyi Plant, reaching a point in 2024 where on-site power generation exceeded its consumption. Moving forward, Yulon will actively participate in energy market development in collaboration with its subsidiary, "Shinshin Credit Corporation." • In the energy storage sector, we began developing energy storage cabinet manufacturing services in 2021 and have since achieved a cumulative total of 2.2 GWh in completed projects. Looking ahead, we will continue to expand our overseas sales of energy storage cabinets while simultaneously enhancing our independent technology and building integrated system solutions.
	3. Asset revitalization and utilization.	Regarding the YES!LIFE Yulon City development project in Xindian, operations have exceeded original expectations since the official opening on September 28, 2023, generating long-term stable rental income for the company. Building on this success, we continue to evaluate redevelopment and activation plans for the Company's domestic and international land and building assets to expand asset value.
	4. Value integration	We will seek opportunities for collaboration other than four-wheeled passenger vehicles, including three-wheeled heavy motorcycles and energy storage containers, and continuously assess and find other OEM opportunities.

2-3 Ethical Corporate and Anti-Corruption

To create an environment of fair competition, the Company's operations and activities are all in compliance with relevant regulations



Avoiding unfair
competition acts

1



Fulfilling the obligation of
tax payment

2



Adhering to anti-bribery and
anti-corruption practices and
setting up appropriate
management system

3



Making corporate donations
in accordance with the
internal process

4

Yulon Motor adheres to the business principles of integrity, transparency and accountability and has adopted various policies and regulations oriented toward ethics, such as the "Ethical Corporate Management Best-Practice Principles," the "Operating Procedures for Processing Internal Material Information" and the "Operating Procedures for the Prevention of Insider Trading." Employees are required to adhere to these policies and regulations, while Yulon Motor regularly conducts internal and external audits, compliance examinations, and participates in various evaluations to mitigate any possibility of corruption.

In 2024, Yulon Motor completed audits of 100% of its key operating locations, including the Sanyi Plant, as per the audit plan. The audit covered the internal control cycles and management items of major operations, including: approval authority, investment status, financial performance, contract management, compliance with laws and regulations, official seal management, revenue and collection procedures, procurement and payment procedures, acquisition and disposal of fixed assets (including write-offs), cash and bank deposit management, financing procedures, fund lending and guarantees, payroll and tax management, and Board of Directors operations. The audit content included indicators of corruption risk, and no irregularities related to ethical conduct were found in 2024. There were no significant instances of corruption.

► Major corporate regulations

Creation of an Ethical Business Culture

Yulon Motor believes that creating an ethical business culture leads to consistency in a corporate and shapes a stancher business system of the Group. As new directors were elected at the shareholders' meeting in 2022, in addition to making the Operating Procedures for the Prevention of Insider Trading known to all new directors and having all nine directors (100%) sign the non-disclosure agreement, we also ensured that all new directors signed the three declarations for compliance with the "Corporate Governance Best-Practice Principles," "Sustainable Development Best-Practice Principles," and "Ethical Corporate Management Best-Practice Principles." Meanwhile, all three presidents of the overseas subsidiaries appointed at the end of 2022 have also signed the "Code of Ethical Services." Regarding communication and management of the anti-corruption policy, the "Operating Procedures for the Prevention of Insider Trading" were also published on the company website for download and distributed to all directors (9/9) and staff, including managerial and general employees (1,200/1,200), ensuring 100% policy coverage.

Yulon Motor prioritizes anti-corruption education and training for its employees. Beginning in 2022, all new hires are required to complete the “Insider Trading Essentials” course, resulting in 100% training completion for new employees. This course is offered annually and will be supplemented by ongoing educational programs to strengthen understanding of personal data protection laws, intellectual property, patents, trademarks, and trade secret protection. These programs include courses on information security, software copyright compliance, trade secrets, and labor laws and workplace compliance, enhancing colleagues’ awareness of new legislation.

Conditions in connection with the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” have also been added to the sales contract sample and/or contractor agreements for supplier management.

With respect to anti-bribery, Yulon Motor has adopted the “Yulon Motor Regulations Governing Accepting and Offering Gifts,” which explicitly state the details such the limit of total gift value and the internal reporting procedures to ensure all of Yulon Motor’s employees do not accept requests or agreement in any form and do not receive any bribery or other improper benefits. In the event of doubtful behaviors or behaviors violating the code of conduct, a report shall be made to the supervisor or directly to the internal audit officer, or via the whistleblowing system. At the same time, we also care about safeguarding intellectual property rights, so we educate new employees about this concept during orientation and require them to sign the “Intellectual Property Non-Disclosure Agreement.” In 2024, all 66 new employees signed the agreements.

Ethics and compliance training is provided to employees, categorized by management and non-management level as well as geographic region (domestic and international). Training hours are detailed in the following table.

Relevant Education and Training for Ethical Management and Legal Compliance

Course topic	Number of participants			Hours		Remarks
	Manager employees	Non-manager employees	Total	Manager employees	Non-manager employees	
Sexual Harassment Prevention Training Program	4	26	30	8	52	
Analysis of Key Legislation (act of gender equality in employment, unlawful job interference) related matters.	1	11	12	3	33	
New Act of Gender Equality in Employment (online course)	131 (Domestic) 2 (Overseas)	14	147	131 (Domestic) 2 (Overseas)	14	
Company Intellectual Property Management System Training	6	50	56	12	100	
Intellectual Property Internal Audit Training	1	6	7	3	18	
Patent Management System.	4	43	47	6	64.5	
Workplace unlawful infringement awareness and prevention (online course)	0	73	73	0	12.41	
Personal Information Protection Awareness (online course)	0	52	52	0	13	
Insider trading 101 (online course)	0	74	74	0	18.5	
An introduction to intellectual property (compatible video version) (online course)	0	72	72	0	172.8	

Note: In 2024, a total of 286 employees completed education and training on business ethics and regulatory compliance. This included 136 managerial employees (11.33% of the total) and 150 non-managerial employees (12.5%). Broken down by region, 284 employees in Taiwan participated in training, accounting for 23.67%, and 2 employees in the United States participated in training, accounting for 0.17%.

Ethics and Legal Compliance

Yulon Motor Co., Ltd.'s business is founded on the philosophy of ethics, so it adopted the "Ethical Corporate Management Best Practice Principles" as a guideline for ethical business practice to sculpt its business culture. We have also published our Ethical Corporate Management Best-Practice Principles on the company website, reaffirming our firm commitment to and practice of integrity.

Suppliers are significant partners for Yulon in putting ethics and legal compliance into practice. By including the code of ethics into sales contracts and services contracts, it makes suppliers and business partners understand the code of business conduct and ethics and comply therewith, and incorporates the business philosophy of "ethics" into its supply chain, thereby ensuring ethical business conduct.

The chairpersons and presidents of each subsidiary shall issue an internal control self-assessment statement, duly signed by them, affirming that the information disclosed is true, complete, and contains no false or concealed information. As a subsidiary, we must follow the established guidelines and bear the necessary responsibilities. We also require managers stationed at subsidiaries to sign a Commitment to Ethical Service, pledging their loyalty.

We now provide a variety of channels for reporting and accept anonymous reports to hear the voices of internal employees, subsidiaries, suppliers, and other external sources, thereby protecting the rights of stakeholders and the Company. Reported incidents are properly recorded, the facts are investigated confidentially by the internal audit unit or relevant management units, and follow-up actions, including improvement measures, are tracked. Protect the confidentiality of whistleblowers and investigation participants to avoid causing them undue hardship. The internal audit unit submits a report after completing its investigation. Disciplinary measures for reported incidents involving internal personnel are discussed at a meeting of the "Disciplinary Committee," and follow-up actions are implemented based on the Committee's decisions. In 2024, one employee at a subsidiary was dismissed for violating the ethical code of conduct.

Management Measures for Business Ethical Conduct

Ethical conduct management includes the investigation, confirmation and handling when an issue arises; the prevention and regular review by internal unit beforehand; the finding of risk exposure, issue resolution and operational process reset when an ethical incident occurs.

Prevention:

- Upon onboarding, new hires sign a "Statement of Ethics" and receive the full "Work Rules," which details procedures for refusing any gifts, entertainment, rebates, bribes, or other improper benefits. 191 new hires signed the Statement in 2024.
- Provided ethics and compliance training to all employees. Since 2022, we have been offering "Insider Trading Essentials" training to all new hires. In 2024, 74 new engineering and administrative staff and interns attended the training sessions.
- The Administration Office distributes the Law and Intellectual Property Bimonthly Magazine via email to TIPS working group members and personnel involved in intellectual property matters, sharing updates on the latest intellectual property regulations and relevant court decisions. A total of six issues were published in 2024.
- We included provisions promoting code of business conduct and ethics in contracts signed with suppliers. From 2022 to 2024, a total of 779 contracts contained such provisions.
- We communicated the code of business conduct and ethics to our subsidiaries. In 2024, all six presidents appointed to overseas operations and subsidiaries signed the "Commitment to Ethical Service."



“Insider trading 101”

Self-Assessment and Reporting Procedures:

1. Annual internal control self-assessment and regular internal audits by each subsidiary of Yulon Motor Co., Ltd.
2. Internal reporting pathways: Reporting process for internal whistleblowers, I Have Something to Say mailbox (employee reporting system.)

Reporting channels and the number of cases by category for 2024 are as follows:

Reporting Channels	Type	Number of Closed Cases				
		Air-related	Labor relations	Health and safety	Risk management (cases reported)	Others
Independent Director's email	Environmental	0	0	0	0	0
Internal audit officer hotline	Social	0	0	0	1	4
I Have Something to Say mailbox	Governance	1	35	4	0	0
						40
						40

3. External reporting pathways: Independent Directors' mailbox (mailbox for reporting: 2201_999@yulon-motor.com.tw), Internal Audit Officer hotline (037-878551).
4. Administrative punishment or legal sanctions: If an incident reported and punishment therefor are confirmed by the internal audit unit and the Reward and Punishment Committee upon the investigation, actions such as termination of employment contracts or transactions will be taken.

Continuous improvement:

review, analyze and conduct the risk assessment on incidents reported; the Reward and Punishment Committee and relevant units review violation incidents to keep improving the Company's management process and internal control procedures by proposing timed improvement plan, and the internal audit unit carries out the improvement plan by following up the process and result of improvement thoroughly.

Compliance with Laws and Regulations

Yulon Motor strictly abides by laws and regulations. We have set up exclusive unit for legal affairs, which pays close attention to all laws and development thereof may have impacts on the Company, and had the compliance assessments of laws and policies in place to assist each unit in implementing various regulations. Since the Company's operations cover locations overseas, the Company has adopted a legal compliance system to ensure that each of its business complies with applicable local laws and regulations. Through data collection, new laws evaluation, establishment and implementation of regulations and legal compliance plan, and education and training, we pay close attention to any movement of domestic and international policies and laws that may have material impact on the Company's business and finance.

If the laws or regulations are related to ethical management, such as the "Management Measures for Preventing Insider Trading," Yulon Motor Co., Ltd. will also announce relevant information on its website for concerned personnel's attention. For laws or regulations concerning topics such as individual employee rights, workplace bullying, anti-discrimination and personal data, Yulon Motor Co., Ltd. remind its supervisors and employees about matters requiring attention by internal awareness raising activities to prevent any violation.

To avoid the omission of any newly established or amended laws or regulations, relevant units of the Company take inventory of and identify laws and regulations, evaluate legal compliance, adopt or update new regulations and organize awareness-raising training. Every year, the internal audit unit conducts audits on whether the Company's internal regulations have been added or amended according to new or amended laws and regulations of the year. The audit also examines whether the operational process complies with relevant laws and regulations.

In 2024, there were no significant violations of governance, environmental, or social laws and regulations. One regulatory deficiency was identified: a vendor contracted to remove the Company's waste wood did not comply with regulations, resulting in a NT\$12,000 penalty. The non-compliant vendor has been replaced, and procedures for managing vendor access to the facility have been strengthened.

In 2023, there were three occupational safety and environmental safety incidents as follows: track pulley fell off, chemical oxygen demand (COD) for discharge wastewater exceeded the limit, and odor of the stationary pollution source stack exceeded the control limit. In 2023, the Company was fined NT\$441,000, and it has subsequently increased the patrol frequency and strengthened internal control measures on concerned matters.

Note 1: A material violation is defined as an incident resulting in a penalty exceeding NT\$1 million.

Whistleblowing System and Confidentiality

Methods for whistleblowing and grievance

- Audit Office hotline: 037-878551
- Mailbox for whistleblowing: 2201_999@yulon-motor.com.tw
- I have something to say (employee feedback system)



We have adopted the "Work Rules" and the "Regulations for Handling Employee Grievances" to prevent any violation of laws or corruption. "I have something to say" is an anonymous reporting system inside the Company providing employees a channel to give suggestions or report a grievance by completing a reporting form on the system. We have also built a whistleblowing system via the Audit Office hotline. For any violations that have been confirmed after an investigation of the Grievance Committee, the applicable work rules come into play. If necessary, we will seek damages through legal proceedings to protect the Company's reputation and rights.

Each grievance or whistleblowing event is handled by dedicated personnel or units, and the internal independent whistleblowing mailbox is managed by independent directors where independent directors can assign the in-charge unit and the recording and storage of the acceptance, investigation process, result and preparation of related documents for each whistleblowing case. There are relevant measures set up to keep the identity of whistleblowers and the reporting content confidential ensuring accessibility of the reporting channel and protecting the whistleblowers from suffering any consequence of reporting an incident.

2-4 Risk Management

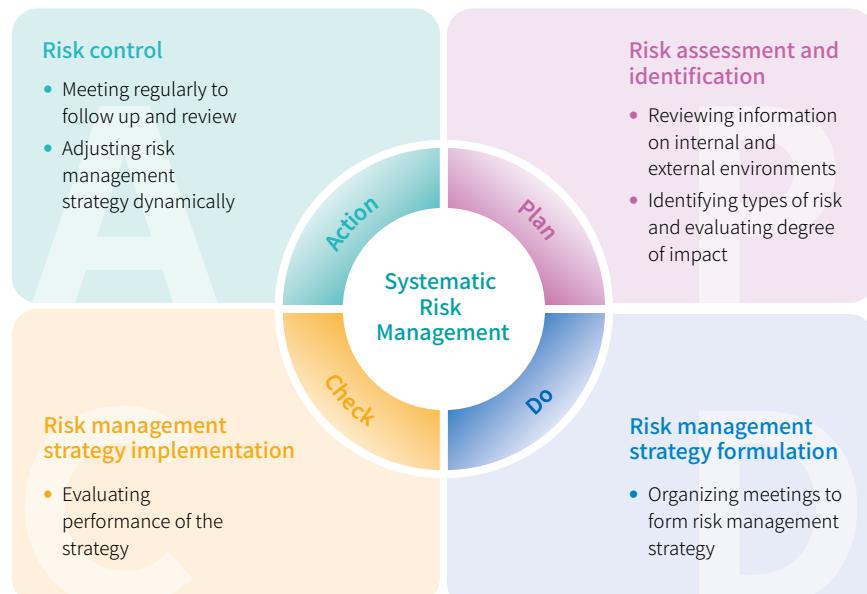
Management Approach to Risk Management

Significance to Yulon Motor	In order to mitigate the operational risk and seize business opportunities, Yulon Motor makes forecasts about various types of uncertain factors, properly manages risk topics from all aspects to minimize evitable risks, costs and losses, and consequently devises appropriate countermeasures to continuously enhance its corporate competitiveness and influence.	
Policy and commitment	<ul style="list-style-type: none"> Evaluating current operational risk and proposing long-term strategy and corrective measures. Based on the movement of economy, monitoring and managing projects individually. Organizing education and training to increase the awareness of risk management for all employees Reporting the state of risk management operation to the Board of Directors on an annual basis 	
Goals	<p>Short-term (2025-2026)</p> <ul style="list-style-type: none"> To introduce the ISO 27001 Information Security Risk Management System Introduce IFRS S1 and S2 Sustainability Disclosure Standards. To implement diversification for increasing revenue from new businesses <p>Medium-term (2027-2028)</p> <ul style="list-style-type: none"> Continuous certification of ISO 27001 information security risk management system To implement diversification for increasing revenue from new businesses <p>Long-term (after 2029)</p> <ul style="list-style-type: none"> To implement diversification for increasing revenue from new businesses 	
Achievement in the previous year	Goals of the previous year	Achievement in the previous year
	Planned information security health checks and developed a medium- to long-term plan to enhance the information security system.	<ul style="list-style-type: none"> Completed the implementation of information security assessments and the development of the Company's medium- to long-term information security enhancement plan, along with information security management plans for key subsidiaries. Introduced the Taiwan Intellectual Property Management System (TIPS) and obtain verification
Responsible unit	Business Administration Team	
Specific actions	<ul style="list-style-type: none"> Continuous operation of supply chain early warning system Ongoing trade secret inventory Continuous operation of the IATF 16949 automotive quality management system Conduct a company-wide information security and phishing exercise, including prevention training and disaster recovery drills 	

2-4-1 Risk Management and Maintenance

Yulon Motor has adopted a corporate risk management mechanism, which performs a risk assessment beforehand, and developed crisis handling procedures and recovery plan for the material risk incidents, in order to reduce the severity of impacts on our operations. We also continue to improve the risk management mechanism and shorten the reaction time to enhance the completeness of risk management and the effectiveness of risk control.

Taiwan Intellectual Property Management System (TIPS) Certificate



Systematic Risk Management

In order to maintain stable operations, the Company has responsible units for management and auditing in the areas of business operations, safety and health, environment, and information, and the Audit Office will include major audit items in the annual audit plan based on the risk assessment results, perform audits on the internal control system, disclose the audit results in the audit report, and follow the Plan → Do → Check → Action (P.D.C.A.) cycle to track improvements.

In 2024, Yulon Motor implemented risk management using the PDCA cycle in areas such as: confidential document management across the Company, establishing a digital supply chain early warning system, and managing information security and workplace safety risks. Different departments were assigned the responsibility for these initiatives.

Structure of Risk Management Organization

Management organization	Responsibility
Board of Directors	Overseeing and guiding the Company's major businesses and regularly exercising supervision on various risk topics (business performance indicators, financial statements, audit, the Audit Committee, the Compensation Committee, the Sustainable Development Committee, information security, intellectual property rights, ethical management, etc.)
Risk Management Team	<ol style="list-style-type: none"> Organizing risk management team meetings on a quarterly basis, controlling risks and the performance of risk management, and reviewing KPI achievement rate of the Company and countermeasures Reporting the state of risk management operation to the Board of Directors on an annual basis In 2024, the KPI achievement rates of all departments of the Company were above 90% without any major risk incident
Risk management units (Audit Office, Occupational Safety and Health Office, Business Development Department, Financial Management Department, Administrative Management Department, Digital Development Department, Production and Supply Department, Quality Assurance Department)	Providing risk management goals and approaches and regularly reporting the state of implementation to the risk management team
Risk audit unit (Internal Audit Office)	Based on the risk assessment results, listing the major audit items in the annual audit plan, implementing audits on internal control system and disclosing the audit result in the audit report factually. The risk management result and suggestions for improvement are submitted to the Audit Committee and the Board of Directors regularly.

Scope of Risk Management

Responses to laws and changes thereto

CAFE, Euro 6, phase-out of fossil fuel vehicles, carbon pricing

National policy development

ECFA, commodity tax exemption, energy saving and carbon reduction, green energy, EVs (EVs)

Industrial technology innovation or market changes

Tariff adjustment, falling market share of domestically produced cars, IOT, AI, increasing capital expenditures

Geopolitics

Cross-Strait relations, U.S.-China relations

Natural disasters

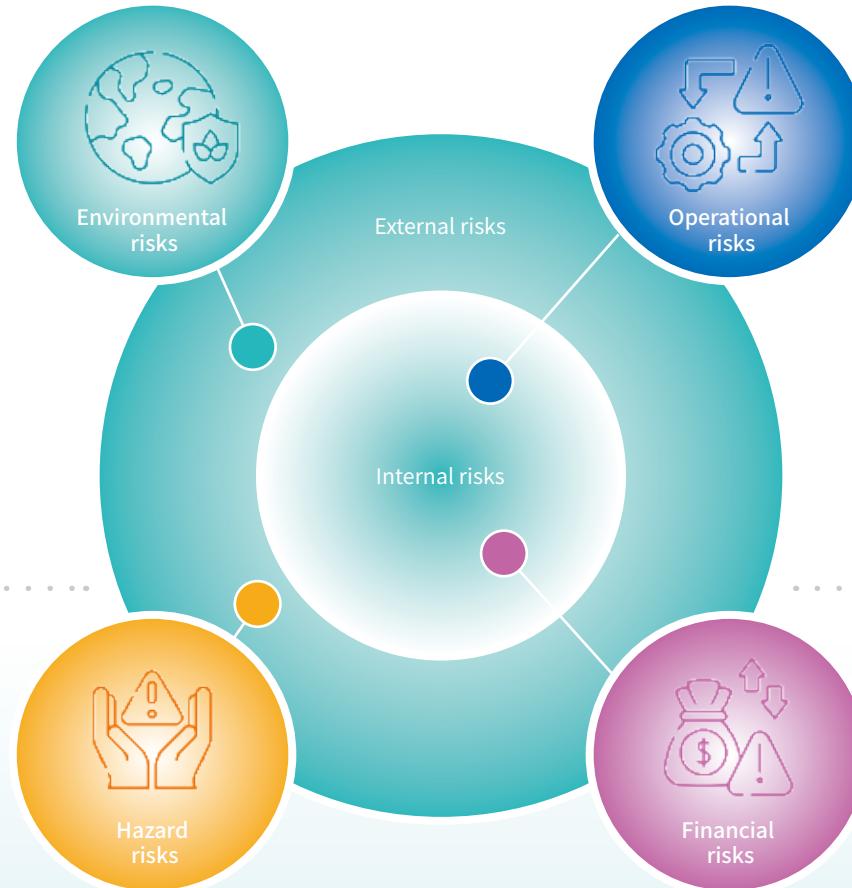
Typhoon, drought/flood, lightning strike, fire

Climate change

Global warming, extreme weather

Pandemic

COVID-19, influenza



Productivity

Personnel/machines/materials/regulations, supply of parts

Changes in customer demands

M-shaped consumption, aging society, sub-replacement fertility

Information security

Confidentiality, completeness and availability

Human resources

Provision of human resources, cost of workforce, structure of human resources

Corporate image

Goodwill, litigation, ESG, environmental protection, industrial/occupational safety, labor-management relationship

Systematic risks

Interest rates, exchange rates, inflation/deflation, financial crises

Non-systematic risks

- Cash flow risk
- Financial leverage, investment in financial instruments
- Strategic investment

Risk Management for Key Incidents

▶ 7-1 Climate Change Management

▶ 2-4-2 Information Security and Privacy Management

Risk	Risk management content and actions															
Risks of business management	<p>The Finance Planning Department is in charge of formulating the Company's business strategies and goals and controlling the operational plan. By rigorous control and regular update of information regarding technology changes, industry trend and amendments to domestic and international policies and laws, reducing corporate risks. Supervise each unit and subsidiary to include revenue and profit in the annual KPI and track the achievement in order to avoid the risk of operational performance.</p> <p>Yulon Motor has remained resilient while enhancing its corporate strength. It has constructed a full-dimensional risk management system that keeps the Company on track toward its operational goals and protects the best interests of clients and stakeholders under the concept of "Innovation, Speed, Teamwork."</p>															
Production risk control	<table border="1" data-bbox="294 504 2167 790"> <thead> <tr> <th data-bbox="294 504 608 546">Management goals</th><th data-bbox="608 504 1147 546">Implementation approach</th><th data-bbox="1147 504 1507 546">Management goals</th><th data-bbox="1507 504 2167 546">Implementation approach</th></tr> </thead> <tbody> <tr> <td data-bbox="294 546 608 663">Staff</td><td data-bbox="608 546 1147 663"> <ul style="list-style-type: none"> Regular staffing check Training multi-skilled workers and providing relevant education and training </td><td data-bbox="1147 546 1507 663">Materials and supplier management</td><td data-bbox="1507 546 2167 663"> <ul style="list-style-type: none"> Extensive delivery time and key materials management and providing a demand plan for a 6- to 12-month period follow-up of material preparation progress for 3-6 months </td></tr> <tr> <td data-bbox="294 663 608 790">Production arrangement to lower inventory level</td><td data-bbox="608 663 1147 790"> <ul style="list-style-type: none"> Coordinating production and marketing demands, arranging production precisely Controlling materials every day and summarizing digital delivery dashboard </td><td data-bbox="1147 663 1507 790">Logistics & transport</td><td data-bbox="1507 663 2167 790"> <ul style="list-style-type: none"> Connecting to transport information and controlling risk geographical navigation and ports Following up logistics dynamically and instantly </td></tr> </tbody> </table>				Management goals	Implementation approach	Management goals	Implementation approach	Staff	<ul style="list-style-type: none"> Regular staffing check Training multi-skilled workers and providing relevant education and training 	Materials and supplier management	<ul style="list-style-type: none"> Extensive delivery time and key materials management and providing a demand plan for a 6- to 12-month period follow-up of material preparation progress for 3-6 months 	Production arrangement to lower inventory level	<ul style="list-style-type: none"> Coordinating production and marketing demands, arranging production precisely Controlling materials every day and summarizing digital delivery dashboard 	Logistics & transport	<ul style="list-style-type: none"> Connecting to transport information and controlling risk geographical navigation and ports Following up logistics dynamically and instantly
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Foreign exchange risk management	<p>Has established a foreign exchange hedging operation group in order to reduce the risk of exchange rate fluctuations. In addition, in order to reduce foreign exchange requirements and material prices, we also set annual targets for domestic procurement of parts.</p>															
Climate risk management	<p>In the face of climate change risk management, Yulon Motor has proactively enhanced the energy efficiency of equipment, implemented energy conservation and waste recovery, and kept in line with the relevant government measures. The main responses are described in short as follows:</p> <ul style="list-style-type: none"> Developing low-carbon EVs: with a forward-looking vision, Yulon Motor established Hua-Chuang Automobile Information Technical Center Co., Ltd. in December 2005 and took the initiative in the R&D of EVs. Now, it has developed the high-performance, high-efficiency and energy-saving EV LUXGEN EV+, making the dream of introducing EVs under the Taiwanese brand come true. In 2020, the Company and Foxconn jointly founded Foxtron Vehicle Technologies Co., Ltd., and this new company aims to promote the new business model of open platform and resource sharing in the global automotive industry. By combining the complementary advantages of both parties in automobile R&D and ICT industry resources, Yulon Motor will provide turnkey solution services to the targeted clients in the globe. GHG reduction, energy saving and carbon reduction: Yulon Motor joined the plan and measures for GHG inventory and voluntary emission reduction initiated by the Bureau of Energy, Ministry of Economic Affairs in 2005. Until now, we continue to invest in equipment that can reduce GHG emissions and implement the energy saving R&D plan aiming at lowering the carbon emission volume per unit/vehicle. Disclosure of carbon emissions: The management of carbon emissions and the disclosure of emission information are becoming important, and we have implemented the GHG emissions inventory and reduction plan in the past years. The results were disclosed in this Report and on the Company's website. The verifications of ISO 14064 GHG Inventory in 2021 to 2024 were completed. <p>Please refer to 7-1 Climate Change Management</p>															
Safety and health risk management	<p>The Safety and Health Office is responsible for tracking, collecting data and management, and it reports the implementation status to the President for approval and subsequently follows up until improvements have been completed based on the risk level of each individual case. On top of the Company's internal safety audits, the scope of audits has been expanded to include the eight major external suppliers since 2015, Yulon Motor evaluates, guides, audits, tracks and requests the suppliers' implementation of safety and health management. Reports about each supplier's improvement progress are reported to the President monthly to ensure zero risk incident internally and externally.</p>															
Information risk management	<p>Please refer to 2-4-2 Information Security and Privacy Management</p>															

2-4-2 Information Security and Privacy Management

Significance to Yulon Motor	Digitalization is a key driver of operational efficiency, enhancing decision-making and market competitiveness through data analytics and automation technologies. Digitalization ensures information security and regulatory compliance, enabling companies to stay ahead in the digital age, respond flexibly to market changes, and foster continuous innovation.	
Policy and commitment	<ul style="list-style-type: none"> • Data analysis enables senior management to quickly and accurately assess market dynamics. • Develop system programs to improve production efficiency and automatically log production history, reducing unnecessary manual work. • Maintain the stability of internal core systems to ensure continuous production. • Establish in-depth defense mechanisms, and real-time monitoring of internal information security risks significantly reduces the risk of cyber attacks. 	
Goals	<p>Short-term (2025-2026)</p> <ul style="list-style-type: none"> • Implement privileged access management systems • External intrusion attack simulation exercise • Information security log visualization. • Maintain ISO 27001 certification <p>Medium-term (2027-2028)</p> <ul style="list-style-type: none"> • Network infrastructure optimization assessment • OT domain information security architecture review • Agile data protection mechanisms. • Promote a zero trust security architecture • Maintain ISO 27001 certification <p>Long-term (after 2029)</p> <ul style="list-style-type: none"> • Information security ecosystem risk assessment • Outsourced/supply chain information security standards • Maintain ISO 27001 certification 	
Achievement in the previous year	<p>Goals of the previous year</p> <p>Obtaining of ISO 27001 certification Established employee online safety mechanisms</p> <p>Achievement</p> <p>Completed ISO 27001 certification in April 2024 Implemented in December 2024</p>	
Responsible unit	Digital development department	
Specific actions	<ul style="list-style-type: none"> • Obtaining of ISO 27001 certification • Introduction of next-generation online protection mechanisms to safeguard employee online security • Introduction of optimal access control mechanisms to reduce cyber intrusion risk • Introduction of information security defense mechanisms to block malicious attacks 	

Information Security Governance System

In order to mitigate information security threats and risks arising from the application of emerging information technologies and environmental changes, Yulon Motor ongoingly optimizes its information security system, enhances defensive ability and adopts relevant internal operational regulations as required for a computerized information processing system in Article 9 of the “Regulations Governing Establishment of Internal Control Systems by Public Companies” to make sure that all information-related operational procedures comply with standard procedures for information security. Since 2017, Yulon Motor has constructed the information security risk internal control measures, aligned with international information security trend and strengthened risk management for confidentiality in accordance with the Group’s information security development blueprint, which indicates the short-term principle for handling emergent threats, the mid-term principle for optimizing information security procedures and the long-term development with dynamic reviews and responses. Responding to the increasingly diverse types of cybersecurity threats and the frequent attacks experienced across industries, we joined TWCERT/CSIRT in the first half of 2022 and signed an MOU with the Ministry of Justice Investigation Bureau in the second half of 2024 to share defensive intelligence.

ISO 27001 Explanation

To enhance the protection of information assets and improve organizational risk management, the Company is implementing the ISO/IEC 27001:2022 Information Security Management System (ISMS) to establish a systematic information security management framework that ensures confidentiality, integrity, and availability. The implementation aims to strengthen information security governance, protect critical assets (such as customer data and internal systems), comply with

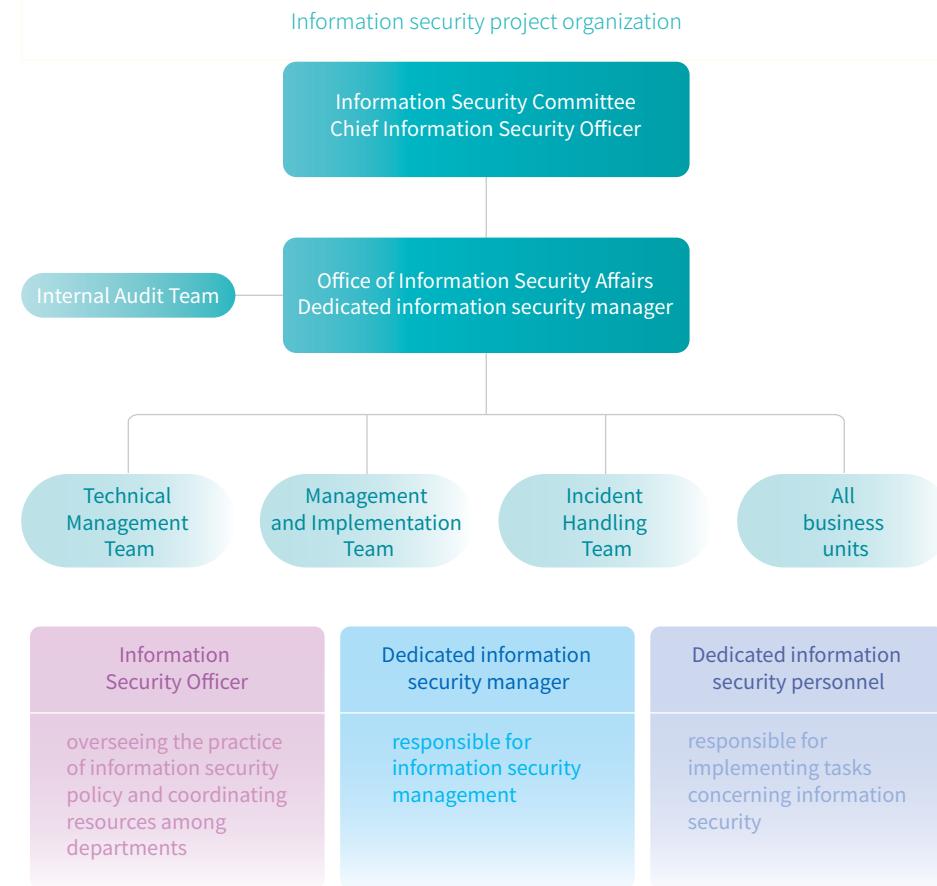


ISO/IEC 27001:
2022 Information Security Management System (ISMS) Certification

regulatory requirements, and enhance customer trust and market competitiveness. This implementation follows the PDCA (Plan, Do, Check, Act) cycle, encompassing risk assessment, asset inventory, implementation of control measures, internal and external audits, and the creation of system documentation along with employee training. On, 2024/5/16, the Company officially achieved ISO 27001:2022 certification after a successful audit by BSI, a third-party certification body. We have also published our relevant information security policies to strengthen information security awareness among all employees and minimize potential risk incidents. This also lays a solid foundation for the Company’s sustainable operations and information governance.

Structure of Information Security Management Organization

The digital development department is the responsible unit for the information security of Yulon Motor. Two IT officers and several professional personnel have been appointed to develop information security policies, devise and carry out information security operations, and promote information security measures. The unit also reports the general information security governance status to the board of Yulon Motor and the Yulon Group Administration Office on a regular basis. Moreover, we established the Information security project organization as required for all first-tier listed companies by the competent authority. The Information security project organization is an internal task force of the Company, which holds one meeting for context analysis and one meeting for management review every year in accordance with ISO 27001.



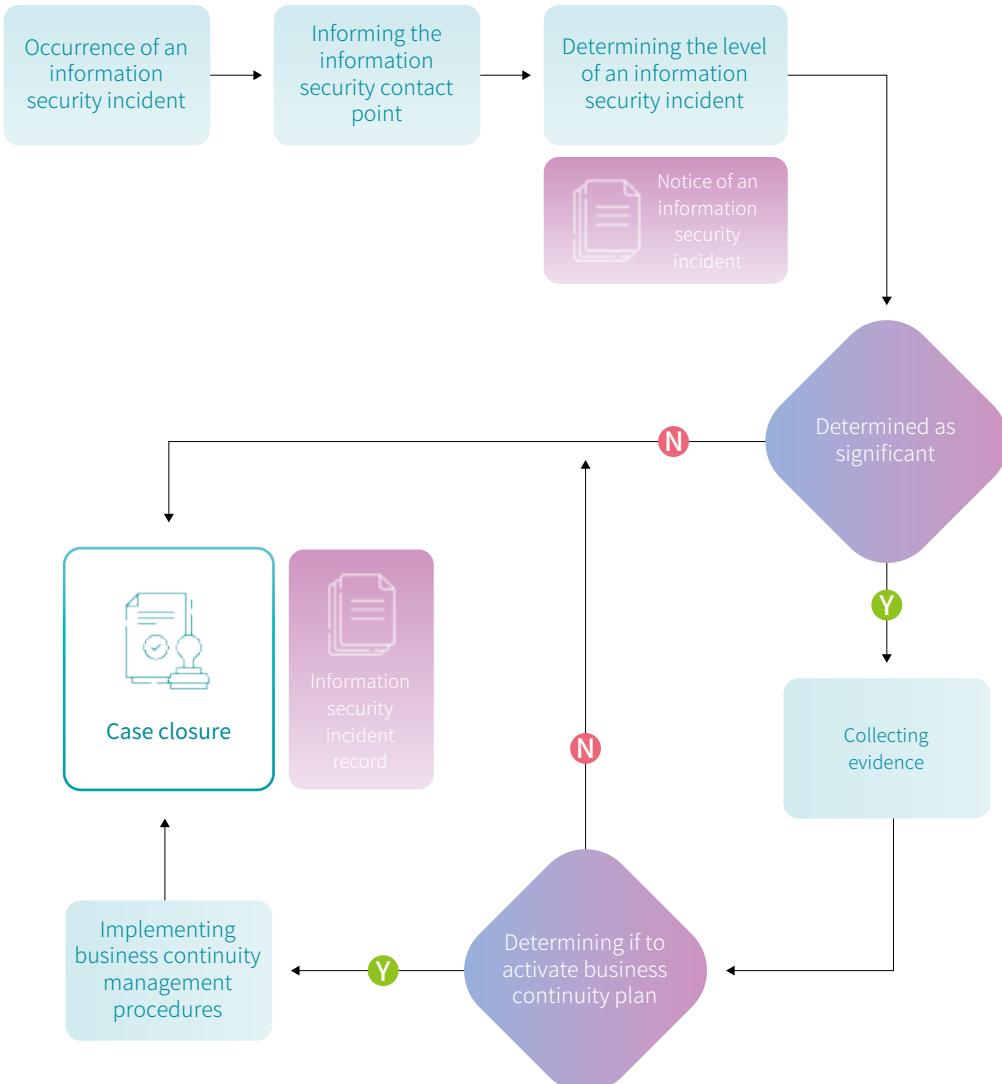
Information Security Management Strategy

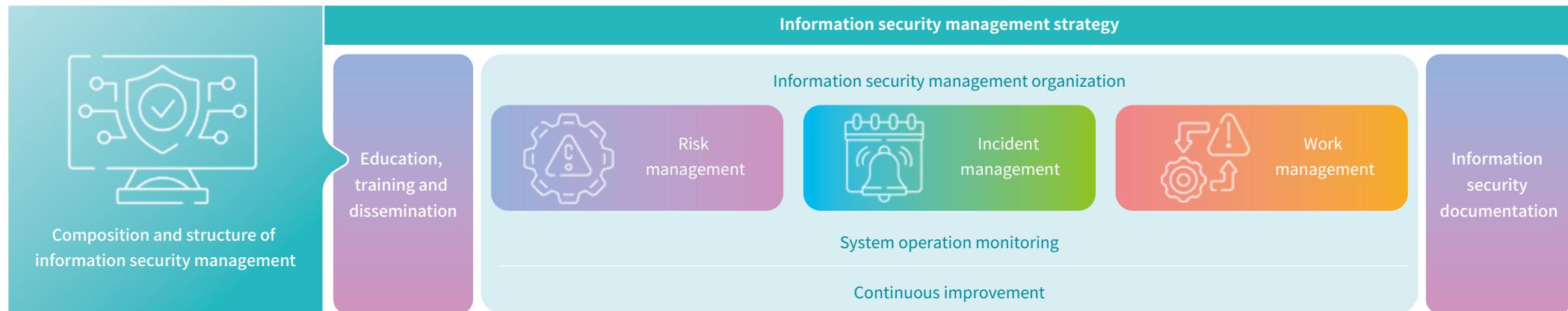
The PDCA cycle is adopted for managing Yulon Motor's information security and ensuring the achievement of targeted reliability and constant improvement.

In order to manage information security risks, we respond to and prevent the occurrence of risk events from three aspects:



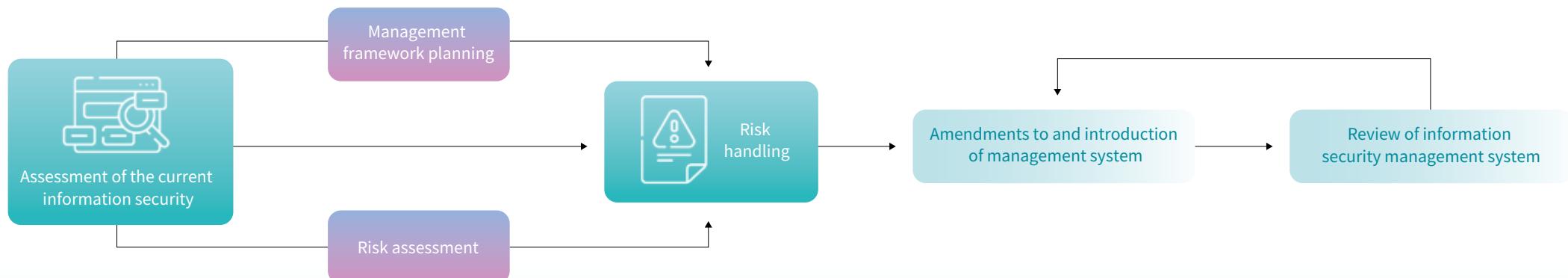
Flow chart for handling information security incidents





Inclusion of CIA in the Information Security Management

Routinely inspecting the balance and commonality between the nature of information security (the three core factors of information security – C.I.A.) and the current information security risk internal control measure to assess the direction for its improvement. Integrating the Cyber Defense Matrix (CDM) with approaches such the risk rating, 5W1H and Why-Why analysis to review past pain points on information security management as a result of industry characteristics and improve thereon; guiding the subsequent facilitation of information security policy, and further devoting information security resources that cater for the needs in business operations.



Performance in Information Security Management and Future Plan

To reinforce overall information security, a number of projects have been carried out, including “anti-hacker of internal and external network transmission,” “employee information security awareness enhancement,” “malicious website prevention and control,” “remote work connection protection,” “system vulnerability improvement/penetration test,” “data leakage protection,” “cross-company off-site server room/backup enhancement,” “IT management framework (ISO/ISMS) enhancement,” “portable storage device control,” “email system optimization,” “management of trade secrets,” “privileged account management,” and “production line OT network reinforcement.” We have also developed a blueprint for rolling out “information security risk internal control management measures” from 2024 to 2027 to steadily advance our overall cybersecurity strategy and drive continuous improvement.

In response to Yulon Group’s transformation, with a strategy of “full openness, seeking diverse clients, and resource sharing,” we focus on strengthening cybersecurity, particularly addressing [confidentiality risks], enhancing protection levels, and aligning with technology and international industry standards to increase client trust and prevent sensitive data leaks. Information security management implementation and future plans are reported to the Board of Directors annually by the Audit Department to ensure effective information security risk management.

Information Security Drills and Training Results

Training/drill items	Participants and the number thereof	Training/content of drill
Social engineering drill(Phishing emails)	Sent two email samples to all employees of the Company with a mistaken click rate of 9%.	An explanation email was consequently sent upon the mistaken click allowing employees of high risk to know the key problem, thereby enhancing their awareness and making the concept known
ISO 27001 education and training	There were 46 seeds who participated in the official program and then offered the training to other employees in their departments, and a total of 1,214 participants took the test with a 100% pass rate.	Promoted the requirements of ISO 27001 standard to strengthen the Company’s overall information security control
Announcement of information security	All employees of Yulon Motor	Issue quarterly announcements based on recent information security concerns to strengthen employees’ awareness.
Annual disaster recovery drills are held each year	Information staff of Yulon Motor	We conduct annual disaster recovery drills for critical in-plant systems to ensure timely system restoration in the event of a disaster, minimizing the risk of operational disruption.

Personal Data Protection Policy

To strengthen the protection and management of personal data, Yulon Group has established the “Yulon Group Personal Data Protection and Management Policy” as the guiding principle for compliance throughout the Group. The Company has also established the “Yulon Motor Personal Data Protection Management Procedure” and supporting operating procedures in accordance with the spirit of this policy and with reference to relevant laws and regulations in the locations where the operating site is located. This ensures the completeness of personal data management systems and compliance with laws and regulations.

This Procedure and its supporting operating procedures apply to Yulon Motor Co., Ltd., its subsidiaries, and joint ventures with significant influence, and further extend to all relevant personnel and third parties, including suppliers, contractors, and external consultants. Our policies establish clear regulations and operational requirements for all stages of personal data collection, processing, use, and protection. All internal and external personnel must strictly adhere to these guidelines to ensure comprehensive protection of personal data and privacy rights.

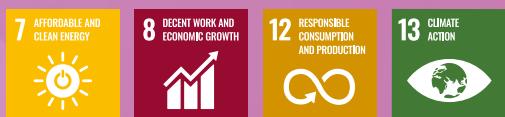
To promote the implementation of relevant policies, Yulon Motor has established a “Personal Data Protection Committee” responsible for formulating and advancing regulations and practices related to personal data protection, including the establishment and oversight of management mechanisms for the collection, processing, and use of personal data. The Committee operates in accordance with the “Yulon Motor Personal Data Protection Management Committee Establishment Guidelines,” and strengthens personal data protection systems through cross-departmental collaboration, integrating resources and expertise. This ensures that corporate operations and personal data protection are mutually reinforcing, fulfilling corporate responsibility and meeting social expectations.

CHAPTER

Innovative Quality

— Leading to the Future of Mobility

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2024 SUSTAINABILITY REPORT

Material issue

EV development, product quality and reliability

Performance highlights

- ◆ 2 technology patent applications for energy storage containers/automatic energy storage products were filed, and energy storage containers with a total capacity of 2.2 GWh were manufactured.
- ◆ In 2024, we operated 99 vehicle charging stations (self-operated charging station, partnering vehicle manufacturing charging station) and 209 motorcycle charging stations.
- ◆ In 2024, we completed the performance test for 2 motors (passenger car, electric bus) and the rolling resistance and minimum energy performance tests for 2 EVs.
- ◆ Electric car n⁷ is now in mass production and officially launched.
- ◆ Introduced smart manufacturing process (introduction of automated inspection equipment, automated manufacturing equipment) to 49 workstations

Major stakeholders

Customers, suppliers and media

With over 60 years of development, Yulon Motor aims to lay a foundation for the Taiwanese automotive industry through our consistent strategy of innovation. In 2022, Taiwan's National Development Council published the Taiwan 2050 Net-Zero Emissions Pathway and Strategy, stating that 100% of vehicles sold in Taiwan will be electric by 2040. This highlights the urgency of innovation in this area. As EV development progresses, we are replacing traditional steel with lightweight materials such as aluminum alloy, carbon fiber, and thermoplastic polymers to reduce weight while maintaining structural strength. As a result, multi-material joining is becoming a crucial manufacturing technology. Moreover, this method consumes less energy than traditional vehicle body construction methods that use resistance spot welding. To build a leading EV brand powered by Taiwan's quality and innovation, and to enable people to enjoy sustainable transportation. Yulon continues the product transformation and upgrade plan to construct a complete charging service system and the battery testing technology, and hence provides professional services for clients' EV products. During the process of product innovation, we clearly understand stakeholders' demands for product quality and information security, so we require ourselves to meet the highest standards for ensuring the best protection of every consumer. At the same time, we will exert our influence to lead the continuous progression of the supply chain in terms of innovation, quality and sustainability.



U6 NEO



URX NEO


 n⁷



Sentra



KICKS



X-Trail



3-1 Leading Products and Innovative R&D

Management Approach to Technology R&D and Innovation

Significance to Yulon Motor	<p>Yulon constantly invests in technology R&D and introduces digitalized manufacturing process management to improve production efficiency, reduce costs and maintain product quality. Based on market demands and sustainability trend, it fosters the innovation of automotive products and collaborates with Hon Hai to develop EVs while taking the initiative to develop and research other renewable energy products to strengthen market competitiveness and achieve the goal of sustainable development.</p>	
Policy and commitment	<ul style="list-style-type: none"> Continuously innovate products and constantly optimize product manufacturing technology to increase competitiveness Use new technology to improve manufacturing process, raise efficiency and reduce costs Comply with requirements of laws while committing to environmental conservation and sustainable technology for facilitating long-term sound business development Conform to the requirements of the relevant regulations and international conventions, or achieve an even higher performance. Do our best to reduce the discharge of waste gas, wastewater (sewage) and wastes if technically feasible, and adopt raw materials with the features of low pollution and low toxicity. Orient product R&D on green design, health, comfort and convenience. 	
Goals	<p>Short-term (2025-2026)</p> <p>Automotive products:</p> <ul style="list-style-type: none"> Improvement of the optimized vehicle laser welding technology Research, develop and introduce the new-generation automotive body chassis joining technology (SPR/FDS) to replace the traditional arc spot welding and reduce energy consumption Research, develop and introduce high-precision spray coating robotic arm to reduce paint usage and waste production Research, develop and introduce new-generation environmentally friendly refrigerant (e.g. R1234yf) to reduce GHG emissions. Research, develop and introduce smart manufacturing stations (introduce automated inspection equipment, automated manufacturing equipment) to eliminate negligence and communication and management costs while improving product reliability <p>Energy storage containers:</p> <ul style="list-style-type: none"> Self-developed products in mass production and available for sale Continuously optimize design to reduce procurement and manufacturing costs. Expand the scope of product development – enter a wider range of product and service markets. 	
Goals	<p>Medium-term (2027-2028)</p> <p>Automotive products:</p> <ul style="list-style-type: none"> Research, develop and introduce high solids paint to reduce paint usage and waste production Research, develop and introduce smart manufacturing stations (introduce automated inspection equipment, automated manufacturing equipment) to eliminate negligence and communication and management costs while improving product reliability <p>Energy storage containers:</p> <ul style="list-style-type: none"> Actively expand into overseas markets. 	
Goals	<p>Long-term (after 2029)</p> <p>Automotive products:</p> <ul style="list-style-type: none"> Continue to focus on the R&D and introduction of high efficiency/low energy consumption technologies Continue to introduce smart manufacturing stations (introduce automated inspection equipment, automated manufacturing equipment) <p>Energy storage containers:</p> <ul style="list-style-type: none"> Continue to improve the R&D technology, patent strategy and product efficiency 	

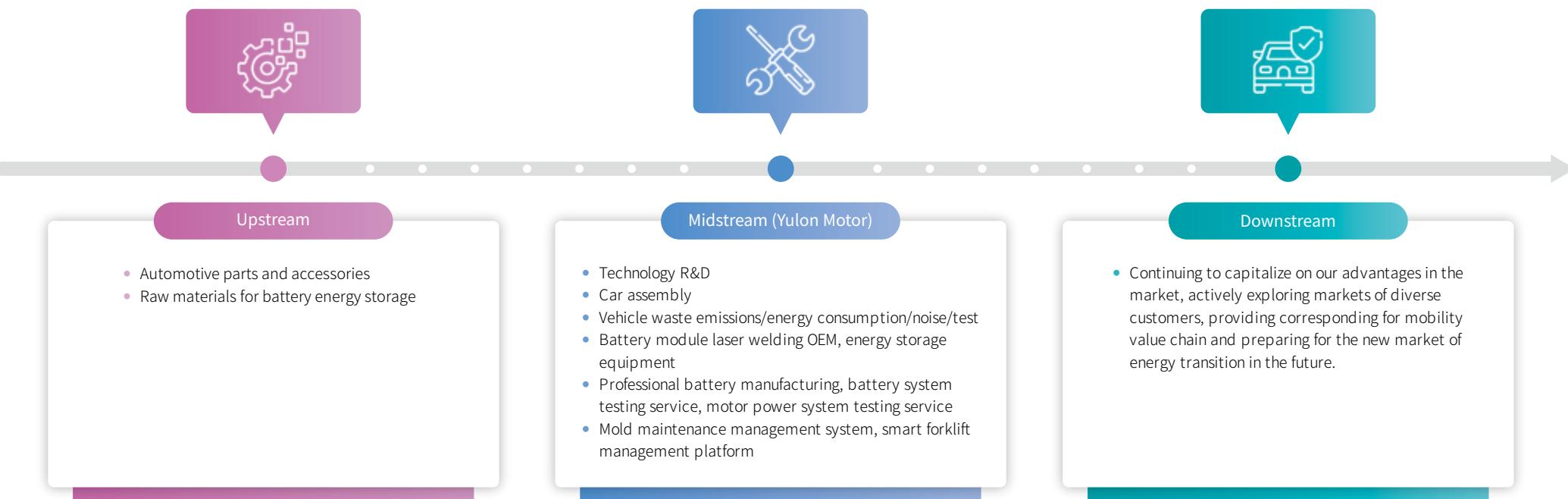
	Goals of the previous year	Achievement
Achievement in the previous year	<p>Automotive products:</p> <ul style="list-style-type: none"> Research, develop and introduce the new-generation automotive body chassis joining technology (SPR/FDS) to replace the traditional arc spot welding and reduce energy consumption Introduced smart manufacturing process (introduction of automated inspection equipment, automated manufacturing equipment) to 49 workstations Introduced new refrigerant charging machines in the automobile manufacturing line to reduce fugitive emission of refrigerant during charging <p>Energy storage containers:</p> <ul style="list-style-type: none"> Completed CUBE product development and secure safety certification 	<p>Automotive products:</p> <ul style="list-style-type: none"> Planned, developed and introduced the new-generation automotive body chassis joining technology (SPR/FDS) to replace the traditional arc spot welding and reduce energy consumption. All four stations have been fully completed. Completed the introduction of smart manufacturing process (introduction of automated inspection equipment, automated manufacturing equipment) to 49 workstations Replaced with new refrigerant charging machines to reduce GHG emissions arising from fugitive emission of refrigerant during charging <p>Energy storage containers:</p> <ul style="list-style-type: none"> Completed CUBE product development verification, ramped up to mass production, and obtained IEC 62619 and VPC certification
Responsible unit	Technology Development Department, Production Technology Department.	
Specific actions	<p>Automotive products:</p> <ul style="list-style-type: none"> Application of microgrid demonstration sites for load shifting such as peak cut and PV smoothing Focus on R&D and introduction of environmentally friendly/low energy consumption manufacturing process technology Focus on the introduction of technologies in smart manufacturing field to boost assurance level of production lines and enhance product reliability 	<p>Energy storage containers:</p> <ul style="list-style-type: none"> Application of microgrid demonstration sites for load shifting such as peak cut and PV smoothing

3-1-1 Value Chain of Yulon Motor

Yulon Motor mainly engages in the businesses of automobile manufacturing and sale of various automotive parts and components and is located in the midstream of the automotive industry. In this industry, the R&D unit researches, develops and designs products; Yulon Motor purchases raw materials and peripherals from the upstream and processes and assembles at Yulon's plants; the finished products then are sold to customers through each brand's authorized dealers after the passage of inspection. With over six decades of history, Yulon Motor is committed to its passion for innovation and providing premium service. It consistently enhances the innovative value of each model by continuously launching new products in collaboration with its partners in the value chain. In the short term, the focus of Yulon Motor's value chain will remain on transforming into an efficient and diversified OEM manufacturer while extending its reach into the fields of green energy and energy storage products to build a highly reliable and cost-competitive new energy business. Compared to 2023, there have been no significant changes to the company's value chain, product and service offerings, or commercial relationships. Yulon Motor pays attention to both positive and negative impacts of our product value chain on environment and society and is committed to providing high-quality vehicles and sustainable development through the close partnerships with our suppliers and other partners (see Appendix 4 for a list of associations Yulon Motor participates in).

► Appendix 4

Value chain of Yulon Motor



3-1-2 Innovation and R&D

Strategy Formulation

Yulon Motor maintains its market competitiveness in the automotive industry with the new product R&D strategy oriented on the following 5 aspects:

New product R&D strategy and plan

Yulon Motor has engaged in the new energy storage market for a long term. For continuous income and sustainability, we have planned the R&D of a new energy storage system based on our past experience in EVs and technology: in 2021, our R&D team initiated the R&D of the new product, energy storage container, to put together the core design of the product's battery management system and develop the integrated design of the energy storage container. The R&D department sets objectives on an annual basis and introduces new products catering to the demands of the future new energy storage market under prudent development processes and the product development plan in order to stay ahead in the future new energy market.

Intensification of human resources and partnerships

Yulon Motor has rich human resources in product R&D covering the fields of mechanism design, hardware circuit design, software development and battery verification testing and has worked closely with world-class printed circuit board (PCB) manufacturers to make up our PCB development ability. We have also partnered with a key function IC manufacturer so as to integrate electronic components development, improve delivery lead time and fulfill end customers' demands.

Product safety enhancement

Ensuring the product design process qualifies for international and local safety standards, and evaluating the design under the international standards for Battery Management System (BMS) and vehicle specification. Moreover, obtaining the IEC 60730 certificate from the Chinese National Standards and meeting the safety requirements of the CNS 62619 for energy storage systems in order to fulfill the safety requirements of the future electricity trading market in Taiwan.

Research on market demand

According to a research report issued by the IEKNet, the market demand for new energy storage system in Taiwan will reach 1,300MWh in 2025, and the demand for the power transaction ancillary service, Automatic Frequency Control (AFC), will reach 1,575MWh. Yulon Motor entered the market early to facilitate the understanding about aspects of customers' concern and has been active in the R&D of energy storage products in preparation for introducing products that meet the market's expectation.



Sustainable product R&D

Product R&D aims at horizontal and vertical integration to catch the market trend movement and the moving demands in the future.

Horizontal integration:

partnering with other manufacturers of products ranging from small energy storage containers (commercial) to large-sized products (high-voltage energy storage) or developing by Yulon Motor itself.

Vertical integration:

partnering with battery cell manufacturers or Engineering, Procurement, Construction (EPC)/plant integration companies.

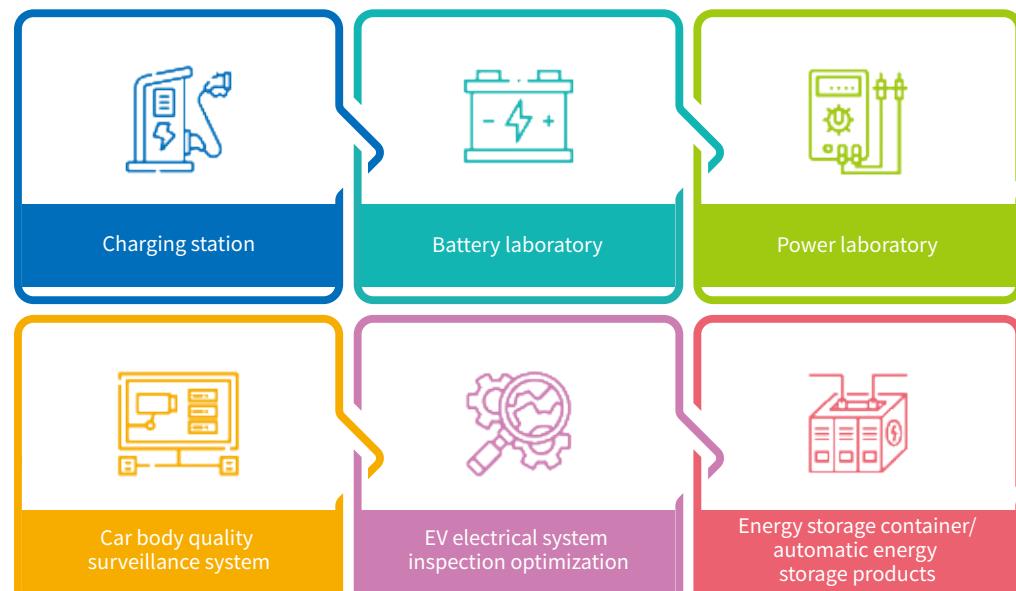
Goals

Yulon Motor has set the short-, mid- and long-term goals in various R&D categories and regularly reviewed and tracked the development progresses:

Type	Short-term goals (2025-2026)	Mid-term goals (2027-2028)	Long-term goals (after 2029)
EV business	<ul style="list-style-type: none"> Officially mass-produce battery EV n5, a collaboration with Foxtron, and deliver to customers Continue introducing the manufacturing process R&D and mass production trial for battery EVs 	<ul style="list-style-type: none"> Continue growing the independent brand Luxgen with the open platform and shared resources to roll out more competitive and demand-oriented new products 	<ul style="list-style-type: none"> Keep active in promoting technology innovation and development of the EV industry in Taiwan and create diverse products with more forward-looking new energy technology
Design and R&D of energy storage	<ul style="list-style-type: none"> Continuously optimize design to reduce procurement and manufacturing costs. Expand the scope of product development – enter a wider range of product and service markets. 	<ul style="list-style-type: none"> Explore the overseas markets To intensify promotion and sales to customers 	<ul style="list-style-type: none"> Production lines can be applied to markets of energy storage, solar power storage and AFC (Automatic Frequency Control) To attain long-term income and stable revenue growth To develop liquid-cooling energy storage products and integrate manufacturing services

Innovation and R&D Results

Yulon Motor's innovation and R&D results of 2024 are classified into six categories:



1. Charging Station

Yulon Motor's professional system design, development and operation teams have built a complete charging service operation system, which features the advantageous ability in customization and connection with external systems and can address the needs of both EV owners and charging sites. In 2024, we operated 99 vehicle charging stations (self-operated charging station, partnering vehicle manufacturing charging station) and 209 motorcycle charging stations.

2. Battery Laboratory

Provides professional battery testing technology consulting and planning and other thorough peripheral services as well as grid search, best match and customization services for customers' battery products. In 2024, the laboratory tested 3 items including the battery cell, module and battery pack:

- Battery cell: completed the longevity test for 6 energy storage battery cells and the performance test for 2 energy storage battery cells
- Module: completed the longevity test for 2 battery module for energy storage
- Battery pack: completed the capacity test and the high temperature storage test for 2 electric bus batteries

3. Power Laboratory

The world-class automatic vehicle location (AVL) system was also established. This laboratory has experience in developing tests for EV driving motors and powertrains and conducting inspections for compliance. With the achievement in simulating energy consumption under working conditions, tests were carried out under multiple modes similar to actual driving conditions, enabling early prediction of product issues and effective improvement and confirmation before mass production. In 2024, we completed the performance test for 2 motors (passenger car, electric bus) and the rolling resistance and minimum energy performance tests for 2 EVs. In the first half of 2025, we plan to conduct three-in-one powertrain performance, durability, and NVH tests with two leading powertrain system suppliers, as well as single-motor performance and durability testing.

4. Car Body Quality Surveillance System

Yulon's car body welding test, a nondestructive testing method, uses an ultrasonic tester to precisely detect defects in vehicle body welds without damaging the material. This method precisely shows the location, size, and thickness of any internal flaws, providing continuous and reliable quality control. This ensures 100% quality compliance for vehicle body welds and enhances structural safety for both drivers and passengers.

5. EV Electrical System Inspection Optimization: Precise Control of Market Launch and Initial Vehicle Issues

Systematically consolidate and analyze issues related to EVs and their market; strengthen electrical component inspection for frequently occurring problems and implement whole-vehicle system inspections; and develop functional testing standards to improve issue detection and product reliability. Testing results will be immediately fed back to the design team, enabling rapid response and optimization for continuous product design improvement and quality enhancement. In 2024, finished product inspections using this verification standard achieved 100% completion in validating the functionality of electrical components. Traceability was established for component inspection and quality management activities, allowing for precise control of the production process and ultimately achieving an incoming acceptance rate of over 99%, ensuring stable and reliable product quality.



Power laboratory



CUBE energy storage containers:



6. Energy Storage Container/Automatic Energy Storage Products

We provide measurement, assembly and testing services for parts used by customers to build complete battery cells, modules, battery packs, controllers, junction boxes or energy storage containers, and testing services such as environmental temperature humidity performance test for high-power energy storage systems and large power battery charging and discharging test. In order to meet the safety requirements for transactions in Taiwan's electricity market in the future, Yulon continues to promote independent technologies and energy storage products, develop the key products for energy storage application – battery cabin and battery management system (BMS) and obtain safety certifications including IEC 61000-6-2/4, IEC 60730-1, UL60730-1, UN38.3, CNS 62919, IEC 62619, and VPC.

Furthermore, the demonstration site featuring two integrated industrial storage units at Yulon's Sanyi Plant went live in 2024, securing the patented technology for "battery devices and battery systems with active temperature control."

Yulon Motor's energy storage products – a pioneer of green energy business

Yulon Motor's energy storage products feature:

- Safety: High-precision monitoring and communication isolation ensure stable equipment operation.
- Automotive grade: the automotive-grade design features self-detection mechanism that increases equipment stability
- Modularization: meet customer demands with the modular design
- Localization: Taiwan Design, Taiwan Manufacturing – a manufacturing facilities with automotive-scale mass production capabilities.

Furthermore, we have the ability for developing industrial energy storage cabinets and battery management systems and the ability for measuring and testing new battery management systems and batteries. Yulon Motor's energy storage container production line now has an annual capacity of 2.2GWh, which is highly competitive in the market. Due to the China-US trade war in recent years, the US clients have been active in seeking overseas contracting manufacturers outside China. Since Yulon Motor owns the top laser welding technology for manufacturing EV batteries, we have earned clients' trust with our technology and rich experience. It therefore has won itself the title of the best assistant in sustainability and carbon reduction with its leading green energy technology.

3-1-3 Sustainable Products and Services

Sustainable Products and Services Management Approach

Significance to Yulon Motor	<p>Yulon Motor sets pollution prevention, continuous improvement, green design and ecological conservation as its goals. We care about green design, so we prevent various kinds of pollutions such as air, water, noise, waste and hazardous substances; we pay special attention to the safety of personnel in production lines and abide by the principles of low pollution, energy saving and recyclability. We regularly conduct audits on the progress and performance of each plan annually and correct deficiencies found in the hope of achieving the environmental philosophy of “a Symbiosis of People, Vehicles and Nature.” The EV development will connect each part of the Group to become an ecology of mobility service that prepares the local EV industry well for the future.</p>
Policy and commitment	<ul style="list-style-type: none"> Conform to the requirements of the relevant regulations and international conventions, or achieve an even higher performance. Do our best to reduce the discharge of waste gas, wastewater (sewage) and wastes if technically feasible, and adopt raw materials with the features of low pollution and low toxicity. Orient product R&D on green design, health, comfort and convenience.
Goals	<p>Short-term (2025–2026)</p> <ul style="list-style-type: none"> Officially mass-produce battery EV n5, a collaboration with Foxtron, and deliver to customers Continue introducing the manufacturing process R&D and mass production trial for battery EVs
	<p>Medium-term (2027-2028)</p> <p>To continue growing the self-owned brand Luxgen with the open platform and shared resources by rolling out more competitive and demand-oriented new products</p>
	<p>Long-term (after 2029)</p> <p>Keep active in promoting technology innovation and development of the EV industry in Taiwan and create diverse products with more forward-looking new energy technology</p>
Achievement in the previous year	<p>Goals of the previous year</p> <p>In alignment with the launch schedule of Luxgen’s EV n⁷ in 2024, the off-assembly-line trial of engineering vehicles, mass production trial on assembly line and verification (including production line equipment adjustment, parts stocking and test planning) must be completed.</p>
	<p>Achievement</p> <p>Completed the off-assembly-line trial of engineering vehicles, mass production trial on assembly line and verification (including production line equipment adjustment, parts stocking and test planning)</p>
Responsible unit	<p>Production Engineering Department</p>
Specific actions	<p>To execute the trial production of the private brand EVs and prepare for mass production. To prepare the production plan from the three aspects, “production equipment,” “special materials” and “inspection equipment” to accommodate EV products and the characteristics of parts while effectively embedding into the production procedures and processes of fossil fuel vehicles</p>

Yulon Motor realizes that net zero emissions is a key objective in the promotion of sustainability globally and domestically, so we have incorporated the concept of environmental protection and energy saving in the newly designed vehicle models that allow vehicles driving on the road to save more energy by adapting to the external environment and achieve overall energy saving. For example, the Nissan SENTRA 1.6 is features various fuel-saving technologies, lower power consumption and improvement in fuel efficiency. The 1.6L model's fuel consumption at higher speed reaches 21.65 km per liter.

Yulon Motor will keep its commitment to R&D to build more energy saving products. The new-generation X-trail features a variable compression ratio engine along with the mild hybrid power system, in which a petrol engine is assisted by an electric motor, and offers both power and energy efficiency with an enhanced average fuel economy of 16.0 km/L (satisfying EU's directive 1999/100/EC) whereas the average fuel economy of the old-generation was only 14.5 km/L.

Yulon Motor also responds to the market trend of EV development and production with the development of EV-related parts and assembly technology on the existing production lines. Such development was planned in advance by the Quality Inspection Department, Production Technology Department and supply units to ensure that the performance and quality of finished vehicles meet specifications. With respect to EV assembly, Yulon Motor partners with Foxtron to develop and manufacture the EV model Luxgen n⁷, which is in mass production and began delivery in 2024. This is Yulon Motor's new-generation mobility product that combines smart mobility technology with environmental sustainability to usher in a new chapter for domestically made battery electric SUVs. The all new e-Power system of Nissan applies the same lithium-ion battery and motor technology, and its electricity is generated by the patrol engine without any external power supply so as to achieve 100% self-generated electricity driving.

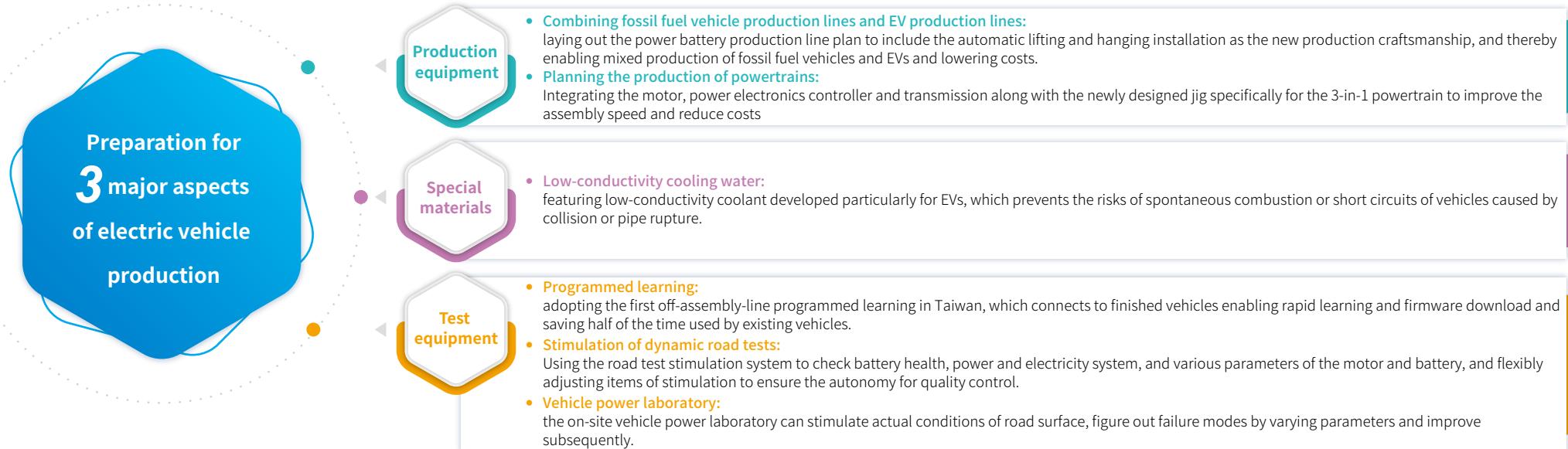
In terms of the statistics of the types and usage of major materials and additives, the key material cold-rolled medium thickness steel plates accounts for nearly 10.18% of the total weight. For safety and stability, steel scrap in a weight equivalent to approximately 11.68% of total weight is added to the steel bloom under precise testing. In 2024, a total of 287.26 metric tons of steel scrap was added, and the weight of recycling and reuse materials used made up 1.19% of the total weight of products. In addition to the raw materials sourced from recycling and reuse materials, we also endeavor to increase the product recycling rate. Currently, the recycling and reuse rates for all Nissan models are as follows:

Models produced by Yulon	Standards	Vehicle recycling rate	Recycling and reuse rate
		80.0%	85.0%
	SENTRA	94.4%	95.3%
	KICKS	92.1%	95.2%
	X-TRAIL	95.0%	95.9%

EV – Nissan X-Trail e-Power



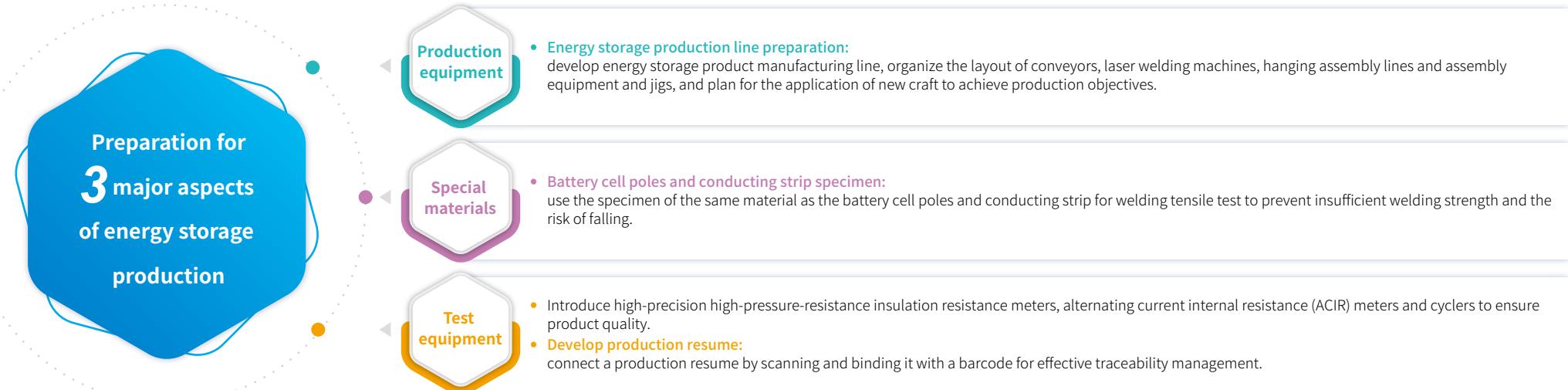
Yulon Motor has launched the project to trial run the production of the private brand EVs and prepare for mass production. A production plan tailored to EV products and the characteristics of EV parts and combined with our experience in fossil fuel vehicle manufacturing on the three major aspects is prepared and described as follows:



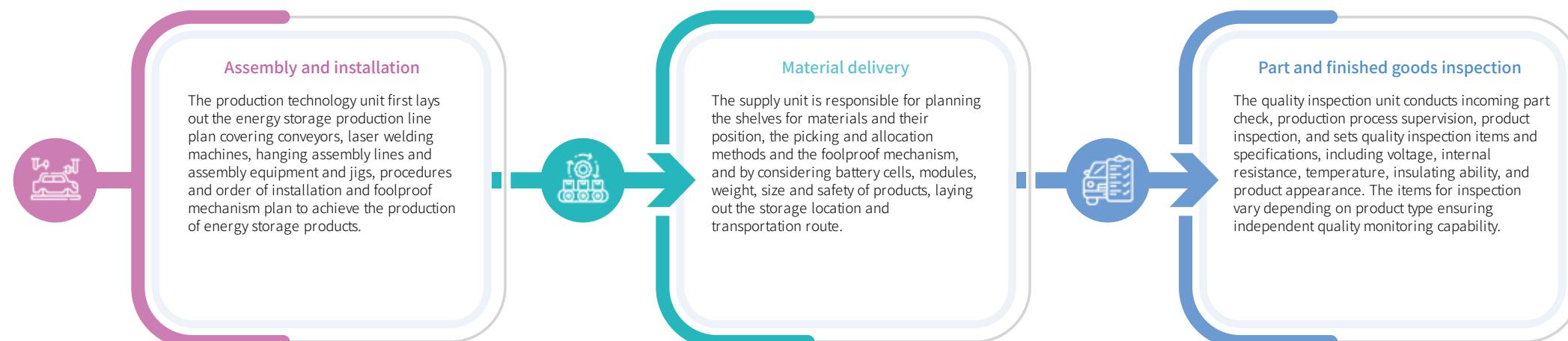
Main Production Process of EVs



Yulon Motor sets up the trial and mass production preparation project from three aspects of energy storage by incorporating the characteristics of energy storage products and parts and effectively integrating manufacturing processes and procedures.



Primary Production Process of Energy Storage Products



Establishment of Charging Stations

The subsidiary of Yulon Motor, YES-Energy Service, has established over 7,000 EV/motorcycle charging guns all over Taiwan to extend Yulon Group's reach in EV market. Its major sites and partners include:



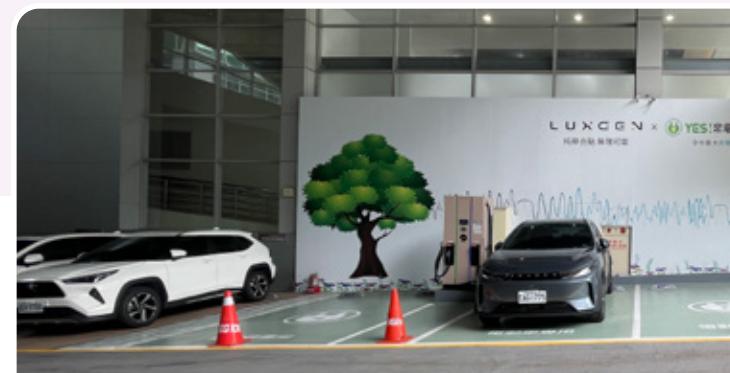
Establishing charging infrastructure across TSMC's sites in Taiwan

As closed-loop charging environments, employees are able to charge directly through the YES! Call app. YES! Call's cloud-based management platform can be used at the site to remotely monitor and manage charging across all locations, providing real-time visibility into charger usage and operational data to enhance management efficiency. As of the end of 2024, a total of twelve 60 kW fast-charging stations had been installed across four sites in Taiwan, with plans for continued expansion in 2025.

YES! Call is partnering with automotive brands to establish charging stations at dealerships

To build a more comprehensive charging network, YES! Call has partnered with automotive brands to install high-power fast-charging stations at showrooms, providing convenient charging services for car owners. In 2024, YES! Call collaborated with Luxgen and MG to establish a total of seven charging stations across Taiwan

■ Luxgen Xindian Lifestyle Center



■ MG Hualien Maofeng Station

3-2 Quality Control and Safety Guarantee

Management Approach to Product Quality and Reliability

Significance to Yulon Motor	<p>Yulon Motor's manufacturing processes observe the most rigorous standards, inspectional and operational procedures to meet customers' expectation on top of the legal compliance. We also emphasize the quality of product sales and services, so we have adopted many applicable regulations, e.g. transparency of repair and part pricing, advance quotation for repair, consistent service quality standards, and product technical support and solutions, to improve customer satisfaction and adhesiveness.</p>
Policy and commitment	<p>Sound Product Assurance System:</p> <ul style="list-style-type: none"> Quality control system: establishing a quality control system that meets international standards, such as ISO 9001 and IATF 16949 assuring product quality and reliability. Supplier management: strengthening the management and supervision of suppliers to make sure parts and components provided by suppliers meet the requirements for quality and reliability, and improving the communication and cooperation with suppliers. Product design and testing: Designing and testing products with high standards to make sure product design match consumers' demands and user environment, and conducting comprehensive tests and verification Product recalls: Boosting product monitoring and inspection. When any hidden safety issue is found in existing products, we conduct a product recall immediately to safeguard consumers' rights and safety. After-sales services: Increasing the quality and efficiency of after-sales services by timely response to consumer demand so as to raise customer satisfaction, adhesiveness and trust. Sustainable products: developing energy saving and carbon-reducing products, fostering a green supply chain and enhancing environmental protection during the manufacturing process to achieve the goal of sustainable development.
Goals	<p>Short-term (2025-2026)</p> <p>To strengthen the management ability in new vehicle development</p> <ul style="list-style-type: none"> Construction of an automated inspection system for 32 dynamic electrical tests specific to EVs. Introduction of multi-material body integration (aluminum + steel) and completion establishment of technical standards. Building a new vehicle development project management platform to enhance development efficiency. <p>To boost ability in smart manufacturing</p> <ul style="list-style-type: none"> Paint line modification with the implementation of advanced spraying technology. Establish a complete quality inspection history and build a full-vehicle digital certificate platform. <p>Medium-term (2027-2028)</p> <p>To strengthen the management ability in new vehicle development</p> <ul style="list-style-type: none"> To establish traceability records for key procedures and processes where quality tests are conducted in the mass production stage instead of in the trial production stage of new vehicles Achieving 100% improvement rate for the Quality Assurance Rate (QAR) of the risky stations at each stage and raising the assurance rate to 3.8 points and above <p>To boost ability in smart manufacturing</p> <ul style="list-style-type: none"> Develop inspection automation, digitize inspection results with AOI, establish quality inspection history, build a digital platform, and create a visual management dashboard. <p>Long-term (after 2029)</p> <p>Continuously improving quality, enhancing testing technology and optimizing management skill.</p>

	Goals of the previous year	Achievement
Achievement in the previous year	<ul style="list-style-type: none"> Enhanced vehicle manufacturing quality – target number of market significant quality issues attributed to manufacturer's liability: 1.2 PPH or less Reduce the defective parts rate for EV components to a target of 20 PPH. Vehicle roll-off quality improved – vehicle evaluation defect count reduced by 10%. Built a quality risk early warning system – incorporating real-time vehicle quality data management billboards into production, and adding functionality for end-of-line vehicle grading. 	<ul style="list-style-type: none"> Regarding major market quality issues attributable to factory manufacturing, the defect rate was 0.44 PPH (assembly responsibility), exceeding the target. EV component defect rate reduction target achieved, exceeding the target of 17.7 PPH. Vehicle roll-off quality improved – vehicle evaluation defect count reduced by 12%. Real-time quality data dashboards successfully deployed for on-site process management, improving downstream vehicle grading and automating enhanced inspection.
Responsible unit	The primary responsible units are the quality inspection unit and the plant, and the secondary units are production engineering department, design unit, brand unit, etc.	
Specific actions	<ol style="list-style-type: none"> Building a quality data digital platform and a quality data cloud information management center that integrate parameters of the 4Ms of production (man, machine, material and method) and provide real-time early warning for quality risk Promoting the quality consistency activity – to eliminate issues arising from manufacturer's liability and increase production quality assurance rate. <ul style="list-style-type: none"> QAR digital evaluation system established Implementing the process and rating sheet for inspecting the static quality assurance rating, and completing the ratings of 291 engine/body/painting/accessory workstations Detecting risks within production process by assessment, conducting improvement and verification of activities and enhancing production quality assurance rate 	

Product quality and safety are critical to Yulon Motor, so we observe the most rigorous standards and procedures in the production process:

Systems and certifications observed by Yulon Motor



ISO 9001
quality management system



IATF 16949
quality management system verification



ISO 14001
environmental management system certification

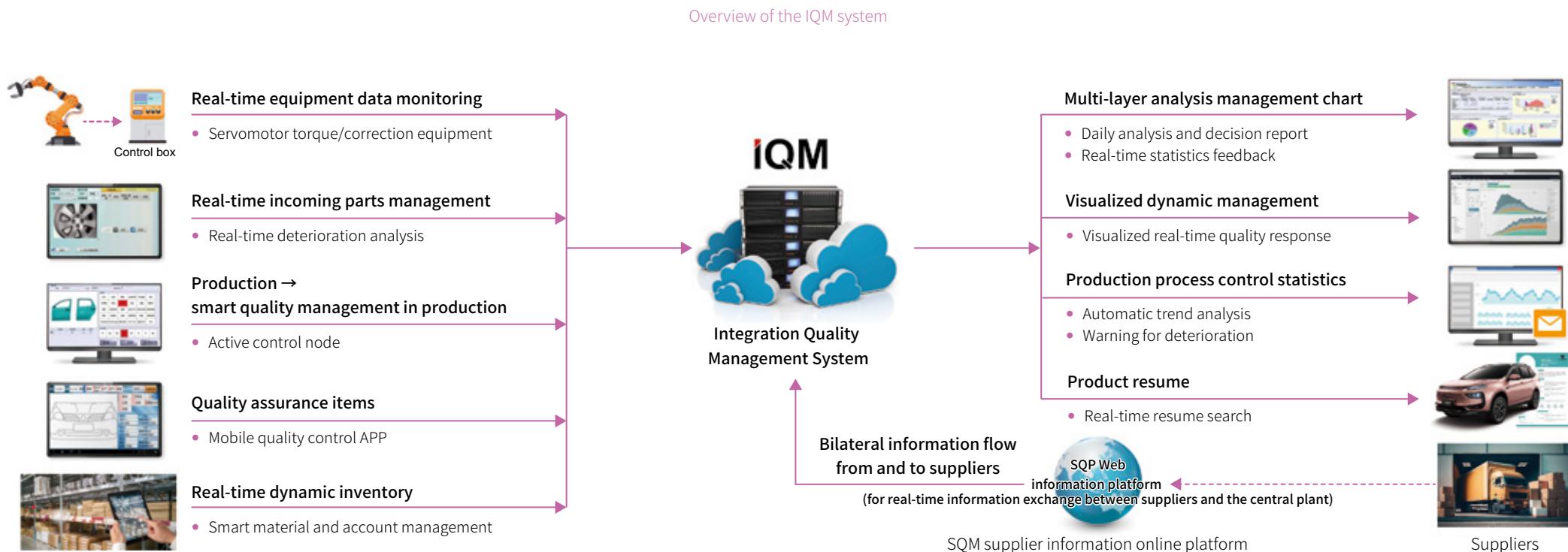
3-2-1 Product Quality Management

Yulon Motor has developed the production process management systems to ensure stable quality and at the same time build up a production resume for vehicles covering important part information, offline service record, quality resume, etc., as a reference for future repair and maintenance. In 2024, there were no material complaints about factory responsibility or product quality. Yulon Motor will continue to adhere to the highest production standards and procedures, ensuring the high quality of vehicles and compliance with laws and market standards.

Integration Quality Management System (IQM)

In order to put quality management into practice and initiate vehicle production resumes, Yulon Motor's San-Yi Plant started to develop the Integration Quality Management System (IQM) in 2010, and officially introduced it in 2012. This system covers processes from sourcing from suppliers, assembly, to vehicle evaluation system (VES). In 2021, this system was extended to the production line of new energy business and effectively improved the equipment efficiency, quality yield and energy efficiency. In the future, we will further introduce the artificial intelligence application and, via big data analysis and cloud computation platform, make the best decision driven by real data, so as to achieve the goals of smart manufacturing and corporate digital transition.

Characteristics of the IQM system – checkpoints by processes and quality control process with multiple nodes:



The IQM system built in at the four major work areas: bodywork, painting, engine and accessory, makes sure 100% inspection rate for all quality check items via 180 PADs and 30 PCs that dynamically manage 251 quality control checkpoints in real time while the GO/NO GO quality check stations are adopted in the production process. Visualization of inspection image specifies defective points; the SPC real-time analysis can send early warnings; the billboards can tell the real-time quality feedback and generate analysis and decision reports.

Six Major Features of the IQM System

01 Mobile quality control APP

real-time inspections can be made online on PADs and PCs

02 Visualized UI inspection

visualized user interface inspection that specifies issues

03 Active control node

quality control in production processes with the Go/NO Go quality checkpoints. Only vehicles with 100% pass rate can be delivered

06 Multi-dimensional management report

rapidly providing analysis and decision report for daily use.

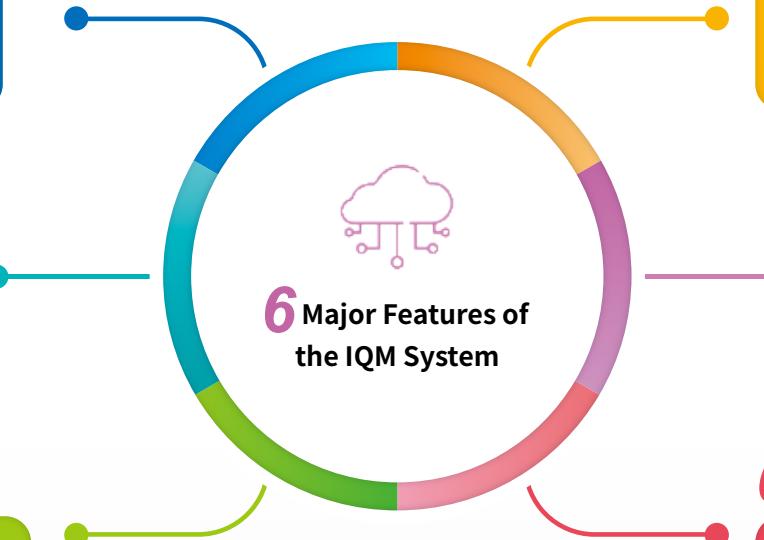
05 Real-time dynamic quality billboards

the visualized real-time quality control feedback billboards provide information for the management's decisions and thus effectively eliminate recurrence of issues.

04 Automatic quality warning

SPC real-time analysis, automatic warning system for deviated quality control conditions

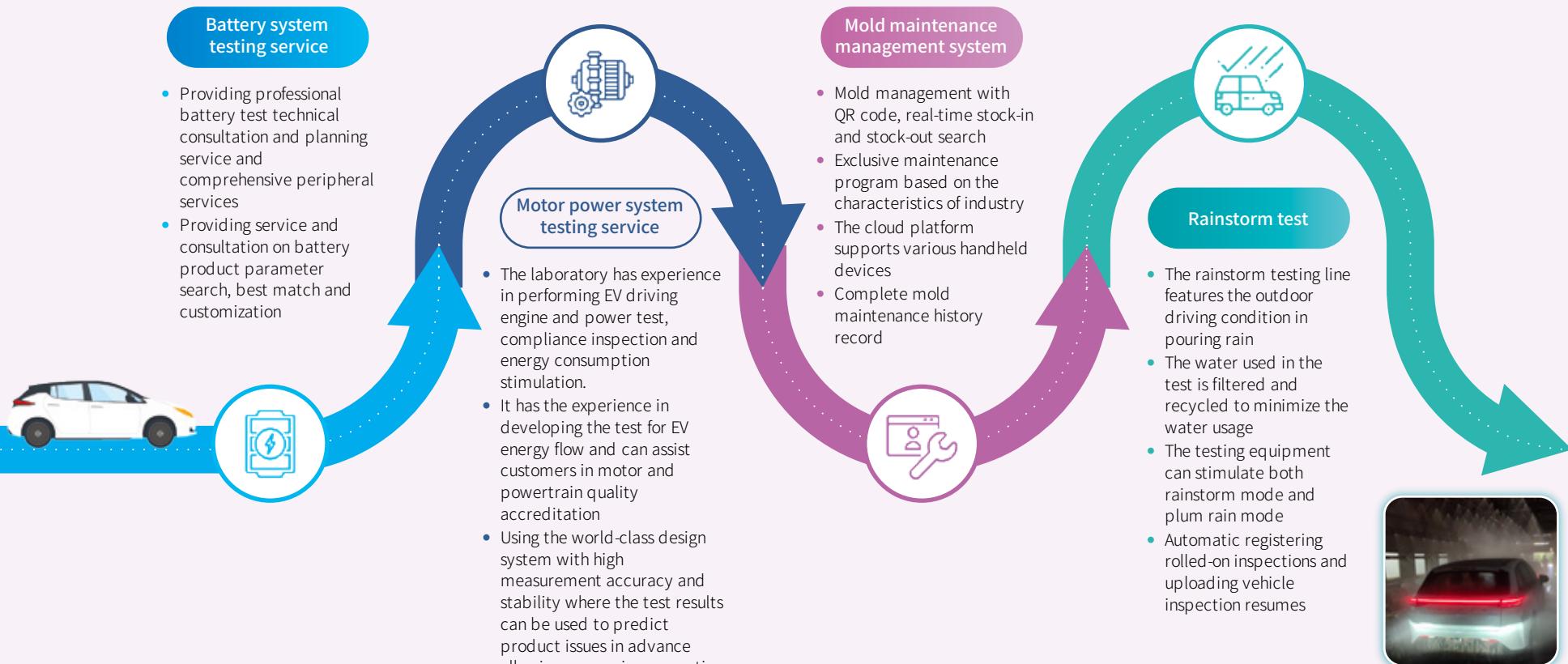
6 Major Features of the IQM System



Major Product Testing System

In addition to rigorous vehicle manufacturing processes, Yulon Motor also confirms the stability of all vehicle functions through a series of tests after the vehicle assembly:

Major product testing system



All our vehicles have been tested by the commissioned testing organizations recognized by the central competent authority pursuant to the “Fuel Economy Standards and Regulations on Vehicle Inspection and Administration.” We have also applied to the competent authority for vehicle energy consumption certificates in accordance with relevant procedures. The whole testing process complied with the regulations, and there was no likelihood that the fuel consumption data was counterfeit.

Product Labeling

Yulon Motor's product-related data is displayed properly on the label of products to clearly inform the consumers. The instructions for the products are specified in the owner's manual to give the consumers a full understanding of their specifications, functions, and instructions. There were not any Incidents of non-compliance concerning product and service information and labeling in 2024.

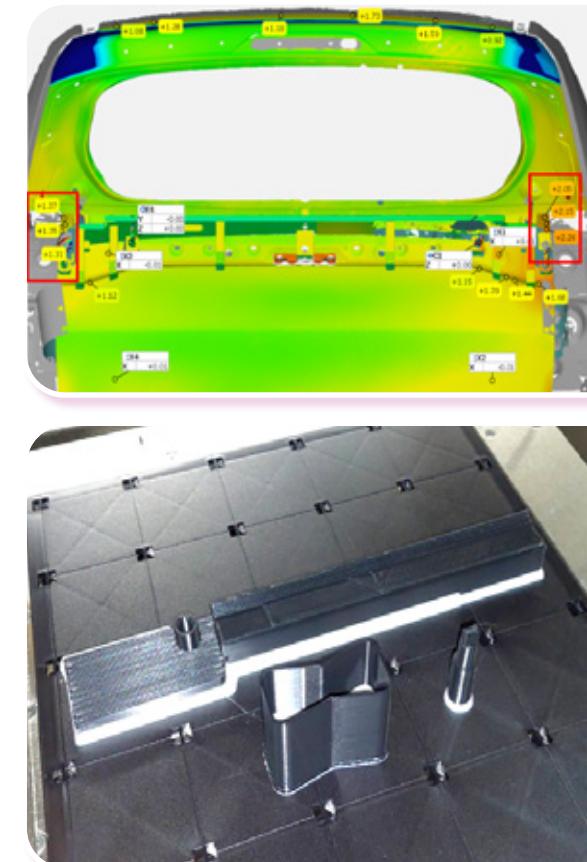
Product label location



Quality Management Training

In addition to the introduction of quality management system, Yulon Motor also pays attention to the training of relevant personnel to make sure all employees can operate the system effectively and jointly maintain the quality of production lines. In 2024, we held a total of 20 related courses with a total training time of 128 hours and a total of 190 participants.

Course name	Description	Training time	Number of participants
Vehicle Idling and Driving Pattern Inspection Personnel Training (Emissions)	Requirements of laws and regulations	32	4
ISO 17025 – laboratory quality management training	Requirements of laws and regulations	18	2
Calibration Management of Measuring Instruments and Product Testing & Inspection Practices	Enhancing awareness of quality management in the laboratory	12	2
Automotive CAN bus technology (Industrial Technology Research Institute) -> Product Reliability	Improving engineers' knowledge and ability in new car development	6	5
VES basic training	Enhancing awareness and spirit of quality	2	12
The Core Tools for Quality Management 3H	Enhancing awareness and spirit of quality	3	12
Manufacturing process training (manufacturing process audit)	Enhancing awareness and spirit of quality	2	12
Training for the Company's internal specific quality requirements (manufacturing process audit)	Enhancing awareness and spirit of quality	2	12
Requirements of laws and regulations	Enhancing awareness and spirit of quality	2	12
Training for the Company's internal specific quality requirements (Second-Party Audit)	Improving quality awareness and skills of internal auditors	2	12
Training on supplier manufacturing process audit	Improving quality awareness and skills of internal auditors	2	12
Basic Measurement Training (Product Audit)	Improving quality awareness and skills of internal auditors	2	12
Product Requirements Training (Product Audits)	Improving quality awareness and skills of internal auditors	2	12
Education and training on important parts	Boosting training on important part operation	7	50
Forklift Certification Exam	Requirements of laws and regulations	2	2
Standard operating procedures for 3D printing	Strengthening inspection fixture quick design skill	4	4
On-the-job training for new car development (paperwork, equipment, inspection method)	Improving engineers' knowledge and ability in new car development	8	4
Training in 3D scanning & fitting	Enhancing engineering analysis skills	8	4
Analysis on issues of vehicle DPHU hybrid interface	Enhancing engineering analysis skills	12	4
Overhead Crane (Room A) With a Capacity of 3 Tons or Less	Requirements of laws and regulations	2	1



Quality Management Training Course
(3D Scanning and Printing Training)

3-2-2 Product Safety Management

To ensure the driving safety of the general public and the protection of adult occupants, and to meet the four requirements for adult occupants under impact (frontal full width impact, frontal offset deformable barrier impact, lateral impact, and side pole impact) outlined in the four major domains provided in the Taiwan New Car Assessment Program (TNCAP) enforced by the Ministry of Transportation. Yulon has aligned with its home factory Nissan Motor to introduce ultrasonic tester monitoring car body welding spot quality since 2017. Under Nissan Motor's strict supervision and assessment, two car body inspectors passed the appraisal by Nissan Motor in July 2023, qualified as an ultrasonic testing instructor, continuously providing training for new employees and oversee inspections. To ensure vehicle body welding strength, 100% of weld points across all production lines are regularly inspected using ultrasonic and impact testing, as per the specified standards. In May 2024, three employees earned Nissan certification as welding inspectors. They continuously monitor the 4Ms on the shop floor to drive ongoing factory improvements and deliver the safest possible vehicle bodies.



Welding inspection



Ultrasonic welding spot testing

Vehicle Safety System and Equipment

Brand	Safeguard system	Other safety-related equipment		
LUXGEN	<ul style="list-style-type: none"> Adaptive Cruise Control System (ACC) (including Stop & Go) Traffic Jam Assist System (TJA) Lane Following Control System (LFC) 	<ul style="list-style-type: none"> Panoramic AR safety view (AR Around View+) AR Chassis See-through View (AR See-through View) Eagle View 360° Panoramic View (multi-view switch) 	<ul style="list-style-type: none"> Electronic Stability Control System (ESC) Hill Launch Assist System (HLA) Lane Departure Warning System (LDWS) Lane Keep Assist System (LKA) Forward Collision Warning System (FCW) 	<ul style="list-style-type: none"> Automatic Emergency Braking (AEB) Blind Spot Detection System (BSD) Rear Cross Traffic Alert System (RCTA) Leading Vehicle Departure Alert (LVDA) Door Open Anti-Collision Warning (DOW)
NISSAN	<ul style="list-style-type: none"> Predictive Forward Collision Warning System (PFCW) Intelligent Cruise Control System (ICC) Intelligent Emergency Braking (IEB) 		<ul style="list-style-type: none"> Driver Attention Alert (DAA) Lane Departure Warning System (LDWS) Blind Spot Detection System (BSW) 	<ul style="list-style-type: none"> Rear Cross Traffic Alert System (RCTA) Rear Automatic Emergency Braking (RR-AEB)

Supplementary notes:

- Predictive Forward Collision Warning System (PFCW): Its front sensors monitor the vehicle in front and the vehicle in front of the front one, and when it detects any risk of collision between the vehicles in front, it alerts drivers and gives drivers more time to react.
- Intelligent Cruise Control System (ICC): The front sensors automatically detect the speed and distance of the front vehicle, and the system speeds up or slows down the vehicle accordingly to maintain a preset safe distance enabling more comfort and convenience for long-distance driving.
- Adaptive Cruise Control System (ACC) (including Stop & Go): After setting the cruising speed and following distance, ACC's cruise control function will set in to maintain the speed and the following distance based on the presetting without drivers using the accelerator.
- Traffic Jam Assist System (TJA): By detecting front traffic (front camera and mmWave radar) and lane markings (front camera) to maintain the following distance and keep the vehicle within lane markings assisting drivers in preventing a low-speed collision.
- Lane Following Control System (LFC): keep the vehicle driving within lane markings on highways and at the same time maintain the preset speed and following distance. The LFC system includes the combined vertical and horizontal controls of the self-propelled vehicle.
- AR Around View+ panoramic AR safety view: With the external cameras on the vehicle, it stimulates a panoramic view around the vehicle and displays on the vehicle screen.
- AR Chassis See-through View: Use the images from various cameras to stimulate a current view beneath the chassis and display on the vehicle screen.
- Eagle View 360° Panoramic View (multi-view switch): Use the external cameras to stimulate the view around the vehicle with adjustable angles and display on the vehicle screen.
- Electronic Stability Control System (ESC): Determine where the driver intends to travel and identify the vehicle's actual direction. If the vehicle is not driving in the correct direction, the system will intervene to control and apply the brakes and power to individual wheels, fixing the vehicle's dynamic direction, bringing the vehicle back in line with the intended direction, and further improving stability during driving and reducing the likelihood of rollovers.
- Hill Launch Assist System (HLA): While the vehicle stops on a hill and the driver releases the brake pedal, the system can maintain a 2-second brake to prevent the vehicle from rolling and provide the driver enough time for stepping on the accelerator.
- Lane Departure Warning System (LDWS): Use a set of ADAS front-end camera integrated beside the rear mirror to capture and identify lane markings on the front road, and calculate the relative locations of lane markings, the vehicle and the direction. If it detects any lane departure, it will sound the alarm to warn the driver.
- Lane Keep Assist System (LKA): Use the ADAS front-end camera integrated beside the rear mirror to capture and identify lane markings on the front road, and calculate the relative locations of lane markings, the vehicle and the direction. If it detects any lane departure, it will temporarily steer the wheel to keep the car remaining in the marked lane.
- Forward Collision Warning System (FCW): provides assistance when it detects a potential forward collision with vehicles, pedestrians or bicycles.
- Automatic Emergency Braking (AEB): provides assistance when there is a potential collision with a vehicle or a pedestrian ahead. If it detects potential risk of a collision and the driver cannot slow down the vehicle within the reaction time or keep a safe distance from the vehicle in front, the system will automatically activate the vehicle braking system.
- Blind Spot Detection System (BSD/BSW): uses the blind spot sensor integrated in the rear bumper to detect vehicles in adjacent lanes and reminds the driver to be careful about vehicles in adjacent lanes.
- Rear Cross Traffic Alert System (RCTA): When the driver backs up, the RCTA system detects other vehicles approaching crossing using the mmWave radar to eliminate traffic accidents arising from backup blind spots.
- Leading Vehicle Departure Alert (LVDA): During a stop at a traffic light or in traffic congestion, it uses the front camera and the mmWave radar on the vehicle to detect vehicles in front and notifies the driver with visual or audio alarms when the leading vehicle departs and the vehicle remains stopped.
- Door Open Warning (DOW): detects other vehicles approaching from left rear side or right rear side using the mmWave radar for the driver or the passenger to eliminate open car door accidents.
- DAA – Driver Attention Alert: When the vehicle speed reaches 60 km/h or higher, the system monitors driving patterns and steering wheel activity over time to detect driver fatigue or inattention. When fatigue or inattention is detected, a "Take a break?" message appears on the instrument panel accompanied by an audible warning.
- P-IEB/IEB – Intelligent Emergency Braking: Using the vehicle's front radar sensors, the system detects the distance to vehicles ahead in the same lane, or if a collision with a vehicle or pedestrian is imminent, and will actively initiate emergency braking.
- Rear-AEB – Rear Automatic Emergency Braking System: When reversing, the system uses rear radar to detect the distance to obstacles directly behind the vehicle. If a collision risk is detected, the system automatically applies the brakes, effectively reducing the risk of rear-end collisions (at speeds below 15 km/h).
- RCTA – Rear Cross Traffic Alert System: When reversing, the system uses radar sensors in the rear bumper to detect vehicles in the blind spots and approaching traffic. If a vehicle enters the detection area, the system activates warning lights and audible alerts to prevent accidents.

Post-Sale Product Liability Management

After the sale of vehicle, all employees and retail systems shall work on product liability prevention to avoid any damage to consumers' rights due to product defects. At the same time, we will set special conditions for the warranty of products after sale, which will be explicitly listed in the user manual for consumers, clearly informing consumers about their rights and the contents of post-sale services.

For proper handling of incidents in connection to product liability and protecting consumers' rights as well as legal compliance, Yulon Motor has established relevant handling guidelines such as the "Customer Complaint Handling Practice Standards," the "After-Sales Service Compensation Practice Standards," and "Vehicle Recall Correction Management Regulations" to assist consumers in solving problems immediately and to protect consumers' rights and interests. All product assurance standards and procedures are regularly reviewed and revised according to the ISO standards to ensure a rigorous and comprehensive product assurance system.

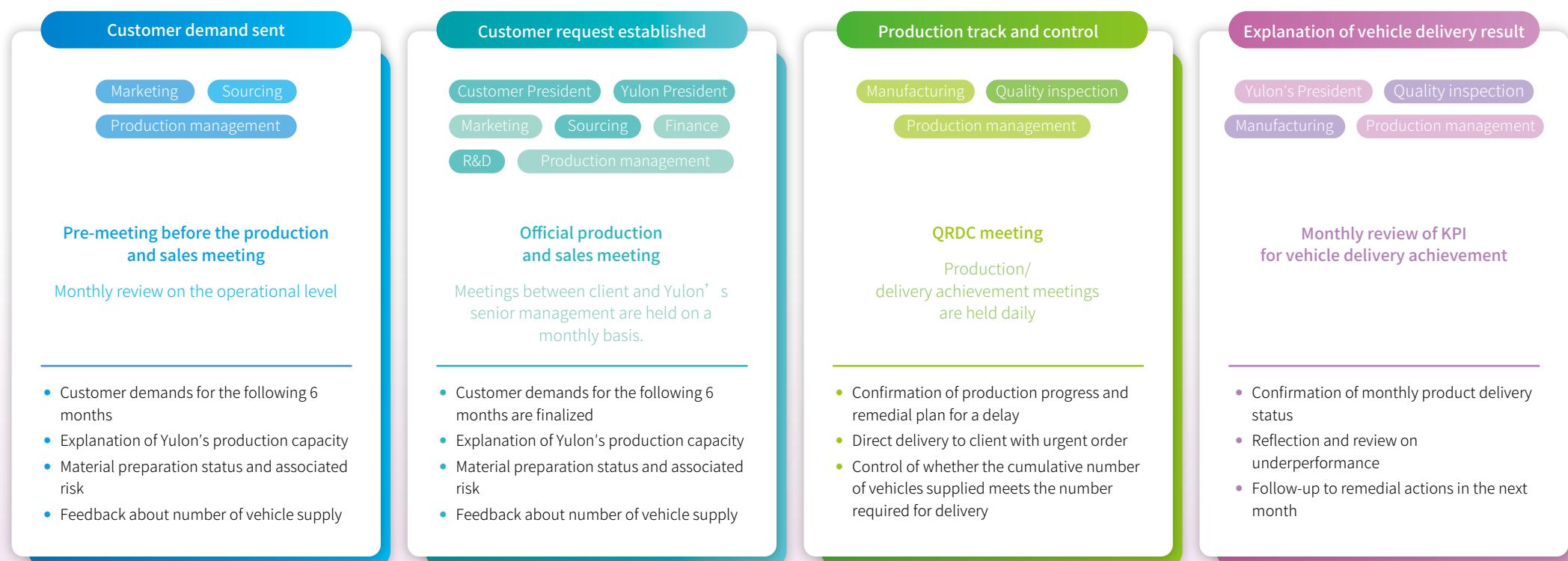
3-3 Customer Relationship Management

Significance to Yulon Motor	Yulon Motor effectively manages customer feedback and needs through its customer relationship management strategies, communication channels, and tools. By providing customer service, we enhance and monitor customer satisfaction and loyalty.	
Policy and commitment	At Yulon Motor, we are dedicated to understanding and fulfilling customer needs, and delivering products and services that go above and beyond expectations.	
Goals	Short-term (2025–2026)	Maintain a customer satisfaction level of 8.5 or higher.
	Medium-term (2027-2028)	Maintain a customer satisfaction level of 9 or higher.
	Long-term (after 2029)	Maintain a customer satisfaction level of 9.5 or higher.
Achievement in the previous year	Goals of the previous year	
	8.5 or above	
Responsible unit	Achievement in the previous year	
	Nissan: 8.6, LUXGEN: 9.2, Foxconn Technology: 9.3.	
	Production & Supply Department	
Specific actions	<ul style="list-style-type: none"> Systematic scheduling Through dynamic production scheduling and sales and operations planning, combined with a dashboard system, we offer optimal production schedules and a quick response to customer orders and lead times. Long-term planning Collaborate with brands and suppliers on forecasting plans extending beyond one year to proactively identify supply risks and support customer sales planning. 	

3-3-1 Customer Relationship Maintenance

Guided by Yulon Motor's principle of "People, Vehicle, Life," we not only sell vehicles but also redefine the service model that the automotive industry offers to clients and end owners, focusing on the primary value proposition and the overall product and service experience. NISSAN, a brand represented by Yulon Motor, has made the improvement of customer satisfaction a priority in product design, development, marketing, and services. Through the continuous introduction of innovative products and services, the brand aims to secure consumer trust and recognition. The self-owned brand of Yulon Motor, LUXGEN, is guided by its brand spirit of "Pure Brilliance, Infinite Possibilities," aiming to provide customers with differentiated automobile products that exceed their expectations and to offer an experience in user-friendly smart technology. In 2020, Foxconn and Yulon entered into a joint venture agreement to form the company Foxtron Vehicle, aiming to collaborate on the transformation, upgrading, and development of the automotive industry in Taiwan, as well as promoting the popularization of EVs in the region, leveraging their outstanding automotive production speed. In 2024, the first domestically produced EV, the Luxgen n⁷, jointly created by Foxconn and Yulon, achieved impressive results after its launch, with a total of 7,121 registrations for the year. We hold the production and sales meetings of senior management on a monthly basis to address customer demands and the daily QRDC (Quick Response Delivery Control) meetings to track and control the production schedule and delivery to clients.

Customer service flowchart of Yulon Motor



Multiple Customer Service Channels

The brands under Yulon Motor's belt have free 24-hour service hotlines in place providing a wide range of customer services and handling complaints. For better customer experience, we develop relevant customer service management mechanisms, regularly improve customer hotlines, update information and train the personnel. We can also receive calls through the free 0800 service hotlines of our distributors to form channels for consumers to make inquiries about their rights.

In addition, the brands carried by Yulon Motor and the private brand all have distributors, business locations and repair shops in place all over Taiwan, and they all offer repair service at night and on holiday.

Type of service location	NISSAN	LUXGEN
Distributor	11	4
Business location	61	20 (Oil Car Lifestyle Center: 12 EV experience center: 8)
Repair shop	75	26

Customer Satisfaction Survey

In order to fulfill customer demands and increase service capability of the brand, Yulon Motor regularly interviews its clients and asks them to give a rating from the three aspects of quality, delivery schedule and after-sales services in accordance with the regulations provided in the ISO 9001 and IATF 16949 standards. In 2024, all customer ratings were satisfied or better. Moreover, with respect to improvements suggested by clients, we routinely raised the action plans to the ISO 9001 and IATF 16949 system management review meetings held in 2024 and implemented the PDCA cycle to meet customer expectations and build long-term relationship with our clients.

Performance in customer satisfaction in the most recent 3 years (out of 10)

Company	NISSAN				LUXGEN				Foxtron Vehicle	
	Year	2021	2022	2023	2024	2021	2022	2023	2024	2023
Score	8.8	8	8.4	8.6	8.8	8.7	9.2	9.2	9.7	9.3

3-3-2 Customer Privacy Protection

Yulon Motor adheres to the safeguard of customer privacy and abides by laws and regulations, such as the "Personal Data Protection Act," and we have also included personal data protection as a key to corporate governance enhancement. We look into the cycle of personal data which involves its acquisition, handling, transfer, storage, archiving and destroying as well as personal data access control through the analysis of our business procedures and information system to come up with the optimal personal data protection solution. There were neither any complaints filed by customers arising from violations of laws, such as personal information leakage, customer privacy infringement, or loss of customers' data in 2024, nor significant complaints that would pose an impact on society.

CHAPTER

Sustainable Supply Chain

— Driving Value Production

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2024 SUSTAINABILITY REPORT



Material issue

Sustainable supply chain

Major stakeholders

Employees, suppliers


Performance highlights

- ◆ Assisted 22 suppliers in quality improvement supervision and 13 suppliers in the assessment of QAR self supervision in 2024.
- ◆ Total green procurement of NT\$33,724,223 was made in 2024.
- ◆ We promoted ISO 14064-1 training and guidance to 125 consolidated subsidiaries and 30 key suppliers, with a total of 57.5 training hours and 740 participants.

Management Approach to a Sustainable Supply Chain

Significance to Yulon Motor	<p>Yulon is committed to building a steady and transparent supply chain by means of sustainable procurement rating, supplier compliance requirements, energy efficiency improvement, waste and emissions reduction and reinforced human rights protection. We assess suppliers' performance in environmental, social and governance aspects, and through constant monitoring, evaluation and improvement, we collaborate with these partners to build an environmentally friendly, fair and sustainable supply chain in the pursuit of sustainability.</p>
Policy and commitment	<ul style="list-style-type: none"> Active implementation of continuous monitoring on the supply chain and constant assessment and improvement of policies and improvement thereof to ensure the attainment of its sustainable development objectives. Implementation of the sustainability rating mechanism that evaluates suppliers' performance in environmental, social and corporate governance aspects Share commitment with partners and join suppliers to build an environmentally friendly, fair and sustainable supply chain.
Goals	<p>Short-term (2025–2026)</p> <ul style="list-style-type: none"> Key supplier energy saving and carbon reduction program
	<p>Medium-term (2027-2028)</p> <ul style="list-style-type: none"> Ongoing improvement of key suppliers
	<p>Long-term (after 2029)</p> <ul style="list-style-type: none"> Ongoing improvement of key suppliers
Achievement in the previous year	<p>Goals of the previous year</p> <ul style="list-style-type: none"> Local procurement and environmentally friendly product procurement rate: 84% target for 2024. (Equipment + expenses +material + indirect,indirect material) Continuously promoted the green procurement scoring system Continuously promoted resource recycling initiatives Drafted the Supplier Sustainability Risk Assessment Form Key suppliers underwent ESG training courses Key supplier mentoring and performance reviews
	<p>Achievement in the previous year</p> <ul style="list-style-type: none"> Local procurement and environmentally friendly product procurement rate: 2024 actual rate was 85.4% (Equipment + expenses + material + indirect,indirect material) The green procurement scoring system aggregates scores from 517 purchasing cases and 392 vendors, with an average score of 73.2. Completed 16 supplier sustainability risk assessments. Completed ISO 14064 training courses for 28 key suppliers. Completed guidance and performance evaluation for 16 key suppliers.
Responsible unit	<p>Production & Supply Department</p>

Increase the proportion of local sourcing

- The sourcing personnel review the specification of a purchase request and, for requests of a non-local brand, suggest the request personnel to instead use a local brand.
- During negotiation, give priority to manufacturers who process and manufacture domestically.

Increase the proportion of green sourcing

- The sourcing personnel review the specification of a purchase request, and require some items (e.g. light tubes, laptops/desktops, LCD, multi-function printers) to be certified with domestic or international environment labels (e.g. environmentally friendly badges and labels/energy label/water saving label).

Improved green procurement scores

- Communicated green initiatives to suppliers, encouraging them to participate in sustainability activities and local/green purchasing. Higher scores on the green procurement assessment will help secure better pricing in future bids.

Sustainable supply chain management:

Categorized existing suppliers by attribute type and size, conducted sustainability risk assessments for different types of procurement, and worked with the Sustainable Development Department to develop a supplier sustainability program to enhance supplier sustainability capabilities and build a green supply chain.



- Sustainability risk assessment preliminary review: Completed assessments for 16 suppliers.

Weakness analysis:

E – Carbon inventory/Energy-saving and carbon reduction activities; S – Freedom of association/operation of labor-management meetings; G – Factory management systems, such as ISO 14001.

Supplier evaluation:

Primarily involves supplier carbon footprint assessments and energy conservation/carbon reduction initiatives.

» Yulon shares best-practice examples with suppliers for improvement and offers a basic introductory course on ESG and ISO 14064 carbon accounting.

» E-category scores increased by 5.5%, S-category scores increased by 0.3%, and G-category scores increased by 2.2%.

Sustainable Supply Chain Framework

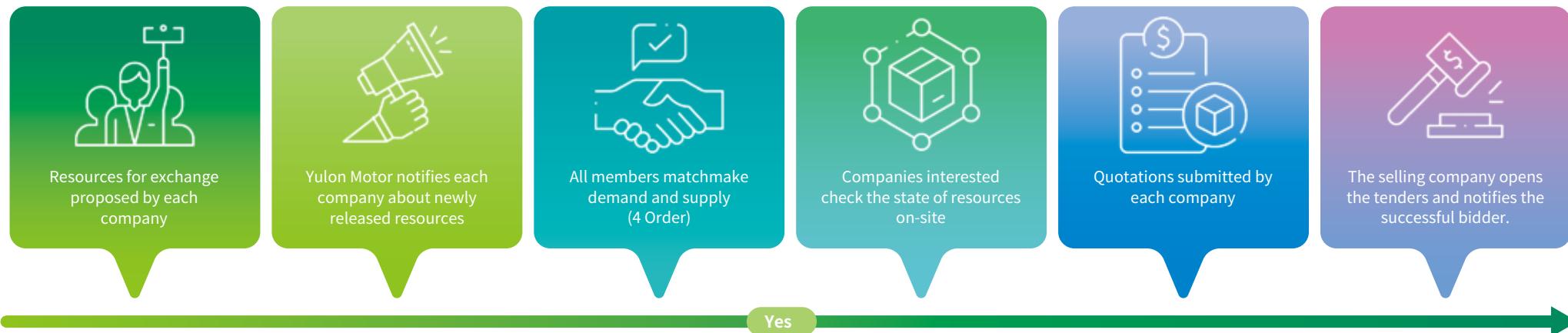
The development of Yulon Motor's sustainable supply chain revolves around three axes: "Sustainable Partner," "Local Sourcing" and "Green Cycle." Yulon Motor has called our sustainable partners and suppliers to sign the Letter of Commitment for Sustainable Development of Suppliers in order to involve them in ESG topics such as human rights protection, and included the sustainability-related items in the supplier evaluation. We also promote sustainability knowledge through our annual supplier conferences. Last year's topics included: supplier sustainability risk assessment, ISO 14064 carbon inventory and best practices for energy conservation and carbon reduction, and resource recycling and biodiversity. We have also strengthened the resilience of the supply chain, constantly increased the ratio of local sourcing, reduced carbon emissions from logistics, assisted suppliers in the ISO 14064 greenhouse gas inventory and introduced energy saving and carbon reduction measures to lower the impact on environment. By matching the idle resources of the network with our contracting manufacturers on the resource exchange platform, we create economic synergy.



Yulon Motor keeps good and long-lasting relations with its suppliers while helping partners in the supply chain on the environmental, labor condition, human rights and social aspects. On top of the prudent supply chain control mechanism, we have also been active in guiding our suppliers through the improvement of production processes and product quality, implemented energy saving and carbon reduction measures, and regularly host performance exchange events.

Launching the “Resource Exchange Platform” to Jointly form a Green Cycle with Suppliers

Yulon Motor has designed the “Resource Exchange Platform” with the mindset of sustainability cycle for achieving zero waste resource recycling, and this platform allows resources to circulate in the production system for reuse and breaks through the existing inertia of resource reuse. We help both sides on the platform to find appropriate channels for resource and equipment exchange, including machine tools for production lines, water dispensers next to offices or other resources to be phased out. The “Resource Exchange Platform” can match the idle equipment of each entity in the Company, or of contracting manufacturers and suppliers through its information listing on the platform, so that the supply and demand of the production side and the reuse units can be perfectly matched and exchanged, thereby improving recycling efficiency of resources, saving costs, maximizing the residual value and ultimately creating a green supply chain.



Yulon Motor further facilitates the recirculation model within the supply chain of the Group, and it has been promoting horizontally in the supply chain since October 2022 by putting the tradable idle resources of all entities within the Group and suppliers thereof on the cloud for matchmaking so as to achieve the goal of having resources shared on the platform recirculated. As of October 2022, 408 suppliers have joined this platform, completing a total of 118 projects. Of those, 34 projects were completed in 2024, including items such as oil-filled transformers, liquefied gas storage tanks, flue gas fans, horizontal fire-tube boilers, and product packaging materials. A web-based transaction platform was also launched in the third quarter of 2024, enabling affiliates and partner suppliers to search for opportunities and expand resource exchange.

Participation status and participants of the Resource Exchange Platform in 2024

Type of participant	Number in 2024
Affiliated companies of Yulon Group	16
Non-affiliated companies/suppliers	392



Equipment listed on the “Resource Exchange Platform”: Oil-filled transformer.



Equipment listed on the “Resource Exchange Platform”: Horizontal fire-tube boiler

4-1 Sourcing Management

3 major characteristics of Yulon Motor's procurement:



1. Local sourcing



2. digital sourcing



3. green sourcing

Materials are mainly purchased from local suppliers due to not only the flexibility of material supply and speedy response but also the local employment opportunities and area prosperity. At the same time, we can intimately guide suppliers through the enhancement of quality, environmental awareness, energy saving transportation, and other applicable competencies. The sourcing unit has been active in facilitating the localization of parts, which is beneficial to local employment and lowers costs. In 2024, the amount of locally sourced parts accounts for 55.0% of the total amount of parts purchased. Both the sourcing unit and suppliers process online paperless, to increase efficiency and reduce paper usage. Green material procurement is a critical standard referred to in Yulon Motor's supplier management, and we purchase relevant eco-labeled equipment in accordance with the "Recognition Scope of Green Products Declared by Private Enterprises and Organizations" issued by the Ministry of Environment:

Unit: NTD

Item	2024
Green procurement	33,724,223
Investment in production equipment (energy saving and carbon reduction)	16,660,952
Investment in solar energy equipment	892,720
Total	51,277,895

4-2 Supplier Management

Supplier Management

Suppliers are essential to our sustainable development, so by capitalizing our corporate influence, Yulon Motor builds close relations with suppliers in order to have positive impacts on economy, environment and society. In recent years, we have assisted suppliers in obtaining the ISO 14001 certifications in order to encourage them to implement an environmental management plan; meanwhile, with regard to the protection of laborers' human rights, we also include the criterion that whether a supplier meets the requirements of the Labor Standards Act in the supplier selection. All conditions and terms in the agreements with partners in the supply chain are handled and filtered in accordance with national laws related to human rights, or terms and conditions regarding human rights are supplemented.

Regulations for supplier sustainability:

To ensure the quality of supplies and compliance with Yulon Motor's sustainability standards, Yulon has signed the "Letter of Commitment for Sustainable Development of Suppliers" with its suppliers. The letter covers respect for labor rights, freedom of association and collective bargaining rights, the prohibition of child labor, restrictions on excessive working hours, and the prevention of inhumane treatment and discrimination. Furthermore, supplier sustainability assessments are conducted to evaluate compliance with the absence of child labor, the promotion of equal human rights, and adherence to labor laws. In 2024, both the signing rate and assessment rate reached 100%, and no suppliers were found to be in violation of these requirements. Furthermore, contract clauses requiring adherence to the code of conduct for listed companies' integrity management have been added to contracts with suppliers for cases exceeding NT\$80,000, applying to 177 suppliers, or 69.1% of them. As of 2024, a total of 135 suppliers are subject to parts/mold procurement management, representing 91.9%.

Information on suppliers who signed the agreement with the added requirements set forth in the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies in 2024			
Subject	Item	Cumulative total	Percentage
Suppliers	Equipment/expenses	177	69.1%
	Parts/mold procurement management	135	91.9%

► see supplier compliance and notes

Letter of Commitment for Sustainable Development of Suppliers

Yulon prioritizes sustainable development, and all its suppliers are required to sign a Letter of Commitment for Sustainable Development of Suppliers outlining the following management guidelines.

Type	Green supply chain	Safety, health risk management	Labor rights and ethical
Description	<ul style="list-style-type: none"> Comply with applicable environmental laws and regulations. Comply with restrictions on hazardous substances. Support initiatives to promote energy conservation, carbon reduction, and environmental protection. 	<ul style="list-style-type: none"> Comply with applicable government safety, health, and fire protection laws and regulations. Support initiatives to promote occupational safety and health, risk management, and related activities. 	<ul style="list-style-type: none"> Comply with applicable labor laws and regulations. Comply with personal data protection requirements. Prioritize labor rights, freedom of association and the right to collective bargaining, and prohibit child labor, excessive working hours, inhumane treatment, and discrimination. Refuse the procurement of conflict minerals (gold, tin, tantalum, tungsten) imported from the Democratic Republic of the Congo and its neighboring countries.

Evaluation of Supplier Sustainability

We evaluate items in the topics of labor, ethics and environment in detail in the evaluation of suppliers and thus facilitate a good understanding of suppliers' overall sustainability risk and performance.

Type	2024 Supplier Green Procurement Assessment Criteria	Weight	Type	2024 Supplier Green Procurement Assessment Criteria	Weight	Type	2024 Supplier Green Procurement Assessment Criteria	Weight
E	<ul style="list-style-type: none"> Restricted substances under REACH Environmental protection Product design (standardization, recyclability, low pollution, energy saving, package recyclability) Production process (water saving, energy saving, carbon reduction) Localized/Green procurement Renewable energy utilization Greenhouse gas/carbon footprint inventory Provision of eco-labeled products (local and international labels) 	75%	S	<ul style="list-style-type: none"> Human rights and equality No child labor Compliance with the Labor Standards Act Gender equality at work Sustainability topics (social care activities, freedom to form a union, customer protection, ecological conservation, community engagement, support of innovative enterprises) 	5%	G	<ul style="list-style-type: none"> Personal Data Protection Act Ethical management Plant management systems (IATF 16949, OHSAS 18001); ISO (9001, 14001, 45001, 14064-1, 14046, etc.) Supplier risk assessment and management 	20%

Yulon Motor has promoted the ongoing supplier sustainability management project as follows:

Item	Description	Content of execution
Compliance with environmental protection regulations	Based on governmental laws, we require suppliers to comply with relevant laws and regulations with regard to air pollution, water pollution and waste management.	In the event of any violation, the supplier shall propose an improvement plan
Promotion of green suppliers	We will continue giving guidance and assistance in the facilitation of relevant operations based on the internationally recognized ISO 14001 certification in the hope that all suppliers can meet the requirements of environmental regulations and constantly improve.	Activities to guide and promote to suppliers about energy saving and carbon reduction
Improvement of safety and health	The key suppliers are classified for management pursuant to the international OHSAS 18001 certification standard or depending on if the safety and health work rules have been submitted to the competent authority for reference.	<ul style="list-style-type: none"> We enhance the awareness of occupational safety among suppliers and improve their on-site safety management capability by sharing experiences in the practices of occupational safety and relevant cases. Requiring contracting manufacturers to put safety and health management into practice through evaluations, guidance, auditing and tracking.
Implementation of labor rights	Based on governmental laws, we manage key suppliers by category and continue implementing and requiring all suppliers to comply with governmental laws.	<ul style="list-style-type: none"> The suppliers are reminded to improve the awareness of labor rights and protect the rights of the employees by sharing the cases of violation in labor inspection. The Company provides educational training by issuing the “information on labor regulations” to remind suppliers to pay attention to the new information on labor regulations and the key points of their implementation, with the goal of acting in compliance with the laws and regulations and protecting the labor rights. This way, the suppliers can refer to the difficulties that other companies in the industry have encountered and determine the best solutions.
Management of conflict minerals	We participate in the global green procurement policy and request key suppliers to sign the “Supplier’s Undertaking of Corporate Social Responsibility” to avoid purchase of 3TG (tin, tantalum, tungsten, gold) metal materials from the conflict zone.	<ul style="list-style-type: none"> Investigations on Yulon Motor’s key suppliers are conducted to make sure none of the metal materials are sourced from the conflict zone. Suppliers shall sign the “Letter of Commitment for Sustainable Development of Suppliers” as a guarantee that they refuse to purchase metal materials from the conflict zone in the present and the future.

Supplier Quality Evaluation

We have carried out evaluations to check a supplier's performance in incoming materials, delivery, part production management and the operation of its quality management system.

Since 2024, the quality improvement supervision project have been proposed to 22 suppliers in total, and we guided 5 suppliers in improving their products to the A-grade.

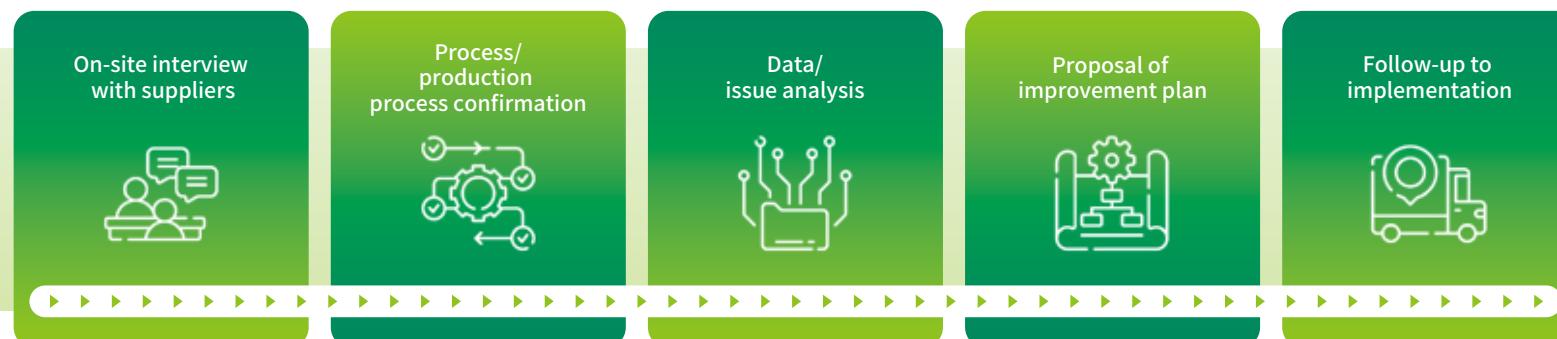
Completed guidance for 17 suppliers, resulting in a B+ rating for all of them, and a 100% project completion rate with quality improvements.

We continue to guide suppliers through quality standard enhancement by facilitating events for Quality Assurance Requirements of suppliers' independent processes and assist key suppliers in conducting QAR self-supervision.

A total of 13 suppliers completed the evaluations in 2024 and established their QAR MAP technology library, thereby enhancing quality of parts and averting reoccurrence of issues.



Supplier Evaluation Process



- To make sure the improvement plan proposed by Yulon's team is helpful for the supplier in generating actual benefits from improvement.
- To go deep with the suppliers to check their approaches to each control.
- To find the root of issues and propose mutually beneficial improvement plan

We designate a responsible unit for the guidance and supervision of suppliers' improvements. Multiple effective communication and improvement activities designed for suppliers have been carried out via various channels such as the directors' /supervisors' meetings and the general meetings of the Yulon Motor Association and corporate seminars covering exchange activities, education and training and visit and learning activities to realize the ideals of "complementary environmental protection and economic development for coexistence and co-prosperity" and create overall social benefit in the protection of environment. We routinely track the results of improvement plans of suppliers with a low rating score and guide them through the enhancement of performance.

Environmental, Health and Safety Management of Contracting Manufacturers

Yulon Motor takes contracting manufacturers' environmental, safety and health management seriously, so we arrange safety inspections at contracting manufacturers' sites every year to conduct the on-site examination on three aspects: firefighting safety, environmental protection and safety and health, and keep the improvement plans on file for follow-up. Assisted 8 contract manufacturers in the improvement of 51 environmental, health and safety issues in 2024. On top of the safety inspections, we also exchange information on matters concerning environment, safety and health in the hope of jointly sculpting a corporate culture of occupational safety.



Inspection of suppliers' fire equipment



On-site audit on suppliers' production equipment



Communication and performance sharing about safety and health enhancement with suppliers

4-3 A Net Zero Supply Chain

Fostering a green supply chain, Yulon Motor divides sourcing items into the following categories.

Parts

- Suppliers in the Parts category will use the online quoting system for paperless operation.
- Future new parts RFQ process (New Business) will include a green procurement assessment scoring criteria.
 - Suppliers' quality management system (QMS) and environmental management system certifications
 - Commitment to compliance with governmental laws and regulations related to environmental protection, labor, and safety (signing of the Letter of Commitment for Sustainable Development of Suppliers)
 - Certificates in association with energy saving/carbon reduction and performance in environmental improvement
- In order to encourage the current suppliers to keep promoting green improvement activities (package optimization, recyclable containers, etc.), regularly assess suppliers' performance in improvement in the future and include such an assessment in the annual supplier evaluation; praise suppliers having extraordinary improvement in the annual Supplier Conference

Equipment

- For procurement in the Equipment category, manage local sourcing (suppliers with proof of domestic production and processing) and green sourcing (products with green labels, suppliers with sustainability certifications), and introduce paperless operation through bidding/negotiation/contract awarding on the electronic sourcing system.
- Green procurement assessment is included in the cost estimation for each procurement case.
 - Suppliers' confirmation that raw materials observe restrictions on chemical substances
 - Commitment to compliance with governmental laws and regulations related to environmental protection, labor, and safety (signing of the Letter of Commitment for Sustainable Development of Suppliers)
 - Quality, environmental management and sustainability certifications of suppliers
 - Suppliers' performance in environmental improvement activities (energy saving/carbon reduction, proportion of local/green sourcing)
 - Provision of products with environmentally friendly labels to satisfy



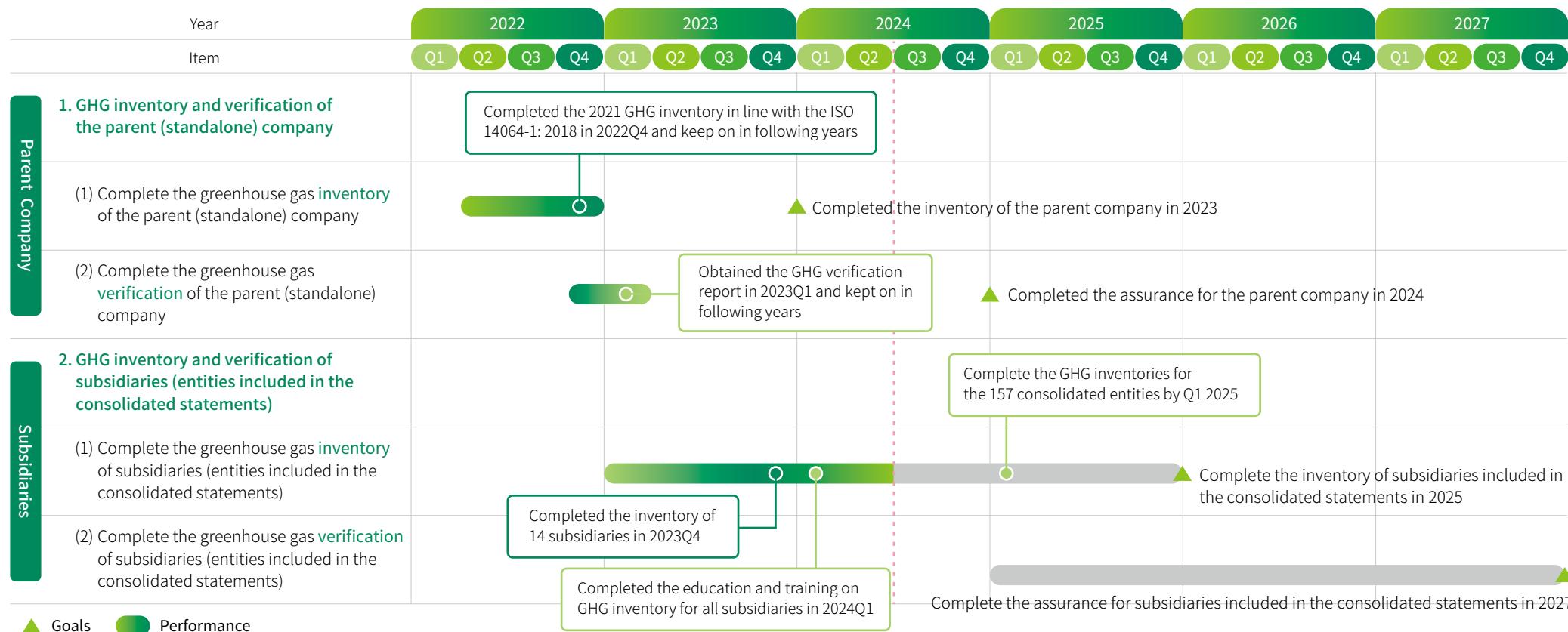
Online quotation system



Electronic sourcing system

4-3-1 Greenhouse Gas Inventory and Verification of the Supply Chain

Yulon's GHG inventory and verification timeline



In response to the guidance for and management of sustainable supply chains provided in domestic laws (e.g. the Sustainability Development Roadmap for Listed Companies issued by the Financial Supervisory Commission), corporates are demanded to reduce carbon emissions and increase their international competitiveness. In addition, Yulon's capital is above NT\$10 billion, so entities included in its consolidated financial statements shall complete their carbon inventory by 2025 and the assurance thereof by 2027. The Company has integrated the Group's resources and joined its partners, including the Industrial Technology Research Institute, Taiwan Green Productivity Foundation, Across Management Consulting, Wen-Yuan Management Consultants, Afnor, the Metal Industries Research and Development Centre, to conduct the intercompany GHG inventory and verification for the Company and its over 150 subsidiaries and set the GHG inventory timeline for Yulon.

ISO 14064-1: 2018 Organization-Level Greenhouse Gas Inventory

To strengthen GHG inventory capabilities within its supply chain and among partners included in its consolidated financial statements, and to prepare for a net-zero pathway by 2050, Yulon Motor has been conducting ISO 14064-1 certification since 2022. 2018 organizational greenhouse gas inventory internal auditor training course was offered to participants from both the group and its suppliers. The Company internally completed the education and training material for GHG inventory, including the introduction to ESG and the instruction for the organization-level GHG inventory (Course 1) and the introduction to ISO 14064-1 inventory forms in practice and Yulon's approach (Course 2), and worked with external consultants to prepare the training for internal verification personnel (Course 3) covering an outline of the ISO 14064-1 standard, essentials of report preparation, and education and training on audit focus. A total of 10 hours of training courses were held in 2024, resulting in the qualification of 191 internal carbon inventory auditors.

Furthermore, Yulon has been offering ISO 14067 product carbon footprint training courses since 2022, enhancing its supply chain carbon management system. We offer GHG inventories and a variety of training courses. A total of 57.5 hours of training were conducted by 2024, with participation from 125 consolidated subsidiaries and 30 key suppliers. A total of 740 people from the Group participated, resulting in the training of 247 qualified internal auditors for carbon inventories and 41 qualified internal auditors for carbon footprints. This establishes strong supply chain carbon management capabilities, laying an important foundation for the sustainable transformation of the Taiwanese transportation vehicle manufacturing industry and collectively preparing for the arrival of the era of green mobility.



Guidance for suppliers and carbon inventory education and training -ISO 14064-1:
2018 Organization-level greenhouse gas inventory

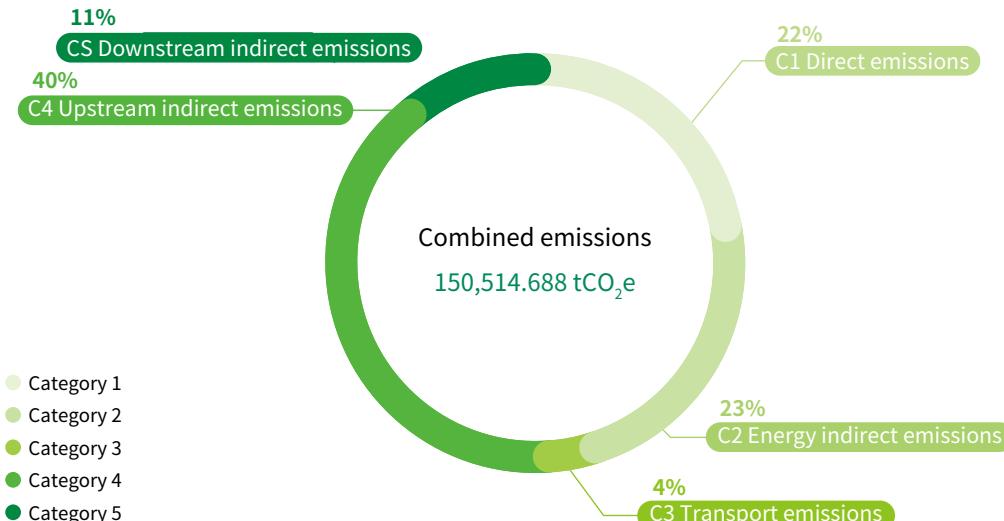
4-3-2 2024 Consolidated GHG Inventory

Emission Category Analysis

Yulon Motor has completed the GHG inventory for the scope of its 2024 consolidated financial statements as of 2025. In 2024, Yulon (the parent company) emitted a total of 12,709.803 tCO₂e. Consolidated emissions (including Yulon) totaled 150,514.688 tCO₂e, with the primary sources being:

- Category 1 (direct emissions), accounting for 22% of total emissions.
- Category 2 (indirect energy emissions), accounting for 23% of total emissions.
- Category 4 (upstream emissions), accounting for 40% of total emissions and are the largest contributor.

Yulon Motor Consolidated Financial Statements Scope – 2024 Greenhouse Gas Inventory Results



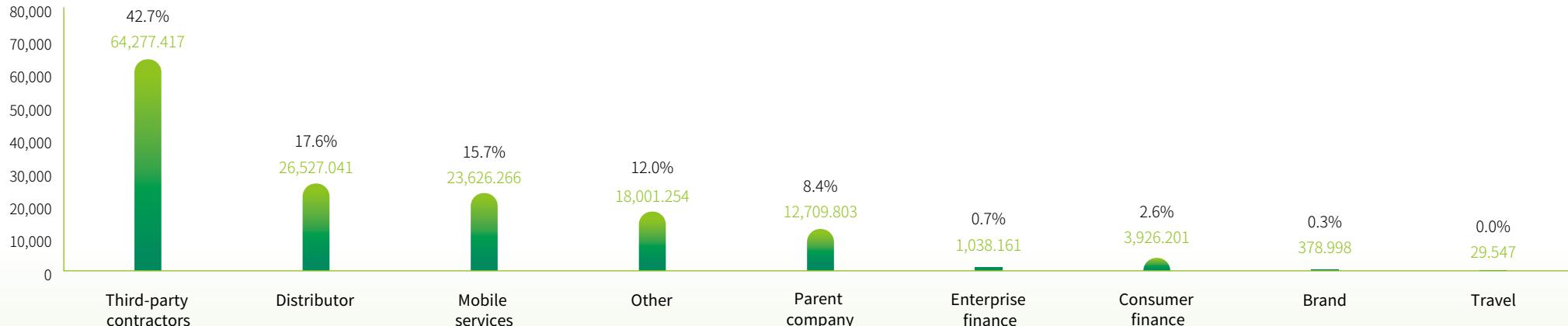
Industry Emission Analysis

Based on the GHG inventory results within the scope of the consolidated financial statements, the emission analysis and ranking by industry category are as follows:

1. The manufacturing system is the business area with the highest carbon emissions, accounting for 42.7% of the total. This is mainly due to the system's extensive range of components and large production volumes, coupled with the high emission factors of most parts. Furthermore, substantial direct and indirect emissions are generated due to the extensive use of equipment and the high electricity demand during production.
2. Distribution channels (dealerships and service locations) account for 17.6% of total emissions. This is due to the fact that dealerships have numerous operating locations that require lighting, air conditioning, and other facilities for daily operations, leading to high overall electricity consumption and making them a major source of indirect energy (Scope 2) emissions.
3. The mobile source emissions (primarily vehicle rentals) account for 15.7% of total emissions due to direct emissions (Category 1) generated by the extensive use of gasoline and diesel fuel in vehicles.
4. Other systems, such as YES!LIFE Yulon City, have carbon emissions primarily from the indirect energy use of their tenants, accounting for 12.0% of total emissions.

Yulon Motor will develop specific, differentiated energy conservation and transformation strategies tailored to the carbon emission profiles of its various business units. Priority will be given to enhancing energy efficiency, replacing equipment, and optimizing processes in high-emission sectors. For channels with high electricity consumption, plans are in place to introduce smart energy management systems and energy-saving lighting. The feasibility of adopting low-carbon vehicles and optimizing fleet operations for mobile services is being evaluated. We will also assess the carbon reduction potential of our supply chain and broaden the impact of our low-carbon transformation. Through phased, concrete action plans, Yulon Motor will continue to advance its GHG reduction efforts, systematically implement carbon management goals, and progress toward sustainable operations.

Emission ranking



Greenhouse Gas Inventory Information:

Year	2023		2024		
	Item (Unit)	Emissions (metric tons of CO ₂ e)	Intensity (tCO ₂ e/NT\$ million in revenue)	Emissions (metric tons of CO ₂ e)	Intensity (tCO ₂ e/NT\$ million in revenue)
The Company	Scope 1	6,054.7888		3,267.1267	
	Scope 2	4,930.9186		5,548.9379	
	Scope 3	3,223.7693		3,893.7387	
	Subtotal	14,209.477	0.5634	12,709.803	0.4905
All subsidiaries in consolidated financial statements	Scope 1			30,089.8864	
	Scope 2			29,392.9655	
	Scope 3			78,322.0330	
	Subtotal			137,804.8849	
Total				150,514.688	1.7547

Note: Regarding the 2024 inventory performed this year, as the Company did not obtain complete inventory results by the annual report publication date, the full information is disclosed in our Sustainability Report and on the Market Observation Post System.

CHAPTER

Friendly Workplace

— of Diversity and Inclusiveness

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5-2 Human rights Protection	115
5-3 Friendly and Safe Work Environment	121



2024 SUSTAINABILITY REPORT

Material issue

Recruitment and retention, occupational health and safety

Major stakeholders

Employee


Performance highlights

- ◆ Selected for the “CommonWealth Talent Sustainability Award.” and the “CommonWealth Global Sustainability Citizen Award” in 2024.
- ◆ Yulon earned the “iSport Certification” from the Ministry of Education in 2024
- ◆ Employee starting salaries are 40% higher than the statutory minimum (based on non-skilled engineering and administrative roles).
- ◆ The average salary adjustment in 2024 was 3.0% while that for outstanding employees reached 5.14%.
- ◆ 57% of employees are local residents in Miaoli area.
- ◆ In 2024, the Happiness Point program, which gave out a total of NT\$356,600.
- ◆ Overall employee satisfaction for the Company was 4.3 points.
- ◆ The total budget for employee education and training in 2024 reached NT\$4,190,992.

As a leader in the local automotive industry responding to demands for talents arising from the changes to the automotive industry and the rapid change of the entire business environment, we deeply believe that people are the source of our core competitiveness. Therefore, we see employees as our partners on the path of inclusive growth and provide them with a friendly and safety work environment while paying attention to workplace equality and respecting and protecting employees' basic human rights. In the meantime, we also launched the structural salary adjustment campaign to attract and retain talents. In addition, Yulon Motor has developed a comprehensive talent development system covering a wide array of education and training, such as the training program for supervisors of each generation, for employees' career development planning, and put effort into providing diverse employee welfare and relevant activities, thereby shaping a healthy, happy and sustainable work culture.

5-1 Diverse Talent Strategy

Management Approach to Recruitment and Retention

Significance to Yulon Motor	Yulon Motor's sustainable development and growth rely on employees' joint effort, so we see employees as our important assets with the mindset of "in-depth development" instead of "pragmatism." We treat all employees with care in the hope that they will contribute to the Company's growth in the long run.								
Policy and commitment	For enhancing employees' happiness, Yulon Motor upholds the "People-oriented" approach taking good care of every employee with love by providing a friendly work environment, a high level of care, competitive compensation packages and a wide range of training courses, as well as the opportunities for career development. The Company believes that by striving to make a "warm" work environment and bringing the employees happiness, the Company can keep the employees closer and make them enjoy their work, further improving the Company's performance.								
Goals	<p>Short-term (2025–2026)</p> <ul style="list-style-type: none"> • Key position inventory and talent pathway program • Mid-level and senior talent development credit system program • To facilitate industry-academia cooperation for key talents recruitment: to increase the number of partnering organizations and recruit interns • To intensify corporate talents development and raise the percentile rank of employee satisfaction above 45 • Turnover rate of new employees <16% <p>Medium-term (2027-2028)</p> <ul style="list-style-type: none"> • To facilitate industry-academia cooperation for key talents recruitment: to increase the number of partnering organizations and recruit interns • To intensify corporate talents development and raise the percentile rank of employee satisfaction above 50 • Turnover rate of new employees <16% <p>Long-term (after 2029)</p> <ul style="list-style-type: none"> • To facilitate industry-academia cooperation for key talents recruitment: to increase the number of partnering organizations and recruit interns • To intensify corporate talents development and raise the percentile rank of employee satisfaction above 55 • Turnover rate of new employees <15% 								
Achievement in the previous year	Goals of the previous year			Achievement					
	To intensify corporate talents development and raise the percentile rank of employee satisfaction above 45			The percentile rank of employee satisfaction was 49					
Responsible unit	Human Resources Development Department								
Specific actions	<ul style="list-style-type: none"> • Promoting school education to strengthen the industry-academia cooperation and providing intern salary better than that of the industry in order to recruit outstanding students at the early stage. • Boosting the top-down communication channels, such as senior management forums and the Yulon Sustainability Newsletters for conveying the Company's business strategy and development direction. • Initiating employee relation building activities and additional employee welfare to increase employee satisfaction • Launching the LINE@ platform allowing new employees to grasp information on the Company faster and promptly. • Fostering smooth communication channels and anonymous employee column to assist employees in issue resolution 								

5-1-1 Workforce Composition

To protect employees' legal rights, Yulon Motor adheres to the policy of "People Orientation, Legality and Equality" for matters related to human resource management such as employment, promotion, performance evaluation, remuneration, education and training and retirement.

Systematic Recruitment Mechanism

For an open and fair recruitment and selection process, Yulon Motor has adopted the standard guidelines and procedures to regulate the hiring process. We recruit based on the conditions provided by the recruiting unit and job vacancies, and work with the 104 Job Bank to introduce a corporate recruitment platform, by which we are able to control the progress of recruitment using the digital system and build a talent library. At the same time, we also created a personality DNA norm of Yulon, and by matching the personality test of candidates with the norm, we can measure the degree of suitability with jobs quantitatively. Every year, Yulon Motor also puts effort in the industry-academia cooperation and summer internship program to attract and cultivate potential talents.

Fair Employment

We strictly comply with the "Labor Standards Act" and the "Employment Service Act," and we do not employ child labor, or discriminate against any job applicant or employee, or treat them unequally on the basis of race, class, language, thought, religion, political party, place of origin, place of birth, gender, gender orientation, age, marital status, appearance, facial features, disability, horoscope, blood type, or past membership in any labor union. Yulon Motor's hiring follows the regulations for standard compensation, which state that the salary for new hires with a bachelor's degree shall be NT\$38,000 or above, that for ones with a master's degree shall be NT\$44,000 or above and to be finally determined based on personal experience and job fit.

Yulon Motor's Workforce Composition in 2024

In 2024, Yulon Motor had a total of 1,200 employees, all of whom are full-time, and 125 workers who are not employees. In comparison with the previous year, there was no significant variation. (There were 1,136 full-time employees and 212 non-employees workers in total in 2023.) Due to the nature of the industry that most jobs are frontline manufacturing workers, the percentage of male employees are higher, and the ratio of males to females was 9:1. Yulon Motor is committed to perk up local community and posing positive influence, so it hires Miaoli local residents as on-site technicians and in other positions, with the percentage of local hires reaches 57.08%. As a result, employment stability is increased and so is the local economy. We also ensure the employment opportunities for disadvantaged groups and indigenous peoples in the hope of putting together a more diverse workplace.

Type	Male		Female		Total No. of People	
	No. of People	Percentage	No. of People	Percentage		
Type of Employment	Domestic	1,056	88%	130	10.83%	1,186
	Overseas	14	1.17%	0	0	14
Full-time	Part-time	0	0.00%	0	0.00%	0
Non-employee workers	Cleaning personnel	0	7.41%	24	92.59%	24
	Dispatched personnel	25	58.14%	18	41.86%	43
	Gardening personnel	15	100.00%	1	0.00%	16
	Security guard	24	100.00%	0	0.00%	24
	Other outsourced personnel	13	82.46%	5	17.54%	18

Note 1: Calculation basis: the total number of incumbent employees as of December 31, 2024 where permanent employees were deemed as full-time employees. There were no "temporary employees," "employees under a zero hour contract" or "part-time employees"; all percentages were rounded to 2 decimal places.

Note 2: Workers who are not employees are those who perform work for the organization but are not in an employment relationship with the organization.

Note 3: Students participating in an industry-academia cooperation program were not included.

Note 4: Other contractors who are not cleaning, dispatched, gardening or security are classified as other outsourced personnel.

Note 5: In addition to the personnel listed above, there were also other types of non-employee workers (such as waste collection and transportation personnel). However, this statistical scope is limited to the main categories, and relevant data will be added incrementally as needed for future management purposes.

Note 6: Overseas regions include 5 people in the United States (representing approximately 0.42% of the total), 7 people in Mainland China (representing approximately 0.58% of the total), and 2 people in the Philippines (representing approximately 0.17% of the total).

Note 7: There are 21 high-level managers in total, 3 of whom are based in Miaoli, representing 14.29% of the total.

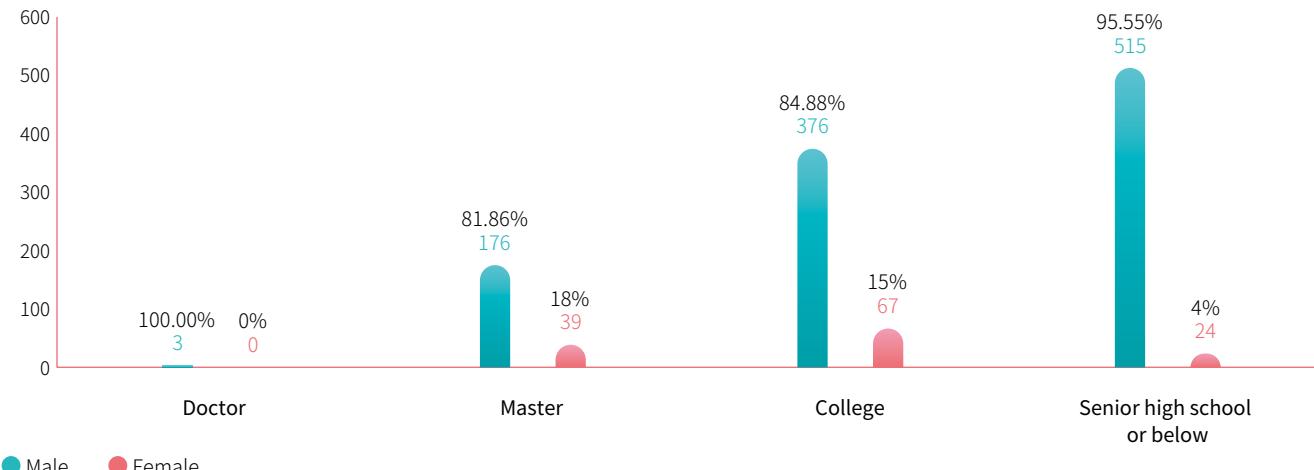
Note: rounded to 2 decimal places

Functional Structure of the Employees in the 2024

Job level	Type	Male		Female		Total No. of People	As a percentage of all employees
		No. of People	Percentage	No. of People	Percentage		
• Senior executive (vice chairman, president, vice president, assistant vice president, manager, plant manager)	Less than 30 years old	0	0%	0	0%	0	0%
	30-50 years old	9	100%	0	0%	9	0.75%
	Over 50 years old	10	83.33%	2	16.67%	12	1%
• Mid-level manager (assistant manager, director, section chief, workshop manager)	Less than 30 years old	0	0	0	0	0	0
	30-50 years old	39	92.86%	3	7.14%	42	3.50%
	Over 50 years old	17	94.44%	1	5.56%	18	1.50%
• Junior manager (supervisor, team leader)	Less than 30 years old	0	0	0	0%	0	0%
	30-50 years old	48	100%	0	0%	48	4%
	Over 50 years old	27	100%	0	0%	27	2.25%
• General employee	Less than 30 years old	118	84.29%	22	15.71%	140	11.67%
	30-50 years old	575	87.65%	81	12.35%	656	54.67%
	Over 50 years old	227	91.53%	21	8.47%	248	20.67%

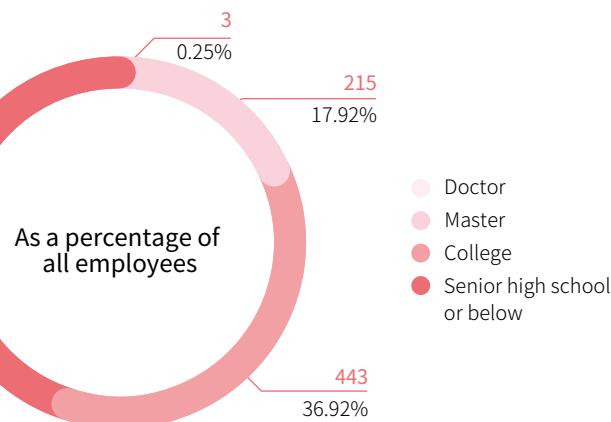
Note: rounded to 2 decimal places

Education of Yulon Motor's employees in 2024

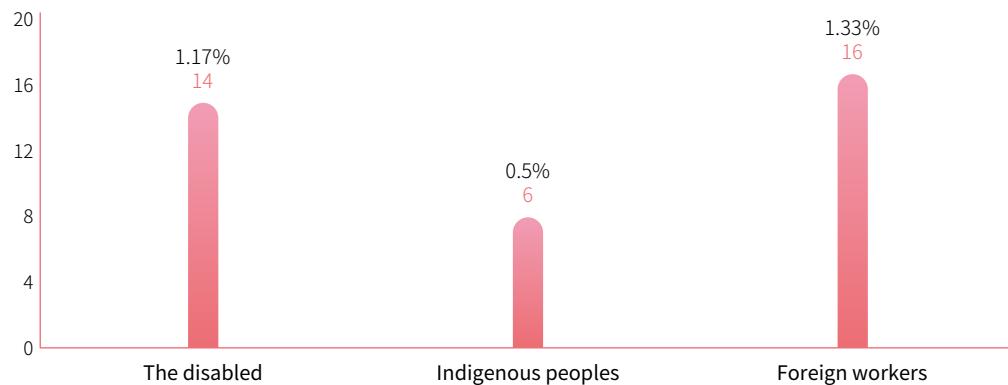


● Male ● Female

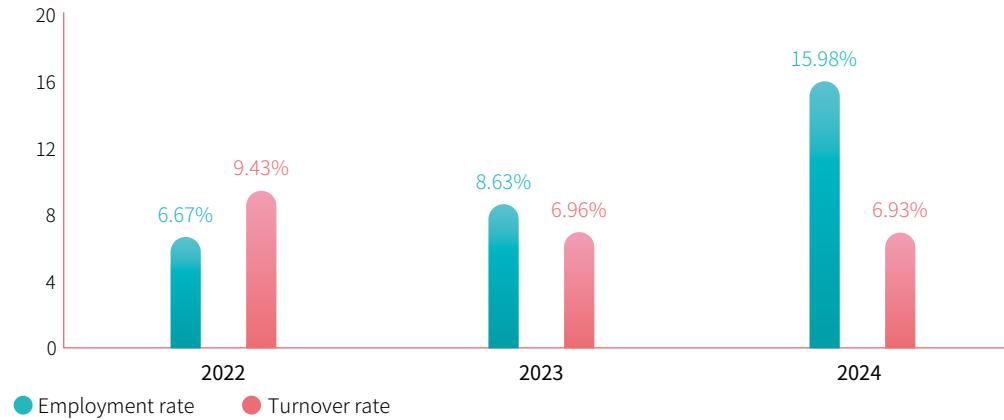
Note: rounded to 2 decimal places



Diverse employment in 2024



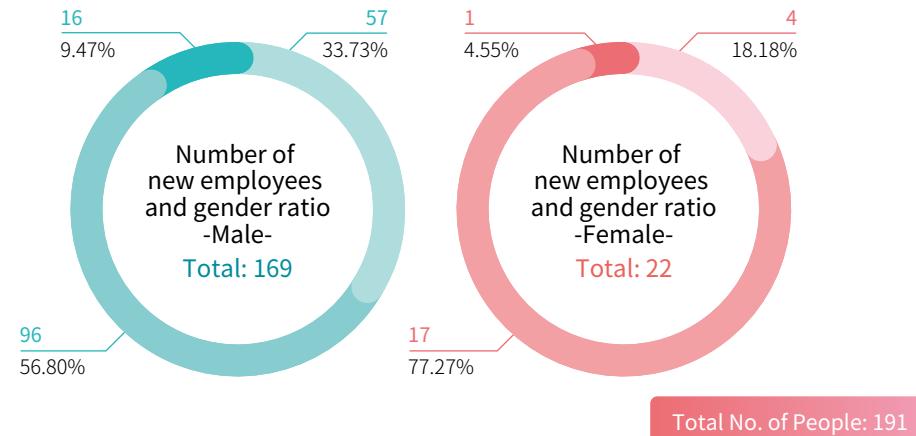
Employment and turnover rates for the most recent 3 years



Note: rounded to 2 decimal places

Note: employment rate = (no. of new employees for the year) / (total no. of employees at the end of the year); turnover rate (total no. of employees resigned for the year) / (total no. of employees at the end of the year + total no. of employees resigned)

Number of new employees and gender ratio



● Less than 30 years old

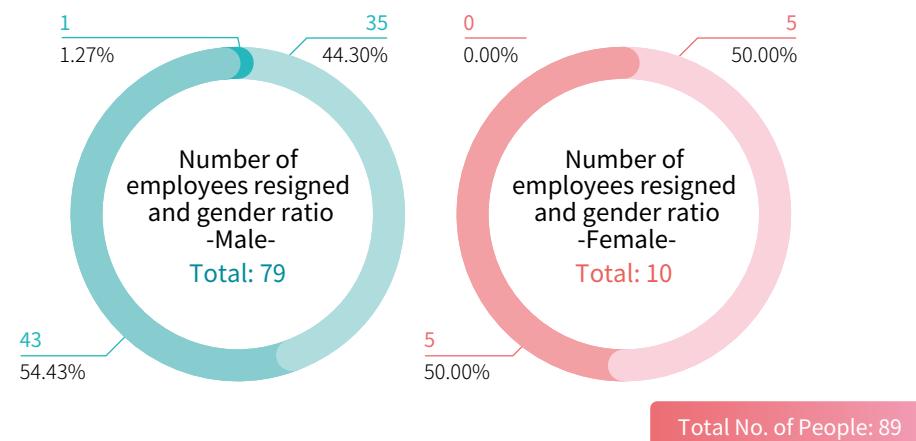
● 31-50 years old

● Over 50 years old

Note 1: rounded to 2 decimal places.

Note 2: All new hires are located in Taiwan.

Number of employees resigned and gender ratio



● Less than 30 years old

● 31-50 years old

● Over 50 years old

Note: rounded to 2 decimal places

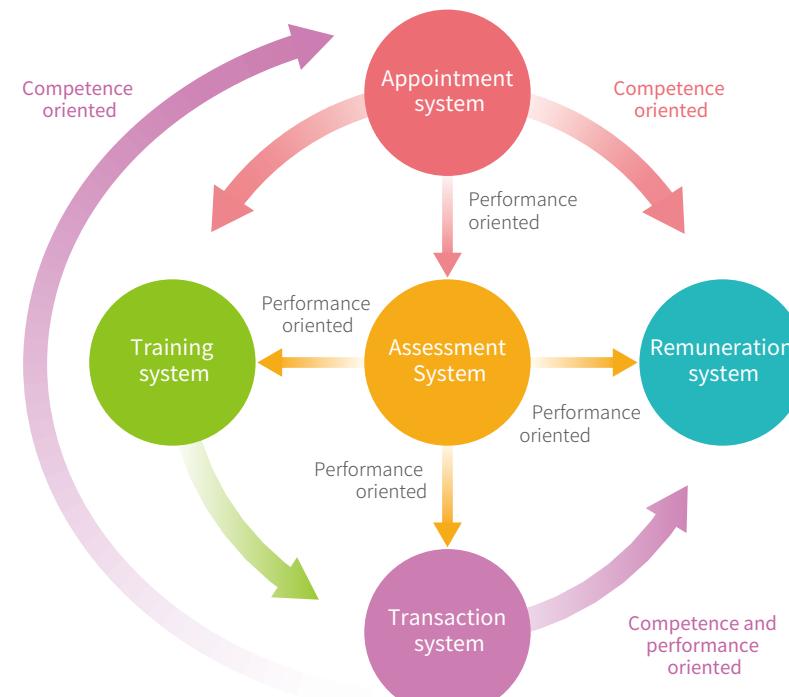
Note 2: All departing employees are based in Taiwan.

5-1-2 Development and Training of Talents

Introduction to the Human Resources Management and Development System

We care about employees' competency development and thus create a human resources management and development system revolving around competency development and performance management. Human resource quality is enhanced through regular performance management and a diverse competency cultivation plan. The career development and compensation of an individual are consequently determined on the basis of personal performance and competency. We have been active in providing employees an environment and resources for learning and development and encouraged employees to participate in training held by external organizations in order to give assistance in employees' continuous growth in the hope that they can contribute to the Company.

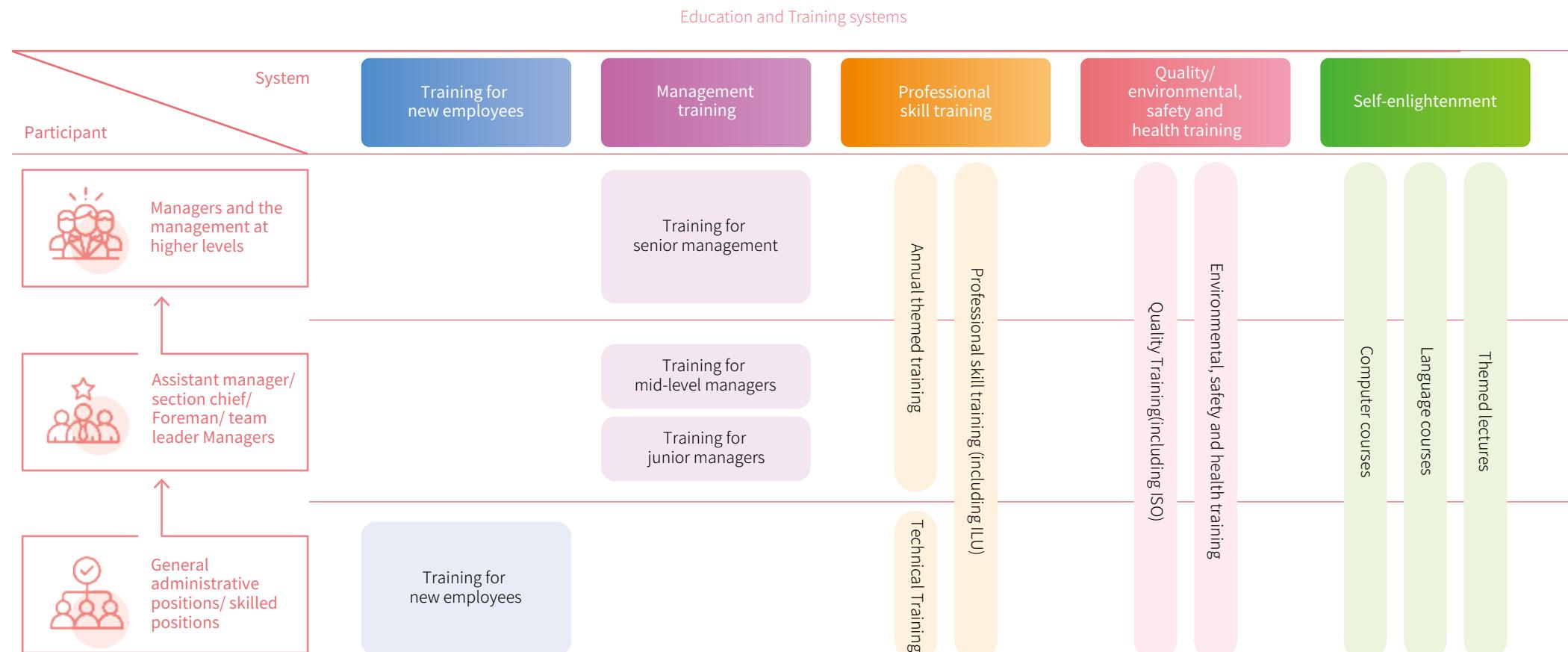
Human Resources Management and Development System



Comprehensive Talent Training System

In addition to the corporate culture of “innovation, speed, and team,” “learning” is a core value essential for Yulon Motor’s employees. Our employees enhance the professional skills required at work and managerial competencies through on-the-job training.

Yulon Motor conducts talent training and development in line with the four guiding principles of “Lifelong Learning, Diversified Development, Deep Cultivation Spirit, and Human Orientation.” We actively provide a learning and development environment for our employees and encourage them to improve the skills required for their jobs through various channels, including on-the-job training, apprenticeships, job rotation, project-based practice, and continuing education. This enables them to grow continuously and apply what they have learned at work. All of the above is based on the definitions of the five systems within the “Company Education and Training Procedures.” These five systems are illustrated below:



According to the skills required for work, we provide general, professional and management training courses. The total training costs in 2024 amounted to about NT\$ 4,191 thousand and the average training costs per employee were about NT\$ 3,492. The training hours totaled 14,772.80. The training courses cover five key systems:

2024 Yulon Motor's Five Key Systems Training Courses

Training for new employees

General training organized for newcomers to help them quickly become familiarized with the Company's corporate culture and working environment and vehicle disassembly and trial assembly courses provided for the new employees of the R&D, production, and quality management departments to give them a better understanding of the overall vehicle structure and the relationship between parts and components. The Human Resources unit also assists each department to build a library of professional publications; within the 3-month adaptation period of a new hire, senior employees and supervisors together discuss about the job duties of the new employee, design a personal study plan, and pass down experience.



Management training

According to the Company's development policy, training on particular topics are offered to address the business goal. For example: Training with various management themes planned based on the management capabilities required for management at different levels, including motivational consensus camps for middle and senior management; management skill courses and lectures on management practices for middle management; and on-site management skill courses for entry-level management trainees.

Professional skill training

Training courses aimed at enhancing professional skills include topics such as QC Story using seven tools to improve quality, CATIA 3D drawing techniques, measurement system analysis (MSA), fault tree analysis (FTA), Taguchi analysis, why-why analysis, failure mode and effects analysis (FMEA), advanced product quality planning (APQP), statistical process control (SPC), workflow management, engineering capability analysis, finance, human resource management, production and manufacturing, production management, and labor safety and health.





Quality/environmental, safety and health training

In order to build employees' understanding about hazards at workplace and the knowledge and awareness of safety and health required for disaster prevention, we offer safety and health education and training on disaster prevention necessary at work, and provide necessary safety and health education and training to employees operating dangerous machinery or equipment to avoid occupational accidents.

Self-enlightenment

There are general training courses for all employees of the Company, covering AI tool applications, computer skills training, language skill training, general study, happiness workshops, etc.

Implementation of Education and Training in 2024

The Company developed a TTQS-based training system and formulated education and training programs according to the Company's vision-based medium-to-long-term strategic plans. The training outcomes were evaluated at the reaction level and through pre-training and post-training action plans. We will continuously make efforts to promote employee learning. The employees may use our rotation system to develop various professional skills in Yulon Motor, the overseas invested companies (in China and the Philippines), and the horizontally and vertically invested automobile-related businesses.

Enhancement of Management Skills

There are plenty of learning channels for Yulon Motor's employees. In addition to the Company's common core courses for the employees to enhance their generic skills, we develop technical training certification programs based on the functions of each department to boost their professional skills. Employees are also encouraged to participate in training courses organized by external organizations or on-the-job continuing education.

Training System

- Training by Level
- Professional training
- Expatriate training
- Self-development
- Annual themed training
- Training for senior management
- Professional training approaches
- Training for new employees

- Professional skills
- OJT skills
- In-service education programs
- Credit programs
- Special skill training
- Language courses
- Computer courses
- Themed lectures

- Technical Training
- Evaluation (Get certified to be eligible for promotion)
- Certification Items by Unit
- Quality inspection certification
- M-YES certification
- Implementation of Basic Generic Skill Training Courses
- Enhancement of analytical skills for TPM

Technical Training

Evaluation (Get certified to be eligible for promotion)

Certification Items by Unit

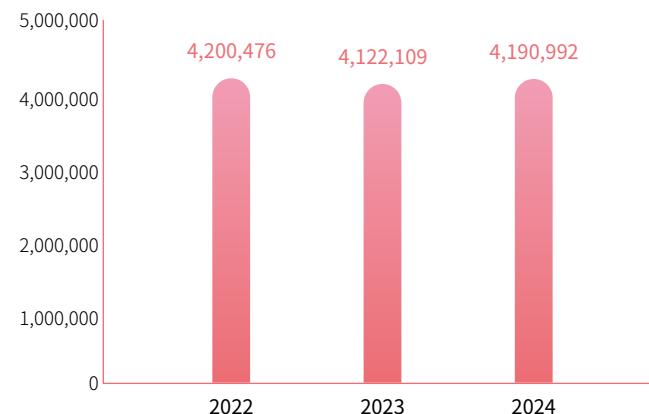
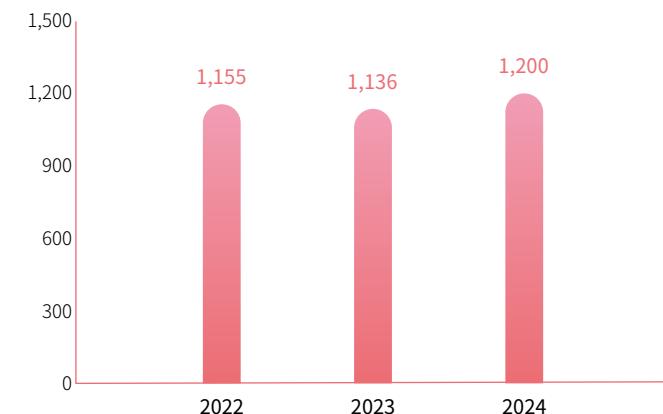
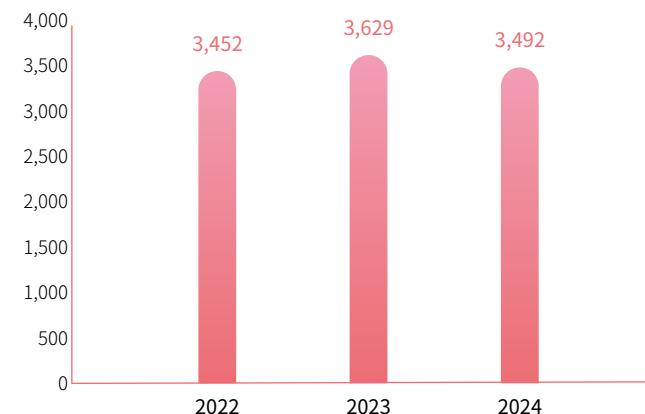
Enhancement of analytical skills for TPM

Quality inspection certification

M-YES certification

Implementation of Basic Generic Skill Training Courses

Actual education and training expense for the most recent three years

 Actual education and training expense
for the most recent three years (NT\$)

 Number of
employees (Person)

 Average education and training expense
per employee (NT\$/person)


Training hours by gender

Item	Senior executive		Mid-level manager		Junior manager		General employee		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Total training hours by gender	201.96	32.81	424.29	62.29	1,966.57	0.00	9,903.80	2,181.08	14,772.80
No. of People	19	2	56	4	75	0	920	124	1,200
Average training hours by gender	10.63	16.41	7.58	15.57	26.22	0.00	10.77	17.59	12.31

Note: Employee training hours in 2024 were calculated based on the education and training hours received by full-time employees in the year while the number of people receiving education and training was based on the number of full-time employees as of December 31, 2024.

Industry-Academia Cooperation

In order to get in touch with potential talents at schools, Yulon Motor takes the initiative to integrate the Group's resources and government resources and launch the Roots Downward program that nurtures the industry-academia cooperation programs. In 2024, the following three major programs have been rolled out: Yen Tjing Ling Industrial Development Foundation's Industry-Academia Cooperation Program, the Summer Internship Program, and the Human Resources Data Project, and an Automotive Industry One-Day Seed Training Camp.

- Yen Tjing Ling Industrial Development Foundation's Industry-Academia Cooperation Program

Incorporating Yen Tjing Ling Industrial Development Foundation's purposes of sponsoring and cultivating talents in R&D and industry in R.O.C. and promoting other related charity events, we strive for forward-looking engineering technology R&D and industry-academia cooperation that the growth of industrial technologies. In 2024, Yulon Motor partnered with National Taiwan University of Science and Technology, National Taipei University of Technology, National Cheng Kung University, and National Chung Hsing University to finish five industry-academia collaborative projects. A total of 19 professional researchers participated in these projects and received NT\$5.45 million in funding.

- Summer Internship Program

For the purpose of exploring more recruitment channels, our Summer Internship Program in 2024 offered diverse internship opportunities at 12 units, and a total of 12 students joined the Summer Internship Program of the year. During the internship, we offer an allowance that exceeds industry standards, free accommodation, and a mentorship program. Each intern is paired with a manager at the department head level or above as a corporate mentor, as well as a dedicated colleague for additional support. They help students develop an internship plan and bridge the gap between theory and practice. We also organize a series of courses and activities – including occupational safety training, automotive manufacturing process tours, seminars, internship presentations, and one-on-one meetings – to enhance students' professional skills, understanding of industry trends, and connection with the Company.

Reflection of Interns

- Sharing from Intern ○ -Yu Chen:

Through these two months of internship, I gained a deep understanding of how a large enterprise operates and its corporate culture. Through the mentorship program, I also learned many details about the job and heard about the Company's development history and operational status from my mentor. At the same time, there were plenty of opportunities to connect with and learn from other interns through events such as mid-term seminars and project presentations, which helped learn about the responsibilities of other interns. Furthermore, interns also had the opportunity to participate in company-offered training, which I consider a significant benefit.

- Sharing from Intern ○ -An Chen:

The new employee training during the internship period helped us better understand the Company. The comprehensive mentorship program allowed me to quickly learn the business and how the Company operates. Regarding the work environment, the Company has a gym which allows employees to use after work to build relationships with each other, and get to know colleagues from other departments they do not normally interact with.



Summer Internship Program -
Mid-term review meeting.



Summer Internship Program -
Internship Project Presentation Competition

- One-Day Automotive Industry Boot Camp

To attract and cultivate future talent with a passion for the automotive industry, Yulon Motor held two “One-Day Seed Training Camps” in 2024 for university and graduate students. Activities were designed based on a pre-course questionnaire to collect participant expectations and interests, and feature a variety of content including automotive process tours, expert lectures, and interactive Q&A sessions. The production process tour provides participants with a firsthand look at the automobile production line, accompanied by explanations from industry professionals to help them understand the manufacturing process. Meanwhile, the expert lecture series features senior technical specialists from within the Company sharing their practical experience, with an interactive Q&A session to foster deeper engagement between participants and the industry.



In 2024, a total of 46 students were trained. Student feedback was generally positive, with participants finding the course content to be comprehensive and practical. Analysis of pre- and post-training employer brand questionnaires showed that students’ average rating of Yulon Motor’s organizational attractiveness increased from 3.90/5 before the training to 4.14/5 afterward. Overall event satisfaction was high, reaching 4.34/5. In conclusion, these carefully designed talent development activities have helped Yulon Motor build a positive corporate image on campus and effectively increase student identification with and affinity for the Company.



One-Day Seed Training Camp

5-1-3 Employee Rights and Welfare

Remuneration Policies

Yulon Motor does not compensate our employees differently as a result of their gender, race or other personal traits. Instead, we determine employees’ salary level based on their education, working experience, professional knowledge and skillsets, seniority and personal performance. On top of the basic salary that is 1.254 times the minimum legal wage and the bonus for three major holidays, we also flexibly remunerate our employees according to the Company’s annual business performance, e.g. performance bonus, employee bonus, additional annual bonus, to incentivize employees and retain talents.



Note: The ratio is calculated using “the minimum wage required by local laws: standard wage of an entry-level employee” where the minimum wage in Taiwan announced in January 2024 was NT\$27,470.

Type	Basic salary		Compensation (including total bonuses)	
	Female	Male	Female	Male
Senior executive	1	1.26	1	1.21
Mid-level manager	1	0.96	1	0.857
Non-manager employees	1	0.96	1	1.04

Note 1: The value of females is set as 1 in the ratio.

Note 2: The bonuses include performance bonus and annual bonus.

Note 3: Part-time workers are not included.

Note 4: Currently, the Company does not offer employee stock ownership as a benefit.

Salary Adjustment System

Because the traditional “low wage, high bonus” salary structure of the automotive industry is less favorable for attracting the young generation, Yulon Motor carried out a salary structure adjustment plan in 2022 that moved part of the bonuses paid in the three major holidays to the wage and thus increased the monthly disposable income of employees relative to the industry standard, so that the calculation base for overtime pay and the payment for unused days of paid leave, as well as the bracket for pension appropriation, were all increased. As a result, we retain talented people and improve our competitiveness in recruitment.

We regularly review and adjust the salary level and reward system for employees based on the industry salary survey report. In addition, we properly implement a structural or performance-based salary adjustment plan to align with the Company’s business performance and overall salary competitiveness. In 2024, the average salary adjustment was about 3.0% while that for individuals is determined with reference to a comprehensive range of factors in connection with work performance and market competitiveness. An outstanding employee may have their salary increase by 5.14%.

Performance Management

Yulon Motor has adopted a fair and just performance evaluation system and set up the regulations for performance evaluation based on job type and system, that is, the Kernel Objectives Management system. At the beginning of each year, the Company sets the business goals and extends such goals to personal objectives. Achievements of these goals are followed up and examined routinely during the year, and reviewed and rated at the end of the year to ensure the alignment between employees’ work performance and the Company’s goals. Then, by the mechanism of self-review and performance interview, employees can have a better understanding about the achievement of their work goals and receive clear feedback for ongoing improvement and performance development. In 2024, 100% of the Company’s official employees completed the evaluation, which linked to their personal remuneration, promotion and career development.

Information on employee compensation for the most recent 3 years

Type	2022	2023	2024
Total amount of full-time non-manager employees’ compensation (unit: NT\$ thousand)	980,604	980,823	977,842
Total number of full-time non-manager employees	1,120	1,092	1,074
Average amount of full-time non-manager employees’ compensation (unit: NT\$ thousand)	863	898	910
Median of full-time non-manager employees’ compensation (unit: NT\$ thousand)	812	847	853

Annual total compensation ratio

Ratio of the highest total annual compensation of an individual to the median of the total annual compensation of other employees	12.67
Ratio of the percentage increased in the highest total annual compensation of an individual to the percentage increased in the median of the total annual compensation of other employees	6.16

Note: The table above covers only full-time employees and is not applicable to other workers such as part-time employees.

Employees evaluated in 2024

Type	Male		Female		Total number of employees evaluated	As a percentage of the total number of employees required to be evaluated
	Number of employees evaluated	As a percentage of the number of employees required to be evaluated	Number of employees evaluated	As a percentage of the number of employees required to be evaluated		
Engineering and administration staff	265	79%	71	21%	336	100%
Technician	802	93%	58	7%	860	100%

Note: New employees who were within their first three months at the Company were not included in the annual performance evaluation, so the total number of employees appraised was (1,196), different from the total number of employees (1200).

Note: rounded to 2 decimal places.

Employee Insurance

In addition to the general labor and health insurance and monthly pension contribution, the Company also purchases the “group insurance” covering term life insurance (employees only), inpatient hospital care, cancer insurance, fracture cover and overseas emergency assistance (only for employees on a business trip and overseas expatriates) for all of its employees, and their spouses and children. It also purchases accident insurance for employees with higher injury risk (such as car test drivers).

Maternal Care and Support

Echoing the Act of Gender Equality in Employment, we offer care and support better than those required by laws, e.g. during an employee’s term of pregnancy, the Company grants seven days of leave for pregnancy checkups and the pregnancy checkup leave may be granted in half-hour units with regular pay; for pregnancy checkups, pregnancy checkup accompaniment and paternity leaves, employees may take 7 days of leave during a 15-day window before and after the gestation period and the day their spouses are in labor, and regular wages shall be paid. We implement wraparound birth and parenting care, and provide attentive care at each stage (pregnancy → delivery → parenting), such as producing a care handbook for pregnant mothers, subsidizing self-funded checkups, holding birth and parenting seminars, handing out newborn congratulation gifts by the general manager, and holding “Baby Day” sharing activities.

Unpaid Parental Leave in 2024

Item	Male	Female
• A. The number of employees who were eligible for parental leave in the year (2024)	86	11
• B. The number of employees who actually applied for unpaid parental leave in 2024	10	4
• Application rate (B/A%): the ratio of the number of employees who actually applied for unpaid parental leave to the number of employees who were eligible for parental leave	11.63%	36.36%
• C. The number of employees shall reinstate in their jobs in the year (2024)	6	2
• D. The number of employees applied for reinstatement in 2024	6	2
• Reinstatement rate (D/C%): reinstatement rate after unpaid parental leave	100%	100%
• E. The number of employees who actually reinstated after unpaid parental leave in the previous year (2023)	3	3
• F. Reinstatement for a year after the unpaid parental leave in the previous year (2023)	1	3
• Retention rate (F/E%): retention rate after reinstatement after unpaid parental leave	33.33%	100%

Note: rounded to 2 decimal places



Parenting Experience
Sharing Workshop

Former Chairperson Kenneth Yen once said that “happy employees lead the corporate to a self-motivated corporate culture,” so Yulon Motor hopes to build a happy company that invests tremendous resources into the provision of welfare and care services every year, in addition to offering competitive compensation. Thus, we address the demands of employees at various life stages, ensuring they work in a quality environment and develop a fulfilling and stable career and life. We offer a wide range of welfare covering food, clothing, shelter, transportation, education, entertainment, maternal and parental care and bonuses and subsidies, and the total expenses amounted to nearly NT\$65 million in 2024.

Yulon Motor also pays attention to the balanced development of the employees’ work, life and family. Therefore, we organize a series of activities, including Family Day, summer camps, group festival activities, domestic and international trips, volunteer club charity events, and friendly contests between clubs. Exchange and sharing in these activities can facilitate the interaction between employees from different units, improve the team atmosphere and relationships, and allow employees to take care of their health and family besides busy days of work. Furthermore, welcome activities, management consensus camps, and retirement events are organized for employees at different ages and levels to enable employees’ communication with the management in these activities at the beginning of their career in the Company and give them a clear grasp of their future career development and post-retirement planning.

Employee Relation Activities in 2024

Happiness enhancement



1/3 Paint a Colorful New Year and Design Your Own Dragon Dance.



2/29 The Right Planning Is the Most Powerful Force!



3/20 A Low-carbon Lifestyle Through Decluttering.



3/26 Stable and Reliable: Your Guide to the 2024 Tax Filing Rules.



4/22 Love You Every day – Mother's Day Campaign: Share Your Love and Gratitude.



4/30 DIY Flower Bowl Making Workshop for Self-healing.



7/23 Hua Nan Bank Salary Transfer Promotion – Great Deals Await!



Father's Day Event.



Health and stress relief



5/16 Stress Management Workshop for Well-being.



5/17 Healthy Forest Summer Wellness Walk Program.



5/21 Nordic Walking Exercise and Trekking Pole Use.



6/27 Trekking Pole Stretching& Smart Eating.



11/6 Starlight Run, 358 participants.



12/10 Mindful Play: Emotional Exploration with Board Games and Art.

Corporate Centripetal Force



4/23 Seminar for All Employees



10/23 New Employee Welcome Party.



Support for Yulon Motor's Basketball Team at Championship Game



Charity and public welfare



4/3 Volunteer Club – Children's Day event with Taiwan Fund for Children and Families – a total of 36 instructors and children attended.



8/16 Volunteer Club – an educational visit to a rural elementary school – a total of 31 teachers and students attended.



Retired Employee Care and System

Yulon Motor contributes to the labor pension fund and handles employee retirement in accordance with the provisions regarding both the old pension system and new pension system. In 2024, the contributions amounted to NT\$19,126,350 for the old pension system and NT\$27,892,761 for the new pension system. Besides compliance with basic laws and regulations, we also encourage employees to seek opportunities for self-development, so we introduce and announce preferential retirement plan depending on circumstances every year, and qualified employees may apply for this plan. Upon approval, an additional 7 bases (the unit used for calculating seniority stated in the Labor Standards Act) will be given to the applicants.

We also provide the following assistance solutions to employees who are retired or have had their employment terminated to continue their employment and career plan:

- Job referrals:

provide information on job opportunities available at affiliates, contractors, neighboring companies of the Group to help employees to better understand potential job opportunities and help to make matches.

- Re-employment mechanism:

When an employee retires or resigns, inquire about their willingness for continuous employment and voluntarily contact him or her for re-employment and knowledge inheritance when there is a job opening.

- Career planning:

The Company lawfully offers pension and severance pay to employees who are retired or have their employment terminated for life protection, and it also organizes seminars related to post-retirement financial planning, including pension management and investment strategies.

- Psychological support:

Host the retired employees social club as a platform for interaction and mutual support.

Care of Overseas Expatriates

Yulon Motor's expatriates may face various challenges, and we will do our best to support them to adapt to local life and new work environment by the following means:

1. Arrangement before departure:

- (1) Workshops before departure and accommodation arrangement:

workshops are held in Taiwan to explain things to notice before departure, and accommodation is arranged by local employees beforehand.

- (2) Business introduction:

Before departure, an employee take business trips to the location to be relocated and take over business from a local expatriate. The local expatriate would also lead and accompany the employee to adjust to local culture and life.

- (3) Survey of whether to relocate with family:

We ask employees whether they would like to relocate with their family, and if the answer is yes, we help them to book flight tickets.

2. Healthcare:

- (1) Health checkup:

One full-body health checkup for senior managers every year.

- (2) Insurance:

In addition to employee group insurance, overseas business travel insurance and medical protection for hospitalization are also provided.

- (3) Care:

Birthday gift vouchers for family members, new year gifts and gift vouchers (for employees unable to reunion with family in Taiwan due to the pandemic).

- (4) Others:

Yulon Motor provides subsidies for quarantine expenses during the pandemic and encourages employees to work from home or remotely to ensure the health of employees overseas. In order to make employees feel safe about working abroad, we provide a thoughtful employee support scheme and keep in close contact with them during their expatriation to keep them abreast of the Company's status and eliminate their sense of unfamiliarity when returning.

3. Career development:

The knowledge of expatriates is the intangible intellectual property for the organization, so Yulon Motor especially pays attention to knowledge transfer of these expatriates and the arrangement of job position when they return. We regularly review the requests for return and repatriation, and if there is any management vacancy, employees abroad are first considered for promotion to such a position when they return, or they will be allocated to a suitable unit responsible for passing on their overseas experience. Thus, employees abroad do not have to worry about job openings after their return.

Highlight 01

Fostering a Safe and Healthy Workplace Together

Yulon Motor is committed to being the leader in the automotive mobility value chain for the Chinese market, focusing on the production of NISSAN and LUXGEN models. As market demands diversify, the Company has adopted a flexible production strategy. Unlike other automakers that mainly produce a single brand or fixed vehicle models, Yulon Motor employees are facing greater work pressure and challenges. Given this, the Company is committed to creating a secure and supportive workplace, ensuring employees can focus on their work with a healthy work-life balance.

In 2024, we implemented a series of health and wellness programs – including fitness challenges, dietary guidance, health seminars, and company club activities – to help employees improve their lifestyles, reduce health risks, and enhance overall well-being. In addition to creating a safe and healthy workplace, we also aim to extend our positive impact to the wider community. By promoting sports and wellness, we hope to benefit local communities and social welfare groups, and fulfill our corporate social responsibility.

Yulon Motor is dedicated to fostering a “Safe Workplace” and building a healthy, secure work environment for its employees, prioritizing their physical and mental well-being through the following key initiatives:

2024 Safe Workplace – Health Promotion of Highlights

Health Promotion Initiatives.

Carbon reduction walks, promotion of Nordic walking, forest walking trails in the dormitory area, and walkii's daily 5,000 steps activity: health, environment, and sustainability go hand in hand. A total of 266 colleagues participated, with a 75.3% completion rate, and five trees were planted by the I Plant For Life Corporation Aggregate.



Building a Healthy and Sustainable Corporate Culture

Annual Starlight Run within the plant grounds, annual New Employee Welcome Party – foster a sports culture, promote a sporting mindset, and achieved a corporate certification in 2024.



Mind & Spirit Well-being Program

Well-being seminars, healing activities, EAP, Leave Work on Time Day



Safe Healthcare Support Program

Employee Clinic – Medical Team – On-site Services, Employee Health Education, Family Member Support – Reduced Appointment Fees, Employee Group Insurance, Flexible Leave Measures, Workplace Wellness Program for Shared Benefit



Through concrete actions to implement the above workplace safety and health measures, Yulon Motor hopes to create a corporate culture truly focused on employee health and well-being. We will extend this spirit to the broader community, becoming a leader in promoting healthy workplaces and social responsibility within the industry.

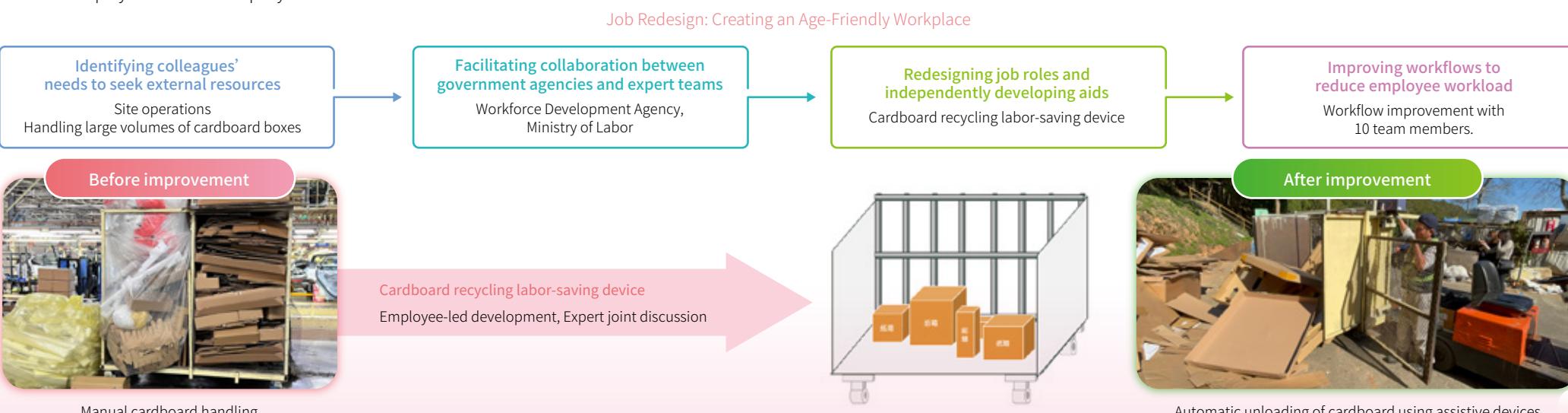
Highlight 02
Age-friendly Workplace – Job Redesign Service Program.

As Taiwan's population ages, the labor market is undergoing significant changes, with mid-career and older workers playing an increasingly critical role in traditional industries. However, on-site operations typically rely on physical strength and operational experience, which presents challenges for middle-aged and older workers as their physical capacity gradually declines. Yulon Motor, a leader in Taiwan's automotive industry, is actively committed to sustainability and corporate social responsibility. In 2024, the Company launched the "Age-friendly Workplace – Job Redesign Service Program," combining government resources and expert teams to optimize production line operations and introduce assistive equipment. This initiative aims to create a safer and more comfortable work environment for its mature workforce, enhance corporate resilience, and improve overall production line efficiency.

The Program centers on improving the work environment and reducing workload, aiming to enable experienced employees to continue leveraging their professional expertise through job redesign. This helps the Company foster a culture of internal and self-directed improvement via institutionalized processes. First, the HR Department, industrial engineering team, and site supervisors jointly inventoried high-load workstations to identify areas for improvement. Following the selection of operations, we conducted on-site observations, operator interviews, and risk assessments. To ensure the improvement measures were scientifically sound and practical, we implemented Key Performance Indicators (KPIs) and the Nordic Musculoskeletal Questionnaire. In multiple meetings, external experts and internal engineers were invited to discuss assistive device design and feasibility, fostering two-way communication to improve the overall quality and precision of the proposed solutions.

During implementation, auxiliary equipment was designed and adapted based on site-specific requirements. The project team handled procurement, while the vendor provided site assessments and installation support. Test runs and acceptance testing were then conducted to guarantee safe and effective operation. In 2024, assistive devices – including semi-electric scooters, electric lifting platforms, mini stackers, and custom transport solutions – were implemented for 10 middle-aged and senior employees, successfully reducing physically demanding actions such as bending and heavy lifting. The "Back-Door Labor-Saving Arm Device" and the "Cardboard Recycling Labor-Saving Device" stand out as particularly noteworthy achievements. The former enables a single person to complete heavy lifting tasks that previously required two people, while the latter transforms cardboard handling from labor-intensive manual work to automated pushing, significantly reducing workload and improving efficiency.

Through the implementation of the Program, Yulon Motor has not only improved the working conditions of its middle-aged and senior employees, but also demonstrated its commitment to employee well-being and workplace sustainability. The project represents not merely the installation of equipment, but also the Company's commitment and determination on its ESG journey. In the future, Yulon Motor will continue to expand its workplace improvements, strengthen its people-first culture, and foster a healthy and safe environment where employees' experience and contributions can flourish, realizing a sustainable vision of shared success for both employees and the Company.



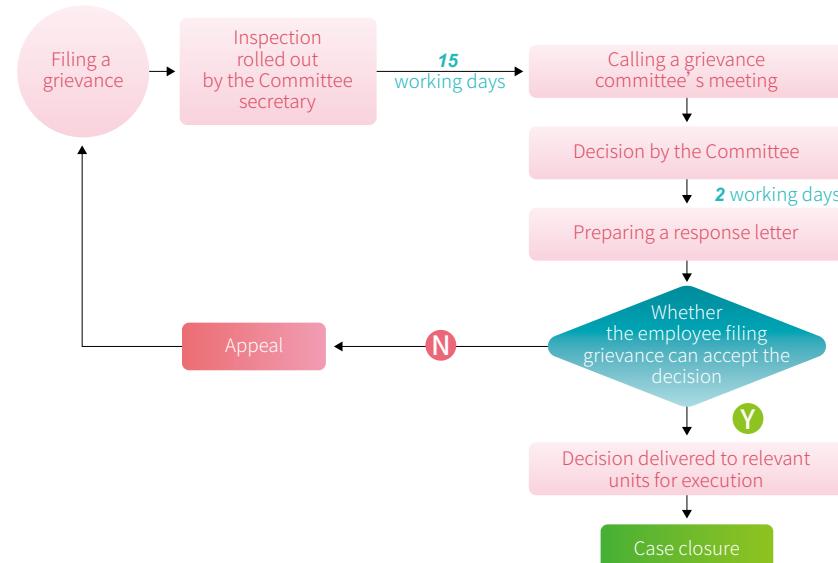
5-2 Human rights Protection

5-2-1 Labor-Management Relations Maintenance

Labor-Management Policy

The Company complies with the ILO Conventions and forbids any form of forced labor. If employees work overtime due to capacity needs, they are entitled to either overtime pay or compensatory leave. If operation faces dramatic change and could affect labor rights, the Company makes announcement in advance according to the Labor Standards Act and other relevant regulations to protect workers' rights. Employees may report an issue and seek help for any damage to or infringement of their rights and interests via internal grievance channels. In 2024, there were not any employee grievance cases or cases in connection with violation of applicable laws, strikes or cease of operations.

Procedures for handling grievances



Labor-Management Communication

▶ Appendix 1

For the smooth communication between laborers and the management, Yulon Motor convenes the labor-management meetings to have a thorough discussion on improvement of issues between labor and management and assigns personnel to attend the routine directors' and supervisors' meetings of the union to understand and reply to the union's requests. In order to stabilize labor-management relations, promote labor-management harmony, and improve labor welfare, the collective agreement, procedure was initiated on February 19, 2024. During the process, both parties uphold the spirit of labor-management autonomy and the principle of good faith, and negotiated on labor-related matters covering labor conditions, welfare measures, occupational safety, internal grievance system, operation of labor unions, and the use of facilities in the enterprise, etc. After 4 months and 2 meetings, the two parties finally concluded a collective agreement, on May 21, 2024. Collective bargaining agreements remain in effect from the date of signing until they are renewed or a new agreement is established, and the agreed-upon labor conditions continue to apply. In 2024, 94.25% (1,131/1,200) of full-time employees were covered by the "Collective Bargaining Agreement," with details of discrepancies provided in Appendix 1. All union-eligible employees are 100% covered, effectively making the collective bargaining agreements applicable plant-wide. The working conditions and terms of employment for employees not covered by the collective agreements are identical to those in the signed facilities and remain unchanged. We often seek advice from the administrative authority governing labor issues and experts aiming to optimize our labor rights protection system and organize labor-management training courses regularly to increase labor's awareness of self-rights and interests.

Collective bargaining agreements do not specifically stipulate notice periods or provisions related to consultation and negotiation. In the event of significant operational changes requiring contract termination, the Company will provide advance notice as required by the Labor Standards Act: where a worker has worked continuously for more than three months but less than one year, the notice shall be given ten days in advance; where a worker has worked continuously for more than one year but less than three years, the notice shall be given twenty days in advance; where a worker has worked continuously for more than three years, the notice shall be given thirty days in advance.

Besides the labor-management meetings, Yulon Motor has established various channels and systems for employee grievances, e.g. we created the "Employee Message Column" in 2021 covering rolling company information and the summary of frequent Q&A, the grievance channel "I Have Something to Say" and search function for past cases to allow employees to express issues using the anonymity function of the platform comfortably when they have troubles or questions of any kind. When the dedicated point of contact receives the question, he or she will transfer the case to relevant unit for reply and follow-up to ensure the employee's question can be specifically addressed and effectively improved.

Employee communication channels

- Labor-management meetings
- Directors' and Supervisors' meetings
- New employee seminars
- President Seminars
- Employee representatives' meetings
- Employee Message Column
- Environmental safety officers' meetings
- Training officers' meetings
- Employee Welfare Committee's meetings
- Nice to meet Yu Line@
- Employee grievance hotline (I Have Something to Say)
- Employee satisfaction

Communications on the Employee Message Column in 2024

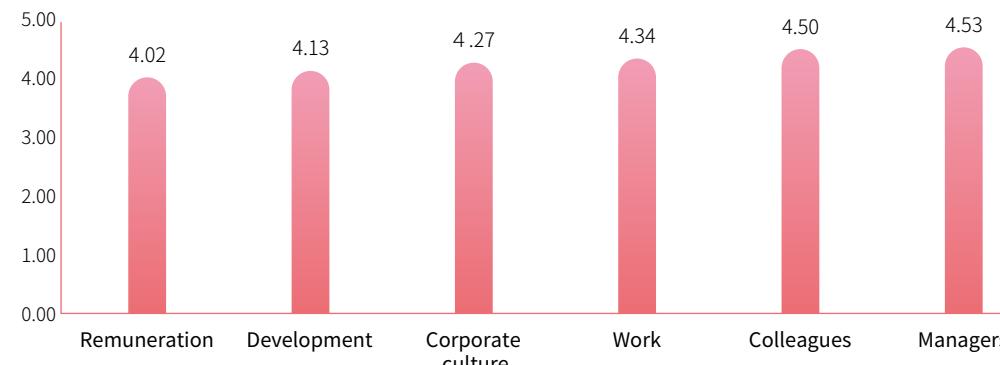
Type	Food	Clothing	Transportation	Suggestions about environment	Suggestions about welfare	Suggestions about management	Total	Case closure ratio
Quantity	2	0	4	14	5	15	40	100%

Employee Satisfaction

Yulon Motor cares about employee development and retention, so it carries out employee satisfaction survey every two years to grasp employees' core demands and formulate corresponding measures. We introduced the online questionnaire system for the 2024 employee satisfaction survey and adjusted and added questions to the survey by referring to the conditions of domestic industry benchmarks. Thereby, we extended the scope of topics covered in the survey and consequently facilitated a better understanding of employees' opinions or demands for the Company's existing system. Subsequently, we devised the corresponding improvement measures by benchmarking against industry peers. Combining with various existing channels, Yulon Motor has put employee communication and discussion into practice and continues driving the cooperation between labor and management for a better future.



Satisfaction Survey Result by Aspect



Improvement measures

Aspect	Measure
Remuneration	In the future, we will take into account the difference between the salary of various job types and the market standard in the salary adjustment on top of the comprehensive consideration of price level, business performance, personal performance and development potential.
Development	<ul style="list-style-type: none"> Employees with promotional needs were provided with technical certification courses. Promotion and certification criteria for new employees were loosened. The “parallel” development of the management system and expert system was reinforced to help the employees better develop their careers in management, technical or professional fields based on their personality traits and expertise. Program for employee career development planning and guidance was established.
Corporate culture	<ul style="list-style-type: none"> We introduce the management consensus courses to shape a consistent value from top to bottom and make sure that they carry through the corporate culture. We use the “President Seminar Time” to convey and promote the Company's vision for the future, new business development blueprint, mission and value proposition.
Work	We build diverse communication channels and provide anonymous opinion column and LINE@ live Q&A to facilitate effective delivery of employees' questions and opinions.

5-2-2 Respecting Human Rights

YULON MOTOR CO., LTD. subscribes to and complies with various international human rights conventions such as the “International Human Rights Law,” the “UN Global Compact,” the “United Nations Guiding Principles on Business and Human Rights,” “International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work,” “Organization for Economic Cooperation and Development’s (OECD) Guidelines for Multinational Enterprises” and “OECD’s Due Diligence Guidance For Responsible Business Conduct,” and we are strictly abide by local applicable labor laws and regulations of the Company’s operational locations. We prohibit any conducts that infringe or violate human rights and treat all employees, clients and stakeholders with respect and dignity. Yulon Motor’s human rights policy and actions are jointly formulated by the Sustainable Development Department, Human Resources Team and Safety and Health Office and implemented in the Company, please refer to the official website for detailed human rights policy.

► [Human Rights Policy.](#)



Identification of Human Rights Risk and Mitigation Measures

Yulon Motor conducts the human rights risk assessment to identify potential human rights risk in the Company, and through mitigation or remedial measures to eliminate the human rights risk and implement human rights management. Major actions taken include: conducting risk assessment on stakeholders such as employees, and establishing corresponding mitigation and remedial measures and grievance channels; in addition, strengthening employees' awareness of human rights through regular training courses in connection with human rights; planning to communicate and share information concerning human rights policy with suppliers, business partners and all internal and external stakeholders. Yulon Motor will continue to improve and introduce human rights due diligence, thereby increasing the importance of respecting human rights in workplace and business environment.

Item No.	Subject	Human rights topic	Mitigation measures	Remedial measures	Grievance channels	Method and frequency of follow-ups	Number of grievances and result
1	All employees	Safe and healthy working environment	<ul style="list-style-type: none"> Establishing dedicated occupational safety and health unit, hiring professional doctors and nursing personnel, and organizing regular occupational safety and health education and training Senior executives chair the safety and health meetings on a monthly basis Adopting the regulations for hazardous substances (chemicals) and routinely conducting hazardous substances inspections Arranging regular differentiated health checkup for employees at high-risk work areas Arranging regular on-site visit of doctors in occupational medicine Providing a health checkup every three years, and for employees who work in closed spaces, a health checkup is offered once a year for better follow-up and care. The care team is established to proactively follow up the subsequent reinstatement of injured employees every month Job adjustment or psychological counseling are provided based on the results of a health checkup questionnaire, together with an evaluation from doctors in occupational medicine 	<ul style="list-style-type: none"> Discussing job content with supervisors and the occupational medicine doctor Providing sufficient medical support (infirmary) Lawfully providing leave and compensatory salary Rearranging jobs or work areas depending on circumstances When the situation is serious, a punishment in accordance with the Work Rules shall apply To employees with abnormal health checkup results, providing health education and improvement advice Increasing hardware equipment protection and intensifying promotion to employees 	<ul style="list-style-type: none"> Unit supervisors HR contact point infirmary The anonymous platform "I Have Something to Say" Safety and Health Committee members 	<ul style="list-style-type: none"> Frequency: Monthly report Method: Email record 	In 2024, there were a total of 43 employee special care cases (employee medical requests); as of the end of December 2024, 36 cases were closed and 7 cases were ongoing (cross-year cases)
2	All employees	Prohibit forced labor and child labor	<ul style="list-style-type: none"> During an employee's employment period, we monitor our compliance with various standards including the provisions in the Employment Service Act and labor laws and regulations to prevent child labor and forced labor, and we have explicitly prohibited child labor and forced labor in our Work Rules and relevant laws and regulations. Committee members of the labor side reflect diverse employee opinions to make sure the Company meets laws and regulations Adopting the "Prevention Plan for Illegal Infringement at Work/Overload Hazards" (set by the Company) and explicit grievance channels, and senior executives of the Company signing the Statement for Preventing Violence at Workplace" to declare zero-tolerance for workplace violence. 	<ul style="list-style-type: none"> Compensating with well-deserved overtime payment or compensatory leave Properly adjusting duties of the employees or assisting them in improving work efficiency depending on circumstances Carrying out counseling, health education, job adjustment and following up improvements based on the evaluation result of the "Prevention Plan for Illegal Infringement at Work/Overload Hazards" (set by the Company) 	<ul style="list-style-type: none"> HR supervisor contact point The anonymous platform "I Have Something to Say" 	<ul style="list-style-type: none"> Frequency: within 20 days after the occurrence of the incident Method: Grievance cases received shall be closed and reported to the senior within three months 	No grievance case concerning human rights

Item No.	Subject	Human rights topic	Mitigation measures	Remedial measures	Grievance channels	Method and frequency of follow-ups	Number of grievances and result
3	All employees	Employees forming and joining labor unions to exercise labor rights	<ul style="list-style-type: none"> Regular annual labor-management dinner for relationship building Stoic communication and rational interaction for finding the win-win consensus Senior executives regularly attend the employee representatives' meetings and interactive activities of the union Assisting in the handling of monthly union fees and the applications of new members The calendar for the following year and duty adjustments shall be discussed by the union lawfully Organizing regular labor-management meetings in accordance with relevant provisions of the "Labor Standards Act" 	<ul style="list-style-type: none"> Carrying out communication meetings for weaknesses identified in the employee satisfaction questionnaire to confirm the subsequent improvement program and reach a consensus Mediating and negotiating according to internal procedures If an issue reported by the union is not concluded, it will be submitted to senior executives for discussion Hosting regular union directors and supervisors' meetings to discuss issues in connection to employees 	<ul style="list-style-type: none"> Contact point of the union Contact point of the management The anonymous platform "I Have Something to Say" 	<ul style="list-style-type: none"> Frequency: within one month after the occurrence of an incident Method: Follow-up in the directors and supervisors' meetings and the labor-management meetings 	No grievance case concerning human rights
4	Minorities such as job seekers, new employees and indigenous peoples	Prohibition of illegal discrimination and harassment and establishment of equal opportunities	<ul style="list-style-type: none"> Introducing digital courses to promote the key and approach to non-discrimination and courses for recruitment Providing supervisors with the "Yulon Motor Recruitment Interview Handbook" and notes to interviews Reviewing the hire ratio of the disabled on a monthly basis Holding sexual harassment seminars and workshops for illegal infringement at workplace The human rights policy enforces workplace diversity and prevents any discrimination based on gender, race, etc. 	<ul style="list-style-type: none"> Adopting relevant regulations for punishment Offering education and training in connection with anti-discrimination and harassment Any violation of the principle of non-discrimination will be submitted to and handled by the Illegal Infringement Committee If there is any incident of discrimination, the applicant shall be put through the interview process again 	<ul style="list-style-type: none"> HR supervisor contact point The anonymous platform "I Have Something to Say" 	<ul style="list-style-type: none"> Frequency: within one month after the occurrence of an incident Method: Follow-up by the HR system 	No grievance case concerning human rights

Item No.	Subject	Human rights topic	Mitigation measures	Remedial measures	Grievance channels	Method and frequency of follow-ups	Number of grievances and result
5	All employees	Employees maintaining physical and mental health and work-life balance	<ul style="list-style-type: none"> The Employee Welfare Committee members and the activity contact point of the plant work together to promote participation in health promotion activities Routinely reviewing employees who work overtime too frequently and reminding them to take proper rest, and negotiating shift adjustments with employees beforehand to reach a consensus Introducing Employee Assistance Program (EAP), which provides professional consultation and medical services including employee psychology, law, finance, health and management. Integrating resources from external lifeline association, HR unit, nurses, and occupational medicine doctors to provide the health management program for monitoring and assistance Arranging shift of relevant units to handle emergency and oversee construction 	<ul style="list-style-type: none"> Listing employees with high overtime hours and informing supervisors to provide assistance and care Providing consultation record for further care and offering individuals concerned assistance and support at work (same as the EAP) Employees who are unable to take leave due to their shift can arrange leave or adjust their leave 	<ul style="list-style-type: none"> Contact point of the Employee Welfare Committee Contact point of the host unit EPA consultation hotline 	<ul style="list-style-type: none"> Frequency: within one month after the occurrence of an incident Method: Control by system and follow-up by meetings 	No grievance case concerning human rights
6	All employees	Work hours and salary	<ul style="list-style-type: none"> Hiring sufficient number of employees aligning with production needs to avoid insufficient manpower and thereby excessive work hours Establishing a complete work hour management system and setting up the overtime alarm. Sending emails or messages to employees whose work hours exceed those restricted by laws and to their direct supervisors. Continuing to promote the normal work time of the Company and the regulations for extended work hours Helping supervise grasp the status of overtime with relevant overtime management reports 	<ul style="list-style-type: none"> Implementing the tracking mechanism for one fixed day off and one flexible rest day per week and no more than 12 work hours per day Requiring supervisors to pay attention to the issue of working excessive hours and report the reasons and solutions thereof When a senior executive is alerted by the overtime prevention measure, he or she shall immediately take care of such issue and discuss the necessity of dividing the work. If the issue of excessive work hours remains, a report will be submitted to the assistant vice president set in the system, who shall take necessary action to restore the employee's rights. 	<ul style="list-style-type: none"> Unit supervisors HR contact point The anonymous platform "I Have Something to Say" 	<ul style="list-style-type: none"> Frequency: within one month after the occurrence of an incident Method: control by the system 	No grievance case concerning excessive work hours

5-3 Friendly and Safe Work Environment

Management Approach to Occupational Safety and Health

Significance to Yulon Motor	<p>Occupational safety is the important foundation of sustainable operations and a core value on which we place much importance. In addition to providing resources and training, we emphasize occupational safety and health and compliance with the requirements of the regulations during the process from design, construction, production to service. By implementing the PDCA cycle, the Company continues making improvements for the risks that may arise to employees, equipment, and the environment. Prevention of damage and promotion of employee's physical and mental health are always a concern of the Company, and the safety and health play a core role in the operation of our business. We are more concerned about the awareness of safety among the employees and hope to achieve the goal of perfect occupational safety and zero occupational accidents together with the employees. With these commitments, we can create a safe, healthy and happy workplace.</p>
Policy and commitment	<p>In order to better control the significant occupational safety and health risk, constantly meet the requirements of laws and policies, demonstrate good performance in occupational safety and health, protect employees' safety and health and show the Company's commitment to continuous improvement, sustainability and becoming an outstanding international corporate, we aim at "fast" improvement of occupational safety equipment, "demanding" safety and health requirements, and "accurate" hazard risk prediction as the Company's occupational safety and health statement, and we hereby promise that we will:</p> <ul style="list-style-type: none"> provide workers with the mechanism for their consultation about and participation in the field of occupational safety and health and necessary resources evaluate hazards and reduce occupational safety and health risk to ensure effective management of operational risks from all dimensions. respect and comply with laws and regional treaties in connection with occupational safety and health to grow together with the regions. make a company-wide occupational accident diagnosis and implement personal health risk evaluation to improve productivity of the Company and promote employees' health and welfare Strengthen employee communication, boost education and training, raise all employees' awareness of occupational safety and health and provide relevant consultation mechanism to fulfill our responsibility for safety and health.
Goals	<p>Short-term (2025-2026)</p> <ul style="list-style-type: none"> To reduce the rate of work injuries and occupational diseases: Through periodical risk assessments, provision of health and medical care and health improvement services, and training on occupational safety and health for supervisors and employees, to avoid injuries arising from work. 0 catastrophes and fatal occupational accident at the plant/year 4 Injury cases at the plant ↓ /year 40 ↑ safety and health promotional events /year 12 ↑ employee safety seminars/year
Goals	<p>Medium-term (2027-2028)</p> <p>To enhance employees' awareness of occupational safety and health: to realize through the occupational safety and health education and training, enhancement of safety culture among supervisors and employees and routine organization of safety seminars, and in turn improve employees' understanding and awareness of occupational safety and health.</p> <p>Long-term (after 2029)</p> <p>To improve the management of occupational safety and health: to implement through the establishment of complete occupational safety and health policies and procedures, a sound management system and a monitoring and risk assessment mechanism, and in turn enhance the corporation and organization's awareness and management of occupational safety and health.</p>
Achievement in the previous year	<p>Goals of the previous year</p> <ul style="list-style-type: none"> 0 catastrophes and fatal occupational accident/year 4 employee work injuries/year (and below) <p>Achievement</p> <ul style="list-style-type: none"> 0 catastrophes and fatal occupational accident/year 1 employee work injury/year
Responsible unit	Safety and Health Office
Specific actions	<ul style="list-style-type: none"> 48 safety and health promotional events/year 12 employee safety seminars/year 4 agreement and organization meetings with contractors/year

5-3-1 Occupational Safety and Health Management System

To ensure smooth production and the safety of employees and property, we are committed to fulfilling our responsibility for maintaining the safety and health of all employees and stakeholders. We emphasize the implementation of measures for safety and health in the design, construction, production and services of all products and comply with laws and regulations. We strictly follow the “PDCA” management cycle to reduce the risks of personnel, equipment and environment, focus on the prevention of damage and facilitate employee physical and mental well-being while maintaining a zero-accident and zero-disaster work environment jointly with our employees. To ensure the effective promotion and implementation of our health and safety policy, our Sanyi Plant in Miaoli County has established a dedicated first-level health and safety management unit (Health and Safety Office) directly under the employer, as required by the Occupational Safety and Health Act. This unit aims to create a safe workplace, encompassing all employees and non-employee workers whose work or workplace is controlled by the organization – including contractors, subcontractors, and visitors – and their work activities. Currently, Yulon Motor has transitioned to the ISO 45001 Occupational Safety and Health Management System consistent with the international standards and passed the verification for the Taiwan Occupational Safety and Health Management System (TOSHMS). We have been promoting safety and health management activities with outstanding performance every year.

Labor Safety and Health Committee

We have established the “Labor Safety and Health Committee” with 18 members including a safety and health management specialist, an on-site physician, an occupational health nurse, and other members from different fields. Seven of the members are the representatives of the labor union or the laborers, occupying one third of the total members. The top management acts as the management representative of the “Labor Safety and Health Committee.” It provides final decisions and instructions on issues related to the environment, health, and safety of the Company, and holds a meeting every quarter to review the progress of the work. In addition, the Committee coordinates and proposes recommendations on labor safety and health policies and self-management plans, provides a report on the quarterly results of OHS work and changes in the external environment, and develops improvement measures.

The “Labor Safety and Health Committee” establishes concrete promotion plans for industrial safety, industrial health, environmental protection and dissemination of health. It holds meetings on a regular basis and the resolutions are used as a guide for the implementation of the Company’s safety and health work. The employees of the Company who are engaged in the work related to labor safety and health have obtained required licenses. On an irregular basis, we dispatch personnel to participate in the workshops or conferences that the government authorities or academic institutions organize to ensure protecting the safety and health of the employees.

Contractor Safety Management

Yulon Motor has adopted the “Standards for the Safety and Health Management of Outsourcing and Contracting Jobs” and the “Regulations for Work Permits” and applied the same safety management standards to the personnel of contractors as to the Company’s employees. We seriously implement such standards and deem the injuries of contractors’ employees as those of the Company’s employees, so we investigate, formulate corrective actions, record and follow up these incidents. We have formed a construction inspection team to perform unannounced inspection at the site of the construction on an irregular basis.

Yulon Motor’s major measures to enhance contractor safety management in 2024

1. Strictly requiring the personnel of contractors to perform construction in accordance with the Safety SOPs and construction sequence
2. The safety and health supervisor of contractors shall exercise oversight of the safety and health at the construction site, perform self-inspection and check every 2 hours, and explicitly state that the construction work shall be suspended whenever the safety and health supervisor is off the construction site.
3. A list of contractors’ personnel shall be compiled for management, and any untrained personnel shall be banned from entry. We also provide regular safety and health training to contractors to enhance the awareness of safety and the ability to identify potential hazards in the environment of the staff.
4. The entry of contractors is controlled by the computer system that accurately controls the ongoing projects and number of contractor personnel in the plant.
5. The construction shall be graded depending on the severity of the risk. The supervisor shall fully supervise the construction of high risk. The construction is suspended on holiday, in principle. Otherwise, the head of the responsible unit shall be present for supervision of the works.
6. We have introduced the smart safety observation tools management program and used drones as observation tools for construction safety. We use these tools to investigate any unsafe conducts of workers and improve the safety awareness of labor and their conducts, thereby preventing and eliminating accidents at work.
7. The door control and inspection shall be enhanced. The contraband and the tools or other things that are not compliant with the safety regulations shall not be carried into the plant. The person who carries cigarettes and lighters without permission or smokes at a place other than the specified one shall not be allowed to work for the Company anymore once such acts are identified.
8. The scope of the works and responsibilities shall be specified in the construction contract explicitly. The contractor shall sign a safety affidavit to ensure safety during the construction.

Equipment Safety Management

Yulon Motor formulates a self-inspection plan prior to the beginning of each year, and coordinates with the administration department to establish a self-inspection plan for the mechanical and electrical equipment in the office building in accordance with the “Occupational Safety and Health Act” and “Occupational Safety and Health Management Regulations,” and self-inspections are performed accordingly over the year. We have entered all of the information on specification, drawings, maintenance status and inspections of equipment into the management system and established the equipment safety management process, for example, we have adopted the risk-based inspection (RBI) by classifying all equipment into various levels, and according to the level of significance, devising a repair and maintenance system of the plant. On the other hand, for the operating procedures of equipment under the SOP, the personnel in relation to maintenance are trained regularly, and all equipment inspection and improvement tests are carried out to ensure safety of the personnel and equipment and increase productivity of the plant, hence a safe work environment.

Management of Protection Measures for the Personal Safety of the Employees

- Access control security:

For day, night and holiday, security companies are hired to maintain the security of the factory and staff dormitories around the clock and set up surveillance systems.

- Equipment maintenance and inspection:

In accordance with the Fire Services Law, the on-site units will inspect the firefighting facilities on their own every month, and then appoint external firefighting agencies to carry out inspection and reporting every quarter. Regular maintenance and inspection of all machineries and equipment.

- Disaster prevention measures and contingency planning:

In accordance with the “Emergency Preparedness and Contingency Management Regulations,” the responsibilities of each relevant unit, contingency measures, notification procedures, task contents, etc., are clearly defined and drills are conducted twice a year.

- Healthcare:

we organize employee health checkups regularly and invite the plant doctor and occupational medicine doctors to provide health education at least twice a month.

- Safety patrol:

The senior executives construct a good work environment and safety culture through the monthly plant safety patrol. In the meantime, potential safety risks at the plant are eliminated while employees are aware of the significance of safety. In 2024, a total of 722 deficiencies in occupational safety were found in the safety patrol, of which 100% were corrected.

Internal Industrial Safety Inspection System

Yulon Motor strives to create and maintain a “people-oriented” work environment. With respect to the safety and health of the employees and contractors, we actively perform occupational safety inspection, such as management by walking around, professional occupational safety inspection, safety inspection of new buildings, and grade-based safety inspection conducted by supervisors of all levels. The deficiencies identified are tracked by the information system until the completion of improvements. The inspection focuses on the identification of unsafe environment and behavior in advance to prevent accidents.

The Safety and Health Office has established the occupational safety inspection guidelines and other regulations. In addition to the inspection conducted by the safety inspection team on the unit in question, all units are requested to perform an internal safety inspection independently. The Company implements EHS performance evaluations, provides managerial officers with training on safety and grade-based inspections, and organizes safety dissemination activities to teach employees at all levels the concepts of safe behavior, as well as safety observation procedures and items. We are dedicated to ensuring a workplace characterized by safe behavior and are committed to providing a mechanism for continuous improvement to enhance our occupational safety performance. We have established the “Emergency Response Guidelines” and the “Emergency Response Drill and Implementation Guidelines” (also applicable to contractors and visitors), and organized regular exercises to become familiar with the response procedures to avoid spread of the damage and reduce the loss in the personnel and equipment when an accident occurs.

We also require each unit designates an EHS specialist to assist with the promotion and implementation of safety and health policies, including holding one environmental safety officers’ meeting and one TOP senior management patrol every month. We have also adopted the “The Procedures for Handling the Environmental Safety Officers’ Meeting” and the “Regulations for implementing the 5S at the San-Yi Plant,” and created an incident reporting system pursuant to the Occupational Safety and Health Management Plan.

Introduction of External Audit System

The Company has earned the TOSHMS certification and introduced and passed the ISO 45001 management system certification while rolling out the risk control on the aspects of significant environmental consideration and occupational safety and health and giving priority to material risks for improvement using the approach of goal and program management. Risks with lower priority are controlled with the approach of controlled procedures. After good improvement in procedures, we see obvious results and control. Yulon Motor's significant objectives and management programs in 2024 are summarized as follows:

Objective/Target	Program	Current Status	Result of 2024
Less than 4 employee work injuries (cases/year) in 2024.	Regular implementation of 5S inspection, TOP survey, and improvement of false alarms.	Through various routine inspections and improvements, to reduce the occurrence of harm.	1 injury case (cases/year)
Equipment safety function effectiveness 100 (%)	Develop automatic inspection method to perform safety function test of equipment in daily use operation	The on-site operation unit performs the safety function test of the equipment during the operation to ensure the normal function and reduce the occurrence of hazards.	100%

Percentage of employees covered by the occupational health and safety management system

Internal audit			
Type	Number of employees audited	As a proportion to the total number of employees	Number of employees not audited
Employee	1,200	100%	None
Non-employee	125	100%	None
External audit and certification			
Type	No. of People	As a proportion to the total number of employees	Number of employees not audited
Employee	1,200	100%	None
Non-employee	125	100%	None

Firefighting Safety Management and Audit

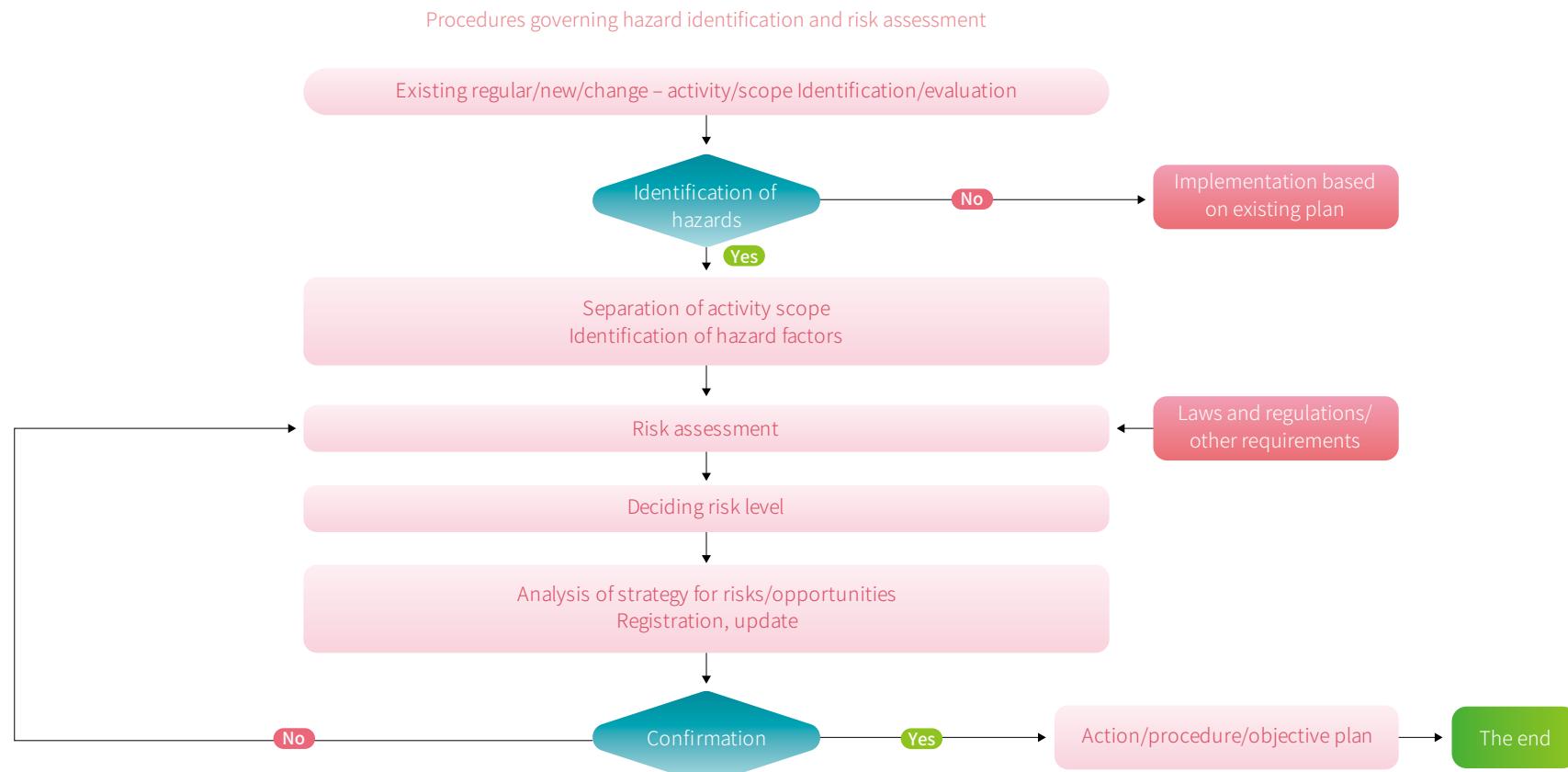
Yulon Motor pays attention to firefighting safety at the plant. In 2024, our correction rate for the deficiencies in firefighting report for inspection and repair was 100%. In addition, a firefighting self-defense team drill is held semi-annually; on a monthly basis, self-inspections on the firefighting equipment, including the fire alarm signal receiving switchboard, broadcast switchboard, firefighting pump, and fire extinguishers; the security supervisor conducts a public hazardous substance patrol every month to establish an excellent firefighting safety culture. In 2024, we conducted 12 patrol inspections for public hazardous materials and fixed 77 defects.



5-3-2 Occupational Safety and Health Risk Management and Preventative Measures

Occupational Safety and Health Risk Assessment and Management

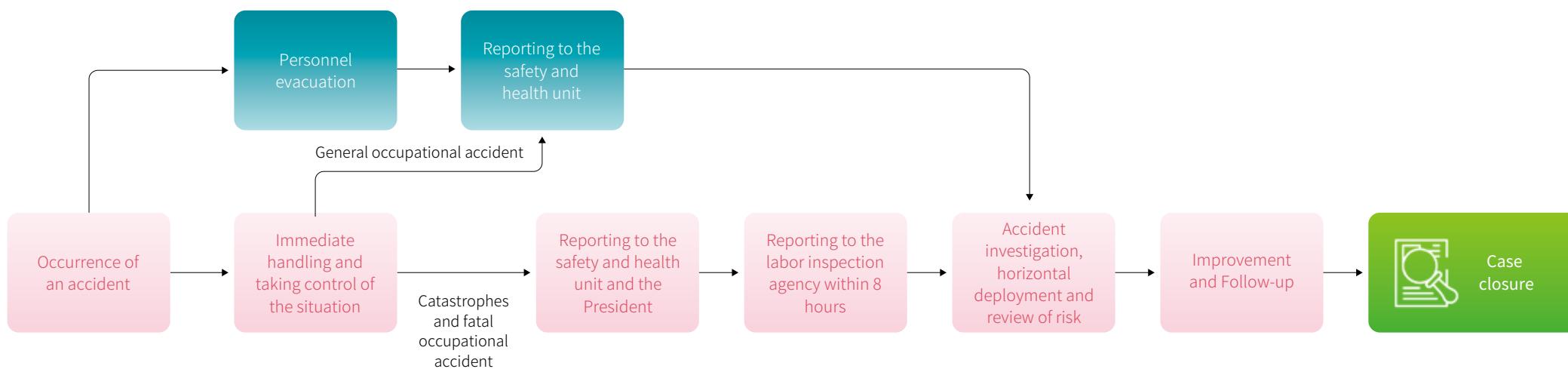
Yulon Motor has established a “Procedures for Hazard Identification and Risk Assessment,” requiring responsible personnel in each unit to participate in risk assessment training and drive risk assessment efforts. This procedure utilizes risk identification and assessment forms to help identify hazards, assess risks, and implement control measures for new and modified operations, with information updated accordingly. Based on the assessment review results, risks are categorized and managed, and management objectives and improvement measures are established. When introducing new equipment, a public hearing shall be held at the plant, and a joint evaluation by biotechnologists, the environmental safety department and the safety and health department shall be conducted to make sure the specifications of equipment comply with laws and the installation processes thereof meet the safe operation standards. Procedures for identifying hazards to occupational safety and health and determining risks and opportunities:



Procedures for Handling Occupational Accidents

Yulon Motor has adopted various environmental safety corrective measures and programs. In situations such as unexpected condition, false alarm, events that may cause accidents, occupational diseases, financial losses, plant damages, losses in production or legal liabilities, the corrective programs will be activated. Moreover, Yulon Motor has enacted the Procedures for Handling and Investigating Accidents. The emergency handling ensures evacuation to safe locations, and subsequent investigations of accidents involving employees or contractors are conducted accordingly, followed by a review of risks related to occupational disasters to mitigate losses arising from accidents and prevent similar incidents from recurring. There were no fatalities related to occupational accidents in 2024. Additional resources from various sources are also provided to educate employees about safety and enhance their safety awareness. Following an incident, the person who discovers it should report to their direct supervisor and the EHS personnel in order. Simultaneously, the Head of the Safety and Health Office will report to the Department Manager. The Company will not dismiss, relocate, or penalize employees for taking action to avoid danger, nor will it withhold wages during any suspension period.

1. The section chief/plant manager will convene the personnel of the Safety and Health Office to conduct an investigation, and may request assistance from other units or personnel as necessary.
2. In addition to gathering relevant personnel, the accident investigation lead may, as needed, request the accident reporter, injured parties (if able), relevant witnesses, nurses, and personnel involved in emergency response and engineering staff to participate in the investigation meeting to provide clarification or offer professional expertise to assist the investigation.
3. Accident investigation reports must be complete. Investigation meetings should be held as needed, with records maintained by a person designated by the convener of the investigation meeting. Any specific improvement recommendations from the meetings should be communicated orally or in writing to the responsible unit, or discussed with them at the next meeting to develop concrete implementation plans.
4. Improvement/preventive measures are implemented by the department responsible for the incident.
5. Follow up on the implementation results of improvement/preventive measures from the Safety and Health Office.



Data of occupational accidents in 2024

Item	Employee			Non-employee		
	Female	Male	Total	Female	Male	Total
Number of actual workdays in 2024	250			250		
Occupational accident	Number of persons injured	0	1	1	0	0
	Number of deaths	0	0	0	0	0
	Death rate	0%	0%	0%	0%	0%
Type of occupational accident	-	Note 11	Note 11	-	-	-
Number of persons with serious occupational injuries among the persons injured	0	0	0	0	0	0
Total number of workers	130	1,070	1,200	48	77	125
Total number of occupational injuries	0	1	1	0	0	0
Total number of work hours	260,000	2,140,000	2,400,000	96,000	222,000	250,000
Occupational injury rate	0	0.417	0.417	0	0	0
Serious occupational injuries rate	0	0	0	0	0	0
Total number of absence days	0	18	18	0	0	0
Total number of worker-days	32,500	267,500	300,000	12,000	27,750	31,250
Absence rate	0%	0.007%	0.006%	0%	0%	0%
Number of workdays lost	0	26	26	0	0	0
Rate of workdays lost	0	12.150	10.833	0	0	0

Note 1: The absence rate was calculated based on the absence of employees losing work ability, not limited to the reason of an occupational injury or disease, which may include occupational injury leave, sick leave, menstrual leave and personal leave.

Note 2: The number of workdays lost was calculated based on the "number of days lost" in which workers are incapable of handling daily job as a result of an occupational accident or disease.

Note 3: The number of persons involved in serious occupational injuries excluded the number of deaths.

Note 4: Total number of occupational injuries = number of persons injured + number of deaths.

Note 5: Total hours worked = (Total number of employees as of December 31) × Daily working hours (8 hours) × Actual working days in a year (Total annual working days minus the number of public holidays announced by the Directorate-General of Budget, Accounting and Statistics, less one day for Labor Day).

Note 6: Occupational injury rate = total number of occupational injuries/Total number of work hours × 1,000,000.

Note 7: Absence rate = total number of absence days / total number of work person-days × 100%.

Note 8: Rate of workdays lost = number of workdays lost as a result of occupational injuries / expected total work hours of the worker (total number of work hours) × 1,000,000.

Note 9: All rates were rounded to 3 decimal places.

Note 10: Serious occupational injuries are defined as injuries resulting in permanent impairment (such as amputation) or injuries that prevent a worker from returning to their pre-injury health level within six months (such as complicated fractures).

Note 11: One occupational accident occurred in 2024, resulting in an injury to an employee who sustained lacerations to both hands after accidentally falling while working.

According to the “Hazard Identification and Risk Assessment Management Procedure,” the risk/opportunity levels are defined as follows:

Occurrence Probability (FR) = Operation Exposure Frequency (OF) × Probability of Occurrence (P)	Severity of Impact (Severity S)				
	A	B	C	D	E
FR 1 50~100	1	1	2	3	4
FR 2 25~49	1	2	3	4	4
FR 3 10~24	2	2	3	4	5
FR 4 1~9	2	3	4	5	5

Risk level determination criteria	Material risk	High risk	Moderate risk	Low risk	Mild risk
Risk level	Class1	Class2	Class3	Class4	Class5

Items with a severity of “A” or “B,” or a risk/opportunity level of “Class 1, 2, or 3,” require action plans to be developed as follows:

Risk and opportunity level	Action plan
Class1	1. Objectives and plans for improvement must be established, with operational control procedures and monitoring requirements integrated into the organization’s management system. The effectiveness of controls and monitoring must be reviewed regularly and included as a key item for management review, prioritizing it for improvement. 2. Risk/opportunity assessments and strategic planning are required.
Class2	1. Procedures for operational control and monitoring requirements must be established, and the effectiveness of controls and supervision must be reviewed annually. 2. Risk/opportunity assessments and strategic planning are required.
Class3	Acceptance of existing operational controls and safety devices is conditional; responsible parties may establish operating control procedures as needed.
Class4	The current situation is accepted, with no action required.
Class5	

In 2024, in accordance with the “Hazard Identification and Risk Assessment Management Procedure,” the following occupational hazards that could cause serious occupational injuries were identified, with control measures developed based on a tiered approach:

Serious occupational hazards	Control measures for each hazard	Serious occupational hazards	Control measures for each hazard
Other – Mechanical Safety Failures and Human Error	Implement operational safety standards	Injury – Collision	Area control (pedestrian and vehicle separation), enhance safety briefing
Injury – Pinch/Entrapment	Implement self-inspections performed by personnel	Electrical – Injury	Compliance with electrical work safety regulations
Falling/objects falling	Comply with workplace permit procedures and operational safety rules	Other – Hearing loss	Hearing protection, such as earplugs or earmuffs, worn by personnel.
Confined space hazards.	Comply with workplace permit procedures and operational safety rules	Fire and explosion	Install organic solvent gas leak detectors and differential pressure measurement devices, and compliance with the plant’s work permit safety procedures

In addition to the serious occupational hazards mentioned above, the Company also takes a tiered approach for other identified occupational hazards, developing corresponding control measures to continuously improve work environment safety and protect employee health and safety.

Occupational Disease Prevention and Management



■ Hearing protection health education courses

Pursuant to the Occupational Safety and Health Act, we engage the services of a job site monitoring and testing agency approved by the Ministry of Labor to conduct one job site monitoring and testing semi-annually where the monitoring plan is formulated in an evaluation team's meeting at the plant and attested by an industrial and mine safety and health engineer. The monitoring and testing on a total of 337 items were conducted in April and October of 2024, and the results were announced at each job site and unit. The monitoring has concluded that the levels of organic solvents, specified chemical substances, excessive dust, and carbon dioxide concentration from the central air conditioner all met legal standards. However, noise levels at some workstations have exceeded the limit, and corrective measures have been implemented. The measures included posting the noise warning sign in a prominent location, reminding employees to wear hearing protection gear, periodically checking if employees are wearing hearing protection, conducting special health checks for groups exposed to noise, and implementing a hearing protection plan. The professional occupational disease doctors and nurses also evaluate whether it is necessary for an employee to switch workstations on site. If so, the Safety and Health Office and Human Resources Team will coordinate the relocation of the employee. There were no diseases or deaths as a result of occupational diseases in 2024.

Education and Training on Occupational Safety

In addition to the management of equipment, the dissemination of occupational safety also plays a key role in the occupational accident prevention plan. We hold regular education and training on occupational safety covering foreknowledge of hazards and safe operations, safety management approach case study, a series of courses on building inherently safe design of machineries, hazard prevention, basic and advanced principles of risk management, theory and practice of firefighting and rescue, training and regular drills for members of the Emergency Response Team (ERT), transportation safety workshop, education and training on hazardous machinery and equipment, safety and health education training for contractors, etc. The training time totaled 2,719 hours in 2024.

Additionally, to enhance occupational safety and health awareness among department heads, Yulon Motor conducted training for "ISO 45001 & 14001 internal auditors" in the second half of 2024. This training deepened participants' understanding and mastery of audit methods and techniques, ensuring the Company's compliance with legal regulations and standard requirements. In 2024, 74 people passed the training, with the number of training hours being 444.

Course

ISO 14001:2015 Environmental Management System & ISO 45001:2018 Occupational health and safety management system

Course Date

October 4 (Friday)

Course Duration

09:00~12:00, 13:00~16:00

Course Outline

1. Regulatory compliance audits
2. Emergency response
3. First/Second-tier document information
4. Audit overview and non-compliance reporting and corrective measures
5. Case study description
6. Internal audits management
7. The role of an auditor
8. Responsibilities and qualifications
9. Document management following audit
10. Inputs and outputs of management review

Employee Healthcare

We enroll all employees not only in the labor insurance and health insurance lawfully but also in the group insurance, which covers the employees, their spouses, and children, and is paid by the Company. To take care of the employees and their health, the Company also establishes an “employee clinic” providing medical, surgical, smoking cessation services and various medical education and consultation services for the employees. We also care about employees’ mental health, so we organize seminars for emotional management, stress relief, disease prevention, and healthcare from time to time. We also take care of employees’ families by hosting seminars for families, parents, and children to provide employees with complete health management covering every member of their family, who are also a part of Yulon Motor’s family.

2024 Health Promotion Plan

Health promotion category: Hazard prevention Healthcare

Name of major plan/activity

- Providing general and specialized operational health check for incumbent employees, implementing health rating management and conducting an analysis on the health checkup data.
- 4 major labor health protection plans



On-site visit of the occupational medicine doctors

Performance in 2024

- A total of 1,034 employees had a health checkup in 2024
- The general health checkup is offered once every 3 years, better than that is required by laws, and the specialized operation health checkup is provided every year.
- To prevent occupational diseases, we conduct annual special health checkups and implement health protection management based on the results. We provide appropriate protective measures and health education to address potential risks, ensuring the health and safety of our colleagues.

Special work	Number of operators	Level-1 management	Level-2 management	Level-4 management
Organic solvents and specific chemical substances	58	51	7	-
Noise	65	22	41	2
Dust	35	34	1	-

- For colleagues working in areas with fourth-level noise exposure, we have launched a hearing protection program. This includes arranging individual consultations and training sessions with occupational health physicians, and providing personalized health education tailored to each colleague’s specific needs. In addition, we will visit the site to ensure employees are wearing hearing protection correctly and to provide any necessary recommendations and training to effectively implement hearing protection measures.

- Providing advanced health checkup at contracted hospitals to senior executives every year
- Adopting the health management rating standard table and distributing health education leaflets and offering proper health education information to employees based on the rating
- 3 doctor on-site services every month
- Appointing professional occupational medicine doctors to provide one on-site health service every month (3 hours/time)
- In 2024, the Yulon Employee Clinic participated in the Miaoli County Government’s Workplace Health Promotion Collaboration Program, providing health education management for 131 cases of metabolic syndrome (the three highs), and received an Outstanding Achievement Award and an Outstanding Promoter Award.

Name of major plan/activity

Establishing the Yulon Motor Employee Clinic

Performance in 2024

Formed by one specialist in family and emergency medicine and two full-time nurses. Employees can see the doctor, seek health advice, or take emergency treatment during the work time.

Employee Clinic



**Health promotion category:
Emergency rescue training course**

Name of major plan/activity

Cardio-Pulmonary-Cerebral-Resuscitation (CPCR) training and installation of AED

Performance in 2024

- There are 8 Shinkong Communication AEDs installed at Yulon's Sanyi plant, which are maintained semi-annually to ensure normal functioning as well as safety.
- In 2024, seven CPCR courses were held, covering cardiovascular health (including stroke prevention), with class sizes ranging from 50 to 120 participants.



■ CPCR instruction

**Health promotion category:
Safe breastfeeding environment for
mothers at workplace**

Name of major plan/activity

Setting up a breastfeeding room

Performance in 2024

We provide free supplies in the breastfeeding room and create an exclusive private and safe space for breastfeeding mothers allowing secured breastfeeding and collecting after they reinstate in work. There were three mothers using the breastfeeding room in 2024.

Name of major plan/activity

Parents' sharing session

Performance in 2024

- On December 20, 2024, a baby bottle-chugging contest for parents was held, as well as a practical “Baby and Infant Seminar,” and a “DIY Sensory Bottle and Christmas Ornament” craft activity, with 28 attendees.
- Hosting parenting activities in which the “Mother’s Gift” is distributed at the infirmary



■ Mothers and babies' sharing session

**Health promotion category:
Health promotion activities**

Name of major plan/activity

Joint dissemination of health at the infirmary and via the Line APP

Performance in 2024

A total of 39 sharing sessions for health promotion were held in 2024

Name of major plan/activity

Eligible employees apply the government-funded influenza vaccination at the Employee Clinic.

Performance in 2024

In 2024, the Employee Clinic applied to become a medical care institution eligible for providing the government-funded influenza vaccination and vaccinated 217 persons in total.



■ Vaccination In 2024

CHAPTER

Social Relationships

and Virtuous Influential Actions

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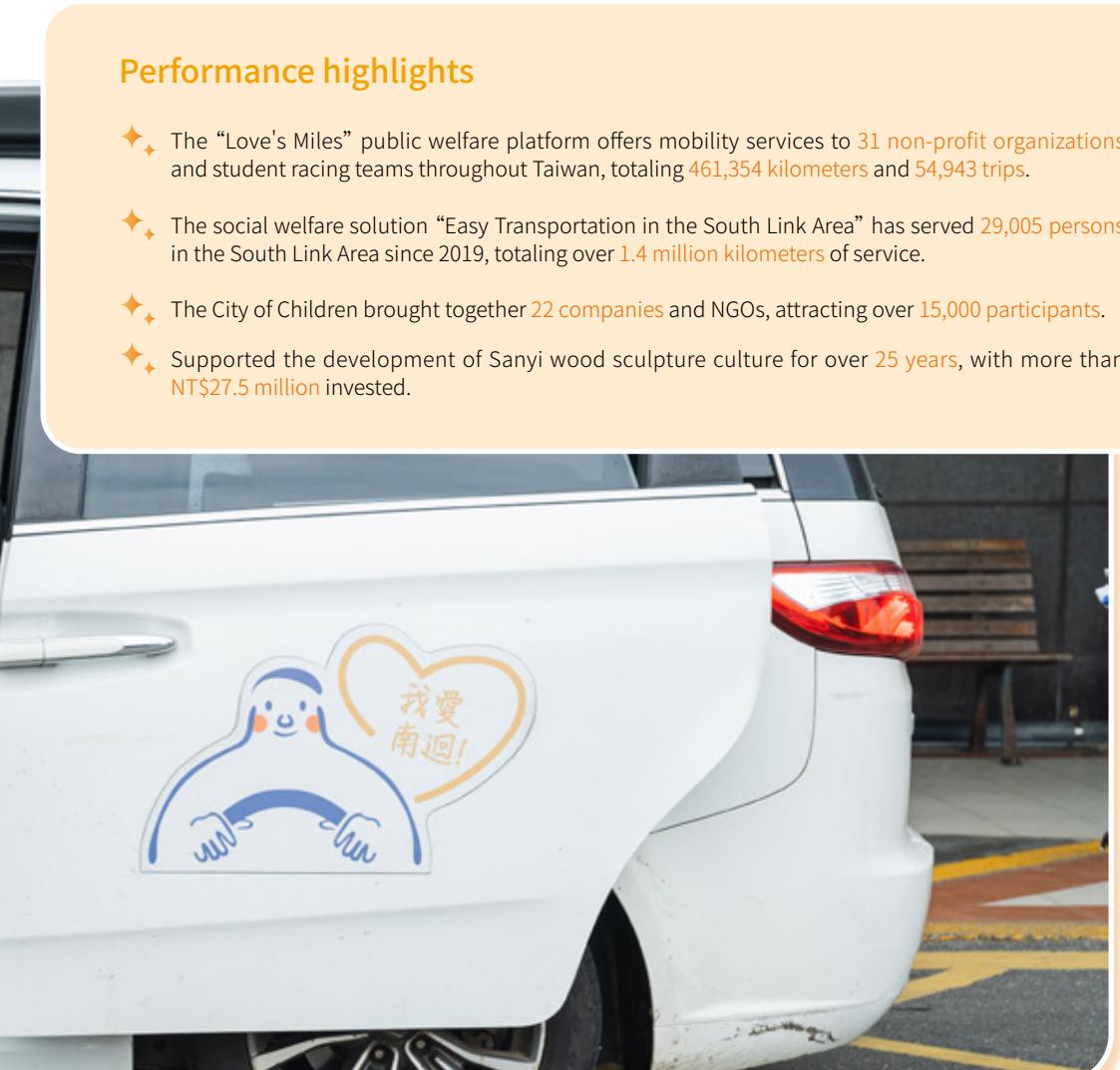
2024 SUSTAINABILITY REPORT

Material issue

Social Relationships

Major stakeholders

Community, NGOs, government, media


Performance highlights

- ◆ The “Love's Miles” public welfare platform offers mobility services to 31 non-profit organizations and student racing teams throughout Taiwan, totaling 461,354 kilometers and 54,943 trips.
- ◆ The social welfare solution “Easy Transportation in the South Link Area” has served 29,005 persons in the South Link Area since 2019, totaling over 1.4 million kilometers of service.
- ◆ The City of Children brought together 22 companies and NGOs, attracting over 15,000 participants.
- ◆ Supported the development of Sanyi wood sculpture culture for over 25 years, with more than NT\$27.5 million invested.

Management Approach to Social Relationships

Significance to Yulon Motor	<p>Yulon Motor believes that, in the pursuit of sustainability and profitability, we shall be active in responding to the expectations of external stakeholders and constantly aim at the goal of social relationships and inclusion. By making good use of our strength, we can contribute to society and jointly create long-term influence on the local community and the entire society with our employees and external stakeholders through various innovative means such as long-term projects and public welfare charity events.</p>			
Policy and commitment	<p>Yulon Motor has adopted a framework for social relationships revolving around the core of “People, Vehicle, Life” and extended to the five major topics of concern: “steering values,” “arts and culture,” “talent and education,” “charitable giving,” and “diversity & inclusion.” We have focused on the demands of these five major topics of concern for a long time and have put effort into related collaboration projects, as well as charity and public welfare events. We will continue our involvement in various topics, link the core corporate strength with the Sustainable Development Goals of the United Nations, commit to giving back to society and make good use of the corporate influence.</p>			
Goals	Short-term (2025-2026)	<ol style="list-style-type: none"> 1. Help local arts and cultural industries by supporting the development of wood craving externally and encourage employees to participate in arts and cultural events internally 2. Invest in issues such as healthcare access in rural areas, comprehensive care for all ages, and public well-being through our automotive business to broaden our social impact. 		
	Medium-term (2027-2028)	<p>To continue to strengthen and develop differentiated featured programs in regard to support for disadvantaged groups, and diversity, equality and inclusion (DEI), which meet the SDGs.</p>		
	Long-term (after 2029)	<p>To work with governmental agencies in Miaoli, Taipei City and New Taipei City, companies at the industrial park, social welfare organizations and communities to introduce caring events that connect to SDGs with local color and to support local events that address topics on steering value, social engagement and support for disadvantaged groups.</p>		
Achievement in the previous year	<p>Goals of the previous year</p> <p>Organized 6 corporate social responsibility enhancement activities (2 blood donation events and 4 disadvantaged groups care events)</p>		<p>Achievement</p> <p>Organized 6 corporate social responsibility enhancement activities (2 blood donation events and 4 disadvantaged groups care events)</p>	
Responsible unit	<p>Sustainable Development Department, Human Resources Development Department</p>			
Specific actions	<ul style="list-style-type: none"> • Promotion of the wood sculpture arts and culture in Sanyi • Yulon Sanyi Scholarship and Yulon Motor Youth Empowerment Scholarship • Promote the “Love’s Miles” public welfare platform project 			

Yulon Motor has been involved in activities for charitable public welfare and community and ecology building. We uphold the core spirit of “People, Vehicle, Life” and focus on the five major topics, “steering values, arts and culture, talent and education, charitable donations, and diversity and inclusion” in alignment with the Sustainable Development Goals (SDGs) of the United Nations. At the same time, we make good use of the core competency of our main business, coordinate and integrate the resources from the Group’s value chain to construct an ecological system for the common good. In this virtuous cycle, we drive regional revitalization and keep expanding our engagement in public welfare and social impact. We hope to expand the sustainability actions continuously using our core corporate power in order to fulfill our responsibility for giving back to society and move ahead towards sustainable development.

Yulon Motor's Social Relationships Framework

6 - 5 Diversity and Inclusion

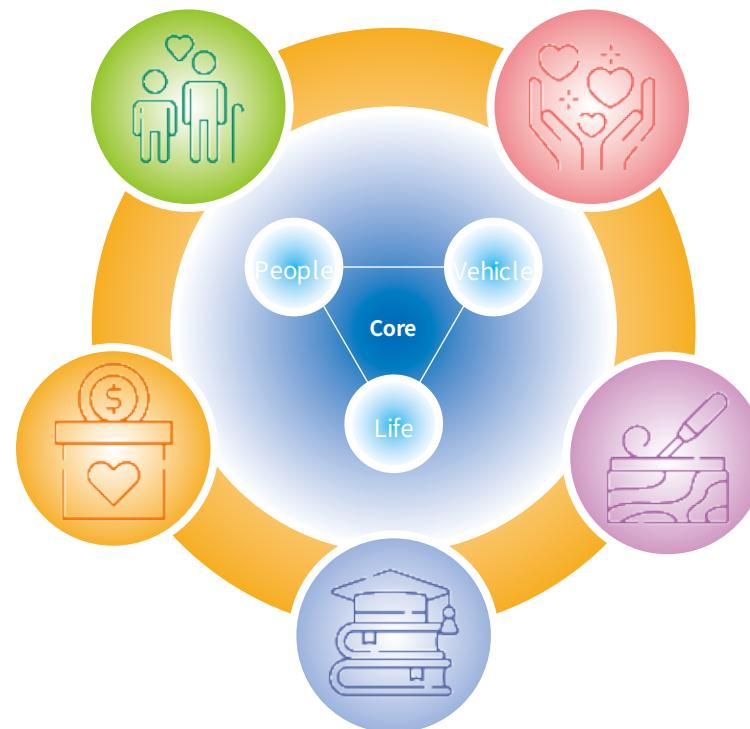


- **Guardian of all ages:**
 - » We hosted the “City of Children” event, designed with a child-friendly perspective and space.
 - » We assisted in environmental cleaning and caregiving activities for the elderly living alone in Sanyi.
 - » We invited children from the orphanage to visit the car production line.
- Invested NT\$2 million to support the “Potential Workshop” self-sufficiency program of the Down Syndrome Foundation

6 - 4 Donations for public welfare



- “Love Unstoppable” blood donation event:
147 donors, 51,750 c.c. of blood
- **Donation of accident insurance premium:**
NT\$1 Million for 26 consecutive years
- **Illumination of road safety:**
For 11 years running, we have adopted 100 streetlights in Sanyi.
- **Warm Donation:**
donated a total of NT\$752,000 to 8 charitable organizations



6 - 3 Talent and Education



- **Scholarship Program:**
Over NT\$600,000 in funding was awarded to a total of 431 students.
- **Support for Yulon Motor's Basketball Team:** totaled NT\$21.6 million
- **Promotion of automotive craftsmanship and training for industry talents:**
the only automotive tourism factory, plan and industry-academia cooperation program
- **Advancing into Schools – Fostering Youth News Reporting Skills and Media Literacy.**

6 - 1 Steering Values



- Happy Wheels – The social welfare solution “Easy Transportation in the South Link Area” has served 29,005 persons in the South Link Area since 2019, totaling over 1.4 million kilometers of service.
- The “Love's Miles” public welfare platform offers mobility services to 31 non-profit organizations throughout Taiwan, totaling 461,354 kilometers and 54,943 trips.

6 - 2 Arts and Culture



- **Promotion of Sanyi woodcarving culture:**
 - » sponsored NT\$2 million in the Taiwan International Competition of Wood Sculpture and offered 2 awards amounting to NT\$600,000;
 - » sponsored the woodcarving course of Sanyi Senior High School and club activities of its Junior High Department
- **Promoting equal access to arts and culture:**
 - » Sponsoring “Deep Sea Fish Theatre” by the Paper Windmill Theatre with a budget of NT\$1.2 million.
 - » Allocating NT\$300,000 to parent-child special film screenings.

6-1 Steering Values – Starting with Love, Leading a Cycle of Hope

Yulon Motor has been deeply rooted in Taiwan for over 70 years, actively giving back to the land that nurtures us by addressing difficult societal issues and providing resilient solutions, especially as Taiwan faces the growing challenges of an aging population and insufficient transportation resources in remote areas. Therefore, we address these issues and provide the best solutions for the elderly and transportation in remote areas by leveraging our comprehensive horizontal automobile value chain. In 2024, through our “Love's Miles” special project, we implemented initiatives focused on improving access to healthcare in rural areas, local revitalization, environmental education, and care for all ages. This project serves as a key driver for communities and all ethnic groups across Taiwan, bringing our “People, Vehicles, Life” corporate philosophy and charitable efforts to life.

Building a Digital Green Transportation Initiative – “Love's Miles” Public Welfare Platform Project

Topic of concern: Children and youth/social development

Organization supported:

Bornanew Youth Caring Association

Content of support:

Leveraging flexible shared vehicle resources expands opportunities for rehabilitated young people to participate in corporate visits and skills training (like catering and performing arts).

Topic of concern: Aging society/Medical health

Organization supported:

South Link Association

Content of support:

Providing local residents with flexible, point-to-point free medical transportation, reducing healthcare access costs in rural areas.

Topics of concern: Environmental protection

Organization supported:

uCUP Platform

Content of support:

The “Love's Miles” are used for the vehicle units to reduce the heavy logistics burden of regularly washing and shipping cups, while quickly increasing warehouse locations.

Topics of concern: Environmental protection

Organization supported:

Friendly Seed

Content of support:

The “Love's Miles” are used for the vehicle units to use outdoor educational activities to promote nature conservation and knowledge to all parts of Taiwan.

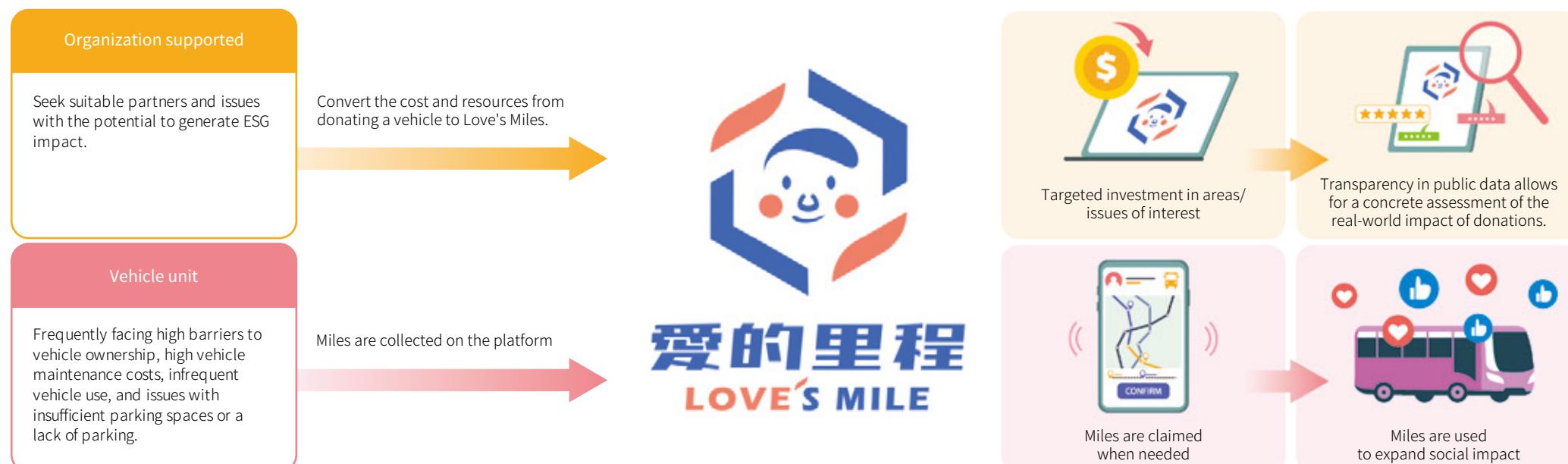


Yulon Motor continues to innovate, guided by its sustainable business philosophy of “Customer Satisfaction, Contribution to Society, Value Creation.” By leveraging Group resources, we are continuously refining vehicle models, smart transportation solutions, shared mobility services, vehicle maintenance, and digital innovations. In 2024, we launched the “Love's Miles” public welfare platform, integrating “Mileage Digitalization” and “Vehicle Service Sharing” to pioneer a new approach to ESG service design. This platform transforms the Group’s automotive value chain into “Love's Miles,” making the donation of vehicle services – rather than vehicles themselves – visible and impactful.

The “Love's Miles” public welfare platform integrates shared vehicle mobility services and innovative digital technologies, connecting over 2,000 shared vehicles nationwide to provide vehicle management and local customer service. The platform effectively connects supporting organizations with social enterprises (vehicle users), enabling donors to convert the cost of a vehicle donation into mileage credits for use by vehicle users across Taiwan, thereby maximizing the impact of their contributions. Vehicle users benefit from reduced burdens related to vehicle maintenance and replacement and gain the flexibility to select appropriate vehicle types based on their service needs. This facilitates efficient shared vehicle usage throughout Taiwan and promotes low-carbon, sustainable transportation compared to private vehicle ownership.

This shared service and flexible transportation mechanism effectively overcomes the mobility challenges faced by many small-scale social enterprises with limited human resources, allowing ideas previously stalled by transportation difficulties to reach a wider audience. The original cost of donating one vehicle, through Yulon’s integration of its core business with digital technology and ESG service design, has been transformed into hundreds or even thousands of “Love's Miles”. This overcomes the limitations of time and distance, helping social enterprises throughout Taiwan that focus on issues like rural healthcare, environmental education, and children’s welfare to serve more families and individuals and expand their social impact.

Structure of the “Love's Miles” Public Welfare Platform



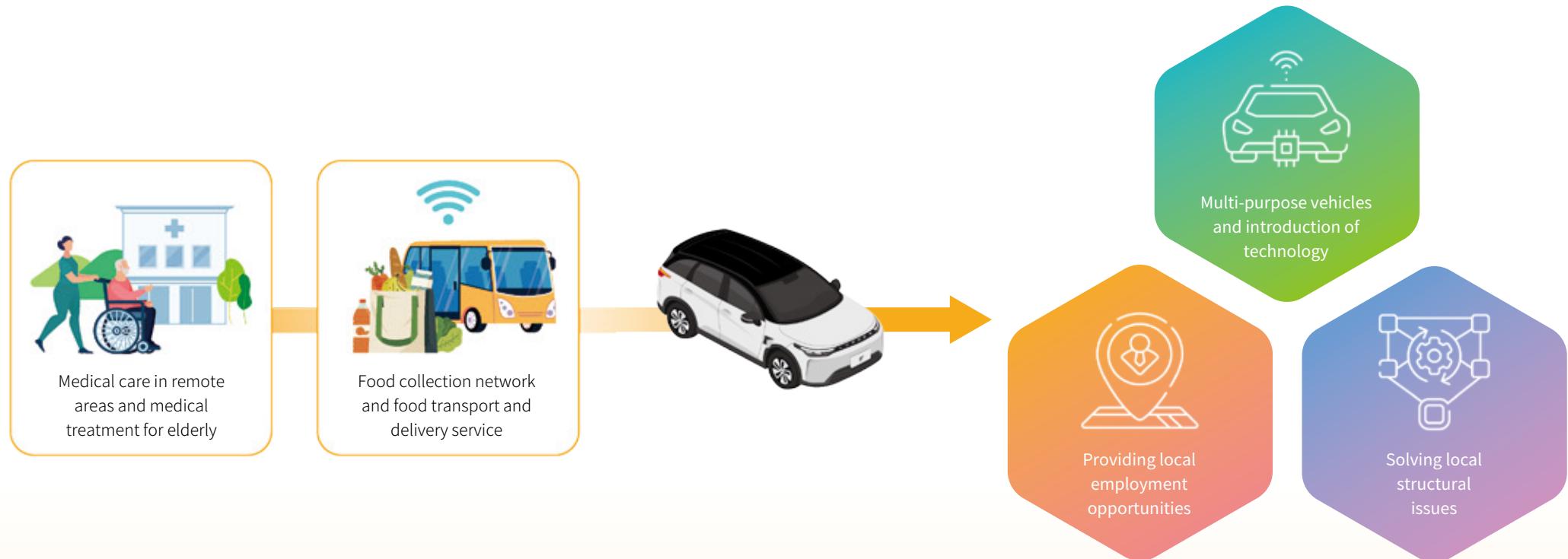
As of 2024, the “Love’s Miles” public welfare platform had offered mobility services to 31 non-profit organizations and student racing teams throughout Taiwan, totaling 461,354 kilometers and 54,943 trips. Yulon Motor has long been committed to issues such as biodiversity, environmental education, an aging society, and children’s welfare. In 2024, Yulon’s “Love’s Miles” public welfare platform continued its support for the “Happy Wheels: South Link Free Transportation Project,” which launched in 2019. Other than this, the platform also provided support to three organizations: “Friendly Seed,” the “uCup,” and the “Bornanew Youth Caring Association.”

Project Category	Topics of Concern	Units Yulon Motor Supports	“Love’s Miles” Usage Effectiveness	SDG Indicators	2024 “Love’s Miles” Usage
Aging society	<ul style="list-style-type: none"> Long-term elder care Remote healthcare access Elderly care 				
Medical/ Healthcare	<ul style="list-style-type: none"> Medical care in remote areas Access to healthcare in remote areas Child welfare 	South Link Association	Provide local residents with flexible, point-to-point free medical transportation, reducing healthcare access costs in rural areas.	    	
Environmental protection		Friendly Seed	Through outdoor learning experiences, we promote nature conservation and education across Taiwan, allowing participants to connect with and learn about the natural world.	    	<ul style="list-style-type: none"> Traveled 245,373 kilometers Total of 3,476 people served
	<ul style="list-style-type: none"> Environmental education Environmental action Ecological conservation 	uCup Sustainable cup platform	Reduce the heavy logistics burden of regularly washing and shipping cups, while quickly increasing warehouse locations	  	
Empower the disadvantaged	<ul style="list-style-type: none"> Disadvantaged empowerment Digital equity Child and youth protection 		Leveraging flexible shared vehicle resources expands opportunities for rehabilitated young people to participate in corporate visits and skills training (like catering and performing arts), helping them find their passions and develop a sense of self.	    	
Social development	<ul style="list-style-type: none"> Youth empowerment Gender equity Regional revitalization Cultural equity 	Bornanew Youth Caring Association			

Happy Wheels Welfare Project at South Link

“Improving transportation can improve a whole family’s life.” Yulon Motor, aware of the long-term resource shortages and transportation difficulties in Taiwan’s rural areas, launched two projects in 2019 – “Happy Wheels- South Link Free Transportation” – by utilizing its expertise and consolidating Group resources to focus on the Southern Link area, which has a sustained need for better transportation.

Framework of the “Happy Wheels” project



1. Easy Transportation in the South Link Area: Accessing Healthcare in Remote Areas

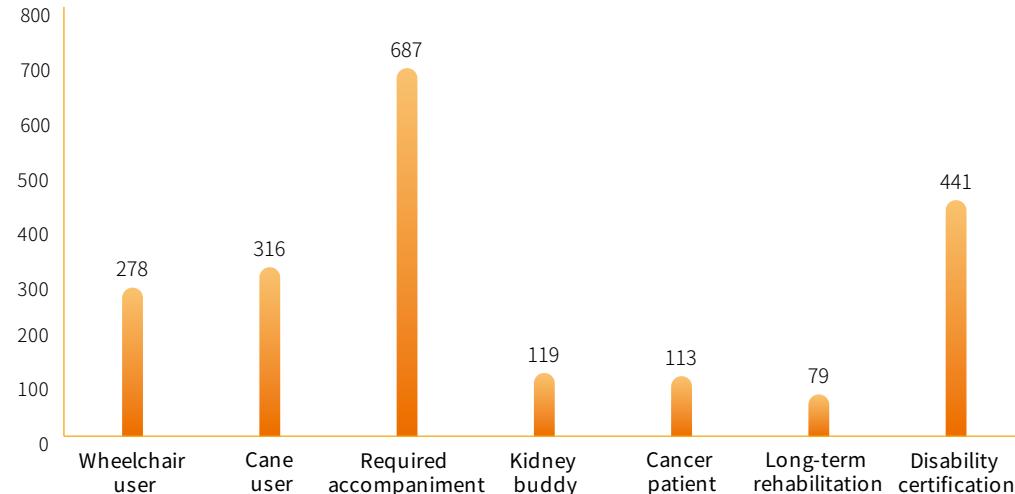
Based on the concept of “donating services instead of vehicles,” a “vehicle service” model was designed to meet local needs. The idea is to utilize five accessible vehicles and an innovative dispatch system to provide local residents with free, flexible, on-demand transportation services, including point-to-point trips, scheduled bookings, and ride-sharing. To assist the Association of South Link Care Promotion for Taitung County (South Link Association) with vehicle booking and flexible allocation, and to allow the project management team to analyze, track, and optimize services in real time, we have integrated the concept of shared mobility to maximize impact and planned a smart, technology-assisted dispatch system. In addition, the South Link Association helps residents register for appointments, improving the efficiency of medical visits and establishing a new smart healthcare sharing model focused on patient care in remote areas. Moreover, through a vehicle dispatch system combined with volunteer driver training – including courses on vehicle operation, first aid, and system usage – we hope to harness local resources to build a community-based green channel for medical access. Since 2019, we have served 29,005 residents in the South Link area, totaling over 1.4 million kilometers traveled.

South Link Service Area



2024 Happy Wheels Service Statistics

Health condition of the individual



Number of people served



Happy Wheels – Easy Transportation in the South Link Area – Feedback from a Medical Transport Driver

- A medical vehicle driver

(South Link Association smart medical vehicle driver ○ -Ta Chu):

“Six years have flown by! Every morning, I get up at 5 a.m. to prepare the vehicle, pick up community members at 6 a.m., and arrive at Taitung Hospital for doctors’ appointment before 8 a.m. Together with other tribal drivers of Happy Wheels, we have taken on the challenging, yet incredibly rewarding, task of ensuring uninterrupted service in Taiwan’s most remote and inaccessible area!”

- The mother of a medical vehicle driver

(○ -Yi Chen, a South Link Association smart medical vehicle driver):

“Seeing my son lose his way after retirement, not coming home at night, until he took on the role of driver and found a new sense of purpose and responsibility. I realized that a vehicle could bring peace of mind to the whole family.”

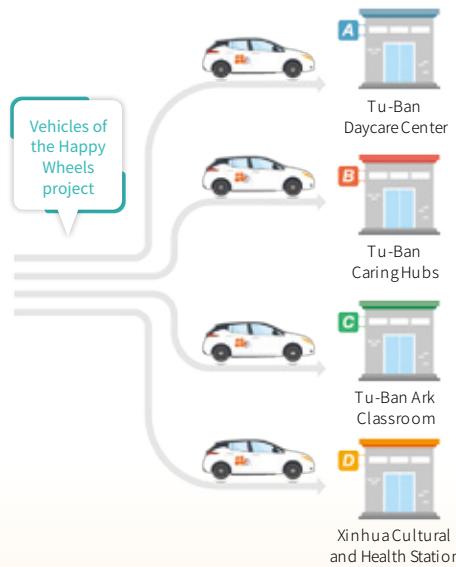


2. “1919 Food Bank” – Food Delivery Service

Because of the shortage of convenient transportation for both people and freight in remote areas, the high transportation cost and long transportation time have always been the pains in remote areas. If we cannot effectively integrate and share the limited transportation capacity, the transportation cost must remain high forever. Yulon Motor saw the local demand during the process of these projects and picked up the role as a matchmaker to connect the South Link Association with the “1919 Food Bank” and bring about their partnership, in which the South Link Association acts as a satellite site for coordination. The “Food Transport and Delivery Service” allows the more efficient, diverse and flexible use of transportation capacity in remote and tribal areas, and it will hopefully extend the lifespan of food and supply to groups in need in a timely manner.

Since 2022, we have gradually built a food collection network along the South Link Line in Taitung, gathered the existing vehicles of the Happy Wheel project, and had them deliver food to tribal residents in need through the 1919 Food Bank. Each delivery carries around 2,000 kilograms of supplies – including bread, meat, and vegetables – with 1-2 trips monthly, covering a 239-kilometer route. Through this sharing and distribution, over 8,064 lunches had been provided as of 2022 to places such as the South Link elderly care hubs and the Tu-Ban Ark Classroom.

1919 Food Bank – Food Transport and Delivery Service Model



1919 Food Bank – Food Transport and Delivery Service

The “Happy Wheels Welfare Project at South Link” vehicle service replaces large-scale highway transportation with flexible passenger vans and uses electronic technology to track results, creating a highly mobile transportation network. This departs from traditional corporate vehicle donation models and is closely integrated with Yulon’s core business and values.

The complete transportation service also empowers the local indigenous drivers who know the local traffic and language the best. In doing so, we offer these drivers subsidies and work opportunities and create a supply-demand framework of long-term service. Yulon Motor accompanies the local community, gives birth to the local vision of sustainability and develop the regional revitalization program with our partners in public welfare to maintain the positive impact in these areas. We aim to effectively utilize each transportation service to meet the “medical connection” and “supply transport” needs of the South Link area, addressing the challenge of high logistics costs and successfully continuing and enhancing the value of the “Happy Wheels” initiative. We aim to foster local hope through a cycle of positive impact, providing lasting and substantial support to society.

Item No.	Happy Wheels Sub-project	Stakeholder/service location	Description
1	Smart medical specialty vehicle	<ul style="list-style-type: none"> Medical transport service users: priority is given to low- and moderate-income households and individuals with mobility challenges Medical service drivers: Local retired middle-aged individuals 	Equipping five accessible vehicles with an innovative dispatch system module provides local residents with free, flexible, on-demand transportation services – including point-to-point, scheduled rides, and ride-sharing – to improve healthcare access and bridge the final mile in remote areas.
2	1919 Food Bank	<ul style="list-style-type: none"> Tu-Ban Daycare Center Tu-Ban Caring Hubs Tu-Ban Ark Classroom Xinhua Cultural and Health Station 	The South Link Association as a coordinating hub being the “Food Transport and Delivery Service” allows the more efficient, diverse and flexible use of transportation capacity in remote and tribal areas, and it will hopefully extend the lifespan of food and supply to groups in need in a timely manner.

- Friendly Seed

Through Yulon’s “Love’s Miles” publishing welfare platform, an environmentally focused team promotes sustainability education through outdoor learning and environmental activities, fostering collaboration between the public and private sectors. This initiative aims to encourage environmental action and sustainable lifestyles while supporting the transition to net-zero emissions and implementing biodiversity conservation. We are committed to promoting knowledge of natural conservation and biodiversity across Taiwan, and leading participants to discover its rich and beautiful ecosystems, experience local cultures, and understand the harmonious relationship between people and nature. We strive to inspire environmental action and embed the principles of terrestrial and marine ecosystem conservation in the next generation. Tian Dong Rice, an environmentally friendly variety cultivated by Friendly Seed to support waterfowl, was grown in Zhuangwei Township, Yilan County in 2024. Activities included scattering rice bran, weeding ridge grass, and removing parrot’s feather were carried out. Friendly Seed also observed birds using cameras, telescopes, and field guides, all in support of sustainable farming practices and waterfowl conservation.

- uCUP Platform

Through the diverse mobility solutions offered by the “Love’s Miles” public welfare platform, the uCUP team promotes the idea of “sustainable cup use.” Through “cup washing, transportation, and distribution” at various locations, the uCUP team effectively lowers logistical costs and rapidly expands sustainable cup availability across Taiwan. This provides convenient cup rental and usage services to consumers, and has, to date, reduced the use of over 100,000 single-use cups.



Friendly Seed using “Love’s Miles” through visits to farms in Zhuangwei Township, Yilan County
Assisting local communities in weeding ridge grass and removing parrot’s feather



- Bornanew Youth Caring Association

The flexible shared vehicle resources of the “Love's Miles” public welfare platform help the Bornanew Youth Caring Association – which has a long-standing partnership with juvenile detention centers and correctional schools – reduce travel time and costs. This allows them to dedicate more resources to supporting and caring for children and adolescents, and to enhance skills development for rehabilitated youth through opportunities like family outings, corporate visits, culinary training, and performing arts, fostering their interests and sense of identity. This allows more care and support resources to reach rehabilitated young people, alleviating issues such as poverty and providing quality education. The platform also offers vocational training opportunities to help these young people reintegrate into society.

The “Love's Miles” public welfare platform helps social enterprises throughout Taiwan – those dedicated to rural healthcare, education, and children’s welfare – eliminate transportation hassles, allowing them to focus more on their core work in the course of providing services. The platform also enables ideas previously stalled by logistical hurdles to reach further. In 2024, the platform was honored with the “Most Social Impact” award in the “Public Welfare Innovation – Application 100” program run by the Administration for Digital Industries, MODA, and a Special Award “2024 Buying Power Social Innovation Products and Services Procurement Incentive Mechanism” by the Ministry of Economic Affairs.

At the end of 2024, Yulon hosted a Results Sharing Conference for “Love's Miles,” gathering supporting companies and social enterprises from various sectors. The goal was to identify potential transportation needs through idea exchange and results sharing, expanding future transportation innovation solutions and becoming a leading force in promoting “shared mobility” initiatives. In the future, the “Love's Miles” will continue to expand the possibilities for connecting people, vehicles, and charitable causes, beginning with improving mobility for those with limited access to linking more compassionate and sustainable initiatives. On the journey of mobility, we accumulate not only trips and mileage, but also discover stories from communities across the country, working to address inequalities created by distance.



Awarded the Special Prize in “2024 Buying Power – Social Innovation Product and Service Procurement Reward Mechanism”



2024 Results Sharing Conference for
“Love's Miles”

6-2 Arts and Culture – Moving Forward Together

Wood Sculpture Culture



Yulon Motor established its main operations in Sanyi, Miaoli in 1995, and has since actively engaged with the government and local community through its Public Relations Department. The Company deeply believes that the area's century-old wood sculpture culture has gradually faded due to economic hardship and competition from cheaper alternatives. Sanyi has moved from once thriving with export prosperity to the current situation of declining storefronts and a loss of creative momentum. As a local enterprise, Yulon Motor has operated under the principle of "taking from society and giving back to society" since its founding. With a commitment to connecting local culture with corporate resources, we organized 17 "Yulon Wood Carving Innovation Awards" from 1997 to 2013. By offering significant prize money, the awards aimed to attract Wood Sculpture creators from all over the country with a substantial number of prizes, thereby revitalizing both the wood sculpture industry and the local Sanyi community. Since 2014, Yulon Motor has cooperated with the Miaoli County Government for resource integration by converting the budget for holding the "Yulon Wood Sculpture Innovation Awards" into an annual sponsorship of NT\$2 million for the "Taiwan International Wood Sculpture Innovation Competition" hosted by the government. We provide a prize of NT\$300,000 each for the "Yulon Wood Sculpture Heritage Award" and the "Yulon Wood Sculpture Innovation Award." 2024 marked the 11th year of the sponsorship, and the total amount sponsored exceeded NT\$27.5 million. We hope to encourage the creation of outstanding Wood Sculpture art and drive creators to continually inject ample energy into the Taiwanese Wood Sculpture industry through these awards, ultimately opening up the conversation between Taiwanese contemporary Wood Sculpture art and the world. In 2024, we provided employees with free tickets to Sanyi Wood Sculpture Museum to encourage them to appreciate the beauty of wood sculptures. On top of the elevated knowledge in art, we also hope to promote local tourism, arts and culture in Sanyi. Besides the sponsorship of the Taiwan International Competition of Wood Sculpture, in order to pass on the waning art of wood sculpture in Taiwan, Yulon Motor is determined to take root in the local culture of Sanyi by setting aside special budget to support Sanyi Senior High School in the development of a wood sculpture club and relevant courses since 2016. As of 2024, we have sponsored over NT\$350,000 and trained over 150 persons in total.



Sanyi students studying wood sculpture
Taiwan International Competition of Wood Sculpture



Sanshi students are taking part
in wood carving courses and club activities.

Sponsorship for Miaoli County Choir in Taiwan Grand Concert

In February 2024, the FORMOSA Concert Association in Tokyo, Japan, invited the Miaoli County Choir to participate in “Taiwan Grand Concert” on July 4, 2024, in Toyosu, Tokyo. The Miaoli County Choir aimed to showcase Taiwan’s beautiful folk songs on the concert stage in Tokyo, Japan, demonstrating the vocal prowess of Miaoli County’s performing arts groups and bringing pride to both Miaoli County and Taiwan. With a sponsorship of NT\$200,000 from Yulon Motor, this international event sought to foster cultural understanding between Taiwan and Japan, promoting Taiwan’s musical heritage.



YES!LIFE Yulon City - Paper Windmill Theatre's "Deep Sea Fish Theatre"



Miaoli County Choir in Taiwan Grand Concert

Promoting Equity in Arts and Culture

In 2024, Yulon Motor invested NT\$1.2 million during the 10th-anniversary celebration at “YES!LIFE Yulon City,” the largest shopping mall in New Taipei City, featuring a performance of “Deep Sea Fish Theatre” by the Paper Windmill Theatre. A distinctive art truck staged three consecutive performances in October 2024 at the rear plaza of Pinpai Road in Xindian. The event welcomed students from 18 elementary schools across the city and was attended by Yu Wen, the deputy director of New Taipei City Government’s Department of Cultural Affairs. The first performance attracted 1,800 attendees, the second 3,000, and the third 2,500, for an estimated total attendance of approximately 7,300. This free public performance reinforced Yulon Group and Yulon Motor’s commitment to promoting equal access to the arts and culture.

In addition, to continuously create enriching experiences for all, Yulon Motor collaborated with the Fubon Cultural & Educational Foundation during its anniversary celebrations to invest NT\$300,000 in a special parent-child cinema event on October 5, 12, and 19. The event featured carefully selected animations, short films from the Taiwan International Children’s Film Festival, and high-quality Taiwanese films, offering diverse themes and audiovisual works to inspire children’s perceptions and thinking, and to help them learn through film. A magic show and balloon giveaways were also arranged after the screenings, with a total of 517 participants.

YES!LIFE Yulon City - Special Film Screenings for Families



6-3 Talent and Education – Cultivating Talent, Building a Future Together

Scholarship Program

In order to encourage the students in Miaoli and Sanyi Township, where the Company is located, to study hard, we have set up the “Yulon Sanyi Scholarship” and the “Yulon Motor Youth Empowerment Scholarship” to reward and support elementary school and junior high school students in Sanyi Township, and high school/vocational high school students in Miaoli County who are enrolled in designated schools in automobile-related disciplines. In 2024, we granted a total scholarship of NT\$650,000 to 431 students.



■ Scholarship program



■ Yulon Luxgen Dinos titled the SBL Championship in 2024



■ Yulon Children's Basketball Summer Camp

Support for Yulon Motor's Basketball Team

In 1965, Yulon Motor established its basketball team and became the first private enterprise in Taiwan to support a basketball team. Ever since, Yulon Motor has been committed to the development and inheritance of domestic basketball and sports activities for all. We have trained athletes for the nation, and, in 1992, officially formed the professional basketball team “Yulon Luxgen Dinos,” which has been funded by a large amount of corporate resources every year without disruption. In 2024, Yulon Motor sponsored Yulon Luxgen Dinos in an amount of NT\$21.6 million, and about 17 players were therefore benefited. Meanwhile, we also joined the Group to host the “Basketball Family Day” encouraging employees to cheer for Yulon Luxgen Dinos at the game with their family and feel the charm of basketball and passion of the fans. Yulon Luxgen Dinos, on the other hand, could give its all in the game and reach new heights. As a result, Yulon Luxgen Dinos won the SBL championship again in May 2024. We also offer the most people-oriented support and placement in players' career development. After they retire, they can work either as basketball trainers or in other positions arranged based on their personal will and interests.

Yulon Children's Basketball Summer Camp

We have been promoting basketball in Taiwan for a long time and have been holding the “Yulon Children's Basketball Summer Camp” since 2015, which is open for free enrollment for employees' children and students in grade 3 or above from elementary schools in Sanyi Township every summer. The Yulon Luxgen basketball team members are coaching the camp, teaching the students in Sanyi Township proper basketball knowledge and skills, and piquing their interest in the sport. Since the inception, there have always been overwhelming demands for the camp (the basketball camp was suspended during the COVID-19 pandemic in 2021 and 2022). In 2024, we invited coaches who won the SBL championship in May again to host the healthy and leisurely summer educational and entertaining activity for elementary school students in Sanyi Township, and it once again received great support and recognition from the community in Sanyi. Yulon Motor adheres to its social responsibilities of giving back to the community and taking care of employees by increasing the coverage of the event to include Xindian, the area where the Group's headquarters are located and inviting employees' families and students from adjacent areas to attend for free in the hope to inspire more students. As a result, more than 200 persons were enrolled in this camp. Since its launch in 2015, the Company has totally spent over NT\$1.6 million in organizing the Yulon Children's Basketball Summer Camp, in which nearly 900 students have participated.

Highlight 01

Advancing into Schools – Fostering Youth News Reporting Skills and Media Literacy.

In 1986, before the lifting of press restrictions, Yulon Motor's President Vivian Wu established the "Vivian Wu Journalism Award Foundation," motivated by a sense of corporate social responsibility and mission. President Wu also created the "Vivian Wu Journalism Awards" to support news media in producing high-quality reporting and fostering social impact. Over the years, the Foundation has consistently selected impartial scholars and journalists to serve as judges, recognizing excellent reporters and strengthening the positive influence of print media on society.

Beginning in 2023, we began holding the "Vivian Wu Journalism Award Campus Forum," to invite award-winning journalists to share their experiences. By leveraging the practical experience of past winners, we hope to spark enthusiasm among students in journalism-related fields for future careers in the industry. That same year, the award expanded to include the [Kenneth Yen Sustainable Development Journalism Award], encouraging journalists to cover sustainability issues. In 2024, we invited veteran journalists from United Daily News to discuss their insights and experiences with over 100 students from National Chengchi University and Fu Jen Catholic University. The forum was met with strong enthusiasm, with the goal of passing on knowledge and building a solid foundation in journalism among the students.

In an era of rapid and explosive information flow, AI technology has significantly lowered the cost of creating misinformation, making false news and information abuse among the most serious global risks in the next two years. The investigative skills, interpersonal interviews, and on-site reporting – "human professional capabilities" – of journalists are becoming irreplaceable assets. The Vivian Wu Journalism Award promotes objective and impartial news reporting by publicly recognizing genuine fact-checking and ethical journalism. The awards include categories for "In-depth Reporting – Text Category," "In-depth Reporting – Video Category," and "In-depth Reporting – Integrated Media Category," along with non-category awards such as the "Investigative Reporting Award" and "International News Reporting Award." These awards encourage high-quality, professional journalism and affirm thorough investigation, rigorous fact-checking, and ethical practices, with the aim of establishing journalism as a cornerstone of social progress.

The 38th Vivian Wu Journalism Award ceremony was held in December 2024, with New Taipei City Mayor You-Yi Hou attending as a guest of honor. This year's awards included the "In-depth Reporting Award – Text Category, In-depth Reporting Award – Video Category, and In-depth Reporting Award – Integrated Media Category"; along with the uncategorized "Investigative Reporting Award," "International News Reporting Award," "News Photography Award," "Student News Reporting Award," and "Kenneth Yen Sustainable Development Journalism Award," for a total of eight major awards with a prize pool of nearly NT\$2 million per year. A total of 519 entries were submitted, and 44 were selected as finalists. By rewarding journalists who share these values, we hope to encourage a stronger commitment to impartiality and objectivity in the media, enabling them to fearlessly challenge power and resist interference in order to safeguard the public's right to information and move society toward a more open, rational, and progressive future.

Year	Campus	Interviewee(s)	Topic	Number of participants
2023	<ul style="list-style-type: none"> National Chengchi University Shih Hsin University 	<ul style="list-style-type: none"> Chief Content Officer Mao-Chen Wang, United Daily News. Editor-in-Chief Ling-Chia Fan, United Daily News. News Department Curation & Operations Center Director Hsiu-Tzu Lin (Panel Discussion), United Daily News. Head of Innovation & Curation Hsin-Tzu Hung (Panel Discussion), United Daily News. 	Driving Social Innovation: How Media Can Make a Social Impact	<ul style="list-style-type: none"> National Chengchi University – 96 people Shih Hsin University – 54 people
2024	<ul style="list-style-type: none"> Chinese Culture University Fu Jen Catholic University 	<ul style="list-style-type: none"> Chief Content Officer Mao-Chen Wang, United Daily News. Deputy Editor-in-Chief of the News Department Hui-Ping Tsai, United Daily News. Convener of the Political Center, News Department Li-An Hou, United Daily News. News Department Curation & Operations Center Director Hsiu-Tzu Lin (Panel Discussion), United Daily News. Head of Innovation & Curation Hsin-Tzu Hung (Panel Discussion), United Daily News. 	<ol style="list-style-type: none"> Innovative Storytelling x New Perspectives to See the News Leveraging digital tools to create an award-winning special feature 	<ul style="list-style-type: none"> Chinese Culture University 63 people Fu Jen Catholic University 80 people



Highlight 02

Inheritance of automotive craftsmanship under the private brand: Take actions to cultivate automotive R&D talents in Taiwan

Since its inception in 1953, Yulon Motor has never ever stopped moving forward. With its commitment to endlessly growing mobility value, it has worked with other enterprises of the Group to foster the R&D of forward-looking engineering technologies for the automotive industry in Taiwan. Since its foundation in 1974, the Yen Tjing Ling Industrial Development Foundation has been fostering industry-academia collaboration, providing technical services, and investing in forward-looking engineering and technology R&D by integrating the academic strengths and human resources of National Taiwan University and National Cheng Kung University.

For increasing the R&D capacity of the automotive industry and ensuring the quality and supply of talents in the industry, we conducted an evaluation on the society in Sanyi Township, Miaoli, where our main operations are located, and built a development plan catering for the local demands while engaging in the industry-academia cooperation program (please refer to 5-1-2 Development and Training of Talents) and the scholarship program so as to expand the talent pool of the automotive industry.

▶ 5-1-2 Development and Training of Talents

Evaluation on the automotive industry and talents in the society

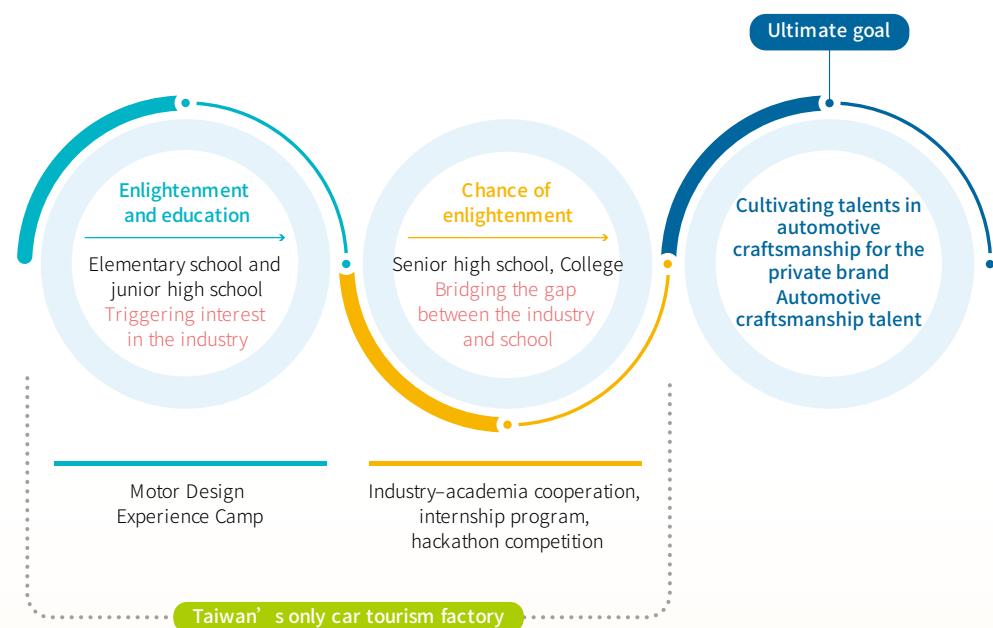
1. The gap between the industry and the academia:

Yulon Motor connects with various academic institutions within the network of Yen Tjing Ling Industrial Development Foundation to carry out regular industry-academia cooperation R&D projects and provide students with the internship opportunities so as to bring school education closer to real practices and address the education-practice gap.

2. The demand for talents:

The automotive industry is a technology- and capital-intensive industry with a gigantic industry chain and involves a wide array of related industries, so a comprehensive automotive industry requires a large number and diverse technical talents in R&D, manufacturing, sourcing, marketing, management, and maintenance and repair.

Graph of Yulon Motor's industry talent development plan



- Project 1: Industry-Academia Partnership Project

We invest R&D resources in areas such as talent cultivation, mechanical research, electronic control, and materials science to establish and improve Taiwan's automotive industry and related supply chains. A total of NT\$5.45 million was input in 2024

School name	Plan content
Department of Materials Science and Engineering, National Cheng Kung University	Research on the characteristics of nickel-aluminum terminal welding and improvement of aluminum blowhole defects
Department of Refrigeration, Air Conditioning and Energy Engineering, National Taipei University of Science and Technology	AI technology development measurement for YL RACK battery state of charge (SOC) and state of health (SOH).
Department of Mechanical Engineering, National Taiwan University of Science and Technology	Identifying glass coating quality using machine vision and artificial intelligence
Department of Computer Science and Engineering, National Chung Hsing University	Applying generative AI to optimize logistics and berth allocation.
Department of Mechanical Engineering, National Taiwan University of Science and Technology	RV spray booth air velocity and balanced automated control integration system

- Project 2: NCKU Formula Racing

Yulon utilizes its core competencies and rich automotive manufacturing experience by partnering with the Yen Tjing Ling Industrial Development Foundation to foster the car-building aspirations of Taiwanese students. This support extends to both the competition itself and six racing teams, encompassing sponsorship for race car R&D and parts fabrication. Through participation in and organization of the event, industrial technologies are exchanged and further developed. In addition, Yulon Group's Carplus Auto Leasing provided daily van rentals for student racing teams to transport race cars to test tracks throughout Taiwan, completing 20 trips and totaling almost 4,000 kilometers.



2024 Formula Student Taiwan (FST)



Taiwan Tech Racing



From 2021 to 2024, Yulon Motor and the Yen Tjing Ling Industrial Development Foundation jointly invested more than NT\$10 million. With sponsorship, provision of technical support, on-site recruitment and internship offers, Yulon Motor has fully shown its ambition and commitment to driving the development of Taiwan's automotive industry value chain and it hopes to motivate students' interests in technology and engineering and inspire them to have a better understanding of the automotive industry. By the active cultivation of future car manufacturing talents and take the root of industrial technology downward, Yulon Motor can continue its dream in independent R&D and car manufacturing while acting as the pilot on these students' paths to dreams and becoming a significant influencer for cultivating industrial professionals in Taiwan.

Total investment by Yulon Motor and the Yen Tjing Ling Industrial Development Foundation in the Formula Racing Team over the past three years



Note: The 2023 sponsorships included the FST Cup and the racing teams of National Taiwan University of Science and Technology, National Cheng Kung University, National Yang Ming Chiao Tung University, and National Kaohsiung University of Science and Technology.

- Project 3: Industrial Development and Promotion Plan

In 2024, Yulon Motor launched Taiwan's only domestically produced electric passenger vehicle, the Luxgen n⁷, and partnered with STEAN Laboratory to develop Taiwan's exclusive EV with an adjustable chassis, battery, and voltage. The principles of EVs were condensed into the "EV R&D Workshop" curriculum, where children were able to assemble the chassis, battery, voltage, and body of the vehicle independently. The workshop culminated in testing their handmade EVs on a test track – driving, going off-road, and braking – inspiring scientific and engineering thought and demonstrating the potential of green transportation. Through repeated testing and adjustments, children also developed problem-solving skills. Starting from the ground up, we are investing in R&D to cultivate industry talent and drive the growth of the EV sector.

We have also established the first tour factory of the automotive industry in Taiwan, in which the general public is able to have a better understanding of automotive craftsmanship through the activities, tour and experience offered, to convey the craftsmanship, innovative image of the brand and car manufacturing technology. Since the launch of this project in 2018, we have invested a total of NT\$12,079,000 in the tourism factory. In 2019, we began donating 10% of the quarterly revenue from the Yulon Car Experience Center to organizations supporting the underprivileged, including Yu An Children's Home, Huashan Social Welfare Foundation Sanyi Branch, Guangai Facility, and St. Francis Xavier Home for Children and Juveniles. As of 2024, our donations totaled NT\$360,000. In addition to promoting automotive industry education, we will also support disadvantaged communities and broaden our positive social impact.

Yulon Car Experience Center in Recent Years

Year	2018	2019	2020	2021	2022	2023	2024
Number of visitors	6,614	14,000	5,825	3,407	2,152	5,368	6,530
Donation amount	-	77,000	66,000	33,000	22,000	59,000	104,638



Yulon Car Experience Center evaluation and license



Understanding the manufacturing process at the pressing factory by touching the sheet metal



Open to junior high school and elementary school field trips

6-4 Corporate Philanthropy – Building Social Resilience Together

“Love Unstoppable”

Yulon has facilitated the ESG development for a long time. In order to address the blood shortage, Yulon Volunteer Club organized two blood donation events in the first and second halves of the year to call employees for blood donation and love, and it received an enthusiastic response from employees. In total, 51,750cc of blood was collected, and 147 persons participated in these two events to help people who need a blood transfusion. Through these events, we put the concept of “blood donation with love, it's good to meet Yu” into practice and continue the hope for love.



Blood donation campaign



Donation of accident insurance premium

Adopting 100 Street Lamps in Sanyi to Light Up Driving Safety

Yulon Motor has its prolonged standing in Sanyi Township, which is often covered with fog, resulting in very low visibility due to its special landform. In order to improve safety of road users, Yulon Motor has sponsored the electricity bill of 100 street lamps at several busy traffic junctions in Sanyi Township – including interchanges, Provincial Highway 13, and Xihu Village—since 2013. It was the 11th year of the sponsorship, and we have totally donated over NT\$500,000. We hope that when road users travel in a low-visibility environment, those street lamps can play an important role in providing the general public with good driving safety protection and increase road traffic safety.

Circular Resource Collection Campaign

Yulon Motor is fostering a “low-carbon lifestyle” among its employees and launched a “Circular Resource Collection Campaign” on Earth Day, April 22, 2024. The initiative included “Wellness Workshop” to introduce the principles of decluttering, combined with the “Resource Collection Campaign” to encourage employees to put “public welfare & environmental protection” into practice in their everyday lives.

During the campaign, employees were encouraged to donate unwanted household items, reducing waste and supporting charitable organizations, actively contributing to climate action and social good. A total of 877 items were collected during the campaign, weighing 182.1 kg, and reduced carbon emissions by approximately 62 kgCO₂e. We successfully connected with nine charitable organizations across Taiwan through the GC Network. Nearly 100 employees and 25 volunteers participated, supporting the UN SDGs: Goal 10 (Reduced Inequalities), Goal 11 (Sustainable Cities and Communities), Goal 12 (Responsible Consumption and Production), Goal 13 (Climate Action), and Goal 17 (Partnerships for the Goals).



Heartwarming Donation



Circular Resource Collection Campaign Volunteer Group Photo

Heartwarming Donation

The Volunteer Club of Yulon Motor is a social welfare unit that has helped disadvantaged groups and people with physical or mental disability for a long time. It organized the “New Year Warmhearted Donation” activity at the end of 2024. With the efforts of all participants of the Yulon Volunteer Club, a total of NT\$752,000 was raised from the managers and employees of Yulon Motor and Yulon Nissan Motor. The Volunteer Club delivered the money in person to 8 units as follows: Warm Kitchen, Kuang-Ai Education and Nursing Institute, Yu-An Education and Nursing Institute, Ming-Te Education and Nursing Institute, Huashan Social Welfare Foundation, Genesis Social Welfare Foundation, St. Francis Xavier Home for Children and Juvenile, and Love Dog.



Circular Resource Collection Campaign Photo

6-5 Diversity and Inclusion – Building a Fair and Inclusive Society

Supporting the Down Syndrome Foundation with Advocacy Efforts

Yulon Motor prioritizes sustainability and community engagement, supporting the Down Syndrome Foundation's initiatives. To mark World Down Syndrome Day on March 21st, a public exhibition called "Let the World See Us" was held at YES!LIFE Yulon City in March, employing engaging design to foster a deeper understanding of the lives of people with Down syndrome. In addition, YES!LIFE Yulon City invited eslite, Vieshow Cinemas, and other merchants to participate in the Down syndrome-friendly stores. Through on-site promotions, we aimed to integrate children with Down syndrome into the everyday life of Yulon City, and to increase public understanding and appreciation for children with Down syndrome and their families.

In addition, Yulon Motor, together with other companies in the Group, donated NT\$2 million to the "Potential Workshop" self-sufficiency program of the Down Syndrome Foundation. This program provides independent living training for children who are capable of working. There are 11 workshops across Taiwan, serving a total of 200 people. Yulon also encouraged all employees to purchase Down Syndrome Foundation's specially designed 3=2+1 charity asymmetrical sock gift set, showing their support for people with Down syndrome and their families.

Keep it up!

Yen Chen Li-Lien, CEO, stated that every child is unique, and diversity and inclusion are among Taiwan's most cherished values. Yulon is dedicated to fostering a welcoming and inclusive environment where children in its care can integrate fully into society and have more opportunities to be seen and recognized. YES! LIFE Yulon City is not only the birthplace of the Yulon Group but also a place where the Group is building an inclusive and diverse mall while practicing ESG principles. By providing care and support to families affected by Down syndrome, we demonstrate our commitment to inclusivity, acceptance of diversity, and an equitable society for all.



Supporting the Down Syndrome Foundation with advocacy efforts



Practicing children's imagination in public spaces: Yulon and corporate partners form a "Kids Team" to build a diverse and friendly future city.

Yulon Motor, along with Yulon Group, the Fubon Cultural & Educational Foundation, Carrefour, the Travel & Reading Foundation, and Beyond Playmaking, hosted an event on October 19, 2024, on Ketagalan Boulevard to support children's rights and promote Taiwan's freedom and democracy. The grand "City of Children" event was designed with a child-friendly approach and spatial considerations. Featuring over 20 fun, interactive activities, the event included a free play area, the You Love Future Car Factory, a Carrefour food court, a Fun Market, a Momo Mini open-air cinema, and a storytelling corner. A total of 22 companies and NGOs collaborated, and over 15,000 people participated in creating a child-friendly city that embodies children's future hopes for Taiwan.

Yulon Motor, under the theme of “You Love! Future Car Factory,” brought the body, paint, and vehicle assembly shop of its Sanyi Plant to Ketagalan Avenue. The event encouraged children to create their own unique cardboard cars on the production line. Before final release, their cardboard cars must pass testing at the testing center to obtain an “OK stamp” for official production. Even Taipei Mayor Chiang Wan-An joined in and donned a handmade cardboard car and followed the young tour guides as they played along Ketagalan Boulevard. He experienced streets designed to respect pedestrians, allowing for safe walking and resting, constantly uncovering the delightful surprises created by children in the city.



City of Children – You Love! Future Car Factory



City of Children – Yulon Seedling Initiative

In addition, Yulon Motor partnered with the Taiwan Reforestation Association on its native forest restoration project to launch the “Yulon Seedling Initiative.” The initiative featured interactive games focused on environmental protection. A Taiwan native tree seedling was planted for each child participating and pledging their support. The event also invited Minister Chi-Ming Peng of the Ministry of Environment, who is dedicated to environmental sustainability in his urban travels, to co-host the initiative, leading to the planting of 236 native tree seedlings. Yulon Automotive hopes its seedlings will grow into robust trees, offering shade to future generations and fostering a nature-friendly environment for growth. This commitment reflects SDG 15 – Life on Land – by deeply embedding biodiversity and environmental education within the Company.

The “City of Children” is designed with children in mind, showcasing Taiwan’s innovation and commitment to sustainability and inclusion. Featuring 20 interactive activities created specifically for kids, the “City of Children” allowed children to explore workshops such as the EV Workshop and You Love! Future Car Factory, witnessing the energy of Taiwanese independent research and development and experiencing a recreated research, production, and testing process inspired by Taiwan’s automotive industry. Adults were able to see the world through children’s eyes, understanding the importance of coexisting harmoniously with the environment and creating a child-friendly atmosphere. They also restored native tree species and promoted safe streets, and eventually incorporated these values into their future lives.

Open to Orphanages' Visits

Responding to the arrival of Children's Day in April, Yulon Volunteer Club organized a "Love & Sharing" campaign to create unique memories for children. Thirty-five elementary school students from the Miaoli Taiwan Fund for Children and Families were invited to tour Yulon Motor's production line, and participated in a hands-on DIY car-making experience, allowing them to build their own vehicles and experience a sense of accomplishment.

To cherish the innocence of every child, colleagues from the Yulon Volunteer Club took students to a bookstore to select toys and stationery they loved, fulfilling their wishes. The students, in turn, presented a special ocarina performance, and their earnestness, along with the beautiful music, added a touch of love and warmth to Children's Day 2024, making the Yulon Volunteer Club's support even more meaningful.

Environmental Cleaning and Caring Activities for the Solitary Elderly.

In July, Yulon Volunteer Club led nearly 20 volunteers to visit elderly individuals with disabilities living alone in Sanyi, in partnership with the Huashan Social Welfare Foundation. Together, they cleaned and organized the interiors and yards of the elders' homes, sorting and removing clutter, and assisted with repairs and replacements of old items. By pooling the efforts of all participants, they put practical care into action, aiming to create a safer living environment for the elderly and show them the warmth and support of the community.



Environmental cleaning and caring activities for the solitary elderly.

Total amount input in social welfare of Yulon Motor in the most recent 3 years

Year	2022	2023	2024
Fund (NTD)	29,903,663	9,512,681	10,617,221
Total number of participants	286	2,218	2,363
Total service time (hours)	582	955	2,287

Note 1: The donations in 2022 included Yulon City's donation to Green Lake Park.

CHAPTER

Environmental Protection

Promotion of Net Zero Emissions and Waste Reduction

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2024 SUSTAINABILITY REPORT



Material issue

GHG emissions

Performance highlights

- ◆ Since 2017, the Sanyi plant has been equipped with solar photovoltaic systems, and until now the cumulative capacity has reached **15.6 MW**
- ◆ The waste reuse rates for the most recent 5 years has been kept above 90%. In 2024, **94.19%** of the total waste amounting to **5,330 metric tons** was recycled.
- ◆ The carbon emissions were reduced by **2,170 metric tons**, from **10,986 metric tons** (scopes 1 and 2) in 2023 to **8,816 metric tons** (scopes 1 and 2) in 2024, an achievement of the yearly goal of **19.75%** reduction in greenhouse gas emissions.

Major stakeholders

Governmental agencies/associations, shareholders/Investors, customers, external rating agencies, community



Oriented toward “People, Vehicle, Coexistence with Nature,” we take the initiative to respond to the goal of net-zero emissions and the slowdown of climate change, devise proper climate strategies, implement environmental management goals, and promote sustainable material circulation to reduce the carbon footprint of the entire corporate value chain. We have also been active in promoting green manufacturing and developing low-carbon EVs in recent years aiming to pose more positive impact on environmental sustainability through our innovation in green technology. With respect to the introduction of green energy, we established the solar power generation system with the goal of deploying a total of 17MW solar power in 2025. We urge ourselves to become a green corporate benchmark, implement green operations and coexist with environment.

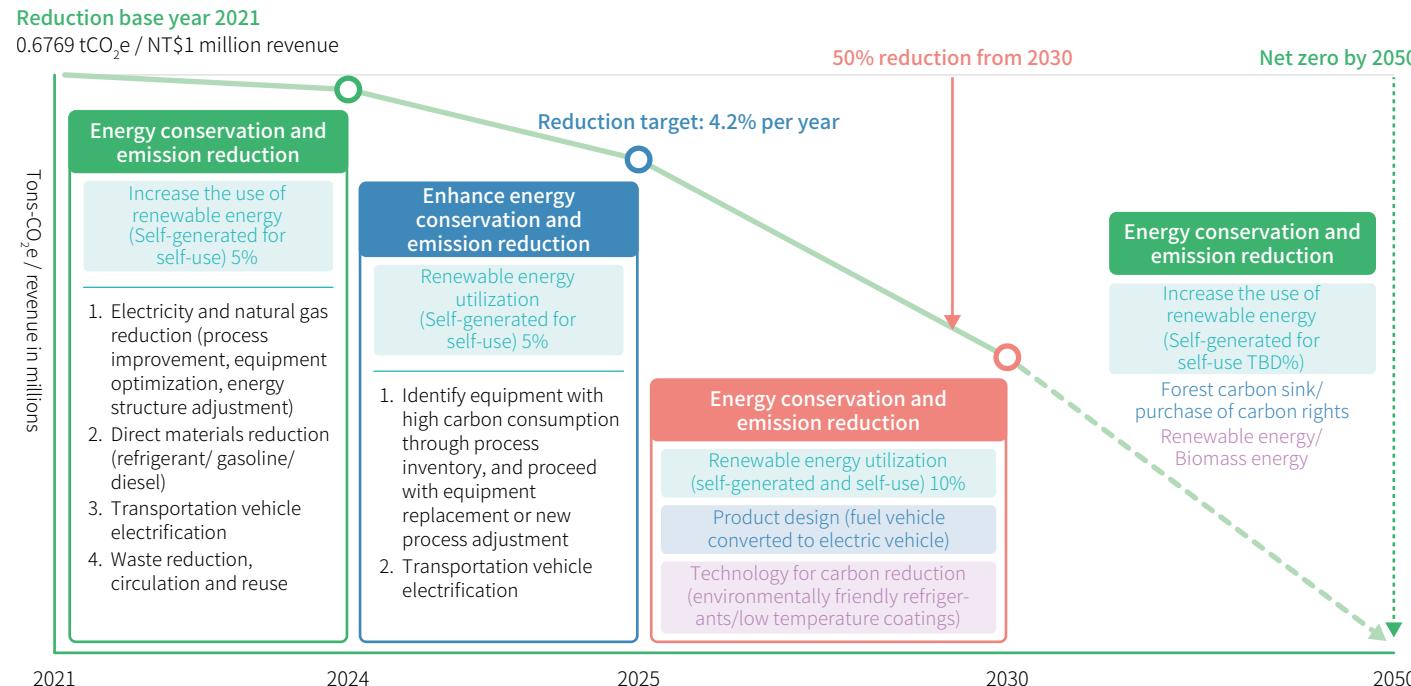
7-1 Climate Change Management

Management Approach to Climate Strategy

Significance to Yulon Motor	On the path to creating the “mobility value,” Yulon Motor expects itself to contribute to the Earth and environment. On top of compliance with the environmental policy of the government, we also put the environmental management policy into practice and set the goals for short-, mid- and long-term environmental performance. By setting relevant specific performance goals, we implement climate change risk management and promote energy saving and carbon reduction.		
Policy and commitment	We evaluate the possibility, level and difficulty in quantification of impacts related to climate and set a linearly decreasing goal for the GHG reduction. We will reach the milestone of 2050 net zero emissions with the climate response strategies, such as energy saving and emissions reduction, circulation and reuse, increase of renewable energy use and transition to smart electrification.		
Goals	<p>Short-term (2025–2026)</p> <ul style="list-style-type: none"> • Greenhouse gas emissions to be reduced by 4.2% • Water consumption to be reduced by 5%/year • Cumulative installation of solar power generation facilities reached 17 MW. <p>Medium-term (2027-2028)</p> <ul style="list-style-type: none"> • Greenhouse gas emissions to be reduced by 4.2% • Water consumption to be reduced by 5%/year <p>Long-term (after 2029)</p> <ul style="list-style-type: none"> • Greenhouse gas emissions to be reduced by 50% by 2030 • 100% electrification of vehicles in the plant by 2030 • Net zero carbon emissions by 2050 		
Responsible unit	Sustainable Development Committee, Sluggish Material and Scrap Committee, Direct and Indirect Material Committee, Water Resource Management Committee, Energy Saving Committee		
Achievement in the previous year	<p>Goals of the previous year</p> <p>Greenhouse gas emissions to be reduced by 4.2%</p>		Achievement
			Reduced 19.75 % GHG emissions/year (scopes 1 and 2)
Specific actions	<ul style="list-style-type: none"> • Obtained the statement for ISO 14064-1 greenhouse gas verification certification • 15.6 MW of solar installations completed in 2024 • Transportation vehicle electrification • Zero waste resource circulation • Manufacturing process improvement and equipment efficiency enhancement 		

7-1-1 Climate Management Strategy

We are extremely concerned about climate impact, so we regard the net zero emissions by 2050 as our important goal for environmental sustainability. We place our focus on the topic of emissions of the value chain, and by applying the approach of the Science Based Targets initiative (SBTi) and the advice from external experts, we adopt the management process covering strategy, goals and actions and take action to reduce the scope 1 and scope 2 GHG emissions. Our energy conservation and emission reduction measures include process improvements and the introduction of a digital energy saving management system, improvements in equipment efficiency and the introduction of digital electronic billboards, electrification of official vehicles, waste reduction, and recycling. Additionally, we are incorporating strategic axes such as the use of renewable energy, transitioning to smart EV manufacturing, and enhancing forest carbon sinks. We review the progress made toward the GHG emissions goal at regular ESG meetings and plan the incorporation of carbon rights into the carbon reduction policy. We subsequently allocate the carbon rights based on the results of carbon reduction to foster a carbon reduction mechanism and achieve the best allocation of resources.



7-1-2 Climate Change Management

The World Economic Forum (WEF) published the Global Risks Report 2024, which investigated events or conditions which, if they occur, would negatively impact a significant proportion of global GDP, population, or natural resources. The negative impacts are classified into five major categories: economic, environmental, geopolitical, societal and technological. Many environmental impacts therefrom were determined to become one of the 10 major risks in 2 years and in 10 years while the Disaster Risk Adaptation Platform also states that:

The World Bank indicated that 73% of Taiwan's land and population are exposed to 3 or more hazards and almost 99% of its land and population are exposed to 2 or more hazards. Taiwan may be considered one of the most vulnerable areas to natural hazards on Earth.

All of the abovementioned trends show the urgency and necessity that Yulon Motor must take active actions for climate risk mitigation and adaptation. Yulon Motor, upholding the faith of corporate growth and coexistence with ecological environment, makes the information disclosure on the four major scopes: governance, strategy, risk management, indicators and goals in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework issued by the Financial Stability Board (FSB) and shows our resilience and responding actions amid climate change.

Climate Governance

The Board of Directors, as the highest governance unit of Yulon Motor, is responsible for setting the Company's corporate social responsibility and sustainable development strategies and forming the Sustainable Development Department, which is in charge of facilitating countermeasures for climate change and ESG activities, and is presided by the President. The Sustainable Development Department subsequently establishes a sustainable development organization as the execution unit, which shall report the ESG performance to the Board of Directors. The Board exercises oversight of the implementation of actions for climate change and reviews any potential operational risks arising from climate-related risks. The climate-related topics reported in the ESG Committee and the Board of Directors' meetings in 2024 are as follows:

Important meetings	Proposal and reporting matter(s)
Proposed by the Sustainable Development Committee	1. We promoted ISO 14064-1 training and guidance to 125 consolidated subsidiaries and 30 key suppliers, with a total of 57.5 training hours and 740 participants. 2. In compliance with regulations from the Financial Supervisory Commission, the third-party verification of 2023 GHG emissions was completed in April 2024, covering Scopes 1 to 3, and the 2023 GHG Emission Verification Statement has been obtained.

In addition, the climate-specific risk topics shall be managed by the Sustainable Development Department and other functional committees (Sluggish Material and Scrap, Energy Saving, Water Resources, Carbon Inventory and Verification):

Management framework of functional committees



Climate Strategy

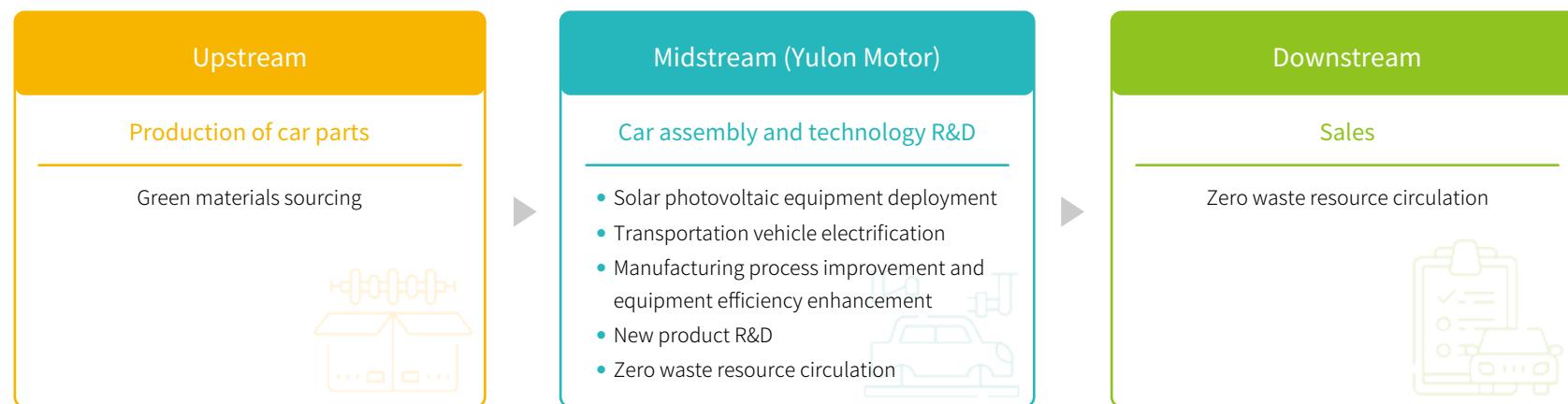
Yulon Motor has proposed five strategies for building a green automotive industry value chain: green materials sourcing, solar power equipment deployment, vehicle electrification, zero waste resource circulation, and manufacturing process improvement and equipment efficiency enhancement. Our actions to mitigate for and adjust to climate change are summarized below:

Strategy	Action plan
Green materials sourcing	To procure relevant equipment with a green label
Solar power equipment deployment	Solar power equipment with a total of 15.6 MW capacity has been installed as of 2024, by which we achieved the goal that the amount of power generated from solar (including for self-use and wholesale) exceeded the total power usage of the whole plant.
Transportation vehicle electrification	In 2024, we added two electric tow tractors and replaced nine company cars with electric ones. We plan to purchase two more EVs in 2025 to replace gasoline-powered cars, and will continue to transition our company fleet to EVs.
Zero waste resource circulation	To reduce the weight of after-sales packaging materials by 5%/year and to increase the conversion rate by reuse and recycling to lower the level of environmental impact
Manufacturing process improvement and equipment efficiency enhancement	To improve manufacturing process and equipment efficiency, and to reduce carbon emissions

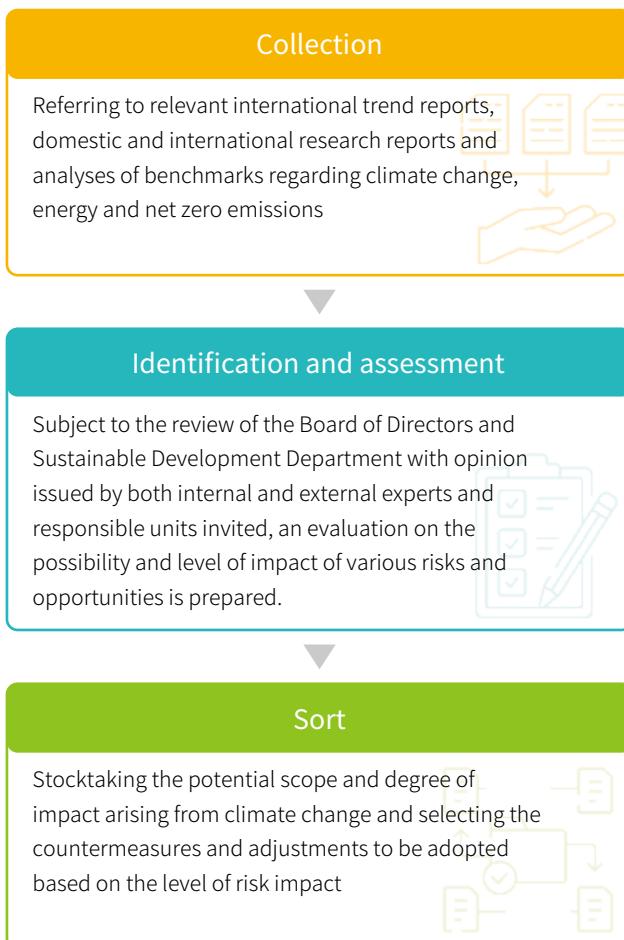
Procedures for Identifying Climate-Related Risks and Opportunities:

Yulon Motor cares about the impact of climate change on the Company's overall value chain, so we analyze the potential climate-related risks and opportunities in the value chain as follows:

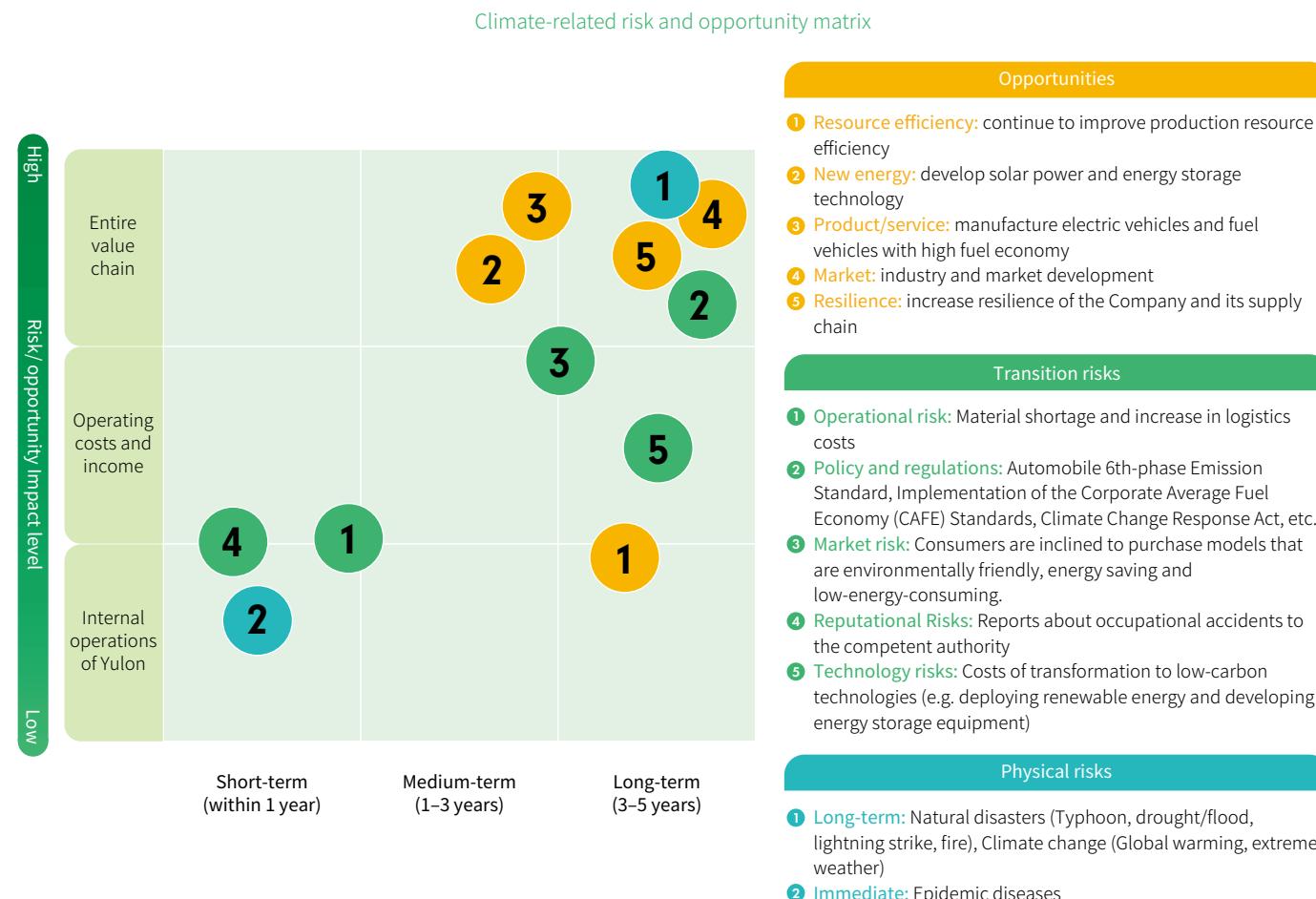
Analysis of climate-related risks and opportunities in Yulon Motor's value chain



By following procedures for identifying climate-related risks and opportunities, we understand the climate-related risks and opportunities, and the short-, mid-, and long-term topics concerning the Company's operations in certain climate scenarios. We then conduct an analysis of financial impact of topics with high materiality.



Yulon Motor's Sustainable Development Department meets with each responsible unit and refers to the SSP5-8.5 scenario analysis of the AR6 Report issued periodically by the Intergovernmental Panel on Climate Change (IPCC) on top of the automotive industry and the geography of our operating locations, we inventory the potential impact scopes and scales of each climate change risk and opportunity on all operating locations within various time scales (short term: 1 year, mid-term: 1-3 years, long term 3-5 years), and experts in the team discuss and conclude Yulon's climate-related risk and opportunity matrix.



1. Climate Scenario Analysis

Yulon Motor uses simulation data of publicly available climate scenarios from the government (the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform, the Dr. A Disaster Risk Adaptation Platform, the National Science and Technology Center for Disaster Reduction) to establish an analysis model for evaluating physical climate-related risks faced. We develop coping strategies based on results of the evaluation on various climate scenarios, time scales and disaster risks.

- Physical Climate Change Risk: The Temperature

In its Sixth Assessment Report (AR6), IPCC used the Shared Socioeconomic Pathway (SSP), combined with representative concentration pathways (RCP) of changes in greenhouse gases, to simulate various scenarios, and this model is called SSP-RCPs in short.

Shared Socioeconomic Pathways (SSPs):

There are five SSP scenarios (SSP1-SSP5), and the main differences between SSPs come from their socioeconomic assumptions on the level of adaptation and mitigation challenges associated with each. The SSPs, including SSP1-SSP5, assess elements including lifestyle, environmental consciousness, and industrial/buildings/transportation energy density, and the four scenarios discussed herein are those in bold on the graph.

Representative Concentration Pathways (RCPs):

are scenario assumptions for anthropogenic greenhouse gas emissions with different global warming increase projections. We herein use the four RCP scenarios, RCPs 2.6, 4.5, 7.0 and 8.5.

SSP-RCPs describe the difference in radiative forcing levels under various socioeconomic development conditions, among which, SSP1-2.6 is the low GHG emissions scenario, SSP2-4.5 is the intermediate GHG emissions scenario, SSP5-7.0 is the high GHG emissions scenario and SSP5-8.5 is the very high GHG emissions scenario.

Shared socioeconomic pathways



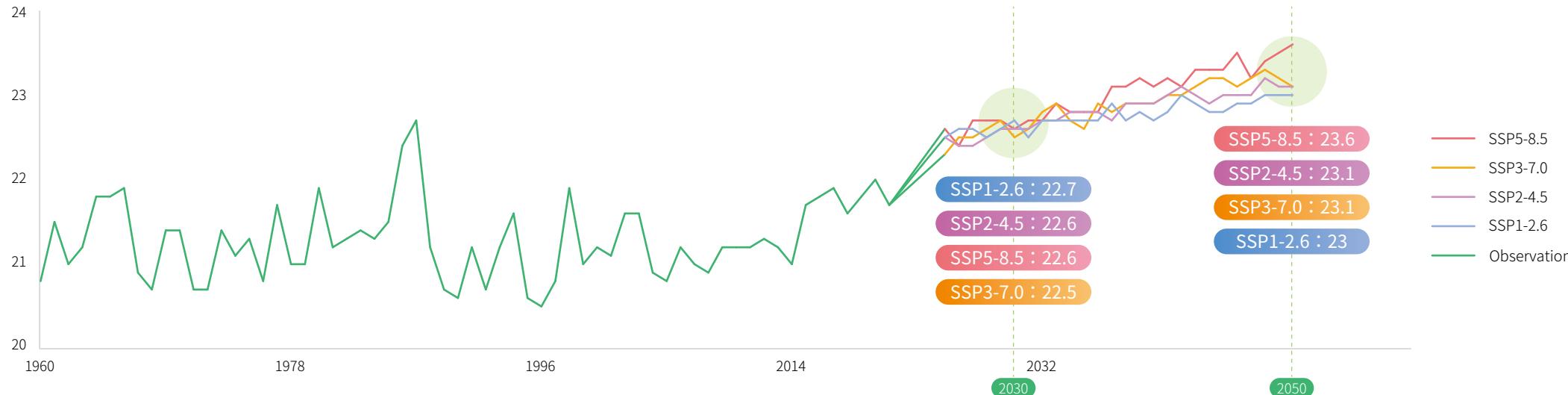
	SSP1-2.6	SSP2-4.5	SSP3-7.0	SSP5-8.5
Scenario	Sustainability-Taking the Green Road	Middle of the Road	Regional Rivalry-A Rocky Road	Fossil-fueled Development-Taking the Highway
Lifestyle	<ul style="list-style-type: none"> Modest service demand levels Low material intensity 	<ul style="list-style-type: none"> Intermediate service demand levels Intermediate material intensity 	<ul style="list-style-type: none"> Intermediate service demand levels High material intensity 	<ul style="list-style-type: none"> High service demand levels Very high material intensity
Environmental consciousness	High	Intermediate	Modest	Intermediate
Industrial energy intensity	Modest	Intermediate	High	Intermediate
Buildings energy intensity	Modest	Intermediate	High	Intermediate
Transportation energy intensity	Modest	Intermediate	High for high and medium income countries Intermediate for low income countries	High

Based on the scenarios SSP1-2.6, SSP2-4.5, SSP3-7.0, and SSP5-8.5, projections for the average temperature, the highest temperature, the lowest temperature and temperature difference in Sanyi, Miaoli, where Yulon Motor is located, are as follows. The increased temperature will affect the work environment of our employees as well as the temperature setting of the paint mixing rooms. We therefore respond by installing large ventilation fans at the workstations to enhance air circulation, installing solar power panels on the roof of the plant to cool the temperature in the plant caused by direct sunlight, and planting trees on a large scale at the plant to offer shade and reduce the impact of rising temperature.

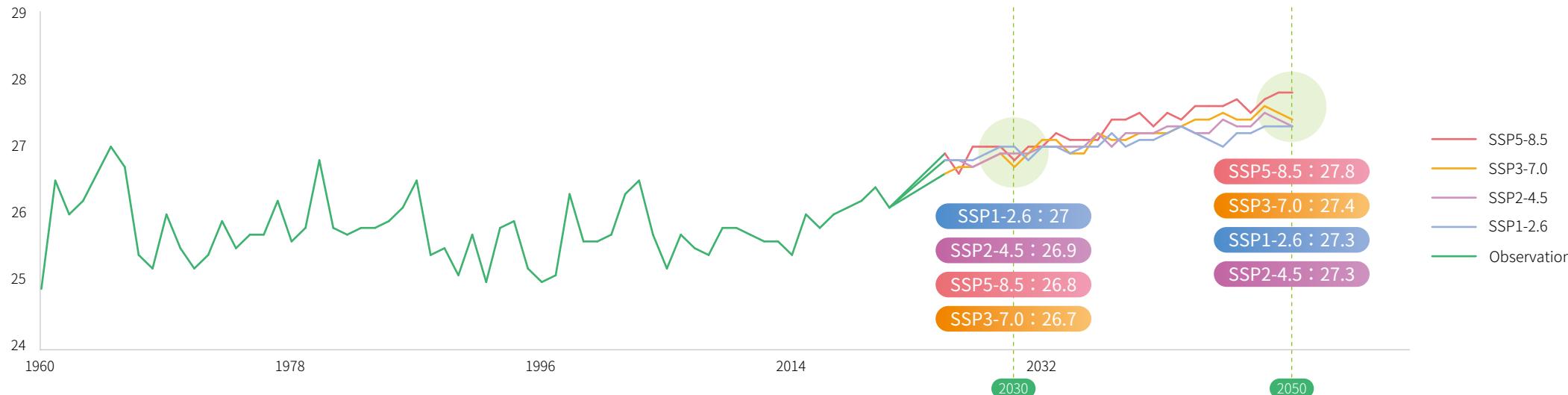
Scenario analysis for the average temperature, the highest temperature, the lowest temperature and temperature difference in Sanyi (2030, 2050)

	2030				2050			
	SSP1-2.6	SSP2-4.5	SSP3-7.0	SSP5-8.5	SSP1-2.6	SSP2-4.5	SSP3-7.0	SSP5-8.5
Difference between scenarios	Sustainability-Taking the Green Road	Middle of the Road	Regional Rivalry-A Rocky Road	Fossil-fueled Development-Taking the Highway	Sustainability-Taking the Green Road	Middle of the Road	Regional Rivalry-A Rocky Road	Fossil-fueled Development-Taking the Highway
Average	22.7	22.6	22.5	22.6	23	23.1	23.1	23.6
The highest temperature	27	26.9	26.7	26.8	27.3	27.3	27.4	27.8
Lowest	18.5	18.4	18.2	18.3	18.7	18.8	18.9	19.4
Difference	8.5	8.5	8.5	8.5	8.6	8.5	8.5	8.4

Yearly average temperature projection



The highest temperature projection



- Physical Climate Change Risk: Rainfall

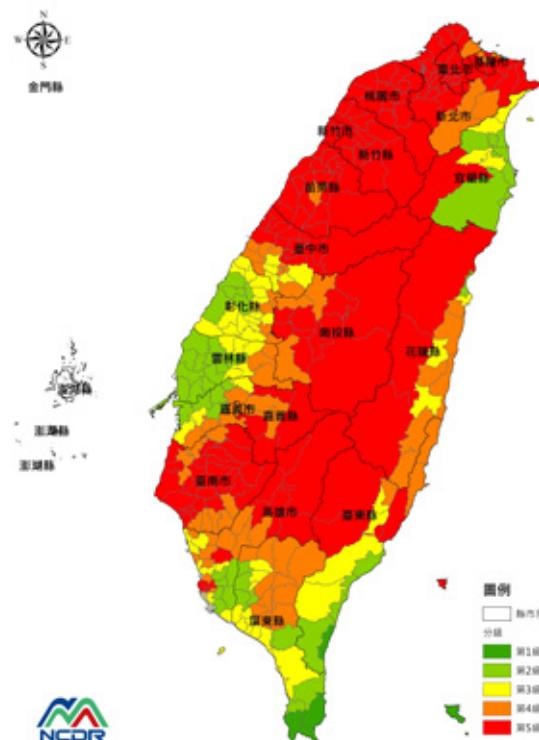
On May 8, 2024, the National Science and Technology Council published the “Climate Change Scientific Report 2024: Phenomenon, Impact and Adaptation,” which refers to the AR6 published by the IPCC (Intergovernmental Panel on Climate Change) in 2021 and projects the increased rainfall intensity and frequency in the future. However, the degrees of increase between different scenarios are minor until it comes to the long-term SSP5-8.5 scenario, the most severe emissions scenario. In addition, according to research made by the National Science and Technology Center for Disaster Reduction, water risks in the dry season show an upward trend by the end of the century while central and eastern Taiwan will be the high risk regions. Therefore, it is imperative for Yulon to be prepared for drought prevention.

Droughts arising from climate change_dry-season disaster distribution map:

公共(乾季)_危害度(基期)



公共(乾季)_危害度(世纪末)



The trend “drier dry seasons, wetter wet seasons” will become more obvious, that is, the weakened northeast winds in winter under the global warming scenario will reduce regional orographic rainfall while the rainfall in wet seasons has been increasing slightly. In the face of these physical climate change risks, Yulon has proposed the following measures to reduce the impact on Yulon in the extreme precipitation scenario.

- Droughts:

Implement measures such as building a rainwater harvesting system for the toilet flushing system and the plant watering system; recycling the condensed wastewater discharged from the pure water system at the paint shop and reusing it in the manufacturing process; and optimizing the water discharge volume of the vehicle leakage test equipment to improve water efficiency and reduce water consumption in production.

- High intensity rainfall:

plant trees to reinforce soil and water conservation; regularly clean the roadside drainage system and roof drainage system to prevent blockage and floods.

2. Relationship Between Climate Risks/Opportunities and Yulon Motor's Value Chain:

	Green materials sourcing	Solar power equipment deployment	Transportation vehicle electrification	Zero waste resource circulation	Manufacturing process improvement and equipment efficiency enhancement	New product R&D
Issue	Point of risk					
Policy trend: EV sales in the market reaching 100% by 2040	✓		✓			✓
Climate Change Response Act – Promotion of the policy of net zero emissions by 2050 in Taiwan (Carbon fee mechanism established)		✓	✓	✓	✓	✓
Mandatory regulations (e.g. vehicle regulations based on EURO 6)	✓		✓			✓
Costs of transformation to low-carbon technologies (e.g. deploying renewable energy and developing energy storage equipment)	✓	✓	✓	✓	✓	
Changes in the customer preference, increasing environmental awareness, and falling demand for fuel-powered vehicles in the future						✓
Incessantly rising energy prices		✓	✓		✓	✓
Continuously rising temperature and supply chain disruption due to floods and water resource shortage caused by extreme weather events (e.g. typhoon and rainstorm), which affects the production capacity and operation of plant or damages the equipment		✓			✓	
Issue	Point of opportunity					
Resource efficiency: continue to improve production resource efficiency				✓	✓	
New energy: develop solar power and energy storage technology		✓				
Product/service: manufacture electric vehicles and fuel vehicles with high fuel economy						✓
Market: industry and market development						✓
Resilience: increase resilience of the Company and its supply chain	✓	✓	✓	✓	✓	✓

3. Climate-Related Risks and Opportunities

Risk type	Risk	Description of risk	Potential financial impact	Responding plan
Transition risks	Operational risks	Material shortages and increased logistics costs	Delay in delivery, increasing OEM costs	Investing in mentoring component factories, integrating the supply chain, and formulating various emergency response standard operating procedures with regular drills.
	Policy and regulations	1. Automobile 6th-phase Emission Standard 2. Implementation of the Corporate Average Fuel Economy (CAFE) Standards 3. Phase-out of fossil fuel vehicles 4. Climate Change Response Act, carbon fee, carbon levy, water consumption fee, Regulations for the Management of Renewable Energy Power Generation Equipment	1. Increasing costs of engines and pollutant discharge components 2. Restricted fossil fuel vehicles sales affecting the revenue from OEM 3. Additional capital expenditure increasing OEM costs 4. Additional expenses for energy conservation and carbon reduction in production process, the manpower and expenses on GHG inventory, carbon and water fees increasing OEM costs	1. Improving energy efficiency to reduce operating costs 2. Continuing to track changes of laws and regulations and upgrading technology to improve energy efficiency of products 3. Connecting with partners to develop and manufacture EVs by contract 4. Promoting energy conservation and emission reduction (including: manufacturing process and equipment efficiency improvement, official vehicle electrification, waste reduction, circulation and reuse), increasing usage of renewable energy, introducing the rain and process water recycling, circulation and reuse system, installing flowmeters and sensors to monitor water usage.
	Market risks	Decline in the proportion of gasoline-powered cars	Influence on the willingness to purchase in consumer markets and the OEM revenue	Continue to introduce energy-saving vehicles and EVs to satisfy stakeholders' demands for environmental friendliness and energy-saving
	Reputational Risks	Reports about occupational accidents to the competent authority	Additional insurance and legal expenses and fines by the competent authority	Adopting SOPs for various on-site duties and emergency response and practicing regularly
	Technology risks	Costs of transformation to low-carbon technologies (e.g. deploying renewable energy and developing energy storage equipment)	Affected operating costs and reduced profits	Connecting with partners to develop EVs and energy storage business
Physical risks	Long-term	1. Natural disasters: typhoons, droughts/ floods, lightning strikes, fire 2. Climate change: Global warming, extreme weather	1. Building and equipment maintenance and renewal costs, medical cost and compensation for personnel injuries, loss in revenue 2. Increasing the costs of tests (high-low temperature, extreme weather) and countermeasures before mass production	1. Inspecting building structure, conducting equipment disaster stress test, adopting emergency SOP and practicing regularly 2. Coordinating the home factory of technology to develop models for coping climate change and improve the quality for mass production 3. Collaborating with the supply chain to develop and apply environmentally friendly materials and parts, e.g. charging environmentally friendly refrigerants in vehicles, recycling plastics
	Immediate	Pandemics - epidemic diseases	Affecting the operation of production lines and increasing OEM cost	Establishing emergency response center, forming response team, adopting emergency response SOPs and dividing mass production by region, shift and line.

Type	Opportunity	Opportunity topic	Description of topic
Opportunities	Resource efficiency	Continue to improve production resource efficiency	Unceasingly optimizes the production processes, promotes energy conservation, waste reduction and water saving activities, and enhances the sluggish material and scrap disposal benefits, etc., to improve the resource efficiency.
	New energy	Develop solar power and energy storage technology	We keep developing solar power and energy storage equipment, and we generated solar power (including for self-use and wholesale) in an amount greater than the total power consumption of the plant in 2024.
	Products/ services	Manufacture EVs and fuel vehicles with high fuel economy	1. We will carry on the introduction and R&D of EVs to provide low-carbon products that help protect the environment. 2. The Company will introduce fuel-powered vehicles with low fuel consumption to extend the life cycle of vehicles.
	Market	Industry and market development	1. We can engage in diversified operations by entering the emerging energy storage market to increase our revenues. 2. Our brands promote EV sales and install charging stations to enhance the competitiveness in the market.
	Resilience	Increase resilience of the Company and its supply chain	We will constantly bolster the Company and the suppliers' capabilities of responding to climate change, thereby lowering the risk of operational disruption.

4. Assessment on Financial Impact of Climate-Related Risks and Opportunities

Based on transition risks, physical risks and opportunities concluded, Yulon Motor's Sustainable Development Department and financial personnel jointly discuss and summarize the impact levels of risks and opportunities, as a percentage of sales revenue, on its consolidated financial statements, and list the financial effects of climate risks and opportunities in the coming three years.

- Transition risks:
carbon fees/water consumption fees levied by governments, costs arising from occupational accidents and technology development
- Physical risks:
costs arising from installing the rainwater harvesting system, solar power system and energy saving equipment in response to climate change
- Opportunities:
Benefit from energy saving investment, solar energy wholesale income, sales revenue from new products (EVs, energy storage containers)

Assessment result on financial impact of climate-related risks and opportunities

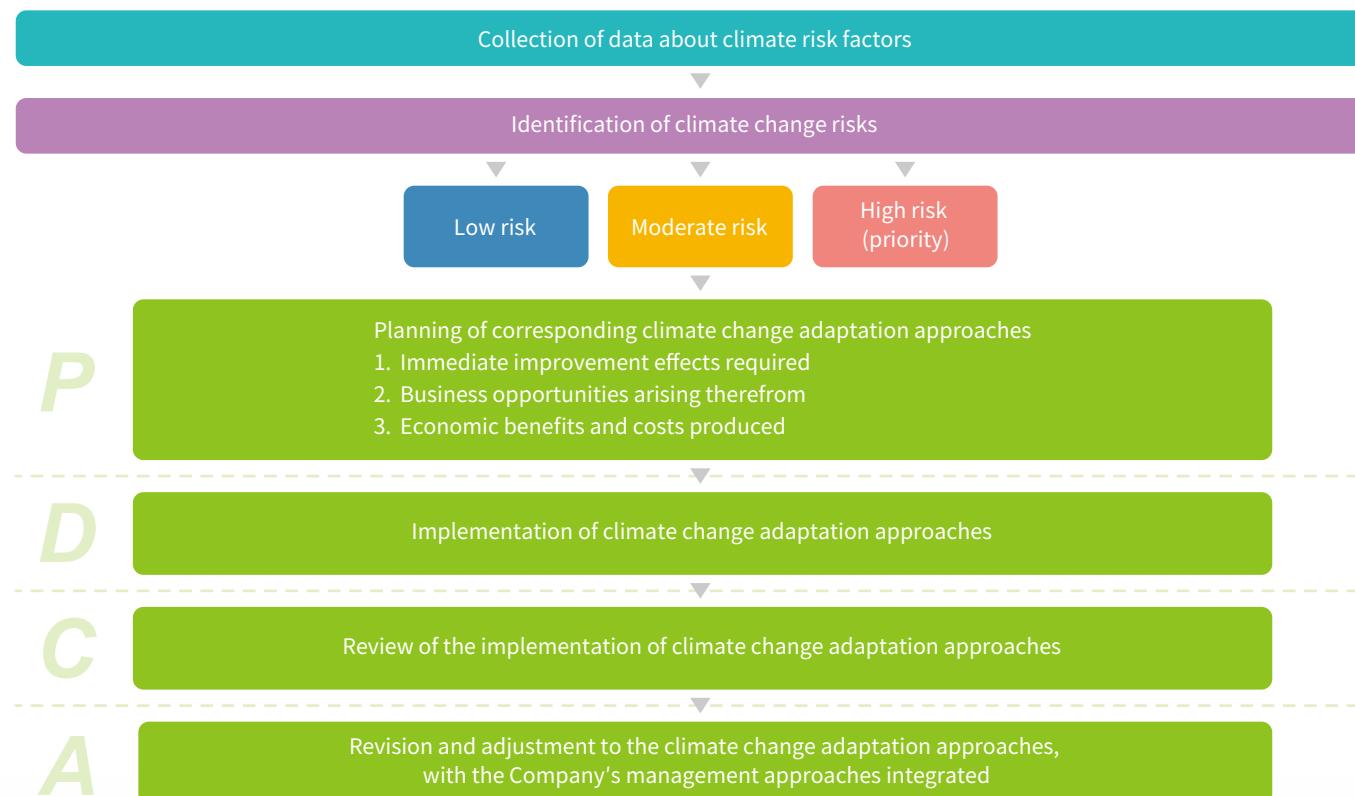
Unit: Financial impact as an approximate percentage of revenue



The assessment result indicates that transition risks, including consumer markets' willingness to purchase new energy/environmentally energy saving vehicles, can impose higher impact on revenues. With respect to opportunities, Yulon hopes that by investing in EV manufacturing and connecting technology partners to provide high fuel economy/low pollution models and engaging in new energy markets (solar power, energy storage), it can manage the impact arising from climate change risks and enable corporate sustainable operations.

Risk Management

The Sustainable Development Department adopts the cycle of plan, do, check and action as the management procedure to assess and identify climate change risks, adjusts and reviews the Company's risk management policies and approaches on a periodic basis, and modifies the risk management structure and process in a timely manner.



- Regular investigation and scrutiny to integrate professional opinions and select climate risk of high concern.
- The criteria for evaluating climate risks include the possibility, level, and difficulty to quantify of impacts, and the principles for risk management
 - » We make sure to include the opinions of all business groups, functional groups, and physically operating investees and gradually expand the geographic reach to international markets
 - » We ongoingly optimize and perfect the risk management tools and routinely review their suitability and performance.
 - » Benchmark TOP 20 enterprises, TCFD knowledge platform, climate change and weather data, laws and regulations, experts' reports

Indicators and Targets

Risk type	Indicator	Short-term goals (within one year)	Mid-term goals (1-3 years)	Long-term goals (3-5 years)	Performance
Policy and regulations	Energy Efficiency improvement	<ul style="list-style-type: none"> At the end of 2025, the amount of power generated (including for self-use and for wholesale) is expected to equal 140% of the amount of power consumed. 	<ul style="list-style-type: none"> Ongoingly raising the solar photovoltaic systems ratio to 150% 	<ul style="list-style-type: none"> Ongoingly raising the solar photovoltaic systems ratio 	<ul style="list-style-type: none"> In 2024, the total solar power generated amounted to 19,230,000 kWh, and the total power consumption amounted to 11,230,000 kWh
	Carbon emissions reduction	<ul style="list-style-type: none"> Greenhouse gas emissions to be reduced by 4.2% 	<ul style="list-style-type: none"> Greenhouse gas emissions to be reduced by 4.2% 	<ul style="list-style-type: none"> Greenhouse gas emissions to be reduced by 50% by 2030 	<ul style="list-style-type: none"> Reduced 19.75% GHG emissions/year
Market	EV R&D	<ul style="list-style-type: none"> Pilot production and verification of the new EV have been completed. To devise an EV production plan on the three major aspects: production equipment, special materials and test equipment 	<ul style="list-style-type: none"> Officially mass-produce battery EV n5, a collaboration with Foxtron, and deliver to customers To keep improving EV R&D capability 	<ul style="list-style-type: none"> To keep sharing resources with Foxtron or other brands and introduce more competitive and new market-demand-oriented products To keep improving EV R&D capability 	<ul style="list-style-type: none"> Luxgen n⁷ mass production and officially launch in 2024.
	Energy storage market	<ul style="list-style-type: none"> Continuously optimize design to reduce procurement and manufacturing costs. Expand the product development scope of energy storage cabinets – introduce a diverse range of products and services to the market 	<ul style="list-style-type: none"> Boost market development for existing energy container products, expand scopes of services and sale In answer to market trend, invest in R&D of household energy storage products Develop various energy storage products and integrate manufacturing services Mass production and launch of independent energy storage container products 	<ul style="list-style-type: none"> Production lines can be applied to markets of energy storage, solar power storage and AFC (Automatic Frequency Control) To develop liquid-cooling energy storage products and integrate manufacturing services To actively explore the business opportunities for energy containers in overseas markets 	<ul style="list-style-type: none"> Completed CUBE product development verification, ramped up to mass production, and obtained IEC 62619 and VPC certification Completed the production line construction, which produced in response to customer demands in 2024 with the total actual production of 2.2 GWh that meets order quantity.
Technology	Low carbon emission high-performance technologies and innovation	<ul style="list-style-type: none"> Research, develop and introduce new-generation environmentally friendly refrigerant (e.g. R1234yf) to reduce GHG emissions. To increase fuel economy of fuel vehicles 	<ul style="list-style-type: none"> To digitalize surveillance of production electricity and water consumption to control and manage energy efficiency and abnormal energy consumption in a timely manner 	<ul style="list-style-type: none"> To introduce AI vision recognition to production lines for checking frontline workers' operational accuracy 	<ul style="list-style-type: none"> To introduce monocoque chassis to improve assembly line efficiency To install visualized billboards to improve assembly line efficiency
	Waste reduction	<ul style="list-style-type: none"> To increase the waste recycling ratio to 90% or above To continue to reduce the weight of service parts packaging Level of Volatile Organic Compounds emissions (hereinafter referred to as VOCs) to be lowered to: below 67 g/m² 	<ul style="list-style-type: none"> To increase the waste recycling ratio To reduce the total weight of sluggish materials and scrap Level of VOCs emissions to be lowered to: To implement digital control for water and air pollution below 65 g/m² 	<ul style="list-style-type: none"> To increase the waste recycling ratio To reduce the total weight of sluggish materials and scrap Level of VOCs emissions to be lowered to: below 60 g/m² 	<ul style="list-style-type: none"> The waste recycling ratio reached 94.19% The level of VOCs emission has been lowered below 60.4 g/m²

Risk type	Indicator	Short-term goals (within one year)	Mid-term goals (1-3 years)	Long-term goals (3-5 years)	Performance
Reputation	Stakeholder engagement	<ul style="list-style-type: none"> To establish a sustainable website to enhance the interaction with stakeholders To participate external evaluations and competitions for self-assessment and information disclosure To continue to update the framework of sustainability report and introduce the TNFD To continue to update the framework for sustainability report and introduce IFRS S1 and S2 frameworks 	<ul style="list-style-type: none"> To re-identify climate-related risks and opportunities on a regular basis To keep participating in external evaluations and competitions and to increase participation in international awards 	<ul style="list-style-type: none"> To re-identify climate-related risks and opportunities on a regular basis 	<ul style="list-style-type: none"> To re-identify climate-related risks and opportunities
Immediate	Risks such as shutdown, interrupted supply chain and threats to employees' health and safety as a result of global warming and extreme weather	<ul style="list-style-type: none"> To continuously build solar power systems To optimize facilities in the plant to avert hot employee work environment 	<ul style="list-style-type: none"> To increase the capacity of solar power generation system and continue to refine the energy storage system To construct a rainwater harvesting system To raise water circulation ratio in production process To raise process water circulation ratio in an event of water shortage 	<ul style="list-style-type: none"> To increase the capacity of solar power generation system and continue to refine the energy storage system To construct a rainwater harvesting system To raise water circulation ratio in production process To boost supply chain diversity and engagement ability with suppliers to eliminate the risk of interrupted supply chain 	<ul style="list-style-type: none"> In 2024, the amount of solar power generated (including for self-use and wholesale) exceeded the amount of power consumed. Solar power panels were installed at the roof of the employee housing to cool the temperature in the plant caused by the direct sunlight.
Long-term					

Note: Solar power generated at the Sanyi plant are mainly for self-use and wholesale.

7-1-3 Greenhouse Gas Management

Significance to Yulon Motor	Yulon Motor is engaged in automobile manufacturing. Under the principles of preventing over-emissions, green design and ecological conservation, we constantly review the risks and opportunities arising from climate change, clarify the best pathway and strategy for sustainable development on a rolling basis and set up a goal for long-term GHG emission reduction aiming at the 2050 sustainable development milestone and thereby deepen the communication with and trust from our stakeholders.	
Policy and commitment	To observe the national carbon dioxide reduction policy, Yulon Motor signed the “Declaration for GHG Inventory and Voluntary Reduction” in 2006 and has been fostering GHG emission reduction by setting the goal for carbon dioxide of each department.	
Goals	Short-term (2025-2026)	Greenhouse gas emissions to be reduced by 4.2%
	Medium-term (2027-2028)	Greenhouse gas emissions to be reduced by 4.2%
	Long-term (after 2029)	Greenhouse gas emissions to be reduced by 50% in 2030; net zero emissions by 2050
Responsible unit	Sustainable Development Committee coordinating with Energy Saving Committee, Sluggish Material and Scrap Committee, Direct and Indirect Material Committee, Energy Saving Committee	
Achievement in the previous year	Goals of the previous year	Achievement
	Greenhouse gas emissions to be reduced by 4.2%/year	Reduced 19.75% GHG emissions/year
Specific actions	<ul style="list-style-type: none"> Obtained the statement for ISO 14064-1 greenhouse gas verification certification To improve manufacturing process and equipment efficiency to reduce carbon emissions Education and Training on GHG inventory Guidance in GHG inventory for subsidiaries 	

The Company has established a “greenhouse gas inventory team” to deal with the identification, inventory and reduction of greenhouse gases. We signed the “Declaration of GHG Inventory and Voluntary Reduction” in 2006, and set the GHG reduction objectives for each department to cut CO₂ emissions, flinging ourselves into the implementation of GHG reduction measures. Yulon Motor conducts GHG inventory, data collection, emission calculation, documentation and reduction plan for each plant in accordance with the standard procedures of ISO14064. Also, we perform the GHG emission inventory of the departments related to plant affairs, quality inspection, production management, manufacturing and administrative support, and promote the reduction actions.

The carbon emissions were reduced by 2,170 metric tons, from 10,986 metric tons (scopes 1 and 2) in 2023 to 8,816 metric tons (scopes 1 and 2) in 2024. Please refer to Appendix 5 for the emissions of ozone-depleting substances, nitrogen oxides and sulfur oxides.

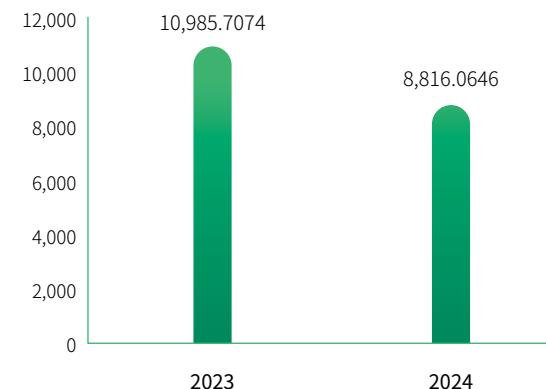
▶ Appendix 5

2024 GHG Inventory Results (Yulon)

 Unit: CO₂-equivalent (ton CO₂e)

Category		2022	2023	2024
Scope 1	(a) Category 1: Direct GHG emissions and removals	6,926.4697	6,054.7888	3,267.1267
Scope 2	(b-1) Category 2: (Market-based) indirect GHG emissions from imported energy	-	-	-
	(b-2) Category 2: (Location-based) indirect GHG emissions from imported energy	5,675.1591	4,930.9186	5,548.9379
	(c) Category 3: Indirect GHG emissions from transportation	131.4561	93.9867	204.9375
Scope 3	(d) Category 4: Indirect GHG emissions from products used	2,186.5071	1,320.7091	1,398.7595
	(e) Category 5: Indirect GHG emissions from the use of sold products	1,175.5403	1,809.0735	2,290.0417
	(f) Category 6: Indirect GHG emissions from other sources	-	-	-
Total (ton CO ₂ e) (a)-(f) Scope 1+ Scope 2+ Scope 3		16,095.1323	14,209.4768	12,709.8033
Total (ton CO ₂ e) (a)-(b) Scope 1+ Scope 2		12,601.6288	10,985.7074	8,816.0646
Total number of products sold in the year		24,967	23,961	23,773
GHG emissions intensity 1 (ton CO ₂ e/total number of products sold) (a)-(f) Scope 1+ Scope 2+ Scope 3		0.6447	0.5930	0.5346
GHG emissions intensity 1 (ton CO ₂ e/total number of products sold) (a)-(b) Scope 1+ Scope 2		0.5047	0.4585	0.3708
Revenue of the year (NT\$ million)		22,410	25,223	25,910
GHG emissions intensity 2 (ton CO ₂ e/NT\$ million of revenue) (a)-(f) Scope 1+ Scope 2+ Scope 3		0.7182	0.5634	0.4906
GHG emissions intensity 2 (ton CO ₂ e/NT\$ million of revenue) (a)-(b) Scope 1+ Scope 2		0.5623	0.4356	0.3403

GHG emissions (Scope 1+Scope 2)

 Carbon dioxide equivalent (ton CO₂e)


Note 1: The types of gas included in the scope 1(a) and scope 2(b-1, b-2) calculations are carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorinated compounds, sulfur hexafluoride and nitrogen trifluoride.

Note 2: Sourced from the Global Warming Potentials (GWP) (AR6, IPCC 2021). The data of scope 1 and scope 2 were measured indirectly using the emission factor (GHG Emission Factor Table Ver. 6.0.4) and the mass balance approaches.

Note 3: The approach used to summarize the amount of GHG emissions was operational control.

Note 4: The GHG data for 2022 and 2024 received the ISO 14064-1 certification from an external third party.

Note 5: The boundaries for scopes 1, 2, and 3 were set to cover the entire area of the Company, which includes the factory located at No. 39-1, Bogongkeng, Sanyi Township, Miaoli County. All emission sources within the organization are completely owned by the organization, which uses its own approach to summarize the facility-level GHG emissions and removals.

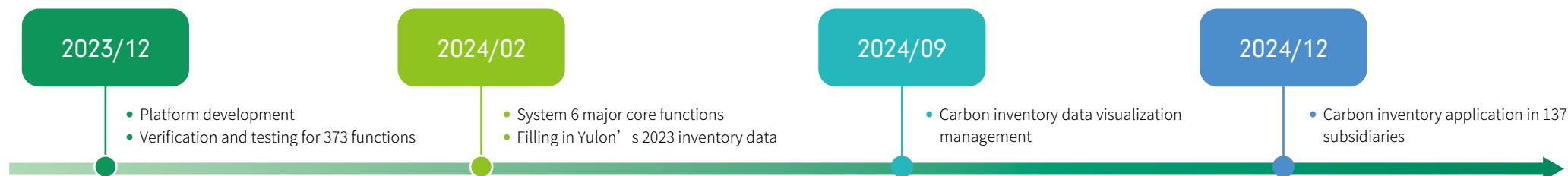
Note 6: The base year is 2021, which was verified by a third-party verification body according to the ISO 14064-1 standard. Please refer to the 2022 Sustainability Report for base year emission details.

▶ 2022 Sustainability Report

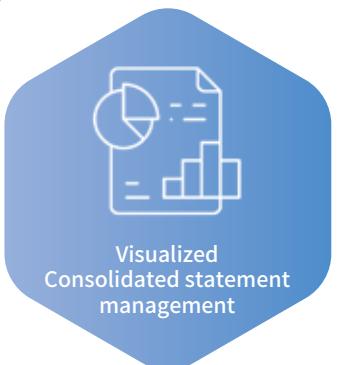
Greenhouse Gas Inventory Management System

As required by laws of the Financial Supervisory Commission, starting from 2023, the Company's annual report shall disclose the total amount of its greenhouse gas emissions, and starting from 2025, the data of its subsidiaries included in the consolidated financial statements shall be disclosed in its annual report. In light of the difficulty in data collection from this many subsidiaries of Yulon, in 2024, it independently planned and developed the greenhouse gas inventory collaboration platform for Yulon's subsidiaries included in the consolidated financial statements in order to eliminate the time spent on collecting a large amount of data during the preparation of GHG inventory report while improving the work efficiency for simultaneous data collection/table preparation/statistical analysis/document filing/online audit and correction by both the parent company and its subsidiaries.

System Development Timeline



System Feature Highlights



6 major process nodes– interface for 30 subnodes



Core processes

The system provides six core process nodes, covering all stages to ensure clear operation.

Comprehensive functionality

Provides 30 subnode functional interfaces with comprehensive capabilities, meeting diverse requirements.

Clear operation

Ensure each step is clear and complete, boosting efficiency.

Carbon inventory data visualization for quick insights into carbon emissions



Chart display

Present carbon inventory data visually using charts.

Dashboard

Quickly understand carbon emissions levels via dashboards and other formats.

Decision optimization

Companies can quickly understand their carbon emissions to inform decision-making optimization.

Emission factor database/invoice scanning for improved data acquisition efficiency



Custom weighting factor

Users can customize internal emission factors to meet their specific corporate reporting needs.

Invoice recognition

Automatically identify electricity and water bill data with OCR technology, reducing manual entry errors and improving efficiency.

Intuitive guided inventory checks, simplifying operation



Smart tips

Provide smart prompt feature to guide users step-by-step through data entry.

Reduce difficulty

Reduce operational complexity and ensure ease of use.

Example generation

Support one-click generation of standard report templates to quickly understand report format and content requirements.

One click report generation, saving time



Standardized Report

Produce standardized reports that comply with industry standards.

Save time

One-click generation significantly reduces production time.

Improve efficiency

Improve report production efficiency and complete reports quickly.

Streamline processes

Simplify reporting processes for greater ease of use.

Online digitalized audit and verification ensures process transparency



Internal audit

Online management of internal and external audit processes.

External audit

Ensure audit processes are transparent and traceable, enhancing credibility.

Third-party verification management

Providing third-party verification management functionality enables collaboration with external verification agencies and ensures data compliance.

“GHG Inventory Collaboration Platform” Independently Developed by Yulon Motor



Greenhouse gas inventory management system

3. 碳盤查報告書撰寫/封面

報告書版本(只填版號):
1

報告書日期(請填YYYY年MM月DD日):
2024年12月31日

報告書ISO版次(只填版次):
2018

報告書執行單位(只填單位):
[empty]

溫室氣體盤查基準年份:
[empty]

報告書封面照片上傳: 

Standardized reports



2024年12月31日

進度統計表

填寫率的費率計算標準為隔月計算，例如於重大性差別設定督導頻度為12，當月份為2月，已維護1、2月活動費率，填寫率的費率僅將1月份納入顯示1，於次月3月份才會將填寫率費率顯示為2。

管理	排放型式	項目數量	資助/目標
/	1.1 固定排放	6	35/35
/	1.2 移動排放	5	35/35
/	1.3 製程排放	7	42/42
/	1.4 逸散排放	23	21/21
	1.5 土地利用	0	0/0
	總計	41	133/133

Real-time monitoring of activity data progress

Carbon Reduction Management System

The energy saving and carbon reduction system manages energy usage and improves energy saving through the real-time monitoring of energy usage, and thereby reduces energy waste and carbon emissions.

System Features –

1. Digital power network:

Digital meters have been installed and connected to the network at 202 locations at the plant to accurately record electricity usage and monitor the energy consumption of each electrical equipment in real time.

2. Independently developed visualized management system:

use intuitive tables and graphs for management allowing users to more easily understand and manage the energy consumption of each process section at each area; through power usage trend analysis, energy consumption comparison, etc., find out potential room in the manufacturing process for energy saving.

3. Digitized abnormal electricity consumption management:

automatically monitor electricity consumption of each process section in each area, and by comparing it to the general electricity consumption model, identify abnormal electricity usage behaviors and automatically issue an abnormal electricity usage work order to discover and handle abnormal electricity usage and reduce energy waste therefrom.



7-1-4 Management of Vehicle Fuel Economy

As consumers' acceptance for environmentally friendly and energy saving models and EVs has increased in recent years, in order to provide consumers with the best products and services, we keep collaborating with partners to develop businesses such as EV and energy storage and introduce energy saving fossil fuel vehicles and EVs catering for customer demands. By sales region in 2024, Yulon Motor sold 5 fossil fuel vehicle models and 1 EV under the Nissan and Luxgen brands in Taiwan. The weighted averages of fuel consumption and carbon emissions during the use phase were 16.49 km/L for Nissan and 11.94 km/L for Luxgen. (Please refer to Appendix 2 for detailed information on fuel consumption.) Yulon Motor has also been working on replacing and electrifying its internal transportation vehicles.

▶ Appendix 2

7-2 Energy Management

7-2-1 Energy Policy and Objectives

Yulon Motor has been active in energy conservation and carbon reduction; thus, it established the Energy Saving Committee. With the president serving as the chairperson and the departmental units acting as the main members, the Committee manages energy and implements relevant programs to meet the annual energy saving and carbon reduction objectives. The power consumption of production systems and indirect units of the Sanyi Plant is managed separately, and improvement plans are formulated based on job nature and implemented accordingly. In terms of the process management, the president convenes energy saving review meetings periodically to keep track of the energy saving performance of each unit. In addition, through the on-site verification and the information exchange with the benchmarks in the industry, we ensure the implementation level of our improvement plans, and thereby enhance the energy efficiency.



Energy use

Quantitative indicator	Original energy use unit				Disclosure Standard of GRI 302: Energy			
	2022	2023	2024	Unit	2022	2023	2024	Unit
Power sourced from non-renewable energy	11,149.625	9,961.452	11,232.668	thousand kWh	40,138.650	35,861.226	40,437.604	GJ
Power sourced from renewable energy (solar power for self-use)	703.852	676.219	667.185	thousand kWh	2,533.867	2,434.388	2,401.866	GJ
Diesel	19.291	19.552	14.211	KL	677.994	687.174	499.454	GJ
Natural gas (LNG)	1,009.656	898.771	1,048.860	thousand m ³	33,795.206	30,083.663	35,107.442	GJ
Total energy use	-	-	-	-	77,145.716	69,066.451	78,446.366	GJ
Individual revenue	22,410.271	25,222.538	25,910.182	NT\$ million	22,410.271	25,222.538	25,910.182	NT\$ million
Energy use intensity	-	-	-	-	3.442	2.738	3.028	(GJ/NT\$ million)
Ratio of power to total energy use	-	-	-	-	52.030	51.923	51.548%	%
Ratio of renewable energy use	-	-	-	-	3.285	3.525	3.062%	%
Power sourced from renewable energy/ total power at the Sanyi plant	5.938	6.357	5.607%	%	-	-	-	-

Note 1: Non-renewable energy was purchased externally (Taipower); renewable energy was generated by own solar power generation equipment.

Note 2: Total electricity consumption at the Sanyi Plant in 2024 was 14.7 million kWh, with 11.23 million kWh consumed by the plant itself, excluding tenant usage. Renewable energy generation totaled 19.23 million kWh (including 18.5599 million kWh sold; 66,815.58 GJ).

Note 3: All numbers were rounded to 3 decimal places.

Note 4: Heat value of diesel = 8400 kcal/L; energy (GJ) generated per liter of diesel = 8400(kcal/L)*4.184(KJ/kcal)/1,000,000(KJ/GJ)

Note 5: Heat value of natural gas=8,000kcal/m³; energy (GJ) generated per m³=8,000(kcal/m³)*4.184(KJ/kcal)/1,000,000(KJ/GJ)

Note 6: The ratio of self-generated energy to energy use at the plant has been gradually increased since 2022.

Note 7: The conversion parameters were sourced from the Heat Content of Energy Products provided by the Ministry of Economic Affairs.

Note 8: Electricity figures come from electricity bills, diesel figures from fuel gauge readings, and natural gas figures from natural gas bills.

Since the Energy Saving Committee was put into official operation in 2007, Yulon Motor has set energy management improvement targets every year and taken corrective actions on various items for our commitment to energy saving and carbon reduction in the long run. In recent years, Yulon Motor keep obsoleting internal equipment or replacing with low energy-consumption products or maintaining the equipment to retain the energy efficiency, e.g. from 2020 to 2024, we have replaced with 4,361 LED tube lights and 129 inverter motor drives in total, and the replacement will continue to maximize our capability in energy saving.

7-2-2 Renewable Energy Deployment

We have been active in promoting energy saving and waste reduction with our environmental sustainability policy and in using renewable energy sourced from nature. Since 2017, we have rolled out the plan for deploying solar power in the plant in response to the trends of rising demand for energy storage equipment, global clean energy and electricity liberalization. In 2024, total solar power generation at Yulon's Sanyi Plant reached 19.23 million kWh, while total electricity purchased amounted to 14.7 million kWh. This solar power is used for both self-use and wholesale. We have actively constructed a solar power generation system, developed a green energy business platform to expand our reach in green energy, foster specialization of strategic partners in the value chain, and create a green energy business value chain in the local automotive industry.

Year/ renewable energy	Solar power setup plan		
	Cumulative installed capacity of the solar power system (kW)	Annual electricity generation (10,000 kWh)	Annual electricity generation (including self-use and wholesale) as a percentage of total purchased electricity consumption
2020	5,190	688	40%
2021	8,210	837	52%
2022	10,987	946	74%
2023	15,377	1,716	137%
2024	15,552	1,923	131%

7-2-3 Energy Saving Measures

To effectively manage the actual energy usage, in addition to the regular data analysis of electricity and natural gas usage, we also have upgraded many major energy-consuming systems in the plant and disseminated the idea of energy conservation, and we also expanded the coverage to the office and canteen, so as to lower the operating costs and carbon emissions and thus maximize the use of resources.

Significant performance in 2024

Air conditioning improvement in inspection room for automotive testing: The vehicle static and testing space, covering 110 ping, has been reconfigured. Air conditioning is activated based on testing requirements. Previously, four units were used during vehicle standstill; by re-partitioning the space to align with inspection needs, only two units are now required, while still maintaining compliance with testing standards. This change reduces air conditioning electricity consumption by approximately 3,360 kWh per month.

Solar Power and Energy Storage Demonstration Site

Purpose of establishment:

The solar power demonstration site showcases how a solar power generating system functions and the associated technologies. It is helpful for promoting the development and application of solar power technology. By combining with the Yulon Car Experience Center, it raises external visitors' awareness and understanding of renewable energy.

System feature:

The system provides real-time power generation data, including monthly and yearly amounts of power generated and the ratio of green power used at the plant for real-time grasp of power generation efficiency and green energy contribution.



Solar Power and Energy Storage Demonstration Site

Energy Saving Performance at the Plant

106 major improvement projects were completed in 2024 and reduced carbon emissions by 242.6 metric tons (105 projects for electricity reducing carbon emissions by 240.7 metric tons per year; 1 projects for gas reducing carbon emissions by 1.9 metric tons per year), and the top 10 energy saving improvements are as follows:

No.	Type	Improvement	Content of improvement	Performance (Carbon reduction in ton-CO ₂ e)		Performance (GJ)
				Scope 1	Scope 2	
1	Natural gas	Painting shop RV low-temperature heated zone insulation improvement	Steam pipelines located outdoors are subject to deterioration of both the piping and insulation over time. Poor performance led to the replacement and re-insulation of the outdoor piping, and strengthening of the double-layer insulation at the pipe bends.	1.9	-	30.95
2	Electricity	Air conditioning improvement in vehicle inspection room	1. Stillness condition: Temperature requirement is 23±3° C; the inspection room set to 23° C. 2. Duration: 5:00 PM – 6:00 AM the next day, for a total of 12 hours. 3. Space: A total of 110 ping. Space after improvement: Installation of partition walls, equipment operation adjustments, and vehicle centralization to reduce air conditioning use.	-	24.08	175.13
3	Electricity	Painting shop water curtain improves efficiency and saves energy	The submerged pump had been in use for 20 years, leading to impeller wear and reduced pump efficiency. The actual flow rate was 347 m ³ /h (60 Hz). Replacement with high-efficiency motors and pumps increases flow to 480 m ³ /h (60 Hz).	-	10.58	76.95
4	Electricity	#5 Water Well – Reduced transformer capacity from 100 kVA to 50 kVA at the north gate supply to minimize conversion loss.	Consolidating existing distribution capacity and removing 100 kVA transformers to reduce conversion losses.	-	12.82	93.24
5	Electricity	Sanyi Plant complex building: 500 kVA and 30 kVA 400 V/3-phase 220 V transformers consolidation and removal	Complex building renovations were carried out to support the new energy storage line, leveraging the electrical panel modification consolidated and removed the original transformer circuits, reducing transformer conversion losses.	-	8.32	60.51
6	Electricity	UD site air compressor improvement	UD site air compressor supply to confirm purpose of air compressor use: Conducted trial screw fastening to evaluate that one 10HP + 5HP air compressor was sufficient	-	5.65	40.44
7	Electricity	RING1 line teaching mode circulating water energy saving	At the current stage, when the RV ROBOT line requires trial production or adjustment of the welding path, the circulating water must be turned on; otherwise, the ROBOT will alarm due to low water flow and will not operate. Modify the program so that when the ROBOT switches to “Teaching” mode, water flow alarms are suppressed, allowing the ROBOT to operate freely without circulating water.	-	3.19	23.2
8	Electricity	Cylinder head & cylinder block washing machine product modified for batch-line integration with improved low-power reduction improvement	Switch to batch loading (grouping 8 sets of workpieces) when activating the cleaning machine and heat pump, (measured to save 13 minutes and 8 seconds per cycle) reducing electricity consumption during operation.	-	5.46	39.71
9	Electricity	Vehicle inspection room tests variable-frequency adjustment for cooling fan to reduce power consumption	During the emissions test procedure, the cooling fan primarily serves vehicle cooling purposes. The fan speed is initially synchronized with vehicle speed, reaching a maximum of 130 km/h. As regulations do not specify fan speed requirements, the system transitions from speed-synchronized operation to variable-frequency adjustment, maintaining a fixed fan speed of 60 km/h to conserve energy.	-	3.50	24.45
10	Electricity	Vehicle body welding equipment now uses less standby power due to automatic shutdown during non-production periods.	Adjust production volume for L-brand batch production, and do not interrupt power during production stoppages.	-	8.71	63.35

Note 1: Calculated in comparison to the decrease ratio in the previous year (2023)

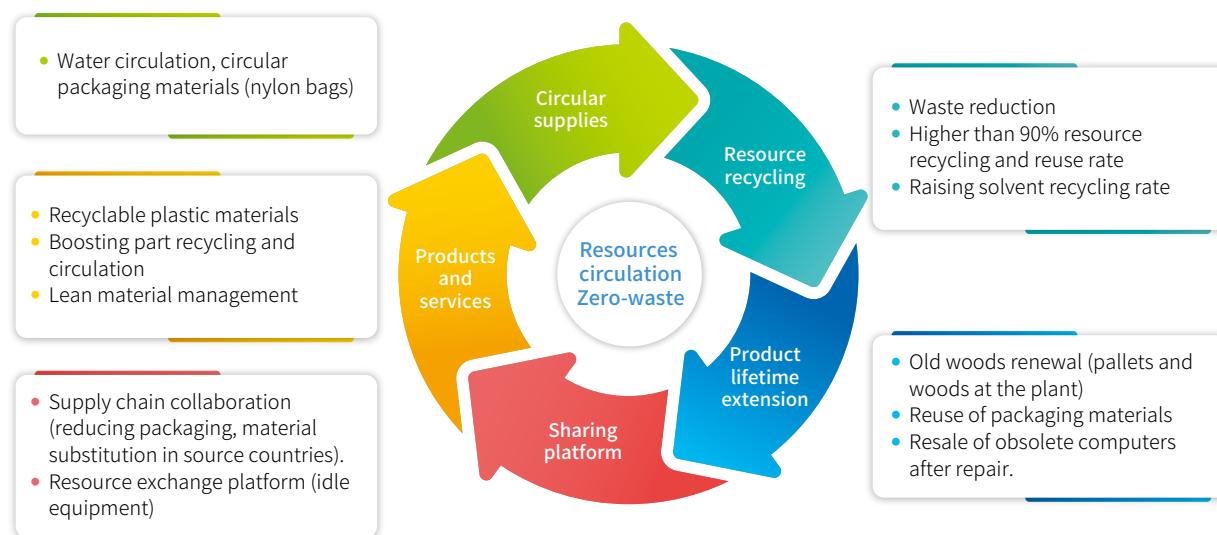
Note 2: The types of GHG include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorinated compounds, sulfur hexafluoride and nitrogen trifluoride.

Note 3: Each reduction measure is estimated using electricity meter data.

7-3 Circular Economy and Waste Management

7-3-1 Circular Economy

To facilitate sustainable use of resources and move toward a circular economy, Yulon Motor has devised a resource recycling and reuse implementation plan to enable sustainable material circulation and waste reclamation in various stages from sourcing, waste production to recovery.



We are dedicated to reducing the waste at the R&D, design, manufacture, production, and sales stages and try our best to reduce the load on the environment and avoid environmental pollution. In addition to applying recyclable plastics to all the models, we mark the parts with major materials and additives in accordance with the EU “Part Material Engraving Directive” to improve their recycling rate. For fostering the recycling and reuse of materials, we strive to meet the requirements set forth in the “Voluntary Standards for the Promotion of Resource Recycling in the Automotive Industry” pursuant to the provisions of Article 12, Paragraph 2 of the Resource Recycling Act where the vehicle recycling rate of Nissan models has reached 94.03% and above. In 2024, out of 5,330 metric tons of waste, the recycling rate reached 94.19%. Please refer to Appendix 6 for information on the use efficiency and circulation of raw materials.

► Appendix 6

Resource Recycling and Reuse Strategy

We assess the environmental performance at the product design and R&D stages. The goals are set specifically to ensure their implementation with respect to technical innovation and the R&D of products. The Company acts in compliance with Article 12, Paragraph 2 of the Resource Recycling Act and the “Voluntary Standards for the Promotion of Resource Recycling in the Automotive Industry.” Taking the Yulon Motor’s paint shop as an example, a solvent recovery system collects sprayed solvents, which are then sent to a qualified external processor for recovery via heating condensation. The recovered solvents are reused to clean coating spray equipment, reducing raw material costs, minimizing resource waste, and lowering volatile organic compound (VOC) emissions. In 2024, 27.52 metric tons of recovered solvents were entrusted to external qualified treatment providers. From 2021 to 2024, a total of 69.26 metric tons of solvents were recovered, externally treated, and reused.

Value Enhancement of Recycled IT Equipments

We have the Company’s obsolete public computers cleaned up, repaired and reset by the IT personnel, and the body parts changed, cleaned and disinfected to ensure the quality. These computers are then put up at an auction for employees at lower prices, and an additional hard disk drive for better performance is optional with an extra charge. A 1-month warranty is also included. Through this, we avoid the waste of obsolete company computers and offer a good opportunity for employees with needs to purchase a general-purpose computer. The numbers of computers circulated in each year are stated below:

Year	2018	2019	2020	2021	2022	2023	2024	Total
Number of computers recycled	15	8	22	32	22	16	46	161

Instances of Sluggish Material and Scrap Disposal Actions and Benefits in 2024

Reduction in Waste Treatment Cost

Implementation Strategy	Solution	Goal	Effectiveness and Improvement Result (Including: Instance)
Reduction of waste packaging materials	1. Switch to recyclable steel containers or recyclable plastic pallets for packaging improvement to reduce the production of glued wood pallets. 2. Simplify composite packaging to a single material to reduce weight. 3. Reduce the quantity of desiccant packets without affecting part quality.	A decrease of \$640,000/year in packaging cost	\$923,195/year (Among which, package improvement created a saving of NT\$239,092)
Process waste reduction	2024 Proposals for reducing the density of non-recyclable waste: 1. Reduction of waste paint residue: By reducing paint consumption or switching to robotic spraying. 2. Process waste: Foam and waste release paper, formerly incinerated, are processed into SRF to lower disposal costs. 3. Waste sorting implementation: Reduce household waste through sorting and recycling.	Reduction in non-recyclable waste: NT\$170,600 per year	198,300/year
Turned waste into resources	1. Sold idle equipment that has no residual value via the resource exchange platform to create profits	\$890,000/year	\$2,555,400

Instances on reduction of polluted process waste (sludge and waste paint)

1. Waste paint is placed in a shelter house to protect it from being exposed to the rain, which may bring it more weight. The water content is controlled to 10% or below prior to clearance.
2. A waste dryer is used to reduce the water content of the sludge and lessen its weight.

Reselling Waste Packaging Materials for Reuse in Sales and Services

Converting packaging materials from incoming advanced parts for reuse in after-sales service parts packaging, reducing packaging waste, including the following main categories:

Waste	Paper angle bead	Plywood	Plastic pallet	EPE	Pallet carbon box
Application					

Other Resource Recycling and Reuse Cases

- Introduction of the recyclable canvas bags (fenders/hoods/rear hatches) for reducing the amount of plastic packaging materials



Introduction of the recyclable nylon bags to distributors' part packages and recycling and reusing them thereafter, reducing packaging by 1.51 metric tons.

7-3-2 Waste Management

We have been dedicated to the reduction of waste and recycling of resources for many years by implementing proper management from the purchase as a source of the waste, use in the manufacturing process to the disposal. The company reduces the waste and increases the benefit from the recycling by sorting the waste. It also demands reinforced management in accordance with the guidelines for waste management at the plant and the current laws and regulations related to waste treatment, recycling, and reuse. Annual audits are conducted on waste disposal vendors to track waste flow and ensure proper waste management, complying with relevant environmental regulations.

Waste Disposal Actions

1. We further classify waste into nine categories from the original five categories to boost the performance of waste reduction and reuse through management and proper classification.
2. The performance in waste management of each unit is monitored and reviewed every quarter as a mean to introduce the best feasible technology.
3. Waste generated from production is entrusted to domestic waste collection and disposal companies and resource recycling companies for the production of recycled products. All waste is disposed of domestically and is not exported for processing.
4. We conduct occasional on-site inspections at waste disposal and resource recycling facilities annually to verify compliance with contractual obligations and legal requirements for waste management, ensuring all operators adhere to relevant regulations.
5. Declare prior to legal disposal, weigh and report online during disposal with a triplicate form for tracking. Waste must be transported to the processing facility within two days, with receipt details confirmed online within four days, and the disposal, processing, and reuse status proactively checked within 35 days. Record weighbridge tickets, triplicate form, and other supporting documents, and enter the corresponding information into the waste statistics table.

The Company calculates the indicators for the total waste weight (including hazardous and non-hazardous substances), the weight of waste reused and the waste reuse rate. The total waste weights were 5,330 metric tons in 2024, and the waste reuse rates in the most recent 5 years were over 90% all indicating the Company's outstanding performance in improvement and reclamation. Please refer to Appendix 6 for detailed information on waste in 2024.

7-4 Pollution Control Management

Management Approach to Air Pollution

Significance to Yulon Motor	Yulon Motor has been active in the prevention of air pollution to mitigate the effect of air pollution on environment and protect ecological environment. On top of the compliance with applicable governmental regulations, we also protect property, animals, plants, their nursery environment and citizen health in close connection with people, and we take extra caution for any potential serious air pollution may be caused in the plant to safeguard employees' health and safety.	
Policy and commitment	In compliance with the air pollution control program stipulated by the central competent authority and the air pollution control plans promulgated by the municipal and county competent authorities, Yulon Motor has implemented the air pollution policy and increased the applicable scope and intensity of control. We review the policy and keep refining the countermeasures for the period of bad air condition with reference to the data on stationary pollution sources control and air quality.	
Goals	Short-term (2025-2026)	Level of Volatile Organic Compounds (hereinafter referred to as VOCs) emissions to be lowered to: below 67 g/m ²
	Medium-term (2027-2028)	Level of VOCs emissions to be lowered to: below 65 g/m ²
	Long-term (after 2029)	Level of VOCs emissions to be lowered to: below 60 g/m ²
Achievement in the previous year	Goals of the previous year Level of VOCs emissions to be lowered to: 68 g/m ²	Achievement Level of VOCs emissions to be lowered to: 60.4 g/m ²
Responsible unit	Safety and Health Office	
Specific actions	Actual performance in VOCs reduction in 2024: <ul style="list-style-type: none"> Optimization of spray coating operations reduces paint usage and VOC emissions. Increased outsourcing of waste solvent recycling reduces VOC pollution inside the factory. Optimization of spray application planning reduces coating operations and lower VOC emissions. 	

7-4-1 Air Pollution Management

Air Pollution Control Strategy

The air pollutants from the Company primarily consist of VOCs, SOx, NOx, and THC generated in the paint shop. In addition to the installation of the Regenerative Thermal Oxidizer (RTO), we have made significant efforts to eliminate air pollution by implementing various control measures in recent years. Our goal is to protect employees from the effects of air pollution, safeguard the health of residents around the plant, and ensure the surrounding air quality. The amounts of particulate matters (PMs), SOx, NOx, VOCs emissions of Yulon Motor in 2024 were 155kg, 652kg, 250.7kg and 215,338kg, respectively. Please refer to Appendix 5 for the information on other significant gas emissions.

▶ Appendix 5

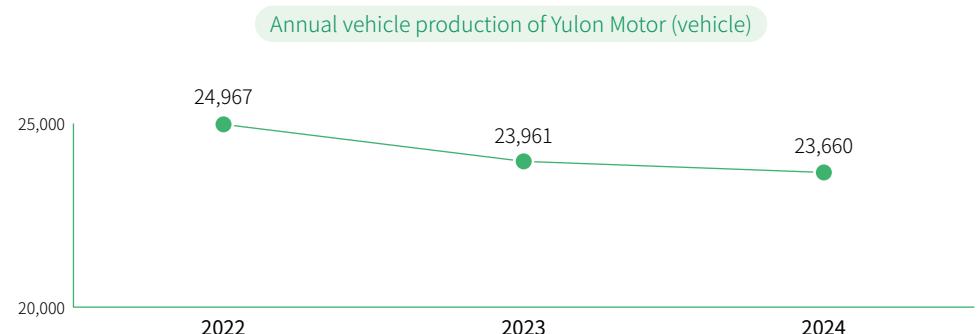
Historical Emissions of Air Pollutants in the recent years (metric tons/year)

Year/Pollutant	Suspended Particles (PM)	Sulfur Oxides (SOx)	Nitrogen Oxides (NOx)	Volatile Organic Compounds (VOCs)
2022	0.110	0.488	2,374	235.90
2023	0.109	0.531	2,246	216.56
2024	0.155	0.652	2,507	215.34

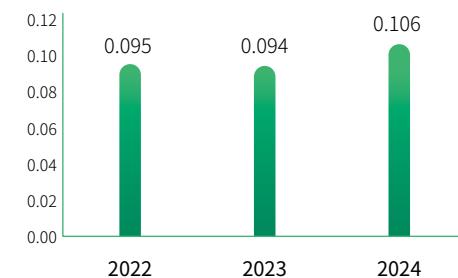
Air Pollution Control Actions

- ✓ Replacing heavy oil with natural gas as the energy source for furnaces and RTO combustion facilities reduces emissions of particulate matter, sulfur oxides, and nitrogen oxides.
- ✓ Water curtains and negative pressure devices are used to reduce the exposure of human bodies to the volatile organic compounds generated from paint and thinner.
- ✓ Boiler equipment in the plant area is fitted with monitoring devices to effectively control pollution sources and reduce emissions.
- ✓ Regularly inspect the VOC treatment efficiency of regenerative thermal oxidizers to ensure effective pollution reduction.
- ✓ Continuously drive in-house improvements to optimize coating processes and reduce VOC emissions.

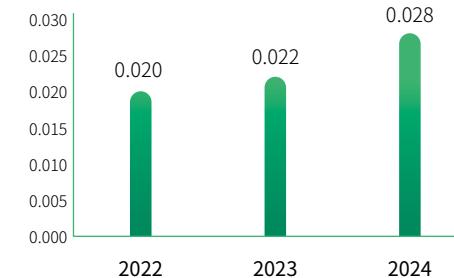
Emissions of air pollutants in the recent years



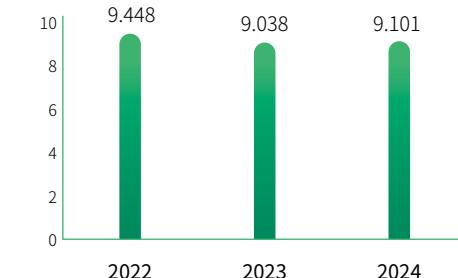
NOx - Nitrogen Oxides (kg/vehicle)



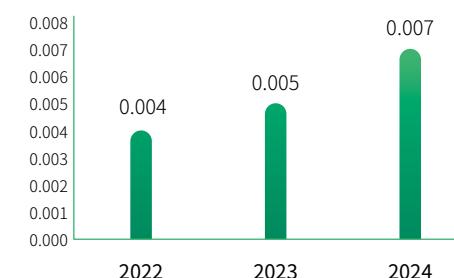
SOx - Sulfur Oxides (kg/vehicle)



VOCs - Volatile Organic Compounds (kg/vehicle)



PM - Particulate matter (kg/unit)



Note 1: Data above has been filed with the Control Fees and Emissions Reporting Integrated Management System of the Ministry of Environment

Note 2: Calculation method: multiplying the amount of fuel used or amount of materials used by the "emission intensity calculated based on the air pollution test result" or by the "emission factors of air pollutants promulgated by the central competent authority."

7-4-2 Water Resources Management

The water used in the primary manufacturing process of Yulon Motor is sourced from groundwater in the Hsinchu-Miaoli area, as promulgated by the Water Resources Agency. We have confirmed that the operating location in Taiwan is not situated in an area with high pressure on water resources, using the WRI Aqueduct tool. All water used in the plant and the office is supplied by the waterworks of the corresponding area, while the drinking water is tap water (freshwater). The total groundwater and tap water consumption in 2024 was 713 CMD (metric tons/day) and 34 CMD, respectively; the total water consumption in the plant was 747 CMD.

Wastewater generated during Yulon Motor's production processes is uniformly treated at the plant's wastewater treatment facility. After self-inspection and verification by an external qualified testing agency that the "Effluent Standards" outlined in the Water Pollution Control Act are met, wastewater is discharged into the Da'an River as surface water. The Company also conducts prioritized testing of soil and groundwater for pollutants in accordance with the Soil and Groundwater Pollution Remediation Act to determine compliance with relevant standards and the extent of pollution (priority substances and testing results for 2024 are detailed in Appendix 7). In addition, we proactively sample and test soil and groundwater within the plant site to ensure environmental responsibility and avoid any negative impacts on the community. Based on the groundwater level observed, we can conclude that our use of groundwater has no significant effect on the water source and we did not cause any potential or negative impact on the environment in Sanyi Township, with no instances of emission limits being exceeded. In respect of impact on water resources arising from climate change, we have planned the water restrictions and implemented water resources circulation and reuse. By continuing to introduce the process of wastewater recycling and reuse system and tracking water consumption, we ensure a 5% reduction in water usage every year.

▶ Appendix 7

Water resources use and management strategies

Summary of the performance of major water-saving measures in the past	<p>Smart water use monitoring: Smart water meters are used to collect data and perform analysis to identify and address water use anomalies.</p> <ul style="list-style-type: none"> Water usage was improved at the vehicle pressing workshop and the YNTC Building, saving 984 tons of water – a reduction of approximately 0.36%. Old pipeline replacement: Replace outdated pipelines to reduce leaks and improve pipeline monitoring. Outdated pipelines in the vehicle assembly shop and towed operation shop reduced water leakage, saving 7,008 metric tons of water – approximately a 2.56% reduction in water consumption.
Water resources use and management strategies	<ul style="list-style-type: none"> Process water use: promoting water recycling and reuse and optimization of water use Domestic water use: Promoting water conservation and replacing outdated pipes Water usage management: installing smart water meter integrated with the billboard information system for water resources monitoring and management
Performance in 2024	<ul style="list-style-type: none"> Water intensity: 10.52 metric tons per NTD million. Water consumption: 240,519 metric tons
Short-term goal	The water consumption of a single product unit to be reduced by 40% (based on 2021) to 8.65 m ³ /vehicle in 2026
Mid-term goal	The water consumption of a single product unit to be reduced by 45% (based on 2021) to 7.93 m ³ /vehicle in 2028
Long-term goal	The water consumption of a single product unit to be reduced by 50% (based on 2021) to 7.21 m ³ /vehicle in 2030

Recent Water Resource Usage

Disclosure items	Disclosure sub-items	Unit	2021	2022	2023	2024
Water withdrawal	• Water withdrawal from third parties (tap water)	One million liters	13.404	1.666	8.542	11.022
	• Groundwater withdrawal		337.249	284.133	186.275	261.351
	• Total water withdrawal		350.653	285.799	194.816	272.373
	• Water intensity	One million liters/NTD million	0.01442	0.01275	0.00772	0.01051
Water discharge	• Water resources use intensity	One million liters/unit	0.01151	0.01145	0.00813	0.01151
	• Wastewater discharge volume	One million liters	46.640	36.172	29.093	32.132
	• Water consumption		304.013	249.627	165.723	240.241
Operations	• Revenues	NT\$ million	24,310	22,410	25,223	25,910
	• Number of vehicles manufactured	Units	30,459	24,967	23,961	23,660

Note 1: Due to a revised definition of the wastewater discharge scope, we have slightly adjusted the 2022 and 2023 data based on figures reported to the Environmental Protection Administration. As the monitoring data from all discharge points meet emission standards, we anticipate no significant impact on environmental or water use performance.

Note 2: All water sources are freshwater ($\leq 1,000$ mg/L total dissolved solids). Third-party water (tap water) data is calculated based on annual water bills, while groundwater is calculated based on pump operating hours.

Note 3: Wastewater discharge volume is based on water meter readings and is categorized as other water ($>1,000$ mg/L total dissolved solids). Wastewater is not used for organizational purposes.

Note 4: The denominator used for calculating water intensity is Yulon Motor's annual revenue.

Note 5: 1 million liters of water = 1,000 cubic meters of water = $1,000 \text{ m}^3$ of water.

Note 6: Total water consumption = Total water intake - Total wastewater discharge.

Note 7: Measurement is based on meter readings and water bill data.

We conduct regular inspections on all pipelines at the plant for leakage control, draw a water use balancing graph and put forward water saving measures based on the water usage of each location in addition to the installation of rainwater harvesting system and improvement of recycling rate. Through efforts in water management and conservation, improvements were made in 2024 to address abnormal water usage at the Vehicle Pressing Workshop and the YNTC Building, saving 984 tons of water. Additionally, aging pipelines were addressed and leaking control valves were replaced in the assembly shop and towed operation shop, reducing water leakage by 7,008 tons. Future plans include installing sectional main pipeline water meters to monitor water usage in each area, and based on the analysis results, areas with unusually high consumption will be targeted for improvement to achieve water reduction goals.

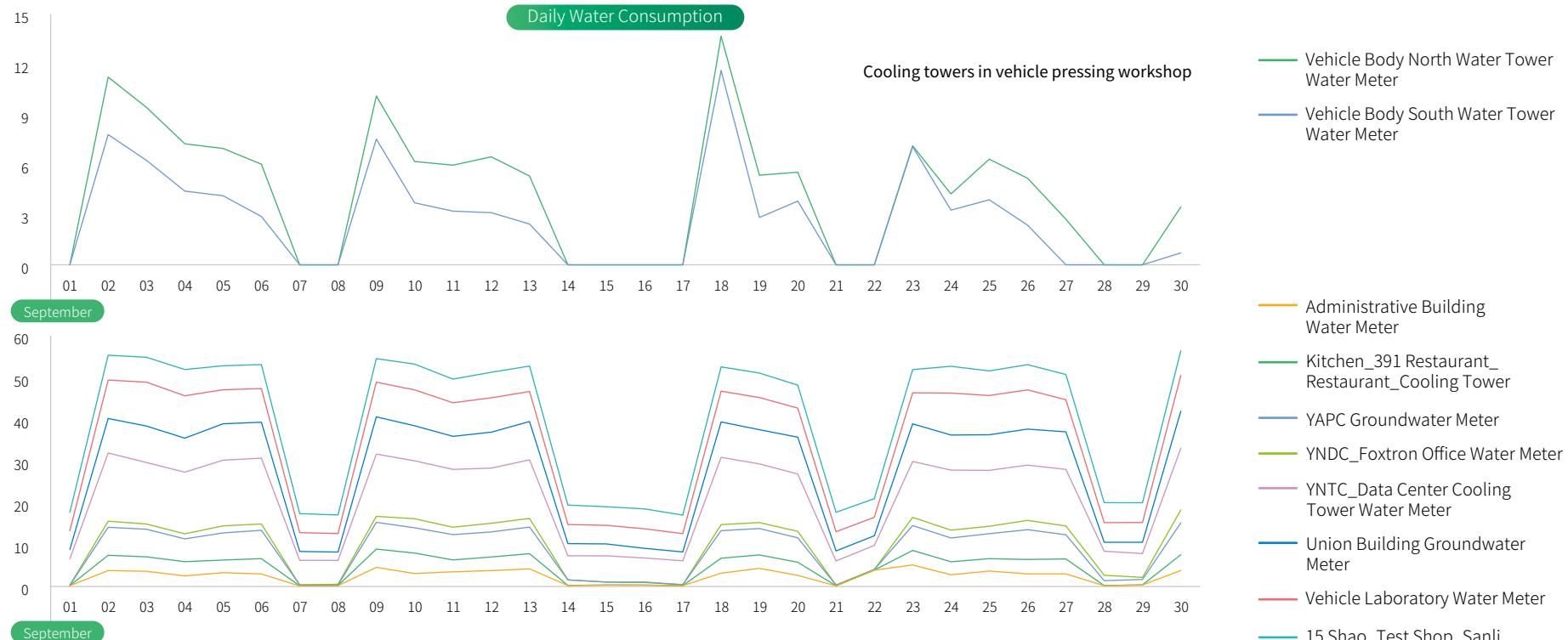
Major featured water saving projects in 2024

Project name: Water usage was improved at the vehicle pressing workshop and the YNTC Building

Project purpose Smart water meters are used to collect data and perform analysis to identify and address water use anomalies.

Water consumption was not included in the monitoring system, so we were unable to tell if usage was abnormal. After installing smart water meters, we found:

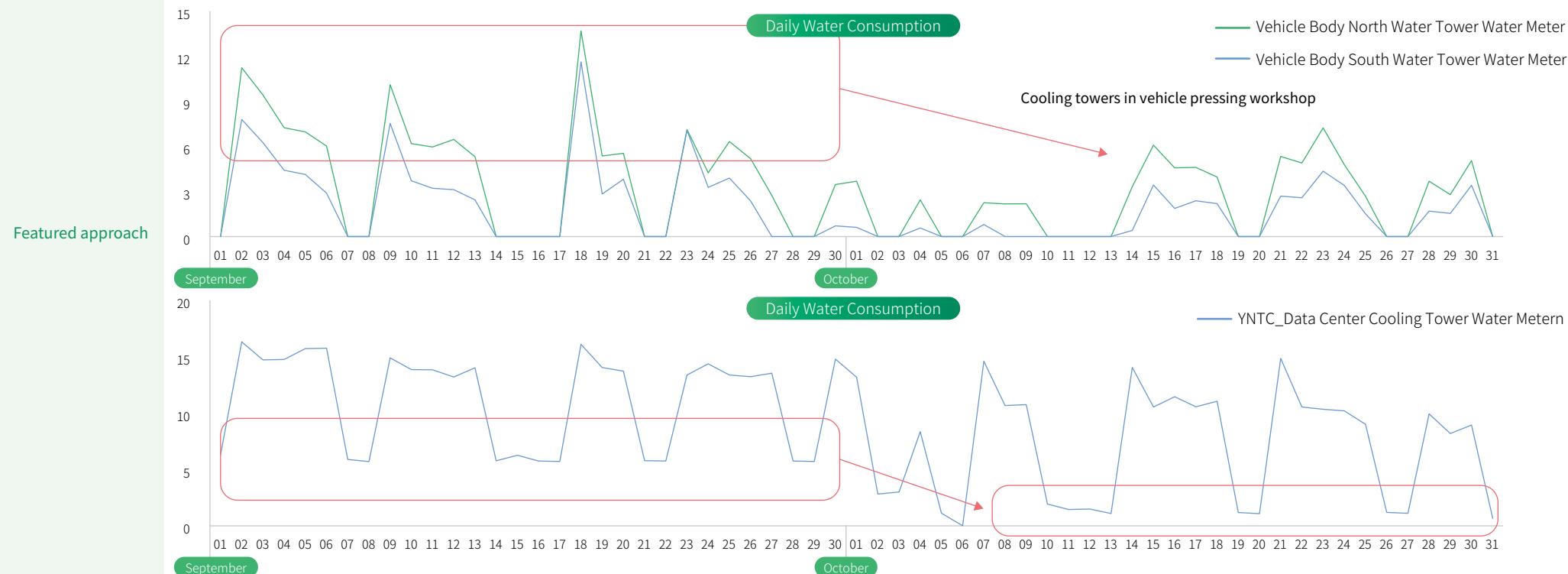
- Vehicle pressing workshop: Water usage is approximately 2-3 times higher on the first workday after the cooling tower is restarted than on other days.
- YNTC Building: Water consumption on holidays is roughly 2-3 times that of other buildings.



Project name: Water usage was improved at the vehicle pressing workshop and the YNTC Building

Analyze water consumption data and observe water usage on site during abnormal time periods to identify the causes of unusual water use and implement improvements.

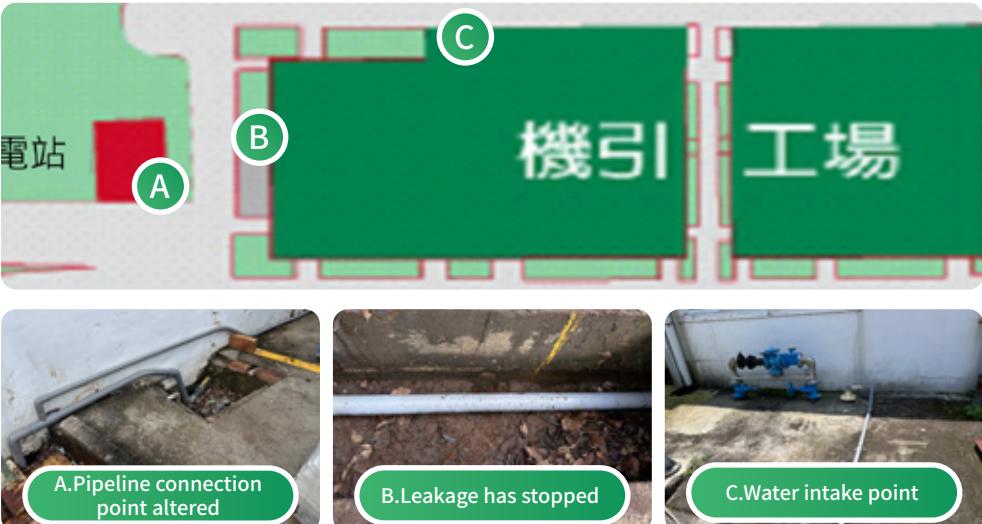
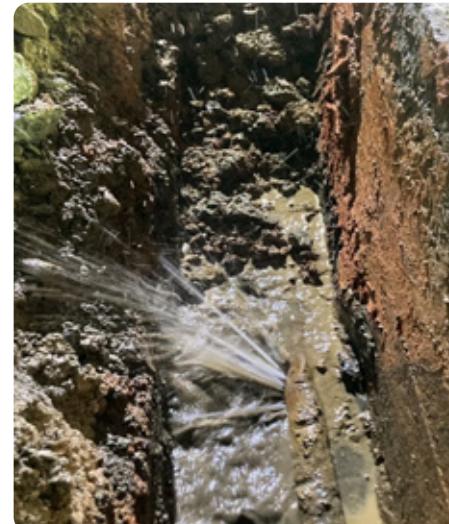
- Vehicle pressing workshop: After shutdown, the cooling tower water returns to the pool and overflows, requiring a large volume of water to be drawn in to refill the pipes at startup. Water consumption is high during startup, and since the overflow is greater on weekends, more water is needed to replenish the system. The cooling tower water level is being adjusted to prevent overflow during shutdown.
- YNTC Building: Water was observed overflowing from the YNTC rooftop water tank. Following an inspection, it was confirmed that a faulty check valve was allowing water to flow back into the tank, and the issue has been resolved by modifying the piping.



Project objective Reduce water consumption by 600 ton/year

Result after the project introduction and potential impact on stakeholders
After the introduction, water use decreased by 984 metric tons/year.

Project name: Outdated pipelines at the vehicle assembly shop and towed operation shop

Project purpose	Conducted inspections of aging pipelines within the facility to identify and repair leaks.	Project objective	Reduce water consumption by 6,000 ton/year
Condition before the project introduction	<p>The pipes surrounding the vehicle assembly shop and towed operation shop were outdated and developing leaks</p> <ul style="list-style-type: none"> • Pipeline leakage near the towed operation shop • Pipeline leakage near the vehicle assembly shop 	Result after the project introduction and potential impact on stakeholders	After the introduction, water use decreased by 7,008 metric tons/year.
Featured approach	<p>Conducted investigations and replaced leaking pipelines with exposed piping where feasible; replaced the leaking pipelines where exposed piping was not possible</p> <ul style="list-style-type: none"> • Exposed piping installed at the towed operation shop • Excavation and pipe replacement at the leak point at the vehicle assembly shop 		

Year	Water resources reduction program	Responsible unit	Qualitative and quantitative performance in reduction
2024	<ul style="list-style-type: none"> • Smart water monitoring: Water usage was improved at the vehicle pressing workshop and the YNTC Building • Outdated pipeline replacement: Outdated pipeline replacement at the vehicle assembly shop and towed operation shop 	Production Engineering Department Equipment Maintenance Team	A reduction of 984 metric tons of water use A reduction of 7,008 metric tons of water use

7-5 Native Forest, Rooted in Life - Joining Partners to Achieve the Common Good with Nature

Many protected wildlife species in Taiwan inhabit areas closely related to human activities. Due to development, the natural forests of the foothills are almost disappearing, resulting in a lack of genetic resources of native plants, especially in Hsinchu and Miaoli. The original mosaic landscapes have become fragmented, resulting in a segment of the population that discourages reproduction and, consequently, leads to a loss of biodiversity. Yulon is committed to its corporate social responsibility by initiating the conservation program for establishing an ecological green network to repair the losing biodiversity and fragmented habitats and to create an ecological environment for the harmonious coexistence between humans and nature.

We have oriented our initiatives on the United Nations' Sustainable Development Goals and rolled out a series of environmental protection actions in collaboration with external organizations. In addition to our own efforts to focus on topics in the natural environment, we also invited our stakeholders to join us to become partners in nature conservation and environmental sustainability. Together, we disseminate the philosophy of environmental education and connect with each other through the ideas of biodiversity recovery, forest resource circulation, etc.



The design concept of Yu Miao Shan Qiu

Leaning on mountain-like Yulon, this nursery restores native saplings of Taiwan and conserves their biodiversity to create a lively sustainable environment that allows saplings in the Yu Miao Shan Qiu Nursery to grow into luxuriant trees, which will offer our next generation shade and form an eco-friendly growth environment.

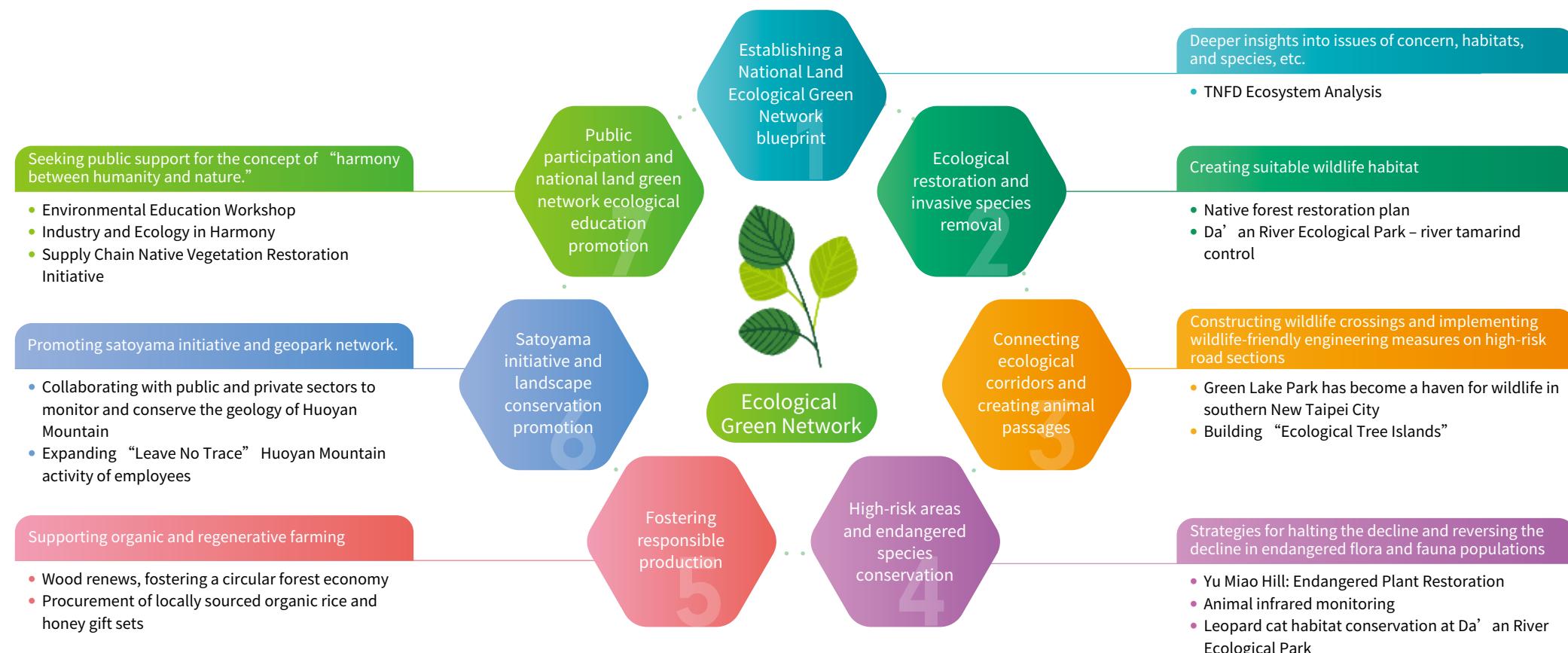


7-5-a1 Yu Miao Shan Qiu Greenhouse Nursery

Repairing the Ecological Green Network - Restoring Biodiversity

Yulon Motor is further promoting a sustainable development model that balances economic growth and ecological preservation. In response to the National Land Ecological Green Network, Yulon Motor has established the Miaoli Ecological Conservation Green Network. This initiative implements seven strategies to support the Ecological Green Network, including developing a national blueprint, restoring native vegetation and removing invasive species, connecting ecological corridors and creating animal passages, conserving high-risk areas and endangered species, fostering a friendly production environment, promoting satoyama initiatives and landscape conservation, and encouraging public participation and environmental education. These efforts aim to enhance ecological habitat function and biodiversity by connecting foothills, plains, wetlands, and coastal habitats, weaving a “forest-river-village-sea” network as a biodiversity safety net.

Yulon Biodiversity Development



1. Native Forest Restoration Plan in New Taipei and Miaoli Regions

Since 2022, Yulon has invested approximately NT\$3.4 million in total, and, with the objective of recovering biodiversity of local vegetation and conserving the native gene pool of native tree community, joined the Taiwan Reforestation Association to build the Yu Miao Shan Qiu Nursery- Taiwan Native Forest Restoration Center, covering an area of 1652.9m², for the restoration in New Taipei and Miaoli regions. By studying potential vegetation, we have built a directory of native tree species of each area, and volunteers conduct parent stand survey and patrol at the 39 seed collecting locations. After seed maturation, they collect and sow the seeds. As the saplings grow to a certain height, they are transferred to the Yu Miao Shan Qiu Nursery for nurturing, and later returned to the local community. All of these saplings are offered for schools' and government agencies' free use, and we expect to restore 80-100 species of native plants within 3 years. We have built at least 171 species of tree species required to be restored at the west hill in Miaoli and selected the tree species that are "ecologically representative, rare, protected or contributive to old growth succession" as the prior species for restoration, which included *quercus aliena*, *styrax matsumura*, and *prunus phaeosticta* Rehder. Since 2024, we have collected the seeds of 143 species and nurtured 4,333 saplings of 32 species, of which 4,361 saplings of 51 species of native trees were nurtured at Yulon's nursery. As a result, we maintained the gene pool for native forests of foothills, promoted tree diversity and put the Sustainable Development Goal 15 – Protect, Restore and Promote Sustainable Use of Terrestrial Ecosystems into practice. Yulon Motor will continue to increase the numbers of saplings and the number of species thereof nurtured for biodiversity.

Restoration Performance in the Recent Years

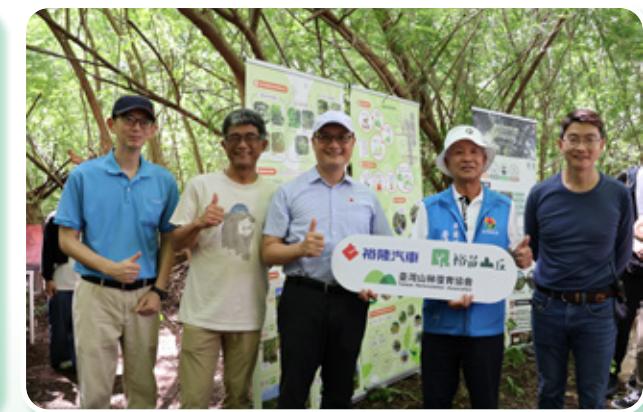
	2022	2023	2024
Parent stand survey, seed collection	41 species	120 species	143 species
Number of saplings nurtured	2,745 saplings, 10 species	3,929 saplings, 42 species	4,333 saplings, 32 species
Number of saplings nurtured at Yulon's nursery	-	2,101 saplings, 26 species	4,361 saplings, 51 species

2. Building "Ecological Tree Islands" to Restore Natural Forests for the Future

Yulon Motor is partnering with the Taiwan Reforestation Association to create "ecological tree islands" by densely planting a diverse mix of tree species, inspired by the Japanese "Miyawaki Method." Long-term research and practical trials have shown that this method is resilient and accelerates plant growth. As these islands mature, they will abundantly disperse seeds, leading to continuous natural seedling regeneration. This natural process will speed up forest succession and amplify the impact of ecological restoration. In 2024, ecological tree islands were established at five locations: the acacia forest ecological control area within Zhuolan Da'an River Ecological Park River Tamarind Ecological Control, the trailhead of Sanyi Huoyan Mountain, Da-Ren Elementary School, Taichung Municipal Chung-Lun Junior High School, and Miaoli Yuan-Li Elementary School. Tree species were prioritized for their ecological representativeness, mature forests in the late succession stage, and rare protected species. Including species such as *quercus aliena*, *styrax matsumura*, *lagerstroemia subcostata*, *machilus zuihoensis*, *lithocarpus*, *photinia lucida*, and *Daphniphyllum glaucescens* ssp. *oldhamii*, these small saplings are growing into a powerful force for biodiversity thanks to the efforts and dedicated care of many. We hope to see them thrive, realizing the vision of "ten years to grow a tree, a hundred years to build a forest," and actively practicing environmental protection and ecological conservation. Achieving SDG 4 Quality Education, SDG 15 Life on Land, and SDG 17 Partnerships for the Goals.

• Zhuolan Da'an River Ecological Park – Tree Island Update

Yulon Motor is partnering with the Taiwan Reforestation Association and the Zhuolan Township Office to jointly carry out a river tamarind control project, aiming to restore the beauty of the foothills in Miaoli.





- Building Ecological Tree Island on Campus

The students and teachers of Da-Ren Elementary School planted seeds of hope, nurturing a new generation's appreciation for tree seedlings and the land they call home.

3. Partnering With Public and Private Sectors to Build a Sustainable Future – Join the ESG Initiative of the Forestry and Nature Conservation Agency, MOA

Yulon Motor cares about and is committed to the natural environment while maintaining deep geographical ties with the Huoyan Mountain Nature Reserve. We have been selected as one of the 11 pioneering companies in the Forestry and Nature Conservation Agency's "Natural Carbon Sink and Biodiversity Project Matching Platform (ESG Matching Platform)." This recognition stems from its successful "Protecting Geological Treasures" project in 2024. Through initiatives such as traceless hiking, ecological education exhibitions, and geological monitoring, Yulon aims to engage employees and the local community in building public awareness of geological conservation and fostering respect for the natural environment. The Company's substantial forested land also serves as a vital ecological corridor connecting the surrounding landscape.

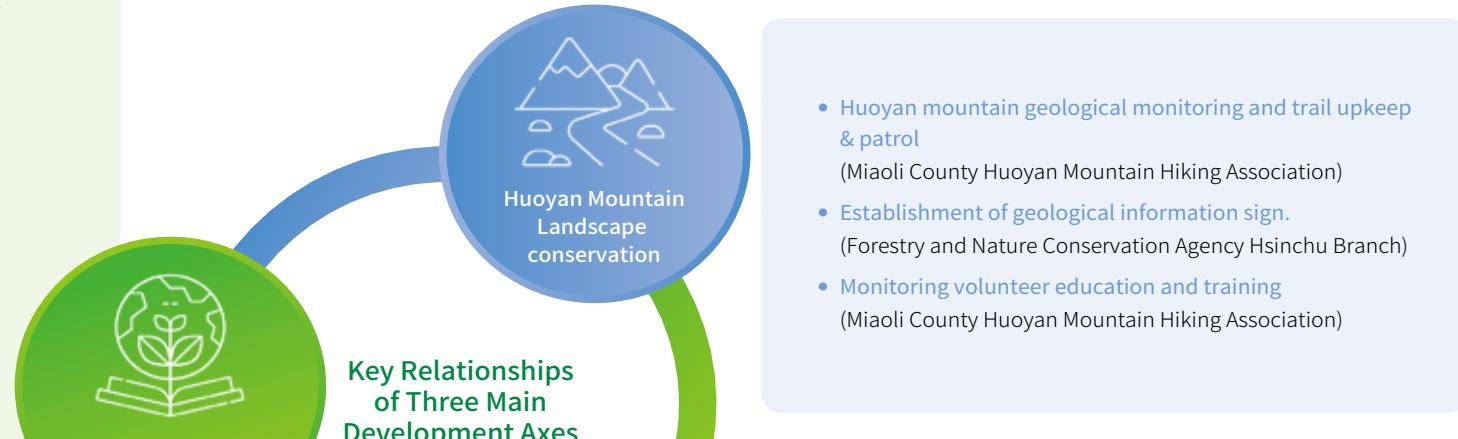
We are deeply aware that finding a balance between humanity and nature is a critical issue today, requiring the collaboration of all stakeholders. In 2025, Yulon Motor will invite stakeholders to join its efforts in nature conservation, continuing its focus on environmental issues. By combining its current initiatives in native plant restoration with the support of government agencies, we aim to jointly promote natural carbon sequestration and biodiversity, realizing a vision of harmonious coexistence between people and nature while fulfilling the SDGs: SDG 15 – Life on Land, SDG 4 – Quality Education, SDG 3 – Good Health and Well-being, and SDG 17 – Partnerships for the Goals.

The Forestry and Nature Conservation Agency joined with various companies to hold a pledge ceremony, signifying public-private partnership in advancing natural carbon sinks and biodiversity conservation



Yulon Motor is pursuing three main development axes through a network of partnerships

- **Huoyan Mountain ecological education special exhibition**
(Taiwan Forest Restoration Association, Huoyan Mountain Ecological Education Center)
- **Leave No Trace Hiking Activity**
(Miaoli County Huoyan Mountain Hiking Association, Yulon Motor & Its Employees)
- **Mountain cleanup**
(Miaoli County Huoyan Mountain Hiking Association, Yulon Motor & Its Employees)
- **Environmental Education Workshop**
(Taiwan Forest Restoration Association)



- **Huoyan mountain geological monitoring and trail upkeep & patrol**
(Miaoli County Huoyan Mountain Hiking Association)
- **Establishment of geological information sign.**
(Forestry and Nature Conservation Agency Hsinchu Branch)
- **Monitoring volunteer education and training**
(Miaoli County Huoyan Mountain Hiking Association)

Collaboration between the public and private sectors



Forestry and Nature
Conservation Agency
Hsinchu Branch



Huoyan Mountain
Ecological Education
Center



YULON



Sanyi Township
Office



Huoyan Mountain
Hiking Association



- **Miaoli foothill vegetation restoration project (Taiwan Forest Restoration Association)**
Restoring Taiwan's native tree species to revitalize local plant biodiversity and conserve the genetic diversity of wild tree populations.

4. Partnering with Local Communities and Employees to Safeguard the Natural Ecology of Huoyan Mountain for Leave No Trace

Yulon Motor held the “Huoyan Mountain Adventure: Explore a Zero-footprint Future with Yulon!” activity in October 2024, centered around the idea of “Leave No Trace.” In partnership with the Miaoli County Huoyan Mountain Hiking Association, the event invited employees of Yulon Nissan Motor, Uni Auto Parts, and their families to take part. The goal was to foster respect for and appreciation of the natural environment through a relaxed hiking activity, contributing to environmental protection while strengthening relationships with partners, and demonstrating the Company’s commitment to sustainability.

Choosing Huoyan Mountain – a location with deep ties to Yulon Motor, abundant flora, and unique landscapes – as the site for this activity was the perfect approach for Yulon to encourage its employees to connect with and cherish nature. Throughout the activity, participants practiced the principles of Leave No Trace, minimizing their impact on the natural environment as they hiked and recharged. They embraced the philosophy of “take only footprints, leave no trace behind,” promoting coexistence and harmony with the land while supporting the United Nations Sustainable Development Goals: Good Health and Well-Being, Quality Education, Life on Land, and Partnerships for the Goals.



Group Photo



Participants not only enjoyed the beautiful natural scenery but also practiced the Leave No Trace principles.

In addition to letting participants enjoy the beautiful views of Huoyan Mountain, the activity also featured guides from the Huoyan Mountain Climbing Association who explained the local ecology and conservation efforts along the trail, allowing both adults and children to learn about and develop a proper understanding of environmental protection. For this activity, we also prepared eco-friendly supplies and souvenirs such as reusable cups, eco-friendly bags, and hiking towels. We encouraged participants to adopt a “leave no trace” lifestyle in their daily lives, reduce waste, and do their part for the Earth.

Wood Regeneration, Yulon Co-Creation - Forest Resource Circulation

Through circulation and revitalization, finding a solution balancing economic development and ecology becomes an important topic. In order to build a habitat friendly to animals and plants, Yulon has planted nearly 50,000 saplings in its Sanyi campus since 2007. Every year, there are approximately 5 metric tons of waste wood from pruning for the purposes of disaster prevention and illumination, and Yulon has been active in seeking channels for wood revitalization in order to maximize the value of forest resources. While assisting in local arts and culture inheritance, Yulon Motor has always kept the concept of sustainable coexistence between the corporate and the community in mind. In addition to the constant donation of the wood pruned at the plant to the host of the “Sanyi Wood Sculpture Art Festival” as materials for its Wood Sculpture DIY event, this initiative aims to extend the lifecycle of wood and create revitalized value. Through this event, we put the circulation concept of “Wood regeneration, Yulon co-creation” into practice and deeply rooted the concept of sustainability while continuing the local Wood Sculpture arts and culture achieving the SDGs of the United Nations, “sustainable cities and communities” and “responsible consumption and production.”



Provide the “Sanyi Wood Sculpture Art Festival” materials
for the wood sculpture DIY event



Circularity and sustainability giftbox -1



Circularity and sustainability giftbox -2

In addition to the donations of wood of various diameters to different organizations based on demands and uses to extend the lifecycle of wood and create revitalized value, in 2024, Yulon collaborated with ReWood and Dawoko in an innovative form of partnership, through which, we smolder the wood pruned from road trees in a charcoal kiln to create smoke and cool the smoke naturally to form pyrolytic acid. The pyrolytic acid is then packaged into a sustainable giftbox that creates the possibility of sustainable development for wood and used as gifts for important business partners. A small card explaining the source, features of the pyrolytic acid product, as well as Yulon’s concept of “creating a brand new value for wood, and imparting the possibility of sustainable development thereto” is attached to each gift box. We hope that it is not only a unique gift, but an agent of corporate philosophy that will invite our partners to support and implement such a concept.

Circularity and sustainability giftbox description

Origin

In the past, people observed that charcoal burners in a charcoal factory were less likely to be bitten by mosquitoes and realized that the high temperature during the charcoal burning process would cause wood to produce liquid smoke that carries natural wood acidity that is an outstanding antibacterial agent as well as an insect repellent. That was where pyrolytic acid originated from.

Concept

Yulon makes good use of the branches pruned from the road trees at its Sanyi plant to cooperate with the forest circulation team ReWood. We naturally cool the smoke produced during smoldering in a charcoal kiln to create the pyrolytic acid and create a brand new value for wood and impart the possibility of sustainable development thereto.

Features

Pyrolytic acid has small molecules with soft texture and contains over 200 organic matters, of which acetic acid is the most. Therefore, it carries a unique aroma of smoked plum. Combined with its natural antibacterial feature, it can effectively clean the skin, maintain skin health and uplift skin immunity.

Environmental Education Workshop

Yulon Motor is dedicated to preserving Taiwan's native species and biodiversity. In July 2024, the Company hosted the "Yulon Summer Environmental Education Experience Camp," offering employees' children a variety of engaging courses and games. The camp provided an opportunity for children to learn about the local foothill environment and its animal residents, and featured a visit from the Taiwan Reforestation Association, who led a hands-on workshop on native seedling propagation. This initiative aimed to foster practical conservation efforts, and promote the sustainable principles of ecological education and environmental protection.



Environmental Education Workshop – Foothill School



Environmental Education Workshop – Forest Defense Battle



Environmental Education Workshop – Group Photo

The morning session kicked off with the "Foothill School" course, featuring a presentation that clearly explained the foothill ecosystem and introduced the pangolin – a local animal, along with its types and habits. An interactive game, "Pangolin Survival Challenge," helped children understand the threats pangolins face, such as attacks by stray dogs and roadkill. The afternoon focused on "Forest Defense Battle" with the board game "Forest Territory Battle," which taught children about plant growth characteristics. The Taiwan Reforestation Association led the children in planting native Taiwanese foothill milk fig trees. They learned how to extract seeds from the fruit and place them in a laundry bag, then rub them in water to mimic a bird's digestive system, removing the fleshy pulp so that the seeds could sprout. The goal was to plant a seed of hope in these children's hearts as they continue to grow and thrive in the future.

Through the diverse courses and activities of this environmental education camp, Yulon Motor aimed to instill the concept of "animal conservation and plant restoration" at the grassroots level, guiding schoolchildren to restore land through practical actions. This hands-on experience helped foster learning about peaceful coexistence with the Earth and implements Sustainable Development Goal 15, Life on Land, to jointly build a better and more sustainable future.

Year	Number of participants	Labor input	Cost
2020	40 participants (26 students +14 parents)	14 People	\$200,000
2023	32 participants (22 students +10 teachers)	14 People	\$71,986
2024	23	8 People	\$20,757

Supply Chain Native Vegetation Restoration Initiative

Yulon Motor is extending its commitment to forest conservation principles throughout its supply chain. To mark World Environment Day on June 5th, the Company collaborated with Yulon senior executives, 15 suppliers, and the Taiwan Forest Restoration Association – a total of 61 volunteers – to host a “Native Vegetation Restoration Initiative” at the Yu Miao Hill Taiwan Native Forest Restoration Center on the grounds of its Sanyi Plant. The activity, focused on “restoring native tree species,” aimed to build an ecologically friendly environment through hands-on action, collectively supporting SDG 15 – Life on Land and SDG 17 – Partnerships for the Goals.

This natural vegetation restoration initiative is primarily in response to the theme of the 2024 World Environment Day, “land restoration, desertification, and drought resilience,” and is focused on the restoration of native tree species. The initiative guided participants in replanting native seedlings from Yu Miao Hill in natural habitats, including around 26 tree species such as the critically endangered *quercus aliena*, the vulnerable *rosa cymosa*, and the near-threatened Chinese elm, among others. Additionally, by introducing natural forests, we aimed to encourage reflection on the importance of restoring native vegetation. Even when faced with numerous environmental challenges, we can still restore land through restoration efforts and coexist peacefully with the Earth, even if returning nature to its original state is not possible.



Leading partners in planting native Taiwanese tree seedlings, restoring the land and creating an ecologically friendly environment through hands-on action.



Yulon Motor Volunteer Club, Taiwan Forest Restoration Association, along with Yulon’s suppliers and customers all participated in World Environment Day on June 5th, demonstrating their commitment to Sustainable Development Goals.



Native Vegetation Restoration Campaign Poster

Appendix 1 GRI Sustainability Reporting Standards (GRI Standards) Index

Statement of use	The Sustainability Report of Yulon Motor has been prepared in accordance with the GRI Standards for the fiscal year 2024 (From January 1, 2024 to December 31, 2024)
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	There is yet an applicable GRI Sector Standard: the disclosure is made with reference to the industry-based Sustainability Accounting Standards Board (SASB) Standards.

GRI 2: General Disclosures 2021

GRI Standards	No.	GRI Standards Disclosure	Corresponding chapter(s)	Page	Omission/note
1. The organization and its reporting practices					
GRI 2: General Disclosures 2021	2-1	Organizational details	About this Report Business Overview of Yulon Motor	01 06	
	2-2	Entities included in the organization's sustainability reporting	About this Report	01	
	2-3	Reporting period, frequency and contact point	About this Report	01	
	2-4	Restatements of information		-	1. Due to a redefinition of waste types, the weights of waste in 2021 to 2023 in Appendix 6 were updated 2. Due to a revised definition of the wastewater discharge scope, we have slightly adjusted the 2022 and 2023 data based on figures reported to the Environmental Protection Administration. As monitoring data from all discharge points meets emission standards, we anticipate no significant impact on environmental or water use performance.
	2-5	External assurance	About this Report Appendix 10	01 225	
2. Activities and workers					
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	Business Overview of Yulon Motor 3-1-1 Value chain of Yulon Motor	06 56	
	2-7	Employee	Business Overview of Yulon Motor 5-1-1 Workforce composition	06 96	
	2-8	Workers who are not employees	Business Overview of Yulon Motor 5-1-1 Workforce composition	06 96	

GRI Standards	No.	GRI Standards Disclosure	Corresponding chapter(s)	Page	Omission/note
3. Governance					
GRI 2: General Disclosures 2021	2-9	Governance structure and composition	1-2 Sustainable Development Committee and Sustainable Development Department 2-1 Sustainable Governance Framework Yulon Motor's annual report	11 31 ► Link	
	2-10	Nomination and selection of the highest governance body	2-1 Sustainable Governance Framework Yulon Motor's annual report	31 ► Link	
	2-11	Chair of the highest governance body	2-1 Sustainable Governance Framework Yulon Motor's annual report	31 ► Link	
	2-12	Role of the highest governance body in overseeing the management of impacts	About this Report 1-2 Sustainable Development Committee and Sustainable Development Department 1-3 Stakeholder communication – analysis of material topics 2-1 Sustainable Governance Framework	01 11 17 31	
	2-13	Delegation of responsibility for managing impacts	About this Report 1-2 Sustainable Development Committee and Sustainable Development Department 1-3 Stakeholder communication – analysis of material topics 2-1 Sustainable Governance Framework	01 11 17 31	
	2-14	Role of the highest governance body in sustainability reporting	About this Report 1-2 Sustainable Development Committee and Sustainable Development Department 1-3 Stakeholder communication – analysis of material topics	01 11 17	
	2-15	Conflicts of interest	2-1 Sustainable Governance Framework	31	Please refer to the details in our 2024 Annual Report on page 2 for information on the Board of Directors, and page 57 for the top ten shareholders and their shareholdings.
	2-16	Communication of critical concerns	1-2 Sustainable Development Committee and Sustainable Development Department 1-3 Stakeholder communication – analysis of material topics 2-1 Sustainable Governance Framework	11 17 31	
	2-17	Collective knowledge of highest governance body	2-1 Sustainable Governance Framework	31	
	2-18	Evaluation of the performance of the highest governance body performance	2-1 Sustainable Governance Framework Yulon Motor's annual report	31 ► Link	
	2-19	Remuneration policies	2-1 Sustainable Governance Framework	31	
	2-20	Process to determining remuneration	2-1 Sustainable Governance Framework	31	
	2-21	Annual total compensation ratio	5-1-3 Employee Rights and Welfare	106	

GRI Standards	No.	GRI Standards Disclosure	Corresponding chapter(s)	Page	Omission/note
4. Strategy, policies and practices					
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	Letter from the Chairperson 1-1 Sustainability blueprint	02 10	
	2-23	Policy commitments	2-3 Ethical Corporate and Anti-corruption 5-2-2 Respecting human rights	38 117	
	2-24	Embedding policy commitments	2-3 Ethical Corporate and Anti-corruption 5-2-2 Respecting human rights	38 117	
	2-25	Processes to remediate negative impacts	2-3 Ethical Corporate and Anti-corruption 5-2-2 Respecting human rights	38 117	
	2-26	Mechanisms for seeking advice and raising concerns	2-3 Ethical Corporate and Anti-corruption 5-2 Human rights protection	38 115	
	2-27	Compliance with laws and regulations	2-3 Ethical Corporate and Anti-corruption	38	
	2-28	Membership associations	Appendix 4	214	
	5. Stakeholder engagement				
	2-29	Approach to stakeholder engagement	1-3-1 Stakeholder engagement	17	
	2-30	Collective bargaining agreements	The percentage of the full-time employees under an indefinite agreement and protected by the “Collective Bargaining Agreement” was 94.25% (1,131/1,200) in 2024. As described in the note, 100% of employees who shall join the union are covered, that is, the Collective bargaining agreements is applicable to all employees of the plant. The working conditions and terms of employment for employees not covered by the Collective Bargaining Agreement will be the same as those at the signed facilities and will not be affected.	115	Employees provided in the collective bargaining agreements, include persons who are hired by Party A to work for wages, except the following personnel: 1. Assistant managers and the management at higher levels. 2. Supervisors of human resources units. 3. Temporarily, short-term, seasonal and job-specific fixed-term contract employees. 4. Consultants and legal counsels. 5. Foreign workers.

GRI 3: Material Topics 2021

GRI Standards	No.	GRI Standards Disclosure	Corresponding chapter(s)	Page	Omission/note
GRI 3: Material Topics 2021	3-1	Process to determine material topics	1-3 Stakeholder communication – analysis of material topics	17	
	3-2	List of material topics	1-3 Stakeholder communication – analysis of material topics	17	
Material topic: Brand Image					
GRI 3: Material Topics 2021	3-3	Management of material topics	1-3 Stakeholder communication – analysis of material topics CH2 Ethical governance steering sustainability	17 27	
Material topic: Sustainable Supply Chain					
GRI 3: Material Topics 2021	3-3	Management of material topics	1-3 Stakeholder communication – analysis of material topics CH4 Sustainable supply chain driving value production	17 77	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	4-1 Sourcing management	83	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	4-2 Supplier management	83	As no new suppliers were added in 2024, new suppliers screened using social standards were 0%.
Material topic: Information Security and Privacy Security Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	1-3 Stakeholder communication – analysis of material topics 2-4-2 Information Security and Privacy Management	17 47	
Material topic: Corporate Governance					
GRI 3: Material Topics 2021	3-3	Management of material topics	1-3 Stakeholder communication – analysis of material topics CH2 Ethical governance steering sustainability	17 27	
Material issue: Operational and Financial Performances					
GRI 3: Material Topics 2021	3-3	Management of material topics	1-3 Stakeholder communication – analysis of material topics 2-2 Financial Performance	17 35	
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	2-2 Financial Performance	35	
Material topic: Sustainable Products and Services					
GRI 3: Material Topics 2021	3-3	Management of material topics	1-3 Stakeholder communication – analysis of material topics 3-1 Leading products and innovative R&D	17 54	
Material issue: Product Quality and Reliability					
GRI 3: Material Topics 2021	3-3	Management of material topics	1-3 Stakeholder communication – analysis of material topics 3-2 Quality Control and Safety Guarantee	17 65	
Material issue: Recruitment and Retention					
GRI 3: Material Topics 2021	3-3	Management of material topics	1-3 Stakeholder communication – analysis of material topics 5-1 Diverse talents strategy	17 95	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	5-1-1 Workforce composition	96	

GRI Standards	No.	GRI Standards Disclosure		Corresponding chapter(s)	Page	Omission/note
Material issue: Occupational Health and Safety						
GRI 3: Material Topics 2021		3-3	Management of material topics	1-3 Stakeholder communication – analysis of material topics 5-3 Friendly and safe work environment	17 121	
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system		5-3-1 Occupational safety and health management system	122	
	403-2	Hazard identification, risk assessment, and incident investigation		5-3-2 Risk management and preventative measures	125	
	403-3	Occupational health services		5-3-1 Occupational safety and health management system	122	
	403-4	Worker participation, consultation, and communication on occupational health and safety		5-3-1 Occupational safety and health management system	122	
	403-5	Worker training on occupational health and safety		5-3-2 Risk management and preventative measures	125	
	403-6	Promotion of worker health		5-3-2 Risk management and preventative measures	125	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		5-3-1 Occupational safety and health management system	122	
	403-8	Workers covered by an occupational health and safety management system		5-3-1 Occupational safety and health management system	122	
	403-9	Work-related injuries		5-3-2 Risk management and preventative measures	125	
Material topic: Customer Relationship Management						
GRI 3: Material Topics 2021		3-3	Management of material topics	1-3 Stakeholder communication – analysis of material topics 3-3 Customer relationship management	17 74	
Material issue: Greenhouse Gas Management						
GRI 3: Material Topics 2021		3-3	Management of material topics	1-3 Stakeholder communication – analysis of material topics 7-1-3 Greenhouse Gas Management	17 175	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions		7-1-3 Greenhouse Gas Management	175	
	305-2	Energy indirect (Scope 2) GHG emissions		7-1-3 Greenhouse Gas Management	175	
	305-3	Other indirect (Scope 3) GHG emissions		7-1-3 Greenhouse Gas Management	175	
	305-4	GHG emissions intensity		7-1-3 Greenhouse Gas Management	175	
	305-5	Reduction of GHG emissions		7-1-3 Greenhouse Gas Management 7-2-3 Energy saving measures	175 183	
Material issue: Risk Management						
GRI 3: Material Topics 2021		3-3	Management of material topics	1-3 Stakeholder communication – analysis of material topics 2-4 Risk Management	17 43	

Other Topic-Specific Standards

GRI Standards	No.	GRI Standards Disclosure	Corresponding chapter(s)	Page	Omission/note
Topic-Specific Standards: GRI 200 Economy					
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5-1-3 Employee Rights and Welfare	106	
	202-2	Proportion of senior management hired from the local community	5-1-1 Workforce composition	96	
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	2-3 Ethical Corporate and Anti-corruption	38	
	205-2	Communication and training about anti-corruption policies and procedures	2-3 Ethical Corporate and Anti-corruption 4-2 Supplier management	38 83	All nine directors are not employed or stationed overseas.
	205-3	Confirmed incidents of corruption and actions taken	2-3 Ethical Corporate and Anti-corruption	38	In 2024, no corruption incidents occurred at Yulon Motor.
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	-	In 2024, Yulon Motor did not involve in legal actions for anti-competitive behavior, anti-trust, and monopoly practices
Topic-Specific Standards: GRI 300 Environment					
GRI 301: Materials 2016	301-2	Recycled input materials used	3-1-3 Sustainable products and services	60	
	302-1	Energy consumption within the organization	7-2-1 Energy policy and objectives	181	
GRI 302: Energy 2016	302-3	Energy intensity	7-2-1 Energy policy and objectives	181	
	302-4	Reduction of energy consumption	7-2-3 Energy saving measures	183	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	7-4-2 Water resources management	190	
	303-2	Management of water discharge-related impacts	7-4-2 Water resources management	190	
	303-3	Water withdrawal	7-4-2 Water resources management	190	
	303-4	Water discharge	7-4-2 Water resources management	190	
	303-5	Water consumption	7-4-2 Water resources management	190	
GRI 306: Waste 2020	306-2	Management of significant waste-related impacts	7-3-2 Waste Management	187	
	306-3	Waste generated	Appendix 6	216	

GRI Standards	No.	GRI Standards Disclosure		Corresponding chapter(s)	Page	Omission/note
Topic-Specific Standards: GRI 400 Social						
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5-1-3 Employee Rights and Welfare 5-3-2 Risk management and preventative measures	106 125		
	401-3	Parental leave	5-1-3 Employee Rights and Welfare	106		
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	5-2-1 Labor-management relations maintenance	115		If there is any significant operational change, Yulon will give notices to affected personnel lawfully.
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	5-1-2 Development and Training of Talents	99		
	404-2	Programs for upgrading employee skills and transition assistance programs	5-1-2 Development and Training of Talents 5-1-3 Employee Rights and Welfare	99 106		
	404-3	Percentage of employees receiving regular performance and career development reviews	5-1-3 Employee Rights and Welfare	106		
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Yulon Motor's annual report 2-1 Sustainable Governance Framework 5-1-1 Workforce composition	▶ Link 31 96		
	405-2	Ratio of basic salary and remuneration of women to men	5-1-3 Employee Rights and Welfare	106		
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	5-2-2 Respecting human rights	117		
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	5-2-2 Respecting human rights	117		
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	5-2-2 Respecting human rights	117		
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations or suppliers at significant risk for incidents of forced or compulsory labor	5-2-2 Respecting human rights	117		
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	5-2-2 Respecting human rights	117		No grievance case concerning human rights of indigenous peoples
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	6-2 Arts and Culture	145		In 2024, Yulon Motor focused its operations on the Sanyi Plant, with 100% development plans centered there.
	413-2	Operations with significant actual and potential negative impacts on local communities		-		Based on the assessment, there was no significant negative impact in 2024.

GRI Standards	No.	GRI Standards Disclosure	Corresponding chapter(s)	Page	Omission/note
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	3-2-1 Product quality management 3-2-2 Product Safety Management	67 72	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	-	In 2024, we were not involved in incidents of non-compliance with applicable laws or voluntary rules
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	3-2 Quality Control and Safety Guarantee 5-3-2 Occupational safety and health risk management and preventative measures 7-3-1 Circular economy	65 125 185	
	417-2	Incidents of non-compliance concerning product and service information and labeling	-	-	In 2024, we were not involved in incidents of non-compliance with applicable laws or voluntary rules
	417-3	Incidents of non-compliance concerning marketing communications	-	-	In 2024, we were not involved in incidents of non-compliance with applicable laws or voluntary rules
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3-3-2 Customer privacy protection	76	

Appendix 2 Sustainability Accounting Standards Board (SASB) Standards Index

Sustainability Accounting Standards Board (SASB) Industry Standard Index – Automobiles

- Accounting Metrics

Disclosure Topic	Metric	Disclosure Matrix	Category	Corresponding chapter or description	Page																		
Product Safety	TR-AU-250a.1	Percentage of vehicle models rated by NCAP programs with an overall 5-star safety rating, by region	Quantitative	The collision test results of the NCAP are applicable to Europe and not Yulon Motor.	None																		
	TR-AU-250a.2	Number of safety-related defect complaints, percentage investigated	Quantitative	Defect complaints: No customer complaints regarding product safety defects were reported this year.	None																		
	TR-AU-250a.3	Number of vehicles recalled	Quantitative	Vehicle recalls this year: (1) INFINITI QX60 – Active steering headlight system software defect: 317 vehicles recalled. (2) Nissan Kicks – ABS actuator defect: 65,867 vehicles recalled. (3) Nissan X-trail (T32) – Welding defects in the right lower control arm: 898 vehicles recalled. (4) INFINITI Q50 HYBRID – Balance shaft defect: 306 vehicles recalled.	None																		
Labor Practices	TR-AU-310a.1	Percentage of active workforce covered under collective bargaining agreements	Quantitative	The percentage of the full-time employees under an indefinite agreement and protected by the “Collective Bargaining Agreement” was 94.25% (1,131/1,200) in 2024. As described in GRI 2-30 note, 100% of employees who shall join the union are covered, that is, the Collective bargaining agreements is applicable to all employees of the plant. The working conditions and terms of employment for employees not covered by the Collective Bargaining Agreement will be the same as those at the signed facilities and will not be affected.	115																		
	TR-AU-310a.2	1. Number of work stoppages 2. Total days idle	Quantitative	1. Number of work stoppages in 2024: 0 2. Total days idle in 2024: 0																			
Fuel Economy & Use-phase Emissions	TR-AU-410a.1	Sales-weighted average passenger fleet fuel economy, by region	Quantitative	<div style="text-align: center;"> NISSAN <table border="1"> <thead> <tr> <th>Model</th> <th>XTRAIL</th> <th>KICKS</th> <th>SENTRA</th> <th>Weighted average number</th> </tr> </thead> <tbody> <tr> <td>Sales region: Taiwan</td> <td>16.00 Km/L</td> <td>16.00 Km/L</td> <td>17.70 Km/L</td> <td>16.49Km/L</td> </tr> </tbody> </table> LUXGEN <table border="1"> <thead> <tr> <th>Model</th> <th>U6</th> <th>URX</th> <th>Weighted average number</th> </tr> </thead> <tbody> <tr> <td>Sales region: Taiwan</td> <td>12.00 Km/L</td> <td>11.90 Km/L</td> <td>11.94Km/L</td> </tr> </tbody> </table> </div>	Model	XTRAIL	KICKS	SENTRA	Weighted average number	Sales region: Taiwan	16.00 Km/L	16.00 Km/L	17.70 Km/L	16.49Km/L	Model	U6	URX	Weighted average number	Sales region: Taiwan	12.00 Km/L	11.90 Km/L	11.94Km/L	None
Model	XTRAIL	KICKS	SENTRA	Weighted average number																			
Sales region: Taiwan	16.00 Km/L	16.00 Km/L	17.70 Km/L	16.49Km/L																			
Model	U6	URX	Weighted average number																				
Sales region: Taiwan	12.00 Km/L	11.90 Km/L	11.94Km/L																				

Disclosure Topic	Metric	Disclosure Matrix	Category	Corresponding chapter or description	Page								
Fuel Economy & Use-phase Emissions	TR-AU-410a.2	Number of the 1. zero emission vehicles (ZEV), 2. hybrid vehicle and 3. plug-in hybrid vehicles sold	Quantitative	<table border="1"> <thead> <tr> <th>Model</th> <th>Number sold in 2024</th> </tr> </thead> <tbody> <tr> <td>Zero emission vehicles (ZEV)</td> <td>7,320</td> </tr> <tr> <td>Hybrid vehicle</td> <td>2,944</td> </tr> <tr> <td>Plug-in hybrid vehicles</td> <td>0</td> </tr> </tbody> </table> <p>Note: ZEVs are vehicles driven only by an electric motor that are powered by batteries or hydrogen fuel cell, and they have no tailpipe emissions (gas emissions from the combustion of natural gas, gasoline, diesel, heavy oil, biofuel or coal) over their entire lifetime under all possible operational modes and conditions.</p>	Model	Number sold in 2024	Zero emission vehicles (ZEV)	7,320	Hybrid vehicle	2,944	Plug-in hybrid vehicles	0	None
Model	Number sold in 2024												
Zero emission vehicles (ZEV)	7,320												
Hybrid vehicle	2,944												
Plug-in hybrid vehicles	0												
7-1 Climate change management													
Materials Sourcing	TR-AU-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	2-4 Risk Management 4 Sustainable supply chain	43 77								
Materials Efficiency & Recycling	TR-AU-440b.1	Total amount of waste from manufacturing, percentage recycled	Quantitative	The waste generated in 2024 amounted to 5,330 metric tons with a recycling rate of 94.19%.	None								
	TR-AU-440b.2	Weight of end-of-life material recovered, percentage recycled	Quantitative	Not applicable	None								
	TR-AU-440b.3	Average recyclability of vehicles sold	Quantitative	In the voluntary standards set by Taiwan Transportation Vehicle Manufacturers Association in response to the Resource Recycling Act, we make a commitment that after January 1, 2008, the vehicle recyclability rate of the models subject to the standards should reach more than 80% and the reusability rate should be more than 85%.	185								

• Activity Metric

Metric	Disclosure Matrix	Category	Corresponding chapter or description	Page
TR-AU-000.A	Number of vehicles manufactured	Quantitative	2-2 Financial Performance	35
TR-AU-000.B	Number of vehicles sold	Quantitative	2-2 Financial Performance	35

Appendix 3 TCFD Index

Element	Disclosure	Page
Governance	Describe the board's oversight of climate-related risks and opportunities	162
	Describe management's role in assessing and managing climate-related risks and opportunities.	162
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	164
	Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.	171
Risk management	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	165
	Describe the organization's processes for identifying and assessing climate-related risks	172
	Describe the organization's processes for managing climate-related risks	172
Metrics and targets	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	172
	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	173
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas(GHG) emissions, and the related risks	176
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	173

Appendix 4 List of Associations Participated in

Name of Association/Organization	Management Role	Participated Projects or Committees	Membership
Taiwan Transportation Vehicle Manufacturers Association	✓		✓
Car Safety Association	✓		✓
Chinese National Federation of Industries			✓
Chinese National Association of Industry and Commerce, Taiwan			✓
Taiwan Environmental Management Accounting Association			✓
Chinese Excellent Management Association			✓
Miaoli County Industrial Association			✓
Taipei Automobile Distributors Association			✓
SAE Taipei Section			✓
Taiwan Corporate Governance Association			✓
Cross-Strait CEO Summit			✓
Taiwan M&A and Private Equity Council	✓		✓

Appendix 5 Other Significant Gas Emissions

No.	Item	2021	2022	2023	2024
1	Nitrogen Oxides (NOx)	2.982	2.374	2.247	2.507
2	Sulfur Oxides (SOx)	0.742	0.488	0.531	0.653
3	Persistent Organic Pollutants (POPs)	Not measured			
4	Volatile Organic Compounds (VOCs)	228.530	235.900	216.561	215.338
5	Toluene (C ₆ H ₅ CH ₃)	1.442	1.102	0.362	3.285
6	Xylene (C ₈ H ₁₀)	62.152	50.138	28.902	31.432
7	Benzene (C ₆ H ₆)	1.470	1.120	0.750	0.009
8	Styrene (C ₈ H ₈)	0.180	0.230	0.000	0.000
9	Ethylbenzene (C ₈ H ₁₀)	11.313	9.338	6.703	6.482
10	Suspended Particles (PM)	0.144	0.110	0.111	0.155
11	Other gas emissions categories specified in relevant laws and regulations	-	-	-	-
Total (metric tons)		307.307	299.451	255.418	259.861

Note: POPs were not included in Yulon Motor's Raw Material Safety Data Sheet (SDS), so they were not covered in a regular inspection. The measurement factors comply with the emission factors and control efficiencies for SOx and NOx stipulated for the report of air pollution control fees by public and private premises of stationary pollution source.

Appendix 6 Types and Amount of Waste Generated in 2024

unit: metric tons

Year	Industrial waste reused (definition: waste reuse according to permission issued by the Ministry of Environment or reuse subjected to immediate treatment)																
	General industrial waste													Hazardous industrial waste			
	Iron	Paper	Plastics	Glass	Wood	Battery	Copper	Aluminum	Light tubes	3C	Plastic waste	Tires	Waste oils	Physical treatment	Active carbon	Sludge	Solvent
2021	1,232.27	1,030.00	393.04	0.00	348.00	8.89	2.98	8.515	0.47	0.302	0	2.44	6.99	0.00	62.60	5.90	5.80
2022	1,180.07	822.10	365.33	0.00	371.2	8.8	0.37	11.76	0	4.373	0	0	3.97	0.00	32.14	18.06	12.52
2023	1,121.99	1,085.01	463.95	3.72	469.00	3.19	3.76	7.52	0.29	0	0	0	8.49	0.00	32.01	17.79	9.56
2024	700.73	1,056.02	461.80	1.45	2,687.17	4.47	0	6.47	0	1.09	16.81	0	3.32	0.00	43.18	31.42	6.38

Note 1: Starting in 2024, the in-plant waste solvent distillation unit was shut down, and all distillation and reuse has been outsourced.

Note 2: Plastics include hollow boards, foam, hollow boards containing foam, strapping, polystyrene (including plastic PE bags, plastic storage boxes, plastic PET bottles, and other plastic waste).

Note 3: The plastic waste categories listed in the table refer to types not included in mandatory recycling programs, such as foam scraps, discarded canvas, and packaging materials.

Year	Non-reusable industrial waste							Total			Indicator
	General industrial waste					Hazardous industrial waste		Weight of hazardous waste	Weight of non-hazardous waste	Total weight (hazardous + non-hazardous)	Waste reuse rate
	Sludge		Paint waste	General (domestic waste)	Others (high heat-value waste, D-0299, D-0699, D-0899)	Others	Medical waste				
	Landfilling	Thermal treatment	Incineration	Incineration	Incineration	Bulky waste	Incineration				
2021	0.00	16.00	123.00	25.80	69.70	51.78	0.05	11.75	3,382.78	3,394.52	91.56%
2022	0.00	0.00	80.20	22.24	69.75	30.26	0.05	30.63	3,002.56	3,033.19	93.32%
2023	0.00	0.00	68.63	13.28	77.03	42.83	0.04	27.38	3,400.7	3,428.09	94.11%
2024	0.00	0.00	107.15	19.61	102.55	80.38	0.037	37.83	5,292.20	5,330.03	94.19%

Note 1: High heating value waste includes waste plastic mixture, waste paper mixture and fiber waste

Note 2: High heating value waste includes D-0299 (waste plastic mixture), D-0699 (waste paper mixture), D-0899 (fiber waste or other mixture of cotton, textile, etc.)

Note 3: All waste is handled by third-party disposal contractors authorized by the Environmental Protection Administration in compliance with the law.

Note 4: The data in this table comes from weighbridge tickets, triplicate form, and the plant's solvent cleaning records.

Note 5: Annual audits are conducted to verify waste disposal vendor compliance.

Note 6: To present complete waste data, clearly define the scope of waste, and ensure consistency with reporting requirements, additional waste items (batteries, copper, aluminum, fluorescent lamps, 3C products, and others) have been added to improve management effectiveness.

Note 7: The data listed in this table have been appropriately rounded. Minor discrepancies between individual items and the totals may result from rounding, which is a common statistical occurrence and does not compromise the accuracy or completeness of the information presented.

Appendix 7 Groundwater Quality Monitoring Record of 2024

Type	Pollutant	Control standard	Monitoring standard	YLSW-02	YLSW-03	YLSW-04	YLSW-01	YLSW-05
				Painting shop upstream	Painting shop downstream	Gas station upstream	Gas station downstream	Gate surroundings
Monocyclic aromatics	Benzene	0.05	0.03	ND	ND	ND	ND	ND
	Toluene	10	5	ND	0.0111	ND	0.00184	ND
	Ethylbenzene	7	3.5	ND	ND	ND	ND	ND
	Xylene	100	50	ND	ND	ND	ND	ND
Polycyclic	Naphthalene	0.40	0.2	ND	ND	ND	ND	ND
Chlorinated Hydrocarbon	Carbon tetrachloride	0.05	0.03	ND	ND	ND	ND	ND
	Chlorobenzene	1	0.5	ND	ND	ND	ND	< 0.00100
	Chloroform	1	0.5	ND	ND	ND	ND	ND
	Chloromethane	0.3	0.15	ND	ND	ND	ND	ND
	1,4-Dichlorobenzene	0.75	0.38	ND	ND	ND	ND	ND
	1,1-Dichloroethane	8.5	4.25	ND	ND	ND	ND	ND
	1,2-Dichloroethane	0.05	0.03	ND	ND	ND	ND	ND
	1,1-Dichloroethane	0.07	0.04	ND	ND	ND	ND	ND
	Cis-1,2-Dichloroethene	0.07	0.04	ND	ND	ND	ND	ND
	Trans-1,2-Dichloroethene	1	0.5	ND	ND	ND	ND	ND
	2,4,5-Trichlorophenol	3.7	1.85	ND	ND	ND	ND	ND
	2,4,6-Trichlorophenol	0.1	0.05	ND	ND	ND	ND	ND
	Pentachlorophenol	0.08	0.04	ND	ND	ND	ND	ND
	Tetrachloroethylene	0.05	0.03	ND	ND	ND	ND	ND
	Trichloroethylene	0.05	0.03	ND	ND	ND	ND	ND
	Vinyl chloride	0.02	0.01	ND	ND	ND	ND	ND
	Methylene chloride	0.05	0.03	ND	ND	ND	ND	ND
	1,1,2-Trichloroethane	0.05	0.03	ND	ND	ND	ND	ND
	1,1,1-Trichloroethane	2	1	ND	ND	ND	ND	ND
	1,2-Dichlorobenzene	6	3	ND	ND	ND	ND	ND
	3,3'-Dichlorobenzidine	0.1	0.05	ND	ND	ND	ND	ND

Type	Pollutant	Control standard	Monitoring standard	YLSW-02		YLSW-03		YLSW-04		YLSW-01		YLSW-05
				Painting shop upstream	Painting shop downstream	Gas station upstream	Gas station downstream	Gate surroundings				
Heavy metal	Arsenic (As)	0.5	0.25	ND	ND	ND	ND	ND	ND	ND	ND	ND
	Cadmium (Cd)	0.05	0.03	ND	ND	ND	ND	ND	ND	ND	ND	ND
	Chromium (Cr)	0.5	0.25	ND	0.046	ND	ND	ND	ND	ND	ND	ND
	Copper (Cu)	10	5	ND	ND	ND	ND	ND	ND	ND	ND	ND
	Lead (Pb)	0.1	0.05	ND	< 0.020	ND	ND	ND	ND	ND	ND	ND
	Mercury (Hg)	0.02	0.01	< 0.0002	ND	ND	ND	ND	ND	ND	ND	ND
	Nickel (Ni)	1	0.5	< 0.020	< 0.020	ND	ND	ND	ND	< 0.020	< 0.020	< 0.020
	Zinc (Zn)	50	25	0.021	0.029	< 0.020	< 0.020	< 0.020	< 0.020	< 0.020	< 0.020	< 0.020
	Indium (In)	0.7	0.35	ND	ND	ND	ND	ND	ND	ND	ND	ND
General	Molybdenum (Mo)	0.7	0.35	ND	0.026	ND	ND	ND	< 0.020	ND	ND	ND
	Nitrate nitrogen	100	50	1.93	4.07	1.30	1.30	1.30	2.73	2.73	2.73	2.73
	Nitrite nitrogen	10	5	< 0.01	< 0.01	< 0.01	< 0.01	< 0.01	< 0.01	< 0.01	< 0.01	0.01
Others	Villiaumite	8	4	< 0.10	< 0.10	ND	ND	ND	< 0.10	ND	ND	ND
	MTBE (Methyl Tert-Butyl Ether)	1	0.5	ND	ND	ND	ND	ND	ND	ND	ND	ND
	Total petroleum hydrocarbons	10	5	ND	0.057	ND	ND	ND	ND	ND	ND	0.084
	Total petroleum hydrocarbons (gasoline range)	10	5	ND	< 0.031	ND	ND	ND	ND	ND	ND	0.058
	Total petroleum hydrocarbons (diesel range or more)	10	5	ND	ND	ND	ND	ND	ND	ND	ND	ND
	Cyanide	0.5	0.25	ND	ND	ND	ND	ND	ND	ND	ND	ND

ND: Not detected such substance.

Appendix 8 Climate-Related Information of the Listed Company

1 Implementation Status of Climate-Related Information

Item	Implementation Status
1. Describe the supervision and governance of climate-related risks and opportunities by the Board of Directors and management.	<p>The Board of Directors of Yulon Motor is the highest governing unit responsible for formulating corporate social responsibility and sustainable development strategies. We have established a Sustainable Development Department to promote climate change adaptation and ESG activities. The Committee is chaired by the President and a Sustainable Development Organization is set up as the specific executing unit. Annually, the Committee reports ESG achievements to the Board of Directors, which supervises the implementation of actions taken by the Company in response to climate change and examines operational risks related to climate-related risks. In order to strengthen its sustainability actions, Yulon Motor has incorporated sustainability issues into its employee remuneration management mechanism, and continues to incorporate sustainability into corporate operations by linking performance evaluations with sustainability-related issues.</p>
2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, mid-, and long-term).	<p>Yulon Motor's Sustainable Development Department meets with each responsible unit and refers to the SSP5-8.5 scenario analysis of the AR6 Report issued periodically by the Intergovernmental Panel on Climate Change (IPCC) on top of the automotive industry and the geography of our operating locations, we inventory the potential impact scopes and scales on all operating locations within various time scales (short term: 1 year, mid-term: 1-3 years, long term 3-5 years). These risk impact scales are placed in order, and items with top priority for adoption are selected and listed in the List of Risk and Opportunity Topics of Yulon.</p>
3. Describe the financial impact of extreme climate events and transformation actions.	<p>For the Company's identification of opportunities to climate risk issues and countermeasures (including potential financial impacts), please refer to 7-1-2 Climate change management and 3. Climate-related risks and opportunities.</p>
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>The Sustainable Development Department adopts the cycle of plan, do, check and action as the management procedure to assess and identify climate change risks, adjusts and reviews the Company's risk management policies and approaches on a periodic basis, and modifies the risk management structure and process in a timely manner.</p>
5. If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.	<p>The Company conducted the analysis with reference to the SSP5-8.5 scenarios of the AR6 report regularly released by the Intergovernmental Panel on Climate Change (IPCC). The 1.5°C and 2.5°C warming scenario explanations are as follows:</p> <p>1. 1.5°C temperature increase scenario:</p> <ul style="list-style-type: none"> (1) Net zero emissions and carbon management: In response to global efforts to limit warming to 1.5°C, we align with national pathways to achieve net zero emissions by 2050. (2) Implement sustainable production: Promote environmental management, set reduction targets, and reduce the environmental impact of product production. (3) Deployment of renewable energy: Continue to deploy the solar energy installation in Sanyi site to increase the utilization ratio of renewable power. (4) Energy transition management: Process improvement and equipment performance enhancement, electrification of office and logistics vehicles. (5) Zero waste of resource recycling: Reduce, reuse, and recycle waste to improve the conversion rate of waste to reduce environmental impact. (6) Responding to climate change: Establish a climate change management framework with the TCFD as the framework to identify risks and opportunities, and disclose the progress to stakeholders on a regular basis. <p>2.5°C temperature increase scenario: When the premise of the temperature increase scenario deteriorates, we will increase the intensity of temperature emission reduction (e.g. 100% use of green power in the entire site, 100% electrification of public utilities and logistics equipment, and 100% recycling of resources with zero waste). Please refer to 7-1-2 Climate Change Management for details on specific usage scenarios, parameters, assumptions, analytical factors, and key financial impacts.</p>

▶ 7-1-2 Climate change management

▶ 7-1-2 Climate change management and 3. Climate-related risks and opportunities

Item	Implementation Status
6. If there is a transformation plan in place to manage climate-related risks, specify the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.	<p>The Company has long been concerned about the impact of climate change on its operations, and actively identifies and responds to the risks and impacts of extreme weather in order to identify opportunities.</p> <ol style="list-style-type: none"> 1. Formulate company-wide KPIs for energy conservation, carbon reduction, and GHG reduction, and check the control achievement rate on a monthly basis to formulate improvement measures. 2. Upgrade the equipment and optimize the energy efficiency of the process. 3. Established the “Energy Saving Service Group” in 2012, and set up the “Energy Saving Committee” and the “Value Chain Committee of Third-Party Suppliers” in 2018 to guide third-party companies in their efforts to protect the environment and actively create a green supply chain. 4. Develop zero-carbon emission smart EVs and collaborate with Hon Hai to provide a complete solution for EV chassis and key component modules, thereby shortening the development process of future EVs and enabling EV products to enter the market more quickly. <p>Please refer to 7-1-2 Climate Change Management for key risk indicators and targets.</p>
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	<p>The Company continues to collect internal carbon pricing practices and operational models. The Company has not yet used internal carbon pricing as a planning tool, therefore not applicable.</p>
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	<p>In accordance with the national carbon dioxide reduction policy, Yulon Motor signed the “Greenhouse Gas Inventory and Voluntary Reduction Declaration” in 2006, continuously promoting efforts to reduce GHG emissions and setting reduction targets for carbon dioxide emissions in various departments. The Company's GHG emission reduction targets are divided into Scope 1 and Scope 2 carbon intensity targets (metric tons of carbon dioxide equivalent/NTD millions of production value) which are set to reduce by 4.2% per year.</p> <p>Carbon credits or RECs were not used for reduction credits in the year, so it is not applicable.</p> <p>Please refer to 7-1-3 GHG Management for details on GHG management targets and 2024 reduction progress.</p>
9. GHG inventory and assurance status, as well as reduction targets, strategies and specific action plans (indicated in 1-1 and 1-2 separately).	<p>Please refer to the descriptions in 1-1 and 1-2.</p>

► 7-1-2 Climate change management

1-1 The Company's Greenhouse Gas Inventory and Assurance Status in the Recent Two Years

1-1-1 Greenhouse Gas Inventory Information

Describe the GHG emission volume (metric tons of CO₂e), intensity (metric tons of CO₂e/NTD million), and data coverage for the most recent two years.

Total CO₂ emissions from the Sanyi Plant: 8,816.06 metric tons in 2024 (Scope 1: 3,267.13 metric tons. Scope 2: 5,548.94 metric tons, GHG emission intensity at 0.3403 metric tons CO₂e/NTD million).
10,985.71 metric tons in 2023 (Scope 1: 6,054.78 metric tons), Scope 2: 4,930.92 metric tons, GHG emission intensity at 0.4356 metric tons of CO₂e/NTD million.

Note 1: Direct emissions (Scope 1, i.e. directly from emission sources owned or controlled by the Company), indirect emissions from energy (Scope 2, i.e. indirect GHG emissions due to imported electricity, heat or steam).

Note 2: GHG inventory standard: ISO 14064-1 issued by the International Organization for Standardization (ISO).

1-1-2 Greenhouse Gas Assurance Information

- Describe the status of assurance in the last 2 years, including the scope of assurance, institutions of assurance, criteria of assurance, and opinions of assurance.

The Company has conducted GHG emission inventory and reduction plans over the years, and voluntarily disclosed the results publicly in the sustainability report and the Company's website, and has completed the ISO 14064 GHG inventory certification in 2023 and 2024.

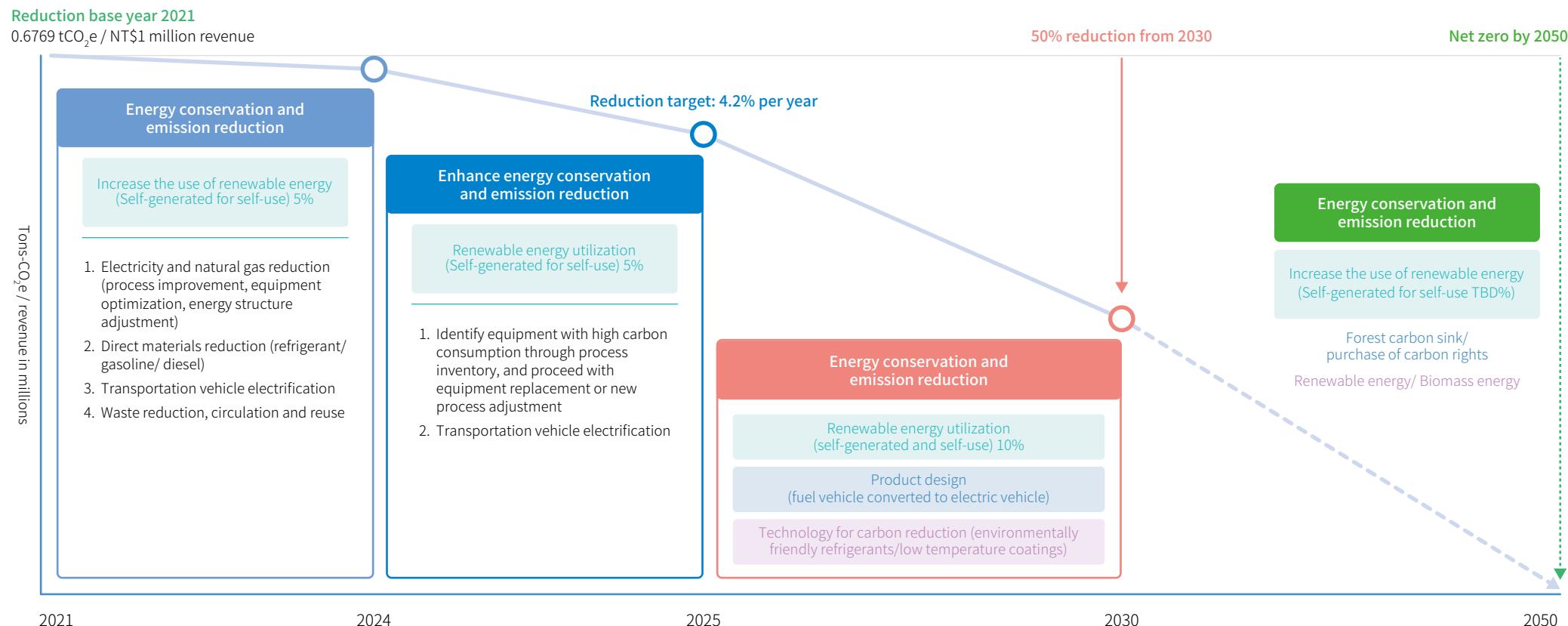
Indicator item	Explanation of assurance status for 2023	Explanation of assurance status for 2024
Direct (Scope 1) GHG emissions	1. Emissions: 6,054.7888 metric tons of CO ₂ e 2. Data boundary: Yulon Motor Sanyi Plant 3. Certification: Yes 4. Verification Institution: AFNOR 5. Verification standard: ISO 14064	1. Emissions: 3,267.1267 metric tons of CO ₂ e 2. Data boundary: Yulon Motor Sanyi Plant 3. Certification: Yes 4. Verification Institution: AFNOR 5. Verification standard: ISO 14064
Indirect energy (Scope 2) GHG emissions	1. Emissions: 4,930.9186 metric tons of CO ₂ e 2. Data boundary: Yulon Motor Sanyi Plant 3. Certification: Yes 4. Verification Institution: AFNOR 5. Verification standard: ISO 14064	1. Emissions: 5,548.9379 metric tons of CO ₂ e 2. Data boundary: Yulon Motor Sanyi Plant 3. Certification: Yes 4. Verification Institution: AFNOR 5. Verification standard: ISO 14064
Other indirect (Scope 3) GHG emissions	1. Emissions: 3,223.7694 metric tons of CO ₂ e 2. Data boundary: Yulon Motor Sanyi Plant 3. Certification: Yes 4. Verification Institution: AFNOR 5. Verification standard: ISO 14064	1. Emissions: 3,893.7387 metric tons of CO ₂ e 2. Data boundary: Yulon Motor Sanyi Plant 3. Certification: Yes 4. Verification Institution: AFNOR 5. Verification standard: ISO 14064
GHG emissions intensity	1. GHG emission intensity: 0.4356 metric tons of CO ₂ e/NTD million 2. Category: Others (turnover in millions) 3. Scope of data: Scope 1 and Scope 2	1. GHG emission intensity: 0.3403 metric tons of CO ₂ e/NTD million 2. Category: Others (turnover in millions) 3. Scope of data: Scope 1 and Scope 2
Strategy, method and goal of GHG management	Reduce GHG emission by 4.2% linearly every year. This is achieved through initiatives such as the deployment of solar energy installations, electrification of vehicles, zero waste resource recycling, process improvements, enhancement of equipment efficiency, and GHG inventory education and training.	

Note: Data period is the same as the Annual Report

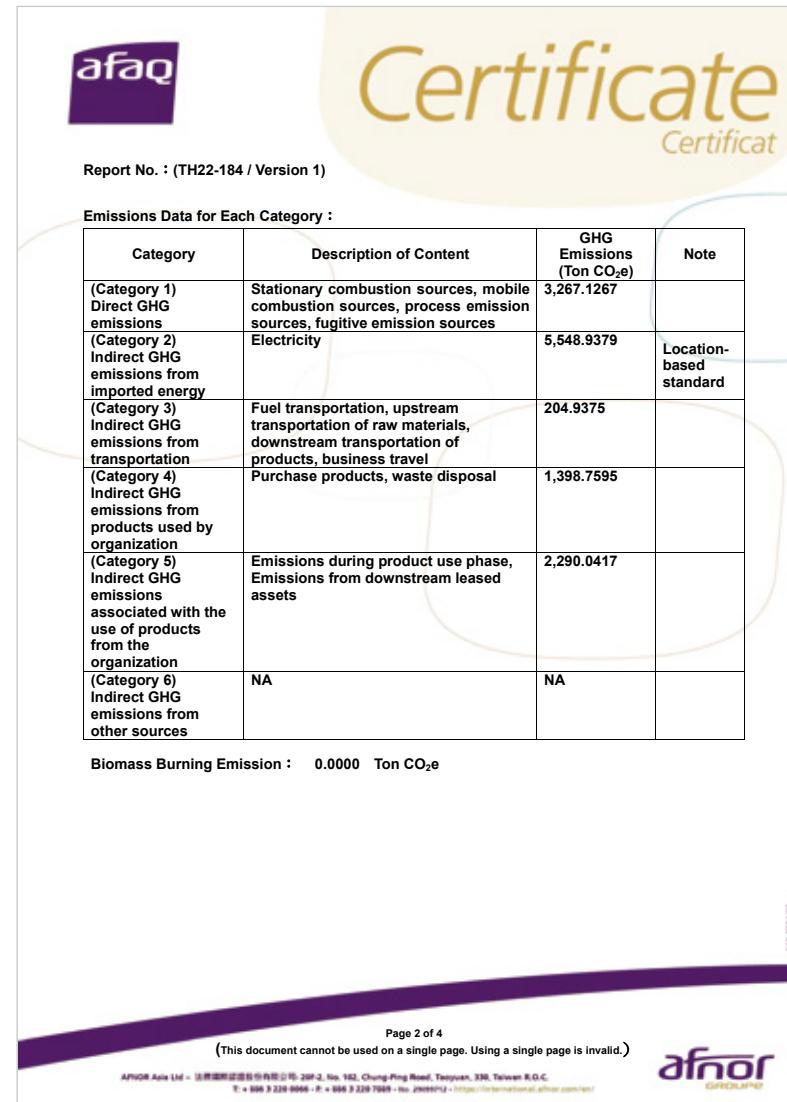
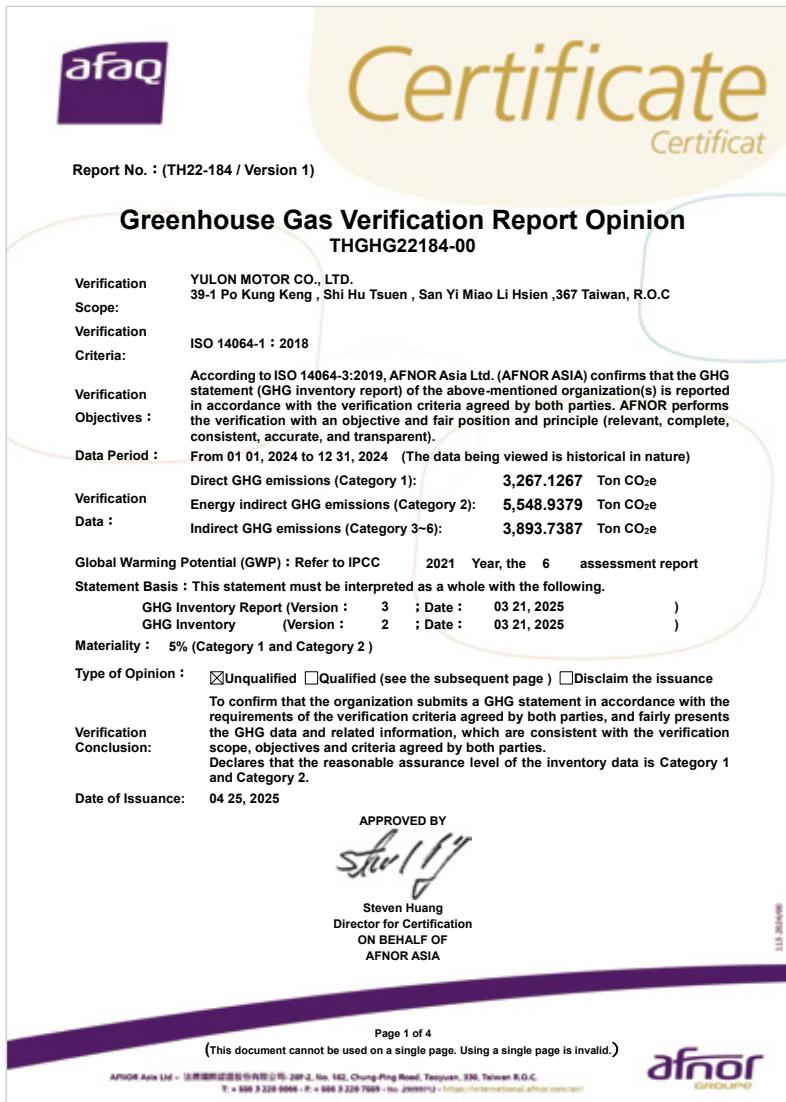
1-2 Greenhouse Gas Reduction Goals, Strategies, and Specific Action Plans

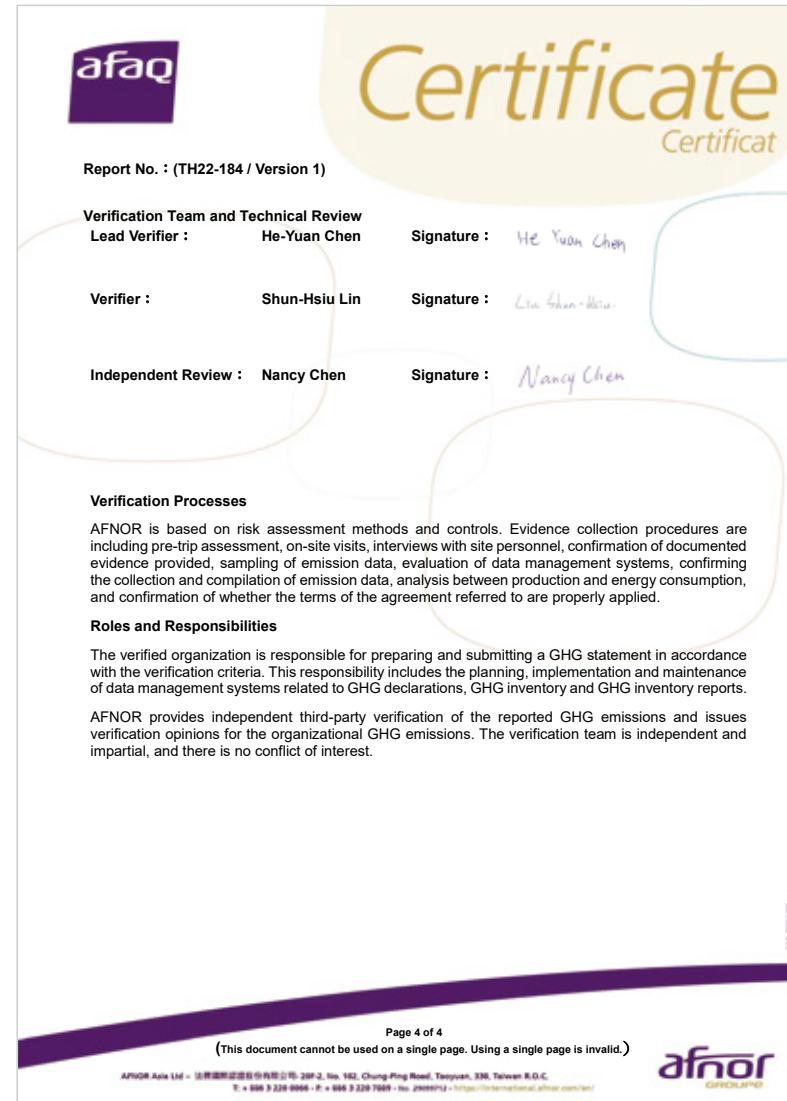
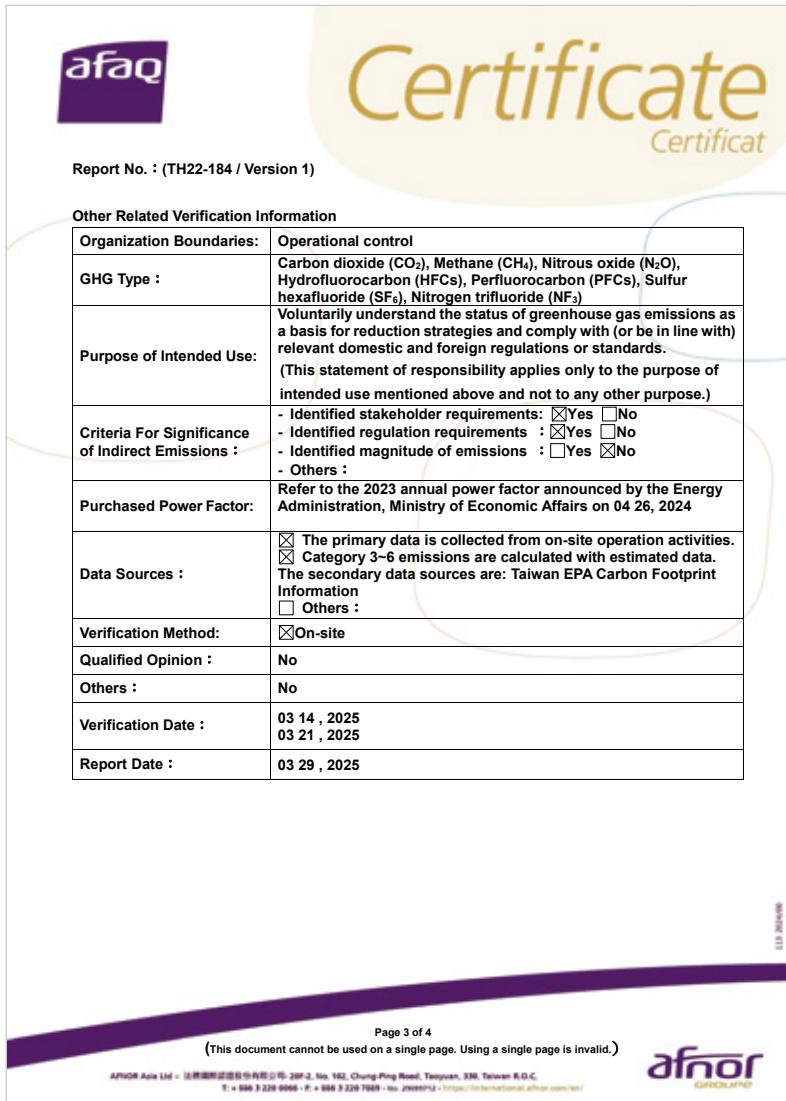
- Describe the GHG reduction base year and data, reduction goals, strategies, and specific action plans and achievement of the reduction goals.

We are extremely concerned about climate impact, so we regard the net zero emissions by 2050 as our important goal for environmental sustainability. We place our focus on the topic of emissions of the value chain, and by applying the approach of the Science Based Targets initiative (SBTi) and the advice from external experts, we adopt the management process covering strategy, goals and actions and take action to reduce the scope 1 and scope 2 GHG emissions. Yulon Motor's energy-saving and emission reduction measures include process improvements, the implementation of digital energy management systems, enhancement of equipment efficiency, the introduction of digital electronic boards, electrification of office vehicles, and the reduction of waste while promoting recycling. Additionally, we increase the use of renewable energy, transition to smart EV manufacturing, and engage in forest carbon sinks. Through regular internal meetings and reviews of the progress toward GHG emission reduction goals, we ensure that carbon reduction mechanisms and resources are optimally allocated.



Appendix 9 Verification Opinion on 2024 Greenhouse Gas Emissions





Appendix 10 Assurance Statement of the Sustainability Report

Deloitte.

INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

The Board of Directors and Stockholders
Yulon Motor Co., Ltd.

We have undertaken a limited assurance engagement on the selected performance indicators in the Sustainability Report ("the Report") of Yulon Motor Co., Ltd. ("the Company") for the year ended December 31, 2024.

Subject Matter Information and Applicable Criteria

See Appendix 1 for the Company's selected performance indicators ("the Subject Matter Information") and applicable criteria.

Responsibilities of Management

The management of the Company is responsible for the preparation of the Subject Matter Information in accordance with Universal Standards, Sector Standards and Topic Standards published by the Global Reporting Initiative (GRI), and the criteria specifically designed by the Company, and for such internal control as management determines is necessary to enable the preparation of the Subject Matter Information that are free from material misstatement resulted from fraud or error.

Auditors' Responsibilities

Our responsibility is to plan and conduct our limited assurance engagement in accordance with Standard on Assurance Engagement 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation of the Republic of China to issue a limited assurance report on whether the Subject Matter Information (see Appendix 1) is free from material misstatement. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, therefore, a lower assurance level is obtained than a reasonable assurance.

We based on our professional judgment in the planning and conducting of our work to obtain evidence supporting the limited assurance. Because of the inherent limitations of any internal control, there is an unavoidable risk that even some material misstatements may remain undetected. The procedures we performed include, but not limited to:

- Inquiring of management and the personnel responsible for the Subject Matter Information to obtain an understanding of the policies, procedures, internal control, and information system relevant to the Subject Matter Information to identify areas where a material misstatement of the subject matter information is likely to arise.

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- Selecting sample items from the Subject Matter Information and performing procedures such as inspection, re-calculation, re-performance, and observation to obtain evidence supporting limited assurance.

Inherent Limitations

The Subject Matter Information involved non-financial information, which was subject to more inherent limitations than financial information. The information may involve significant judgment, assumptions and interpretations by the management, and the different stakeholders may have different interpretations of such information.

Independence and Quality Control

We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Standard on Quality Management 1 "Quality Management for Public Accounting Firms" issued by the Accounting Research and Development Foundation of the Republic of China, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, we are not aware of any amendments, in all material respects, that need to be made to the Subject Matter Information for it to be prepared in accordance with applicable criteria.

Other Matters

We shall not be responsible for conducting any further assurance work for any change of the Subject Matter Information or the applicable criteria after the issuance date of this report.

The engagement partner on the limited assurance report is Chi-Sheng Yang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

July 24, 2025

Notice to Readers

For the convenience of readers, the independent auditors' limited assurance report and the accompanying summary of subject matter information have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' limited assurance report and summary of subject matter information shall prevail.

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2024 SUSTAINABILITY REPORT

