Auras Technology Co., Ltd.

2024 SUSTAINABILITY REPORT

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About the Report

Preparation Principles

The Report is the fifth sustainability report published by Auras Technology, compiled by various departments, and follows the GRI Sustainability Reporting Standards issued by the Global Reporting Initiative (GRI). Meanwhile, the disclosure topics of the hardware industry are based on the Sustainability Accounting Standards Board (SASB) and the “Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies,” covering three major aspects: environment (E), society (S), and corporate governance (G). The Report was reviewed by the heads of each unit and approved by the Board of Directors before being officially released to the public.

Boundary and Scope of the Report

This report presents Auras Technology's practices and achievements in the field of sustainable development, covering the period from January 1 to December 31, 2024, which aligns with the company's financial reporting period. Financial data is sourced from the consolidated financial statements, while other disclosed data encompasses the corporate headquarters (Auras Technology Co., Ltd.), the Guangzhou plant (Ze Hong (Guangzhou) Technology Co., Ltd.), the Kunshan plant (Auras Electronic Science and Technology Industrial (Kunshan) Co., Ltd.), the Chongqing plant (Chun Hong (Chongqing) Technology Co., Ltd.), the Anhui plant (Anhui Wei-Hong Electronic Technology Co., Ltd.), and the Thailand plant (THAI-HORNG TECHNOLOGY CO., LTD.). Other subsidiaries are not included, consistent with the scope of the previous year. Relevant data has been compiled by the Sustainability and Corporate Governance Office based on information provided by each unit. To enhance the comparability of information, certain performance indicators are presented with a three-year trend. If a specific site is not included in a particular scope or data calculation, this will be explained in the corresponding section.

Restatements of Information

The Company’s 2024 Sustainability Report has no restatements.

Report Quality and Verification

This report has not yet undergone external assurance or verification; however, external assurance is planned for the future. At present, the disclosure of information in the Sustainability Report is incorporated into the Company’s internal control system. The Sustainability and Corporate Governance Office is responsible for coordinating and planning the report‘s structure and direction. Each department provides relevant information based on disclosure requirements, which is then reviewed by department heads to ensure accuracy and completeness. The Sustainability and Corporate Governance Office further consolidates all information, conducts data validation, plans the content, and performs editorial revisions. After the completion of all chapters, the report is compiled into the Sustainability Report and submitted to the Board of Directors for review and acknowledgment. The content disclosed in this report (including material topics) was finalized and published following discussion and approval at the 6th meeting of the 10th Board of Directors held on May 9, 2025 (Year 114 in the ROC calendar), to ensure the report demonstrates a high level of credibility and governance transparency. All statistical data disclosed in this report is based on internal statistics and survey results and is presented using commonly adopted numerical expressions. Financial data has been publicly disclosed following audits by certified public accountants, and greenhouse gas emissions data has been verified by a third party, ensuring a high degree of accuracy and reliability across all disclosed information.

Financial Data: PricewaterhouseCoopers Taiwan（PwC Taiwan）
Environmental Data: Greenhouse gas emissions and energy/resource-related data have been compiled in accordance with the GHG Protocol standards and verified by a third party.
Verification Scope: Corporate Headquarters (Auras Technology Co., Ltd.)
Verification Body: AFNOR ASIA LTD.
Assurance Level: Scope 1 and Scope 2 – Reasonable Assurance; Scope 3 – Limited Assurance
Verification Standard: Verification procedures conducted in accordance with ISO 14064-3
Verification Coverage: Greenhouse gas emissions data only
Other Data: Aggregated from internal statistics compiled by each operational site.

Report Release Date

Every year, we publish the sustainability report on the official website for review and download.

Release date of previous rep rot: June 2024
Release date of the Report: June 2025
Release date of next report: June 2026 (estimated)

Feedback and contact information

If you have any questions, suggestions, or advice about the Report, please contact us through the following methods.

Contact: Sustainability and Corporate Governance Office, Auras Technology
Contact person: Joanna Ooi
Contact number: 02-89901653 Ext. 526
Email: Joanna_Ooi@auras.com.tw



Source: Business Today

Message from the Chairman

To our partners who care about the corporate sustainability of Auras Technology:

I am delighted to share with you our fifth sustainability report. I would like to thank our partners, employees, shareholders, and all our friends who care about the Company for their support and trust. In 2024, the gross profit margin of Auras Technology reached a new record high of 25.5%, and the EPS of NTD 21.23 also set a new record.

The Company upholds the corporate spirit of “technology is root, culture and value are soil” and focuses on the heat dissipation field, and refines liquid cooling technology. Besides meeting the high heat dissipation requirements of cloud data centers in the AI era, we also greatly optimize the PUE of data centers and accelerate the development and deployment of AI applications in the cloud and edge computing. At the same time, we assist customers in realizing green computing, in order to jointly respond to the global climate change issues and the values of energy saving and carbon reduction.

Every year, scientists use international conditions, economic/technological developments, and climate change to measure how close humankind is to destroying the planet. Doomsday Clock is a design that warns the public about how close we are to destroying our world. The first “Doomsday Clock” report was issued in 1947, and set it at seven minutes to midnight, or 11:53 away from the apocalypse. In early 2025, the Bulletin of the Atomic Scientists announced that the “Doomsday Clock” had set a new record, mainly due to global warming and geopolitical factors, and it was set at 89 seconds to midnight (end of the world), which is the closest we have ever been to destroying our world.

The Doomsday Clock is not designed to measure the threat to human survival, but to make people aware of the issues such as global warming risks and geopolitical conflicts, so that we can find out the countermeasures together. Although the advancement of technology can drive long-term economic growth, it also causes endless depletion and destruction of the environment. Since its establishment, the Company has been specializing in heat dissipation technology and has continued to upgrade its technology. The Company has introduced liquid cooling solution technology, which not only increases the computing density but also greatly improves energy efficiency and reduces carbon emissions. Furthermore, we will use our professional contributions to product application, doing our best to mitigate global warming and to jointly achieve the net zero goal, protecting our only home – Earth – with actions.

Chairman, Auras Technology

Sustainability Performance and Governance

- Auras’ Sustainability Performance
- Sustainable Development Main Axis
- Sustainability Governance



Sustainability Performance and Governance

Auras' Sustainability Performance

Environment

- 2024 CDP questionnaire:

  The Climate Questionnaire was certified as Grade B and the Water Questionnaire was certified as Grade B-.
- The GHG Protocol was used to conduct GHG inventories, with third-party verification completed.
- Introduced the energy management system and passed external certification.
- The share of renewable electricity of total electricity consumption increased by 184%.
- The power efficiency of the liquid cooling equipment is optimized to less than 1.2, effectively helping customers achieve green computing goals and working together to promote sustainable development.

Social and Human Rights

- Guangzhou Factory, Kunshan Factory, Chongqing Factory and Thailand Factory obtained RBA certification
- Won 2024 Happy Enterprise – Silver Award, 1111 Job Bank
- Road running activities at the headquarters and at each factory

Corporate Governance

- Ranked 17th for Top 100 Foreign Investors in Taiwan by Taiwan Institute of Directors
- TPEx – Taiwan Mittelstand Enterprise Award
- ISO 27001 certification for each operating location
- 0 corruption incidents

Auras' Sustainability Performance

Environment

2024 CDP questionnaire results
Climate Questionnaire: Grade B;
Water Questionnaire Grade B-

GHG inventory and certification completed for each operating location

Introduced at the headquarters ISO 50001 energy management system

The share of renewable electricity of total electricity consumption increased by 184%.

Power efficiency of the liquid cooling equipment optimized to less than 1.2, achieving green computing goals

Social and human rights

Won 2024 Happy Enterprise – Silver Award, 1111 Job Bank

Guangzhou Factory, Kunshan Factory, Chongqing Factory and Thailand Factory obtained RBA certification

Road running activities at the headquarters and at each factory



Corporate Governance

Top 100 Foreign Investors in Taiwan by Taiwan Institute of Directors

TPEx – Taiwan Mittelstand Enterprise Award

ISO 27001 information security management system certification obtained by each operating location

0 corruption incidents

Auras' Carbon Reduction and Sustainability Progress and Implementation Results

2023
- ISO 14064-1:2018 organizational GHG inventory and verification of the headquarters passed
- ISO 14064-1:2018 organizational GHG inventory and verification of each site passed

2024~2025
- GHG Protocol GHG inventory and verification of headquarters and each site passed

2023~2024
- Introduced the ISO 50001 energy management system and ISO 22301 business continuity management system at the headquarters

Carbon inventory → **Carbon disclosure** → **Carbon management** → **Net Zero by 2050**

2023~2024
- The Company has filled out the CDP Carbon Disclosure Questionnaire and scored B in the climate topic and B- in the water safety topic.
- Carbon Data Disclosure in the Sustainability Report

Expected progress in 2025
- TCFD Climate-related Financial Disclosures
- SBTi Carbon Reduction Initiative

Sustainability-Related Certificates

Certificate item	Headquarters	Guangzhou Factory	Kunshan Factory	Chongqing Factory	Anhui Factory	Thailand Factory
GHG PROTOCOL	●	●	●	●	●	●
ISO 9001	●	●	●	●	●	●
ISO 27001	●	●	●	●	●	●
ISO 14001		●	●	●	●	●
ISO 45001		●	●	●	●	●
ISO 50001	●					
ISO 22301	●					
RBA		●	●	●		●
IATF 16949		●	●	●		●
IECQ QC 08000		●	●	●		●

GHG Inventory

GREENHOUSE GAS PROTOCOL

Headquarters | Guangzhou Factory | Kunshan Factory | Chongqing Factory | Anhui Factory | Thailand Factory













Quality Control

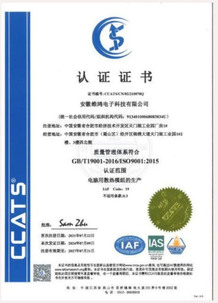
ISO 9001 2015 CERTIFIED













Information Security Management

ISO 27001 INFORMATION SECURITY MANAGEMENT SYSTEM













Sustainability-Related Certificates

Certificate item	Headquarters	Guangzhou Factory	Kunshan Factory	Chongqing Factory	Anhui Factory	Thailand Factory
GHG PROTOCOL	●	●	●	●	●	●
ISO 9001	●	●	●	●	●	●
ISO 27001	●	●	●	●	●	●
ISO 14001		●	●	●	●	●
ISO0 45001		●	●	●	●	●
ISO 50001	●					
ISO 22301	●					
RBA		●	●	●		●
IATF 16949		●	●	●		●
IECQ QC 08000		●	●	●		●

Business Continuity Management

Headquarters



Energy management system (EnMS)

Headquarters



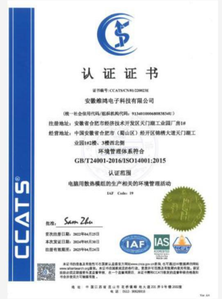
Guangzhou Factory | Kunshan Factory | Chongqing Factory | Anhui Factory | Thailand Factory

Environmental Management









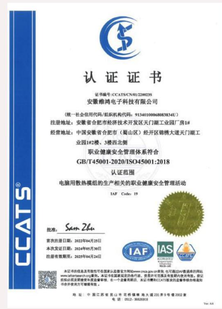


Occupational Health Management and Safety











Sustainability-Related Certificates

Certificate item	Headquarters	Guangzhou Factory	Kunshan Factory	Chongqing Factory	Anhui Factory	Thailand Factory
GHG PROTOCOL	●	●	●	●	●	●
ISO 9001	●	●	●	●	●	●
ISO 27001	●	●	●	●	●	●
ISO 14001		●	●	●	●	●
ISO0 45001		●	●	●	●	●
ISO 50001	●					
ISO 22301	●					
RBA		●	●	●		●
IATF 16949		●	●	●		●
IECQ QC 08000		●	●	●		●

Guangzhou Factory | Kunshan Factory | Chongqing Factory | Thailand Factory

Responsible Business Alliance









Automotive Quality Management System









Hazardous Substance Management System









Sustainable Development Main axis-AURAS

In 2022, we established the Sustainability and Corporate Governance Office to promote sustainable development, which is incorporated into corporate operational decision-making. Through the review of the corporate governance, environmental and social management frameworks and the adoption of sustainable strategies to drive innovation, we strive to enhance the competitiveness and influence of the enterprise. The sustainable development philosophy of Auras Technology is rooted in “innovation, persistence, and co-prosperity,” and we adhere to the spirit of “seeking knowledge” through technological innovation and collaboration with value chain partners to jointly create positive social impacts. To achieve the Company’s vision and mission, we have adopted five main axes to achieve sustainable development, namely Administration, Upgrade, Retention, Accounting, and Sustainability. We adhere to these five main axes to lead the Company’s sustainable development and growth and gradually establish a complete sustainable development strategy. Through the five main axes to achieve sustainable development, we comprehensively implement the ESG strategy to ensure balanced development in the aspects of corporate governance, technological innovation, employee welfare, financial performance, and environmental protection. By doing this, we aim to enhance long-term competitiveness, strengthen the ability to overcome global net zero transformation and climate change challenges, and achieve sustainability.



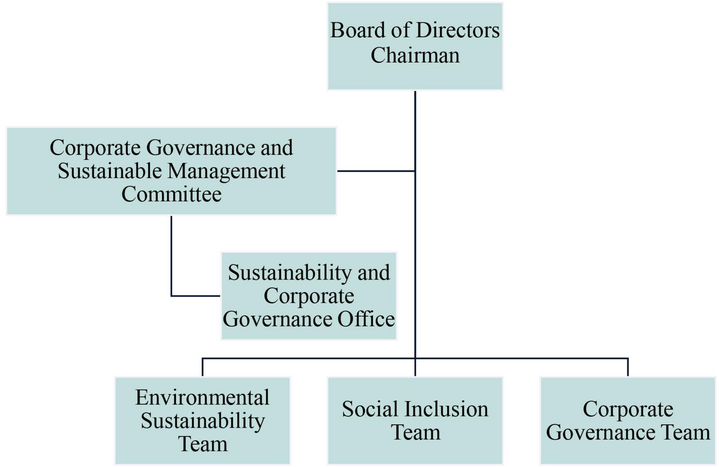
Sustainability Governance

Organizational Structure of Sustainable Governance

In order to achieve the vision of sustainable development, through the "Sustainable Development Taskforce," Auras Technology promotes risk management, corporate social responsibility and climate change adaptation. We have gained an in-depth understanding of the thoughts and needs of stakeholders through diverse and smooth communication channels, which will serve as an important basis for formulating sustainability policies.

The Company has established an organizational structure for sustainability information management. The Board of Directors serves as the highest governance body for sustainability matters. The Corporate Governance and Sustainable Management Committee under the Board of Directors has set up the Corporate Governance Office, which is responsible for implementing sustainable development-related matters.

Organizational Chart of the Sustainable Development Taskforce



Sustainability Promotion and Management Process

The Board of Directors of Auras Technology passed the "Sustainable Development Best-Practice Principles" in 2018 to regulate the Company's promotion of sustainable development. The Company values the rights and interests of stakeholders. While pursuing sustainable operations and profits, the environmental, social, and governance (ESG) factors are incorporated in the management guidelines and operating activities. In order to improve sustainable development management, the Corporate Governance and Sustainable Management Committee is responsible for formulating and implementing sustainable development policies, systems, relevant management guidelines and specific promotion plans, and regularly reporting to the Board of Directors on the progress.

Purpose of the Board of Directors	Vision for Sustainable Development	ESG Policies
• Identifying the company's sustainable development mission or vision, and declaring its sustainable development policy, systems or relevant management guidelines • Making sustainable development the guiding principle of the company's operations and development, and ratifying concrete promotional plans for sustainable development initiatives • Enhancing the timeliness and accuracy of the disclosure of sustainable development information	• Exercise corporate governance • Foster a sustainable environment • Preserve public welfare • Enhance disclosure of corporate social responsibility information	Establishing the Corporate Governance and Sustainable Management Committee, which is responsible for promoting sustainable development and regularly reports to the Board of Directors to ensure the implementation of policies.

Sustainability Governance

Corporate Governance and Sustainable Management Committee

We uphold the vision and mission of the ESG policy. In 2018, we established the "Corporate Governance and Sustainability Committee" working group, and changed its name to "Corporate Governance and Sustainable Management Committee" in January 2022. The Committee is the highest-level decision-making center for the Company's sustainable development. Many senior executives from different fields jointly examine the Company's core operational capabilities and formulate medium and long-term sustainable development plans. The "Corporate Governance and Sustainable Management Committee" serves as an interdepartmental communication platform for integration and linkage, and assists in supervising the sustainable development-related matters executed by the Sustainability and Corporate Governance Office. The status of sustainable development promotion and future plans are reported to the Board of Directors at least once a year.

2 meetings were held in 2024. The contents of the motions included:

(1) 2023 Sustainability Report

(2) Formulation of the "Sustainability Information Management Operation Guidelines" and "Sustainability Report Preparation and Reporting Procedures"

Sustainability and Corporate Governance Office

The Company has established the Sustainability and Corporate Governance Office, which reports to the Corporate Governance and Sustainable Management Committee and the Board of Directors regularly (at least once a year). The scope of responsibilities is as follows:

Scope of Responsibility of the Corporate Governance and Sustainability Committee

01. Formulation of policies and systems for the Company's sustainable development and net zero emissions.	05. Compilation of the sustainability report and disclosure of relevant information
02. Plan and execute sustainability goals and strategies	06. Examine the sustainability goals and plans of each unit to ensure their implementation.
03. Periodically review and revise the implementation of sustainable development and zero emissions.	07. Pay attention to stakeholders' issues and supervise the implementation of communication plans
04. Integration of stakeholder opinions, identification and management of material issues	08. Promote ethical corporate management and risk management to strengthen corporate governance

Scope of responsibility of the sustainability and corporate governance office

01. Promote the sustainable development strategy	05. Coordinate communication related to sustainable information management
02. Formulate policies for sustainable information management and material issues	06. Organize training to enhance sustainability awareness
03. Manage and address sustainability risks	07. Execute the identification of material sustainability issues
04. Supervises and assists each unit in implementing sustainable information management	08. Assess the applicability of the sustainability reporting framework and standards



Material issues

- Material Issue Identification Process
- Stakeholder Engagement
- Identification of Material Issues
- Impact of Material Issues
- Material Issue Management

Material Issue

Material Issue Identification Process

Following the GRI Standards' (2021) material issue identification process, we conduct a stakeholder identification process once every three years. In 2024, we collected 14 sustainability issues related to the Auras, and evaluated them through questionnaires distributed to the senior executives and stakeholders. Finally, the Sustainability and Corporate Governance Office selected six material topics, and set short-, medium-, and long-term targets based on them.

Phase	Topic of the year	Content
Phase 1	Collect sustainability issues	Six types of stakeholders were identified; 14 sustainability issues were collected with reference to the GRI Standards and industry characteristics
Phase 2	Identify impacts and frequency of occurrence	Materiality analysis of the most significant and possible impacts of various positive and negative issues
Phase 3	Confirm material issues	The Sustainability and Corporate Governance Office discussed and selected material sustainability issues, and defined their boundaries and corresponding GRI Standards topics
Phase 4	Set strategies and goals: Short-, medium- and long-term plans of relevant departments	Related departments set strategies, target reviews, and disclosed short-, medium-, and long-term sustainable development plans

Stakeholder Engagement

Based on the five principles of AA1000 SES, namely dependency, responsibility, tension, influence, and diverse perspectives, Auras identified the most influential stakeholders, including employees, shareholders, customers, suppliers, people outside the organization (government, media, NGOs, etc.), and community residents. Exchanges and communications through various channels were also conducted to clarify stakeholder expectations.

Stakeholders	Issues of concern	Communication channel and frequency	Communication in 2024
Employees	➤ Occupational health and safety ➤ Talent attraction, cultivation, and retention ➤ Labor relations, salary and benefits ➤ Operational and financial performance	➤Employee mailbox and suggestion box Labor–management meeting ➤ ph01@auras.com.tw Mr. Yang #260	➤Hold a quarterly labor–management meeting; a total of four meetings were held in 2024. ➤Hold an Employee Welfare Committee meeting every quarter; a total of four meetings were held in 2024.
Shareholders	➤Operational and financial performance ➤Technological innovation and market layout ➤Corporate governance, legal compliance, and ethical management ➤Risk and crisis management	➤Hold a shareholders' meeting once a year and publish the annual report ➤Material information: immediate disclosure/announcement on MOPS ➤Attend at least one physical investor conference every quarter, and disclose the audiovisual information of the meeting at least twice a year. ➤Establish a contact person for stock affairs and investor relations for two-way communication ➤Invite domestic and overseas corporate analysts to participate in domestic and overseas forums. ➤ ir@auras.com.tw Ms. Chen #204	➤5/24 Shareholders' meeting ➤69 pieces of material information releases in both Chinese and English in 2024 ➤11/13 Physical investor conference ➤Participated in 375 investor meetings ➤12 domestic forums, 6 overseas forums
Customer	➤Technological innovation and market layout ➤Sustainable supply chain management ➤Risk and crisis management ➤Occupational health and safety ➤Water resource and waste management	➤Appointed a dedicated customer service engineer to respond to customer needs in real-time ➤Customer Satisfaction Survey ➤On-site audit of customers ➤Periodically formulated short-time and long-term improvement plans	➤Conducted a customer satisfaction survey once a year ➤Quarterly quality audit for customers
Supplier	➤Technological innovation and market layout ➤Operational and financial performance ➤Risk and crisis management	➤Supplier and procurement/material control interaction platform ➤Full-time supplier management unit ➤ Complaint emailvendor@auras.com.tw	➤Quarterly supplier evaluation by the factory team ➤Annual supplier evaluation by the factory team
External personnel (Government/Media/NGO)	➤Corporate governance, legal compliance, and ethical management ➤Information security ➤GHG inventory ➤Diversity, inclusion, and equality	➤Occasional participation in the policy discussion meetings and seminars organized by the competent authority ➤Comply with the competent authority's supervision and audit ➤Set up contact persons and maintain good interaction with competent authorities ➤Set up a media window to respond to media questions ➤Occasional participation in gathering/telephone communication	➤Attend the competent authority's awareness-raising events according to the notice ➤Reply the financial information description to the competent authority every quarter ➤Stock affairs contact person Ms. Chiu #203 ➤Media contact person Ms. Chen #204
Social groups and community residents	➤Diversity, inclusion, and equality ➤Social care and participation ➤Biodiversity	➤Actively participate in various forums and seminars organized by various private clubs and academic teams ➤Support youth entrepreneurship through subsidiaries and YouduWorld and provide contract signing channels	➤World Earth Day Road Running ➤Auras' tree-planting event – Planting Trees for Sustainability

Identification of Material Issues – Quantitative Impact

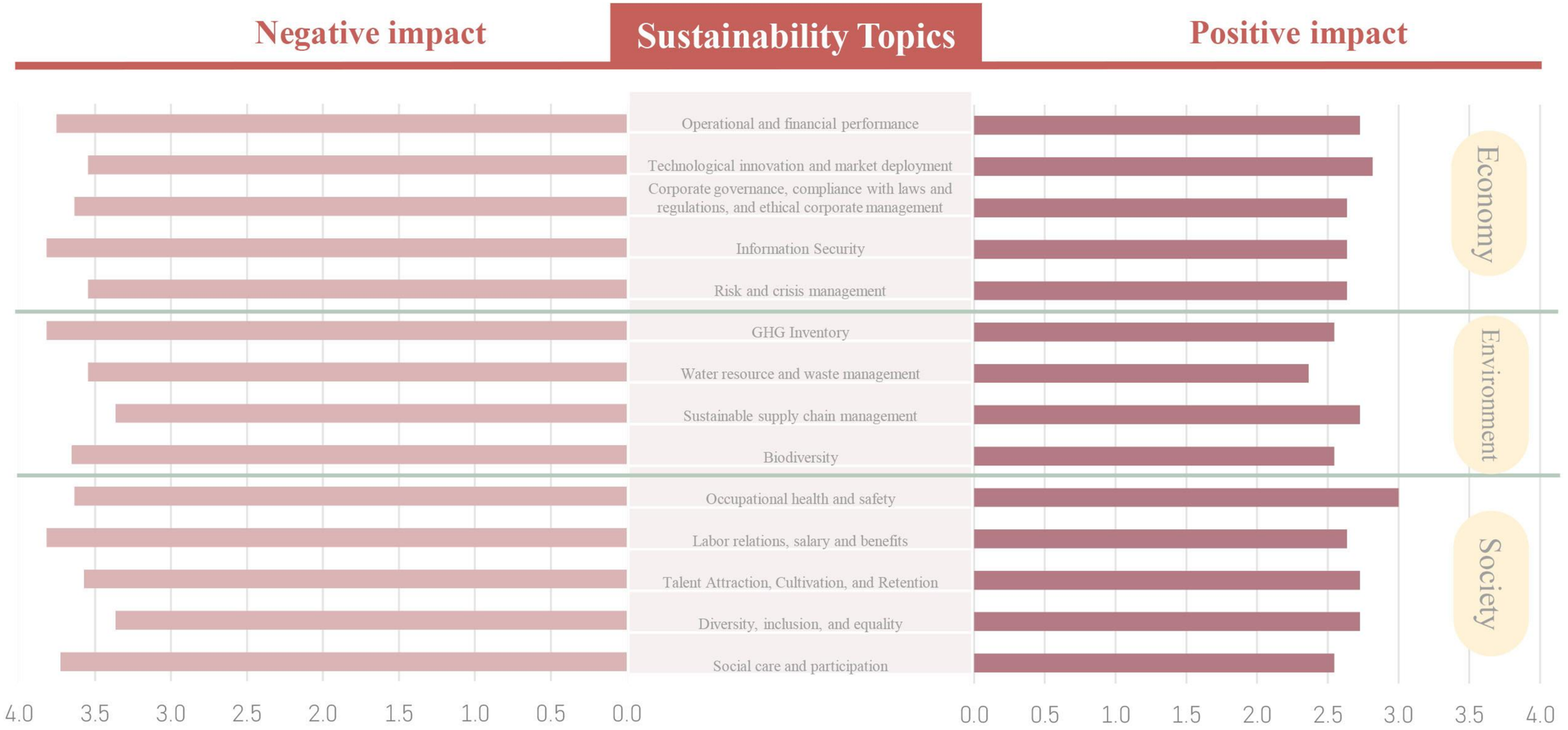
The Sustainability and Corporate Governance Office evaluated the impact of the 14 sustainability issues on the economy, environment, and society (including human rights). A comprehensive evaluation was conducted based on the positive/negative impact and probability of occurrence, and the preliminary results were compiled. The management team suggested that Auras' 2024 materiality issues be sorted according to the impact level. In the evaluation process, the level of economic/environmental/social (including human rights) impacts and the probability of occurrence of sustainability issues were each given a score of 1 to 5 points, followed by the Sustainability and Corporate Governance Office compiling the results. Subsequently, the Company developed a material topic management mechanism and set material issue targets.

Orientation	Material issues	Impact level		Probability of occurrence	
		Positive	Negative	Positive	Negative
Economy	Operational and financial performance	■■	■■■	■■■■	■■■
	Technological innovation and market deployment	■■	■■■	■■■	■■■
	Corporate governance, compliance with laws and regulations, and ethical corporate management	■■	■■■	■■■■	■
	Information security	■■	■■■	■■■■	■■
	Risk and crisis management	■■	■■■	■■■	■■
Environment	GHG Inventory	■■	■■■	■■■	■■■
	Water resource and waste management	■■	■■■	■■■	■■
	Sustainable supply chain management	■■	■■■	■■■	■
	Biodiversity	■■	■■■	■■■	■■
Society	Occupational health and safety	■■■	■■■	■■■■	■■
	Labor relations, salary and benefits	■■	■■■	■■■■	■■
	Talent Attraction, Cultivation, and Retention	■■	■■■	■■■	■■
	Diversity, inclusion, and equality	■■	■■■	■■■	■■
	Social care and participation	■■	■■■	■■■■	■

Impact level: High ■■■ (average score of 5–3) Medium ■■ (average score of 3–2) Low ■ (average score of less than 2)；Probability of occurrence: Actual occurrence ■■■■ (average score of 5–4.5) Potentially high■■■ (average score of 4.5–3) Potentially medium■■ (average score of 3–2) Potentially low■ (average score of less than 2)

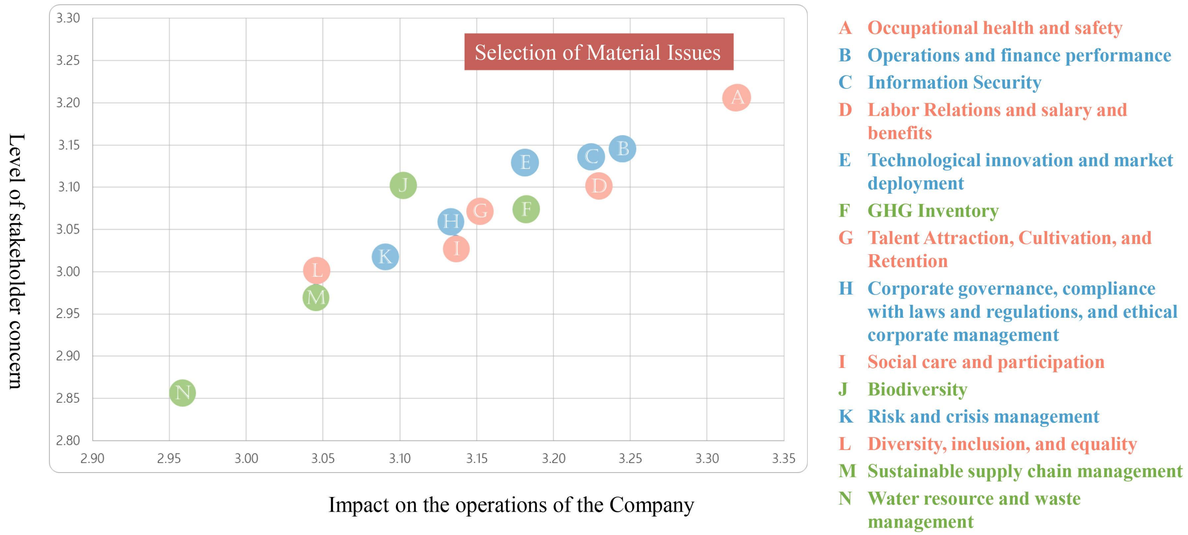
Identification of Material Issues – Quantitative Evaluation Results

The impacts of each issue were quantified and evaluated separately, and the results of the evaluation are as follows.



Identification of Material Issues–Materiality Matrix

The sustainability team of Auras Technology introduced the materiality matrix analysis, with the vertical axis representing “Auras Stakeholder Concern Level” and the horizontal axis representing “Positive/Negative Economic, Environmental, and Social Impacts.” We defined the “Materiality Level” through stakeholder engagement and established management strategies according to the definitions of high, medium, and low materiality. We set targets for issues of high importance, planned and implemented the strategies, and conducted regular follow-ups. For issues of medium and low importance, we formulated strategies and established monitoring mechanisms for management.



A Occupational health and safety
B Operations and finance performance
C Information Security
D Labor Relations and salary and benefits
E Technological innovation and market deployment
F GHG Inventory
G Talent Attraction, Cultivation, and Retention
H Corporate governance, compliance with laws and regulations, and ethical corporate management
I Social care and participation
J Biodiversity
K Risk and crisis management
L Diversity, inclusion, and equality
M Sustainable supply chain management
N Water resource and waste management

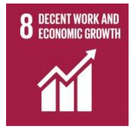
2024 List of Material Issues

Based on the results of the identification of material issues, the material issues identified by the Company in 2024 included six items: occupational health and safety, operational and financial performance, information security, labor relations and salary and benefits, technological innovation and market deployment, and GHG inventory. The Company subsequently planned and executed strategies and set goals for these issues which were regularly monitored and managed.

Ranking	2023	2024
1	Labor Relations, Salary and Benefits	Occupational Health and Safety
2	Talent attraction, cultivation, and retention	Operational and Financial Performance
3	Operational and Financial Performance	Information Security
4	Technological Innovation and Market Deployment	Labor relations, salary and benefits
5	Corporate governance, compliance with laws and regulations, and ethical corporate management	Technological innovation and market deployment
6	Water resource and waste management	GHG Inventory
7	GHG Management	
8	Sustainable Supply Chain Management	
9	Occupational Health and Safety	
10	Information Security	

Impact of Material Issues

Formed by the sustainability team, the sustainability axes of Auras Technology include Administration, Upgrade, Retention, Accounting, and Sustainability. The following explains the significance of the material issue to “Auras,” “Value Chain Impact Hotspots,” “SDGs Contribution,” and “Corresponding GRI Metrics”:

Sustainable Development Main axis	Material issues	Significance to Auras	Upstream	Auras	Downstream	Contribution to the SDGs	GRI Indicator
Administration	Information Security	We insist on information security and adopt a comprehensive information security management system to protect the data of the Company and customers from unauthorized access and threats. We ensure the effectiveness of information security protection measures and protect the security of corporate and customer information through continuous security technology updates, employee security awareness training, and regular security risk assessments.		○	▲		Customized Topics
Upgrade	Technological Innovation and Market Deployment	We have invested in energy-efficient heat dissipation technologies for a long time. In addition to the commitment to air cooling technology, we have also improved liquid cooling technology to provide customers with comprehensive heat dissipation solutions. As the demand for data centers increases, the increase in computing power will result in a continuous increase in chip power consumption. The development and application of liquid products are new business opportunities for Auras.		○	○		Customized Topics
Retention	Occupational Health and Safety	To ensure the occupational health and safety of employees, the Company strictly complies with relevant laws and regulations and implements a comprehensive health and safety management system. We are committed to preventing occupational injuries and diseases through regular safety education and training and workplace risk assessments. We aim to build a safe and healthy work environment to protect the health and well-being of employees.	▲	○			GRI 403
Retention	Employment, salary, and benefits	The Company has established an overall remuneration policy and structure, as well as performance reward measures. Every year, we participate in the market salary survey, and adjust salaries according to the market salary level, economic trends, and individual performance. In doing this, we maintain the overall salary competitiveness.		○			GRI 401 GRI 402
Accounting	Operational and Financial Performance	Continue sticking to the spirit of innovation and actively engage the expansion of product application range in the upcoming 3~5 years. We will also keep on strengthening the Company’s product competitiveness, hoping to create the greatest benefits for shareholders, customers and employees and enjoy future operation results together.	▲	○	▲		GRI 201
Sustainability	GHG Inventory	In response to global climate change, we have established a GHG emission management strategy and are committed to monitoring and reducing carbon emissions from operations. Achieve carbon reduction goals through measures such as improving energy efficiency, and strive to move toward carbon neutrality.	▲	○	▲		GRI 305

○: Directly related; ▲ : Indirectly related

Management of Material Issues Corresponding to AURAS' Sustainability Goals

Sustainable Main Axis	Issues	Policies and Commitments	2024 Achievements	Short-term Targets	Medium- and Long-Term Goals
Administration	Information Security	1. Protect customer and company data, comply with laws and regulations, and establish an information security management system that covers identity verification, data encryption, and network protection measures. 2. Strengthen employee training, regularly conduct risk assessments and vulnerability scans, and update the safety mechanism in a timely manner. 3. Ensure immediate handling and reporting of information security incidents and continuously improve security management.	The Company's headquarters, factories in China (Guangzhou Factory, Kunshan Factory, Chongqing Factory, and Anhui Factory), and Thai-Horng Factory have established an information security management system and obtained ISO 27001 certification.	1. Improve the information security management system and strengthen internal information asset protection measures. 2. Regularly conduct information security risk assessment and vulnerability scanning to reduce potential information security threats. 3. Enhance employees' information security awareness and information security training coverage. 4. Establish contingency handling procedures to enhance the ability to detect and respond to information security incidents in a timely manner.	1. Continue to optimize the information security management system and enhance the organizational information security resilience. 2. Carry on optimizing information security protection technology and strengthening data privacy protection and defense capabilities. 3. Periodically verify the information security response and recovery plan to strengthen the ability to respond to major incidents. 4. Actively respond to emerging information security risks to ensure business continuity and information confidentiality and integrity.
Upgrade	Technological innovation and market deployment	1. Uphold the spirit of "seeking knowledge" and continue to innovate and strengthen market competitiveness. 2. Provide flexible customized design and production to meet customer needs.	1. Provided a complete range of liquid cooling products, including coolant distribution units, manifolds, pumps, and quick connectors. 2. Provided customized full-range liquid cooling technologies that quickly and efficiently solved customers' cooling needs, whether through liquid-to-air or liquid-to-liquid cooling solutions. 3. R&D expenses totaled NTD 914,370 thousand	1. Actively introduce liquid cooling technology and continue to expand the cooling product business 2. Proactively invest in research and development work to strengthen the R&D team's strength 3. Continue to optimize the power efficiency to less than 1.2%	1. Focus on core technologies and integrate sustainability concepts to continue to develop high-performance, low-power, and innovative products. 2. Expand global market deployment and enhance international competitiveness.
Retention	Occupational health and safety	1. Strictly abide by laws and regulations, continue to strengthen the occupational health and safety management system, and ensure the safety and health of employees. 2. Establish a risk identification and risk assessment mechanism to reduce workplace risks.	1. Held employee health checkups regularly, provided free on-site health checkups for colleagues, and conducted workplace safety interviews. 2. Guangzhou Factory, Kunshan Factory, Chongqing Factory and Anhui Factory and Tai-Hong Factory obtained ISO 45001 occupational safety and health management system certification. 3. Held fire drills regularly to enhance the overall fire safety awareness among employees.	1. Enhance the overall health awareness and self-management ability of employees through health checkups, consultation services, and health activities. 2. Continue to strengthen the occupational safety and health management mechanism to improve the safety of the operating environment. 3. Reduce the potential risks in the workplace, and reduce the probability of occupational disasters and accidents.	1. Continue to improve the work environment and health support to promote the physical and mental health and well-being of employees. 2. Continue to promote employee safety education and training to strengthen their risk awareness and emergency response capabilities.

Management of Material Issues Corresponding to AURAS' Sustainability Goals

Sustainable Main Axis	Issues	Policies and Commitments	2024 Achievements	Short-term Targets	Medium- and Long-Term Goals
Retention	Employment, salary, and benefits	1. Establish a harmonious labor–management relationship and promote win-win development through communication and negotiation. 2. Provide competitive salaries and benefits, fair appraisals and rewards to boost employees' creativity. 3. Promote diversified benefits, protect the rights and interests of employees, and jointly promote the stable development of the enterprise.	1. Conducted periodic appraisals and adjusted salaries 2. Distributed remuneration and year-end bonus to employees 3. Distributed three major festival gifts and birthday bonuses and organized employee outings	1. Periodically review the salary structure and benefit policy, maintain market competitiveness and comply with the principle of fairness. 2. Promote diverse benefit measures. 3. Strengthen our communication platform and feedback channels to promote positive dialog and understanding between employers and employees.	1. Continue to optimize the salary and benefits system to promote sustainable development and talent retention. 2. Combine the concept of diversity and inclusion to continue to optimize the welfare system to meet the needs of employees from different generations and ethnic groups. 3. Adjust our human resource policy and strengthen organizational resilience in line with business and market changes.
Accounting	Operational and financial performance	1. Establish a sound financial management system to ensure the accuracy and reliability of financial information. 2. Continue to optimize the operating process, reduce costs, and elevate competitiveness. 3. Strengthen risk management and optimize capital structure to ensure financial stability. 4. Periodically assess and analyze risks, flexibly adjust strategies to cope with market changes and maximize profits.	1. Consolidated operating revenue: NTD 15,778,909 thousand 2. Gross profit margin: 25.5% 3. Gross profit margin has reached a new record high for three consecutive years. 4. Dividend distribution was raised to NTD 10 per share.	1. Continue to maintain positive profits 2. Continue to optimize operational processes and reduce costs.	1. Focus on high value-added markets and boost medium and long-term operating growth 2. Increase the Company's operating revenue and gross profit margin over the long term 3. Commit to maximizing production value and profits
Sustainability	GHG inventory	1. Reduce GHG emissions through technological innovation and energy efficiency improvement. 2. Actively participate in carbon neutrality initiatives and continue to monitor, report, and evaluate the emission status. 3. Ensure conformity to international standards and regulatory requirements. 4. Organize environmental protection education to raise environmental awareness and jointly respond to climate change.	With 2024 as the baseline year, the Company conducted GHG inventories for its headquarters, factories in China (Guangzhou Factory, Kunshan Factory, Chongqing Factory, and Anhui Factory), and Thai-Horng Factory. The third-party verification was completed in accordance with the GHG Protocol.	1. Establish an internal GHG management system to ensure that data calculation, verification, and disclosure comply with international standards. 2. Continue to strengthen employees' carbon management awareness and training 3. Continue to enhance the transparency of disclosure of GHG information.	1. Identify high emission sources and formulate preliminary reduction strategies to improve energy efficiency. 2. Promote energy transition and low-carbon transition projects. 3. Follow international initiatives to plan medium and long-term carbon reduction pathways to gradually move toward carbon neutrality.



Administration

1.1 About Auras
1.2 Corporate Governance, Compliance With Laws and Regulations, and Ethical Corporate Management
1.3 Information Security
1.4 Risk Management

1.1 About Auras

Established in 1998, the Company is headquartered in Xinzhuang District, New Taipei City, Taiwan. We uphold the corporate spirit of "technology is root, culture and value are soil," and focus on the heat dissipation field. We continue to refine our liquid cooling technology, and focus on high value-added markets to boost medium and long-term operating growth. We insist on quality, reliability, and flexibility to become a comprehensive heat dissipation solution provider. We are mainly responsible for sales and R&D work.

Initially we focused on the design, module manufacturing and sales of notebook computer (NB) coolers. In order to expand the market and expand the scale of operations, the business gradually extended to the manufacturing of server, graphics card, main board and workstation cooling and other air cooling modules. We have focused on the R&D of energy-saving and cooling technologies for many years. We are aware that the continuous increase in chip power consumption will be a result of the increase in the demand for data centers and the improvement in computing power. Therefore, in addition to continuously optimizing the air cooling technology, the Company has also invested in the development and application of liquid cooling technology to meet the needs of high-performance computing.

In 2003, the Company built a factory in Kunshan, China. In the next decade, the Company expanded production lines in Guangzhou, Chongqing, and Anhui, and increased the self-production rate of heat pipes and vapor chambers to meet the customers' demand for customized cooling modules. In 2020, we established a new factory in Thailand and began mass production in Q1 2021. In terms of production base strategy layout, in response to U.S.–China trade dynamics and customer supply chain management needs, the Company has accelerated the deployment of production capacity in the Thailand Factory. The factories in China have continued to refine the automation production line upgrade, in order to improve production efficiency and optimize product cost structure.

Auras Technology Profile

Auras Technology Co., Ltd.

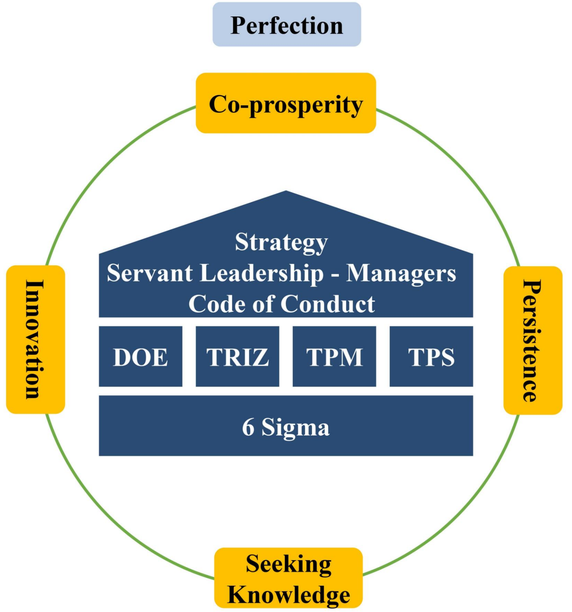
Chairman Lin Yu-Shen	**President** Chen Chih-Wei
Stock Code: 3324	**Address of the headquarters** 3F., No. 6, Wuquan 3rd Rd., Xinzhuang Dist., New Taipei City 242
Share capital NTD914 million	**Production site** Guangzhou Factory, Kunshan Factory, Chongqing Factory, Anhui Factory, Thailand Factory
Date of foundation 1998/08/24	**Factory area** 150,912 square meters
Date of listing on TPEx 2005/05/13	**Number of employees** 5,586 people (as of December 31, 2024)



1.1.1 Vision and Mission

“Innovative, persistent, and prospering” is the core value of Auras Technology. We will continue to innovate, insist on achieving 100% customer satisfaction, and create a win-win situation between the Company and customers, hoping to become a technology leader in the industry. The “seeking knowledge” from The Great Learning in The Book of Rites represents the management beliefs of Auras Technology and also serves as the principles of our work. We seek knowledge in all things and never stop our efforts to make everything clear. With a belief in active progress, we strive to overcome obstacles and ultimately achieve our goals. We are committed to pursuing truth and excellence in every aspect of our work, including continuing to improve our cooling technology, providing customized all-round solutions, and achieving win-win situations with our customers. We uphold the spirit of “people-oriented leadership” to create a service-oriented and caring corporate culture. We have introduced the Six Sigma Management System to strengthen operational quality and enhance organizational efficiency.





Corporate Culture_“Servant Leadership”

1. Listening to the voices of all stakeholders and putting them into practice
2. A virtuous cycle that benefits others while also benefiting others.
3. Encouraging flexible adjustments, and striving to become a problem solver
4. Learning by doing and realizing what you are doing, and treat failures as learning opportunities, and turn mistakes into positive experiences.

Corporate Culture “6 Sigma”

1. DOE (Design Of Experiment)

   We aim to reduce process variation and production costs, as well as shortening development time. We are committed to becoming a pioneer in newly developed markets or new technologies.
2. TRIZ
   (Theory of Inventive Problem Solving)

   Used in the development of new products and technologies.
3. TPM (Total Productive Maintenance)

   Strengthen the total equipment efficiency and maximize production value with the ultimate goal of zero disasters, zero failures, and zero defects.
4. TPS (Toyota Production System)

   Just in Time Management – reduce the amount of waste in the production process and maximize value.

1.1.2 Major Business Activities

Based on the concept of "satisfying customers," Auras Technology continues to pursue technological innovation and excellence, and has invested in energy-saving and cooling technologies for many years. In addition to constantly refining air cooling technologies, we have also actively invested in the R&D and application of liquid cooling technologies to provide customers with comprehensive cooling solutions. The Company has taken advantage of the leading two-phase flow technology to strengthen existing businesses in servers, notebooks, display cards, motherboards, and automotive applications. At the same time, the Company continuously develops into AI, HPC, automotive, charging devices, and energy storage markets.



High-Performance Vapor Chamber

During high-performance computing, vapor chambers in air cooling systems are more effective at rapidly conducting heat away from chips compared to heat pipes, efficiently reducing chip temperatures. As the demand for server computing power continues to rise, along with the emergence of AI PCs and upgrades in gaming display cards, the adoption rate of vapor chambers is expected to increase.

Liquid Cooling

We provide customized liquid cooling solutions, including cold plates with open parallel or series/single or dual pumps to meet the needs of various designs, thin cold plates for memory cooling fans, rack manifolds/inner manifolds, liquid-to-air or liquid-to-liquid cooling distribution units (CDU/RPU/HRU), and quick connectors. Among them, quick connectors are an important strategic component, as they can not only enhance the reliability of cold plates and manifolds and the flexibility of supply chain management, but they also optimize cost structure, thereby boosting profitability. CDU/RPU/HRU are developed by the Company to support the Redfish standard specifications, which are used for remote monitoring of the host system management, while monitoring the temperature and flow rate of the coolant within the rack, meeting the need for heat dissipation for AI high-power computing.

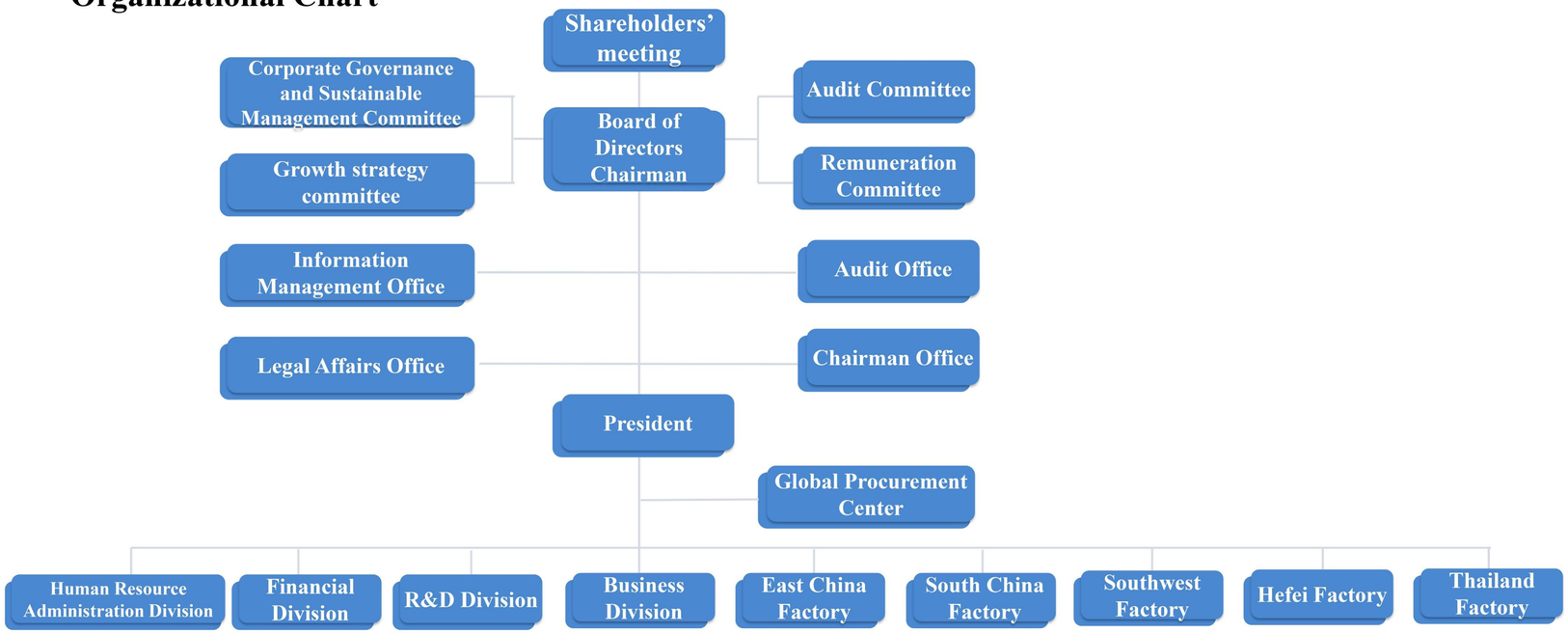
1.2 Corporate Governance, Compliance With Laws and Regulations, and Ethical Corporate Management

1.2.1 Corporate Governance

As the highest governance body of Auras Technology, the Board of Directors complies with various laws and regulations and the Company's Articles of Incorporation, reviews the operational plan, financial statements, internal control systems, and evaluation of their effectiveness. The Board of Directors is also responsible for the appointment and dismissal of the financial, accounting, and internal audit officers, ensuring the implementation of the Company's business philosophy.

The Company has established an internal control system to regularly review the implementation of various corporate governance affairs and ensure compliance. These measures enhance the Company's transparency, enabling stakeholders to promptly and accurately obtain important information. The Board of Directors ensures that the sustainable development policy and operational strategy goals are consistent through approval, supervision, and allocation of sufficient resources, so that the management mechanism is effectively operated.

Organizational Chart



The Company values corporate governance and follows the “Corporate Governance 3.0 Sustainable Development Blueprint” released by the FSC to enhance the sustainable development capabilities of the Company. At the same time, the Company is committed to strengthening the connection with the international capital market, and is keen on becoming a comprehensive and sustainable cooling solution provider.

In order to respect and respond to stakeholders, the Company has established an official website available in both Chinese and English, with financial, business and corporate governance-related information regularly being updated. We also provide Chinese and English versions of financial statements and annual reports to ensure that all stakeholders receive clear and accurate information. The “Stakeholder Section” is the responsibility of the dedicated unit for investor relations to respond to the unscheduled calls and messages from investors and shareholders. Through appropriate communication mechanisms, the unit understands the reasonable expectations and needs of stakeholders and properly responds to the material sustainability issues of concern to them. The Company has established a spokesperson and acting spokesperson system to ensure that any information that may affect shareholders’ decision-making is disclosed in a timely and appropriate manner. The Company has also established a dedicated mailbox to accept shareholders’ suggestions, questions and disputes, to ensure that shareholders’ rights and interests are fully protected.

The Company values the shareholders’ right to know, and strictly abides by the relevant regulations governing information disclosure. The Company provides real-time information on finance, business, internal shareholding, and corporate governance through the MOPS and the Company’s official website, ensuring information transparency. To ensure that shareholders are treated fairly, the Company simultaneously discloses important information in English. In addition, the Company strictly prohibits insiders from using undisclosed market information for securities trading, maintaining market fairness and shareholders’ equity.

The composition of the Board of Directors of the Company is diverse, and there are no spouses or relatives within the second degree of kinship among the members, ensuring the independence and professionalism of the Board. The Company has established the “Corporate Governance and Sustainable Management Committee” and the “Growth Strategy Committee” to strengthen the governance function of the Board of Directors.



1.2.2 Operation of the Board of Directors

Composition of the Board of Directors

According to the “Corporate Governance Best-Practice Principles,” the number of board members should be diversified, and the number of directors who are also managers of the Company shall not exceed one third of the total number of directors. Based on the Company’s operation, business model and development needs, appropriate diversified policies are formulated. The Company shall have at least two independent directors, and the number of independent directors shall not be less than one fifth of the total number of directors. The Board of Directors is composed of seven directors, including three independent directors (42.86%) and one director who is also an employee (14.29%). Currently, the term of office of two independent directors is less than two years, and the term of office of one independent director is three to nine years. The Board members have abundant experience and professional capabilities in the fields of international enterprises and listed companies, such as business, technology, operations, and accounting.

The Company values gender equality in the Board of Directors, and aims to increase the number of female directors to at least one third of the Board. On the Board, there are currently six male directors (accounting for 85.71%) and one female director (accounting for 14.29%). In the future, the Company will continue to strive to increase the number of female directors to achieve the goal of gender diversity. The former General Manager of Auras Technology was concurrently served by Chairman Lin Yu-Shen. To accommodate the Company’s governance policy, by resolution adopted at the Board meeting on August 9, 2024, Chen Chih-Wei (former General Manager of Auras Technology) was appointed to serve as the General Manager.

By resolution of the shareholders’ meeting, all directors on the Board were elected on May 24, 2024. The term of office of the original directors was from June 10, 2021 to May 24, 2024, and the term of office of the new directors is from May 24, 2024 to May 23, 2027. This report mainly discloses the new directors.

Implementation of the Board's Diversity

Title	Name	Gender	Age		Professional background		Professional experience	
			51-60	61-70				
Chairman	Yu-Shen Lin	Male	●		◇Entrepreneurial team ◇Electronic technology industry expert ◇International enterprise and listed company managerial talents	◇Venture Capital leaders and professionals ◇Business and academy leaders ◇Industrial transformation, entrepreneurship, and corporate succession consultant	◇Commerce ◇Technology	◇Operation ◇International market viewpoint
Director /Corporate Governance and Sustainable Management Committee member	Representative of Jin Hong Investment Co, Ltd.: Mao-Yuan Lin	Male		●	◇International enterprise and listed company managerial talents ◇Venture Capital leaders and professionals	◇Business and academy leaders ◇Financial experts and banking managerial talents	◇Finance and investment ◇Commerce	◇Operation ◇International market viewpoint
Director /Corporate Governance and Sustainable Management Committee member	Ho-Pin Cheng	Male		●	◇Entrepreneurial team ◇Electronic technology industry expert	◇Business and academy leaders	◇Commerce ◇Technology	◇Operation ◇International market viewpoint
Director /Corporate Governance and Sustainable Management Committee member	Shu-Chun Huang	Female	●		◇Entrepreneurial team ◇International enterprise and listed company managerial talents	◇Business and academy leaders	◇Technology ◇Operation	◇International market viewpoint
Independent Director/Audit Committee member /Remuneration Committee member/Growth Strategy Committee	Sen-Ho Chang	Male	●		◇International enterprise and listed company managerial talents		◇Commerce ◇International market viewpoint	◇Accounting
Independent Director/ Audit Committee member /Remuneration Committee member/Growth Strategy Committee	Hui-Chin Chiu	Male		●	◇Entrepreneurial team ◇Electronic technology industry expert ◇International enterprise and listed company managerial talents	◇Business and academy leaders ◇Financial experts and banking managerial talents	◇Finance and investment ◇Commerce ◇Technology	◇Operation ◇International market viewpoint
Independent Director/ Audit Committee member /Remuneration Committee member/Growth Strategy Committee	Yung-Tsai Wu	Male		●	◇Electronic technology industry expert ◇International enterprise and listed company managerial talents	◇Business and academy leaders ◇Financial experts and banking managerial talents	◇Finance and investment ◇Commerce ◇Technology	◇Operation ◇International market viewpoint

Operation and attendance of the Board of Directors

The Board of Directors of Auras Technology holds at least one meeting per quarter. In 2024, a total of seven meetings were held. The Board of Directors is responsible for supervising the Company's business management and works closely with the management team to ensure compliance with laws and regulations. The attendance of the Board of Directors is announced on the MOPS after the meeting takes place and disclosed in the annual report to maintain information transparency.

The term of office of the current directors: June 10, 2021 to May 24, 2024. The Board of Directors held four meetings in 2024, and the attendance of directors is as follows:

Title	Name	Actual attendance	Proxy Attendance	Percentage of actual attendance (%)	Note
Chairman	Yu-Shen Lin	4	-	100%	Continue the term after the General Shareholders' Meeting on May 24, 2024
Director	Jin Hong Investment Co, Ltd.	4	-	100%	Continue the term after the General Shareholders' Meeting on May 24, 2024
Director	Ho-Pin Cheng	3	-	75%	Continue the term after the General Shareholders' Meeting on May 24, 2024
Director	Yen-Chun Chen	4	-	100%	Term of office expired on May 24, 2024
Director	Shu-Chun Huang	4	-	100%	Continue the term after the General Shareholders' Meeting on May 24, 2024
Independent Director	Fu-Han Liu	4	-	100%	Term of office expired on May 24, 2024
Independent Director	Sen-Ho Chang	4	-	100%	Continue the term after the General Shareholders' Meeting on May 24, 2024
Independent Director	Hsien-Ta Fan	4	-	100%	Term of office expired on May 24, 2024
Independent Director	Hui-Chin Chiu	4	-	100%	Continue the term after the General Shareholders' Meeting on May 24, 2024

The term of office of the current directors: May 24, 2024 to May 23, 2027. The Board of Directors held three meetings in 2024, and the attendance of directors is as follows:

Title	Name	Actual attendance	Proxy Attendance	Percentage of actual attendance (%)	Note
Chairman	Yu-Shen Lin	3	-	100%	Continue the term after the General Shareholders' Meeting on May 24, 2024
Director	Jin Hong Investment Co, Ltd.	3	-	100%	Continue the term after the General Shareholders' Meeting on May 24, 2024
Director	Ho-Pin Cheng	3	-	100%	Continue the term after the General Shareholders' Meeting on May 24, 2024
Director	Shu-Chun Huang	3	-	100%	Continue the term after the General Shareholders' Meeting on May 24, 2024
Independent Director	Sen-Ho Chang	3	-	100%	Continue the term after the General Shareholders' Meeting on May 24, 2024
Independent Director	Hui-Chin Chiu	3	-	100%	Continue the term after the General Shareholders' Meeting on May 24, 2024
Independent Director	Yung-Tsai Wu	3	-	100%	Newly elected on May 24, 2024

Corporate Governance Operation

We are committed to the sound operation and responsibilities of the Board of Directors in the spirit of "corporate governance." At Auras, we have a comprehensive supervision and audit system to ensure effective implementation of the Company's business management. We adhere to the business philosophy of "seeking knowledge" and strictly abide by the principles of corporate governance. We insist on information transparency and full disclosure while continuing to improve our business performance and ensure the rights and interests of shareholders, taking into account the rights and interests of all stakeholders.

According to Article 17 of the Company's Articles of Incorporation, the Board of Directors shall be elected by the shareholders' meeting. The Company adopts the candidate nomination system, and all directors (including independent directors) are elected by the shareholders' meeting from the list of candidates, and may be re-elected. To strengthen its functions, the Board of Directors is composed of seven directors with cross-disciplinary professional experience. The Board of Directors meets at least once a quarter. In 2024, the Board of Directors met a total of seven times. The Company has set up a "Corporate Governance Section" on its official website to disclose information such as the Company's Articles of Incorporation and Rules of Procedure for Board of Directors Meetings for shareholders and stakeholders.

In order to improve the knowledge and ability of directors in terms of laws, economics, environment, society and risk management, the Company arranges continuing education courses for directors every year. In 2024, all directors and independent directors met the requirements for continuing education hours, with an average of 7.29 hours per person. Board members are highly self-disciplined. If a proposal involving the interests of the Board member or the legal person they represent is likely to jeopardize the interests of the Company, the director shall state his/her opinion and shall not participate in the discussion and voting and shall recuse himself/herself during the discussion and voting process.

In addition, directors shall abide by the self-discipline principles to avoid improper mutual support, and strictly abide by the ethical standards for recusal.

Title	Name	2024 hours of training (hours)
Director	Yu-Shen Lin	6
Director	Mao-Yuan Lin	6
Director	Ho-Pin Cheng	6
Director	Shu-Chun Huang	15
Independent Director	Sen-Ho Chang	6
Independent Director	Hui-Chin Chiu	6
Independent Director	Yung-Tsai Wu	6

*For details on ESG training courses attended by the directors, please refer to page 78 of the Auras Technology Co., Ltd. 2024 Annual Report – *Training hours of directors and supervisors in 2024*.

Internal Audit

The Company has established an independent internal audit unit directly under the Board of Directors. In addition to submitting reports at routine Board of Directors meetings, the unit will also report to the Audit Committee or the Board of Directors when necessary to implement the spirit of corporate governance. The internal auditors uphold an objective and fair position to review and evaluate the effectiveness of the design and implementation of the internal control system and ensure the appropriateness, efficiency and effectiveness of the operating process. In addition to providing timely improvement suggestions to maintain the continuity and effectiveness of the internal control mechanism, the internal auditors also assist the Board of Directors and management in performing their supervisory and management responsibilities.

The Company has designed an audit mechanism based on the internal control system of each department, and reviews various operating procedures through the internal audit system, evaluates the reasonableness of the design of internal control, and implements the status and effectiveness of the operation. The internal audit unit is responsible for reviewing the internal control system items checked by each department every year, covering aspects such as operational performance, reliability of financial statements, and compliance with laws and regulations. The audit department evaluates potential risks and prepares the following year's audit plan, which is approved by the Board of Directors and implemented accordingly. We have strictly implemented the internal control system, and no major internal control deficiencies were found during the audit process in 2024.

Chief Corporate Governance

To ensure that the Company strictly abides by laws and regulations, internal regulations, and ethical standards during the operational business process, and to protect the Company's interests and shareholders' rights and interests. On January 23, 2024, the Company issued a piece of material information that the spokesperson was appointed as the corporate governance officer, as the highest-ranking executive in charge of corporate governance-related affairs. The main responsibilities of the corporate governance officer include supervising and managing the corporate governance structure and operating procedures, ensuring the efficiency, transparency, and compliance of the Company's operations, and promoting sustainable development and responsible management.

Functional Committees

In order to improve the supervisory function of the Board of Directors and strengthen the management function, the Company has established an Audit Committee, a Remuneration Committee, a Growth Strategy Committee, and a Corporate Governance and Sustainable Management Committee under the Board of Directors. The operation of the functional committees under the Board of Directors is detailed in the following table.

Corporate governance-related affairs

- Handle matters related to the meetings of the Board of Directors and the Meeting of Shareholders in accordance with the law.
- Prepare the minutes of the Board of Directors meeting and the shareholders' meeting.
- Assist directors and supervisors with on-the-job training and continuing professional development.
- Provide the directors and supervisors with the information required for the execution of their duties.
- Assist directors and supervisors in complying with laws and regulations.

Committee	Responsibilities	Percentage of attendance (Excluding attendance by proxy)	Important resolutions		Implementation Status
Audit Committee	• Assist the Board of Directors in supervising the quality and integrity of the Company's accounting, auditing, financial reporting, and financial control processes.	100%	• Assessment of the independence of CPAs • 2023 Business report and financial statements • Motion for 2023 distribution of earnings • 2023 Statement of internal control system	• 2024 Quarterly consolidated financial statements • Loaning of funds to the subsidiary, Thai-Horng Technology • Offering and issuance of the 5th issue of domestic unsecured convertible bonds • Incorporation of sustainability information management into internal control systems and audit enforcement rules	Five meetings were held in 2024
Remuneration Committee	• Formulate and regularly review the performance evaluation and remuneration policies, systems, standards and structures of directors and managers. • Periodically evaluate and determine the remuneration of directors and managers.	100%	• Motion for 2023 distribution of year-end bonus to managers • Motion for 2023 distribution of remuneration to employees • Motion for 2023 distribution of remuneration to directors	• Motion for 2021 transfer of treasury stock to managers • Motion for 2023 distribution of remuneration to directors • Review of the 2023 distribution of employee remuneration to managers	Four meetings were held in 2024
Growth strategy committee	• Aligned with the Company's analysis and management of the overall operating performance, the Committee mainly combines the expertise of relevant functional departments, and integrates the resources of various business units to assist the Company in promoting and improving the operating performance of each business unit, to achieve the annual work targets. • Establish medium and long-term goals for competitive advantage, strategies, and investment development plans, and implement them in each subsidiary and functional unit, to lead the continuous growth and profitability of the overall organizational operations of the Company.	100%	• 2023 Operation status and 2024 growth strategy • Organizational dynamics and technology development • Factory operation and production capacity planning	• AI Strategy Report by Information Office • How to build key talent and core competitiveness, and promote the Company's continuous transformation and growth	Four meetings were held in 2024
Corporate Governance and Sustainable Management Committee	• The decision-making and supervisory units of the sustainability-related work shall comply with the principle of sustainable corporate management, assist the Board of Directors in enhancing and strengthening the effectiveness of corporate governance, fulfilling environmental protection and corporate social responsibility, promoting the economy, and implementing sustainable management and ethical management. In doing this, the units fulfill their responsibilities to protect the rights and interests of the Company, employees, shareholders and stakeholders.	100%	• 2023 SUSTAINABILITY REPORT • Propose to formulate the "Sustainability Information Management Operation Guidelines" and "Sustainability Report Preparation and Reporting Procedures"		Two meetings were held in 2024

Performance Evaluation of the Board of Directors

The Company conducts an internal performance evaluation of the Board of Directors once a year. The evaluation this year covered the overall operation of the Board of Directors and the performance of individual directors from January 1 to December 31, 2024.

The compensation of the Company's directors, President, and Vice Presidents is determined in accordance with the "Compensation Policy for Directors, President, and Vice Presidents." Compensation levels are based on factors such as market pay levels for similar positions in the industry, scope of responsibilities, individual performance, and contributions to the Company's operational goals. In addition to the overall business performance of the Company, the decision-making process for compensation also considers individual performance achievements and contributions to corporate results, to ensure that compensation remains reasonable and performance-driven. Currently, the Company's compensation policy is not directly linked to sustainability goals or performance indicators. However, the Company is progressively strengthening its sustainability management framework and performance evaluation mechanisms. Moving forward, the Company will continue to assess the feasibility of incorporating environmental, social, and governance (ESG) metrics into the performance evaluation and compensation systems for senior management, with the aim of aligning sustainability objectives with operational performance.

Implementation of the Evaluation of the Board of Directors

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Evaluation performed once a year	Start: January 1, 2024 End: December 31, 2024	Board of Directors	Self-evaluation and peer evaluation of the board of directors	• Level of involvement in the Company's operation • Improvement on the Board of Directors' judgment • Board composition and structure • Director election and continuing education • Internal Control
Evaluation performed once a year	Start: January 1, 2024 End: December 31, 2024	Individual committee member	Self-evaluation of board members	• Alignment of the goals and mission of the Company • Awareness of the duties of a director • Level of involvement in the Company's operation • Management of internal relationship and communication • Director's professionalism and continuing education • Internal Control

1. Results of the internal self-evaluation of the overall performance of the Board of Directors: The evaluation results are favorable.
2. Results of the internal self-evaluation of the board members: The evaluation results are favorable.

Implementation of the Evaluation of the Remuneration Committee

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Evaluation performed once a year	Start: January 1, 2024 End: December 31, 2024	Remuneration Committee	Internal self-evaluation of the Remuneration Committee	• Level of involvement in the Company's operation • Understanding of the duties of the Remuneration Committee • Improvement of the decision-making quality of the Remuneration Committee • Composition of the Remuneration Committee and election of members • Internal Control

Implementation of the Evaluation of the Audit Committee

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Evaluation performed once a year	Start: January 1, 2024 End: December 31, 2024	Audit Committee	Internal self-evaluation of the Audit Committee	• Level of involvement in the Company's operation • Understanding of the duties of the Audit Committee • Improvement of the decision-making quality of the Audit Committee • Composition of the Audit Committee and election of members • Internal Control

1.2.3 Compliance with Laws and Regulations

Based on the relevant laws and regulations governing public companies, Auras Technology has established various internal operating procedures and has made timely adjustments in accordance with the laws and regulations of the competent authorities, requiring all operating locations to comply with them. The Company implements core values to ensure that employees strictly abide by the business conduct and ethics in their daily work and business. The management team closely monitors any domestic and foreign policies and laws that may affect the Company's finances and business, establishes relevant risk management procedures, and continuously educates and trains employees on legal literacy.

Auras Technology complies with the laws and regulations of each operating location and sets compliance with laws and regulations as the basic requirement. If any violation is discovered, the responsible unit will clarify the cause of the violation, discuss and formulate improvement measures to prevent similar incidents from recurrence. In 2024, the Company did not commit any major violations (Definition of major violation: According to the regulations of the Taiwan Stock Exchange, a major violation is defined as a fine exceeding NTD 1 million); nor did the Company become involved in any anti-competitive, anti-trust, or monopoly lawsuits.

Education and Promotion of Laws and Regulations

To enhance employees' understanding of laws and regulations and prevent illegal acts, at least once a year, we organize education and promotion of the "Insider Trading Act" for senior executives and employees. In 2024, a total of 70 people participated in the on-site (online) lecture and produced educational videos and posted them on the internal learning website for newcomers to learn online from time to time.

We organize courses and seminars on "How to use company information" and "protection of trade secrets" every year from time to time to enhance the awareness of employees about the protection of confidential information. In 2024, the total number of training hours was about 237.5. We also produced an educational video on "protection of trade secrets" and posted it on the internal learning website as part of the education and training for newcomers. The Company values the protection of confidential information, and will continue to reinforce the protection capabilities, to enhance the correct concepts and vigilance of its employees toward confidential information.

Legal Lecture – Insider Trading and Trade Secrets





Name of lecture	Insider trading	Trade secrets
Hours	2 hours	1.5 hours
Number of participants	70 people (including 34 people online)	65 people (including 45 people online)

1.2.4 Ethical Corporate Management

Sustainable Development Strategies and Best Practice Principles

To ensure the implementation of the Company's ethical conduct and ethical management, we have formulated and regularly promoted various codes of conduct, such as the "Corporate Governance Best-Practice Principles" and the "Sustainable Development Best-Practice Principles." In doing this, we ensure that all employees have clear directions when interacting with various stakeholders.

The Company adheres to the business philosophy of integrity, transparency, and responsibility, and has established a sound corporate governance and risk control mechanism based on integrity. The Company is committed to creating an operating environment conducive to sustainable development. We have established the "Ethical Corporate Management Best-Practice Principles and Procedures for Grievance Filing" and the "Code of Business Conduct and Ethics for the Board of Directors and Managers." In the "Rules of Procedure for Board Meetings," there is a recusal system for directors, strictly requiring all employees and management to comply with the principles of corporate ethics, integrity and honesty. The Company clearly regulates the reporting and grievance procedures, conduct guidelines, disciplinary measures for violations, and grievance systems to ensure regular review and implementation.

In order to further strengthen ethical management, before establishing a formal business partnership with suppliers, a comprehensive assessment of their ethical conduct is conducted. After the confirmation of cooperation, suppliers are required to sign the "Confidentiality and Integrity Commitment" to ensure their compliance with the Company's ethical management procedures.

In order to maintain social and factory order and stability, the Company has formulated the "Management Procedures for Grievances and Whistleblowers" and established relevant protection measures to safeguard the personal safety of employees and whistleblowers who refuse to participate in unethical conduct. We encourage employees to report any misconduct. The headquarters and all factories have set up complaint hotlines and grievance mailboxes. Through these channels, employees can report any breach of ethical conduct to the management department.

Grievance Mechanism for Stakeholders

Auras has a zero-tolerance attitude toward corruption. We request our employees to abide by the code of conduct for employees, and provide reporting, grievance, and suggestion channels for suppliers, customers, and stakeholders to maintain business ethics and fulfill corporate social responsibilities.
Email: vendor@auras.com.tw
HR@auras.com.tw

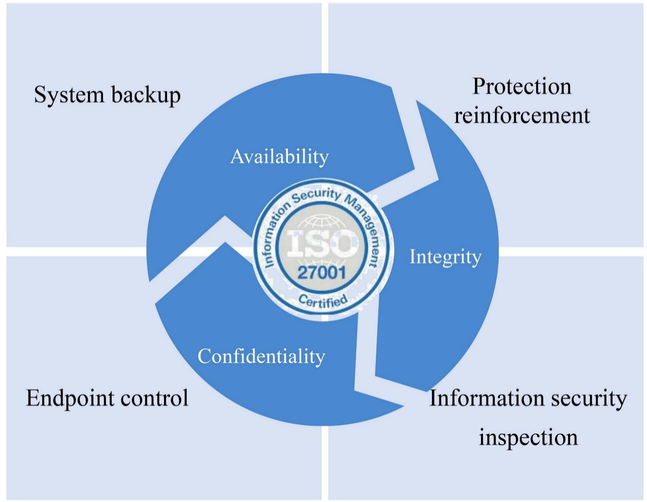
1.3 Information Security

We promote digital transformation, fully introduce information security management mechanisms, ensure the accuracy and availability of information processing, and protect the security of related systems, equipment, and networks. Moreover, internal information security drills and education and training are regularly conducted to enhance employees' awareness and vigilance of information security, and ensure the information security of customers and products.

In order to ensure the continuity of the Company's operations and protect the information processes of important businesses, when the Company is faced with a major disaster, human damage, or equipment failure, the Company is able to effectively implement contingency measures. In doing this, the Company is able to control the damage within an acceptable range, ensuring the information process is restored within a certain timeframe. We have established an Information Security Management System (ISMS) with reference to ISO 27001 standard to comprehensively enhance information security protection. In 2024, ISO 27001 was fully implemented in all operating locations: In 2022, the Company passed external verification and the employees of the headquarters also passed relevant training to obtain ISO 27001 professional information security certificates for the lead auditor to ensure the professionalism and compliance of information security management.

2024 Corporate Information Security Promotion and Implementation Results

- Information security promotion including mail protection, endpoint protection, identity authentication protection, information security health checkup, and endpoint computer patch management system.
- Unscheduled information security case sharing and promotion, and each employee completed 1 hour of online security awareness training.
- Introduction of ISO 27001:2022 at each operating location and employees of the headquarters obtained the ISO 27001 certification for lead auditors and other safety security certificates.
- Virus scanning and automatic virus code updates were carried out once a year; vulnerability scanning to patch security vulnerabilities was carried out twice a year.





1.4 Risk Management

1.4.1 Risk Management Mechanism

Natural disasters and accidents may have a significant impact on production operations and employee safety. Auras Technology is committed to establishing a comprehensive risk management mechanism to ensure the steady development of the company. The scope of risk management covers financial performance, environmental, information security, and operational risks. We deeply cultivate the concept of risk prevention within our corporate culture, identifying and eliminating preventable risks to reduce the likelihood of business interruption. We continue to strengthen risk control through comprehensive risk management plans and safety regulations to reduce property losses and maintain the Company's reputation and employee safety.

In response to the main risks associated with changes in the sales market, production challenges, human resource planning, new product development progress, and financial and accounting control, the Company continues to optimize monitoring and response strategies. It also introduces highly sensitive supervision, evaluation, and control mechanisms in addition to the existing management system to enhance risk response capabilities.

In 2024, the Company obtained insurance from various insurers for commercial fires, cargo transportation, product liability, and public accidents to further mitigate property losses caused by accidents. This is to ensure that the Company can effectively respond to unpredictable events during the insurance period. Effectively transfer operational risks and minimize potential losses through comprehensive insurance planning and fixed insurance premiums.

1.4.2 Business Continuity Management Systems (BCMS)

In 2023, we introduced the Business Continuity Management System (BCMS) and obtained ISO 22301 certificate in 2024. The Business Continuity Management System (BCMS) is used to identify, assess, and manage sustainability risks, thereby enhancing the Company's resilience and reducing the risk of business interruption. In the face of frequent natural disasters, geopolitical changes, and shortage of key components, there is increasing risk of interruption of the corporate supply chain. Through the BCMS, countermeasures and recovery plans are made in advance to ensure that, in the event of an operational disruption, the operation can be quickly returned to normal and damage minimized.

Purpose of BCM

- Risk identification and assessment
- Risk monitoring and control
- Preventive measures and contingency plans
- Continuous Improvement


BSCIC Certification Private Limited
BSCIC
Certificate
BUSINESS CONTINUITY MANAGEMENT SYSTEM
This is to certify that:
AURAS TECHNOLOGY CO., LTD.
3F, NO. 6, WU-CHUAN 3RD ROAD, HSIN CHUANG DIST.,
NEW TAIPEI CITY 242, TAIWAN (R.O.C.)
242 新北市新莊區五權三路6號3樓
Hereby granted the Certificate Number: BN22899/21635 Rev. 00
Subsequent to the Assessment of the organization, it has been found to be operating a Business Continuity Management System which complies with the requirements of
ISO 22301:2019
For the following scope:
Design and Manufacturing of Thermal Modules, Heat Pipes and Press Parts for Thermal Solution and Computers
用於熱解決方案和計算器的熱模塊、熱管和沖壓件的設計和製造
For BSCIC CERTIFICATIONS PVT.LTD.
Sanjay Seth
Managing Director
Originally Registered: 26-Feb-2024 1st Surveillance Due on: 25-Feb-2025
Issue Date: 26-Feb-2024 2nd Surveillance Due on: 25-Feb-2026
Expiry Date: 25-Feb-2027
(In case if Surveillance Audit is not allowed to be conducted, this Certificate shall be Suspended/Withdrawn).
Page 1 of 1
Registered
BSCIC
IAS ACCREDITED

Core Values and Functions of BCMS

The main function of the BCMS is to minimize the possibility of operational interruption ensure that, in case of a “interruption,” the enterprise will be quickly recovered through a comprehensive response mechanism.

- Ensure stable business operations and reduce the impact of business interruptions.
- Fulfill contractual commitments to customers to maintain supply chain resilience
- Fulfill corporate social responsibility and contribute to local social and economic development

The BCMS enables us to identify, assess, and manage various risks that may affect sustainable development in a comprehensive and systematic manner, ensuring the stable operation and long-term development of the enterprise.

BCMS Establishment and Promotion

Since the launch of the BCMS in July 2023, the risk management mechanism of Auras has been integrated across departments, covering audit, human resources, general affairs, information, procurement, quality assurance, and sales units to jointly identify potential risks and implement the ISO 22301 standard.

During the introduction process, internal capability was built, with multiple education and training sessions held and internal audits conducted, strengthening organizational response capabilities. We have prepared the Business Continuity Management Manual and several relevant operating procedures and regulations to ensure the systematic implementation of risk management and business continuity plans.

Strengthen Business Continuity Management to Address Extreme Climate Risks

In response to the increase in frequency and intensity of typhoons due to climate change, Auras Technology listed typhoons as a major risk issue for the Business Continuity Plan (BCP) in 2024. Risk control and response drills are conducted for typhoon disasters to enhance corporate resilience and ensure uninterrupted operations.

Typhoon Response Strategies and Risk Control

Formulate comprehensive countermeasures for the possible impact of typhoons, such as power outages, damage to offices and factory equipment, including:

Risk monitoring and early warning mechanism

Pay attention to the weather, keep track of typhoon dynamics, and activate the contingency plan early

Disaster prevention and reduction preparation

Strengthen the typhoon prevention facilities, check the drainage system and power backup equipment to ensure the stable operation of key business

Employee safety and response drills

Conduct typhoon response training to ensure that colleagues can respond quickly to extreme weather conditions and reduce personnel and property losses.

2024 Typhoon Response Drills and Continuous Optimization

In 2024, internal typhoon response drills were performed to simulate the response process in the event of a typhoon and to review the applicability and feasibility of the BCP. Through drills, we continue to optimize the response mechanism to ensure that the Company can quickly resume operations under the impact of extreme climate, and reduce the impact on customers, the supply chain, and employees.

Risk Monitoring and Continuous Optimization

A comprehensive risk monitoring mechanism has been established through the BCMS, covering:

- Monitor the supply chain to ensure the stable supply of key components
- Assess community and environmental risks to reduce the impact of external factors on the Company
- Periodically assess risks and make contingency plans to ensure that the Company has the ability to respond to crises at any time

We actively collaborate with internal departments to formulate countermeasures for identified risks. Enhance organizational response through regular drills and employee training. This ensures that all employees are capable of responding quickly and effectively in the event of a crisis. We regularly review the operational efficiency of the BCMS to ensure that the response strategies and measures are maintained in the best state. We also encourage employees and stakeholders to make suggestions, continuously improve risk management capabilities, and build a more resilient business model.



Upgrade

2.1 Intellectual Property Rights
2.2 Technological Innovation and Market Layout
2.3 Research and Development

2.1 Intellectual Property Rights

As a leader in the heat dissipation industry, Auras continues to invest in technological innovation. The Company has formulated relevant measures to be followed by employees for intellectual property-related matters. In order to effectively manage and maintain the Company's intellectual property rights, so that the acquisition, maintenance, protection, and use can meet the relevant legal requirements, the Company is to formulate intellectual property management plans linked to the operating strategies. This enhances the competitive advantages of products and helps the Company achieve the goal of sustainability.

Patents

As an all-round thermal treatment solution provider, we have a wide range of products. To ensure that the technology developed by us is reasonably protected and the value of the products is further enhanced by patents, we actively encourage our colleagues to research and innovate. We also have procedures in place for incentives for patent proposals and when a patent is granted. Through the internal and comprehensive proposal review process and close collaboration with domestic and foreign professional agencies, the Company has fully communicated with various domestic and foreign patent review agencies so they were aware of the core key of our patent application. In addition to obtaining the protection of rights, the Company is committed to contributing to the development of technology with high-quality technologies developed by the Company.

Trademark

In response to the expansion of domestic and overseas business and to enable consumers to fully understand and identify the products and services provided, the Company actively conducts trademark deployment. Before applying for a trademark, it is necessary to pass the identification criteria review to obtain an effective trademark. The cases for which the Company has obtained the trademark rights have been established in the database for control, and the Company will continue to track the expiry date and maintain the trademark rights obtained in various countries for business use.

Copyright

In order to ensure the confidentiality and integrity of important assets such as R&D technology, data, and internal and external communications of Auras Technology, while respecting the copyrights of others, we have established internal information security management measures to regularly check the legality of software use and ensure the secure operation of information systems at all times. We also take proactive approaches to effectively eliminate the risk of internal information leakage through information security promotion.

Trade Secrets

In order to obtain customer trust and meet the needs of technology and business confidentiality, the Company has stipulated the obligation of confidentiality of confidential information in the employment contract to prevent the leakage of the Company's technical confidential information. At least one training course is held every year to enhance the promotion of confidentiality issues. At the same time, if there is technological cooperation with a vendor or a customer, the signing of a confidentiality agreement is completed prior to the disclosure of the technology to the outside world. Through confidentiality clauses and damage compensation, breach of contract, and other restrictions, the obligation of both parties to comply with confidentiality in business cooperation is ensured.

Status of Implementation

The Company continues to expand the domestic and overseas markets of cooling products, and at the same time continues to optimize the maintenance and management of intellectual property rights. Through the R&D cycle review procedures, the preservation of technical data is more complete. In addition, in response to the goals of business development, we will continue to comply with the latest laws and regulations in various countries to complete the layout of intellectual property. The results as of the end of December 2024 are as follows:

1. The number of patents accumulated has exceeded 350, and more than 100 patents are undergoing application and review procedures.

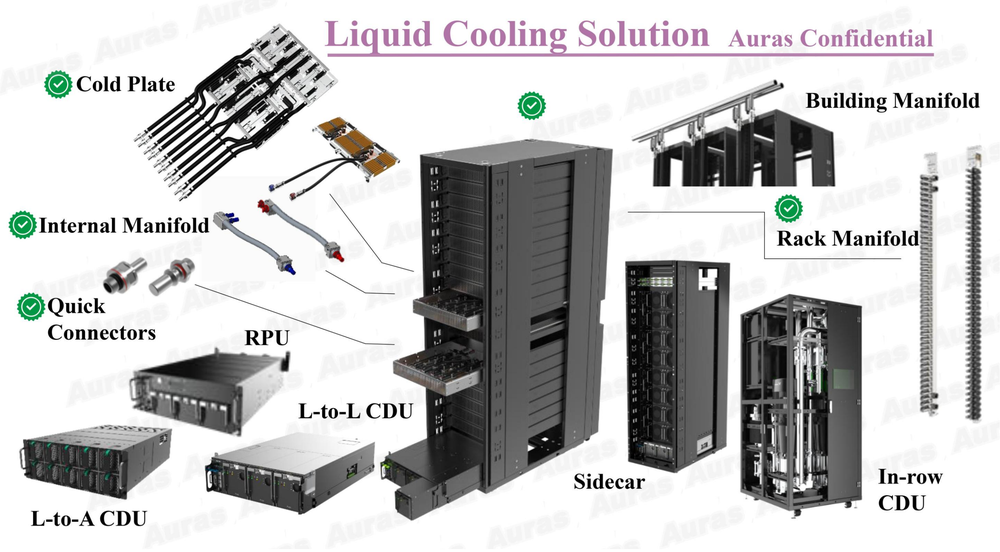
2. Obtained 8 domestic and foreign trademarks in total, which will be deployed in line with the market development.

2.2 Technological Innovation and Market Layout

Over the years, we have adhered to the spirit of “seeking knowledge” and continued to invest in the R&D of energy-saving and heat dissipation technologies to promote industrial upgrade and technological innovation. In addition to advancing air cooling technologies, the Company also improves liquid cooling innovations to provide customers with comprehensive heat dissipation solutions. With the rapid development of AI, our liquid cooling technology has been widely adopted in the market, and we have successfully transformed from an air cooling module manufacturer to a liquid cooling rack system provider. To enhance customer retention, we offer a complete liquid cooling product line, including cold plates, coolant distribution units, manifolds, pumps, and quick connectors. Through customized design and one-stop manufacturing processes, we help accelerate customer adoption of liquid cooling technology.

Besides meeting the high-performance cooling demands of cloud data centers in the AI era, liquid cooling technology also greatly optimizes the Power Usage Effectiveness (PUE) of data centers to boost the development of AI applications in both cloud and edge computing. At the same time, we assist customers in achieving green computing, jointly responding to global climate change issues and sustainable goals for energy conservation and carbon reduction. As the intensity of extreme weather increases, climate change has become a global priority. Sectors around the world have taken actions, including formulating the Power Use Efficiency (PUE) standards and implementing the net zero target. According to Climate Neutral Data Centre Pact, new data centers must lower their PUE to less than 1.4 from 2025 onwards – a goal to be achieved by all existing data centers by 2030.

The Company has been deeply involved in liquid cooling technology for over 10 years. As the server market enters the era of liquid cooling, the Company offers direct liquid cooling (DLC) and immersion cooling (IC) products to help high-performance industries, such as supercomputers, AI, and big data, optimize energy consumption. The goal is to optimize power efficiency to less than 1.2% for automotive, charging devices, and energy storage applications, while helping customers achieve green computing and jointly promoting sustainable development.



In addition, Auras Technology is a member of the Taiwan Thermal Management Association (TTMA) and actively participates in industry exchanges and technical collaborations. Through the association’s platform, the Company stays abreast of the latest thermal management technologies, continuously enhancing its expertise and capabilities in the field.

2.3 Research and Development

With the continuous strengthening of R&D capabilities and the diversified development of sales and product lines, our investment in R&D will continue to increase, focusing on the following strategies:

1. Expand the management team, plan core products, master key technologies and patents, and continue to develop new generation products to maintain the technological leadership.
2. Enhance product design capabilities, promote the development of specifications and modules, shorten the development time and cost, and improve the market competitiveness of new products.

To enhance the R&D capacity, R&D expenses are increased year by year, and the amount is as follows:

Item	2020	2021	2022	2023	2024
R&D expenses (NTD thousand)	403,197	511,895	634,225	678,018	914,370
Net operating revenue	12,214,199	14,257,907	13,856,991	12,712,629	15,778,909
Percentage to operating revenue	3.30%	3.59%	4.58%	5.33%	5.79%

01. Operation plan for high energy efficiency liquid cooling system:
Solutions for the uneven heat distribution problem caused by high-density AI training/inference

02. High-density AI training and inference liquid cooling technology solution:
Cooling water distribution device with high heat exchange efficiency

03. Self-developed high-power AI chip liquid cooling system solution

04. Applied to the design of liquid cooling rack system for high-density AI training and inference

05. The application research on the ultra-high-speed AI training and the promotion of the surface erosion resistance improvement and the reduction of the attached micro particles of the cold plate for the plasma electrolytic polishing process

06. AI smart application to high wattage chips for self-circulation
Vapor chamber design solution

07. AI/AR applied to the human-machine interface and video system for heat dissipation
Integration solution

08. AI-powered strong cluster cooling for e-sports graphics cards

09. Development of circuit thermal module for AI PC calculation unit

10. Research project on the application of flat-top heat pipes with short and invalid areas in AI PCs

11. Summary of the key points of the thermal plate optimization design for high-performance e-sports notebooks



Retention

3.1 Talent Attraction, Cultivation, and Retention
3.2 Labor Relations, Wages and Benefits
3.3 Occupational Health and Safety

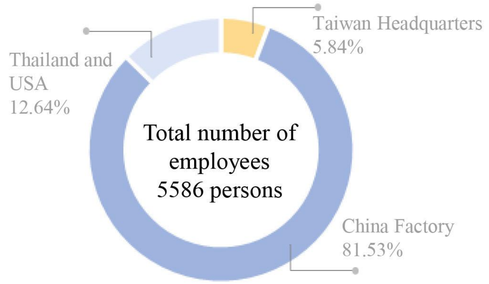
3.1 Talent Attraction, Cultivation, and Retention

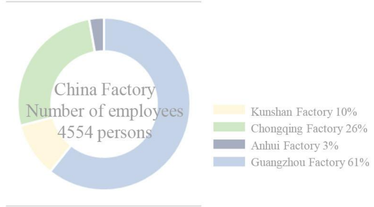
Auras Technology has 5,586 employees worldwide, with men and women accounting for 56% and 44% of the workforce, respectively. In terms of region, the number of employees in Taiwan accounts for 5.84% of the workforce, while the number of employees in China accounts for 81.53% of the workforce. In terms of other regions, the number of employees in Thailand and the U.S. accounts for 12.64% of the workforce.

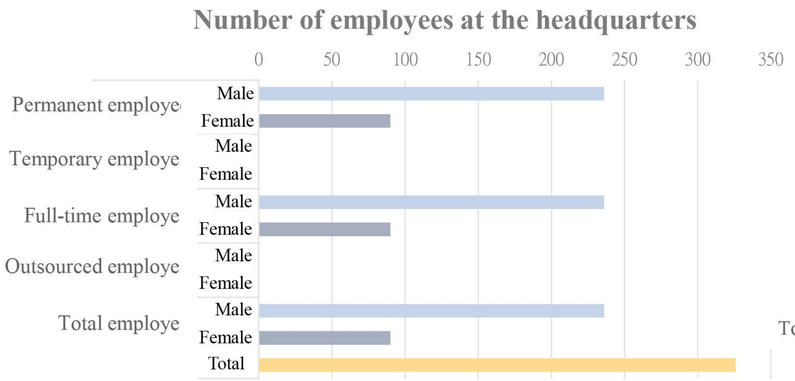
With a corporate culture of innovation and foresight, we promote humane management and establish robust labor relations with our employees. We strictly abide by the Labor Standards Act and the Act of Gender Equality in Employment. In terms of employment, remuneration and benefits, training and promotion opportunities, we insist on fair and impartial standards and do not discriminate against or treat differently due to race, religion, skin color, nationality, age, gender, sexual orientation, appearance, marital status, physical and mental disabilities, political stance, or other factors. We aim to create an equal workforce, a friendly workplace free of discrimination and harassment. In 2024, there were no incidents of discrimination.

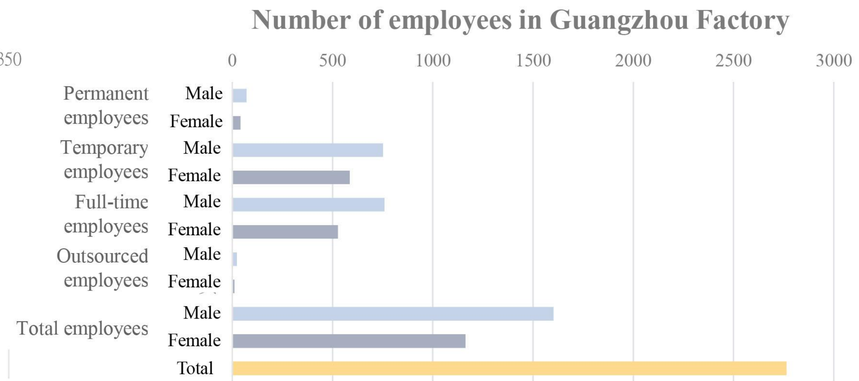
Type of employment	Gender	Headquarters	China Factory				Thailand and USA	Total
			Guangzhou Factory	Kunshan Factory	Chongqing Factory	Anhui Factory		
Number of permanent employees	Male	236	70	–	407	–	–	713
	Female	90	41	–	312	–	–	443
Number of temporary employees	Male	–	751	–	–	–	–	751
	Female	–	585	–	–	–	–	585
Number of full-time employees	Male	236	759	290	705	55	244	2,289
	Female	90	527	177	491	71	462	1,818
Number of outsourced employees	Male	–	22	–	298	–	–	320
	Female	–	10	–	179	–	–	189
Total number of employees	Male	236	1,602	290	705	55	244	3,132
	Female	90	1,163	177	491	71	462	2,454
	Total	326	2,765	467	1,196	126	706	5,586

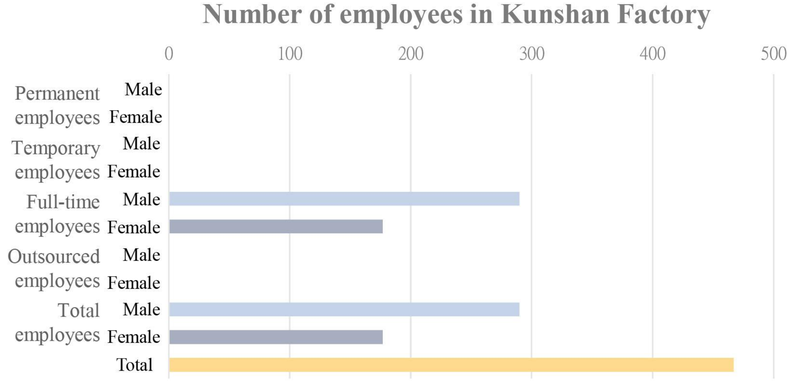
Distribution and percentage of employees in each region

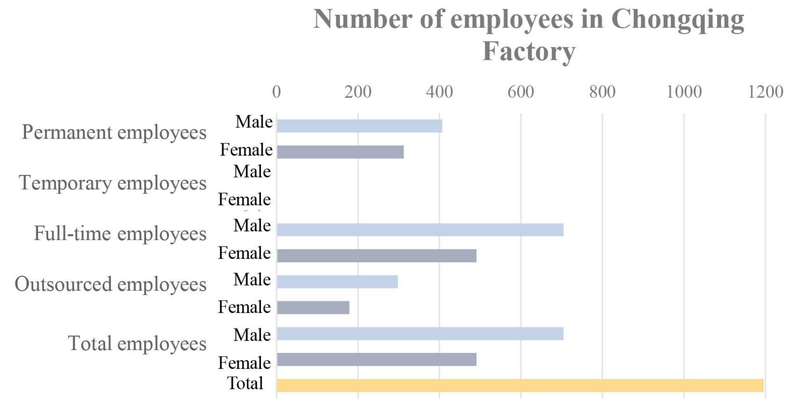


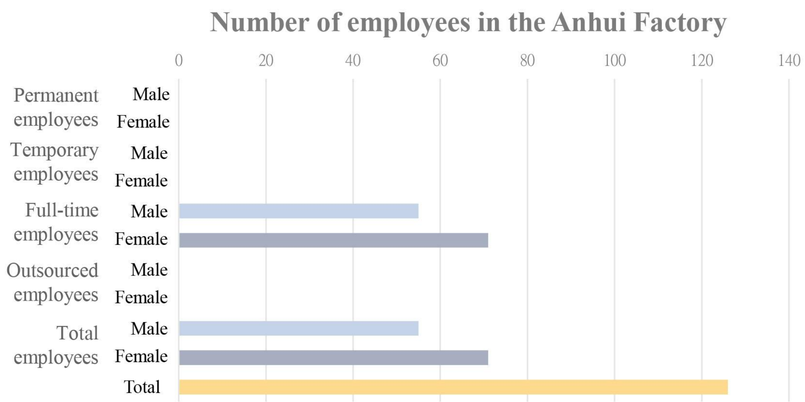


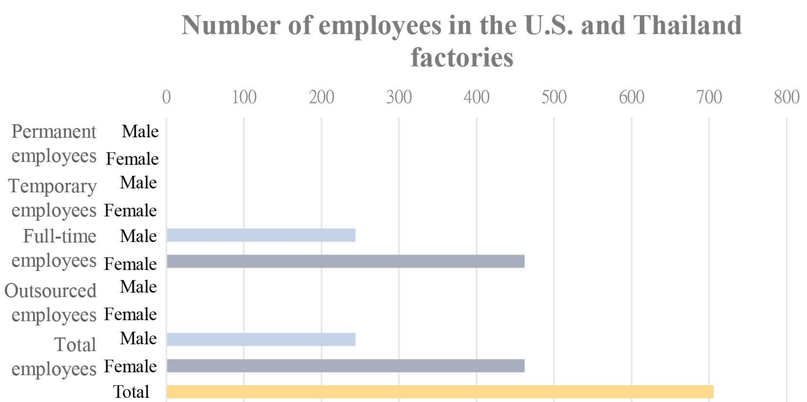












*Note: The data in the table above is based on the statistics as of the end of December 2024. the employment types and their definitions are as follows:

- Permanent employees – Full-time or part-time employees with indefinite contracts
- Temporary employees – Employees who have signed fixed-term contracts
- Full-time employees – The number of working hours per week, per month, or per year is defined by the relevant laws and practical definitions of employees in the country
- Contracted employees – From outsourced vendors to factory workers, including catering, security, cleaning, driving personnel.

Talent Recruitment

The Company's sustainable growth and competitiveness depend on the continuous contributions and innovations of employees. To strengthen growth momentum, we actively recruit professionals from all fields based on the principle of placing the right talent in the right position. We do not discriminate against our employees based on race, gender, age, religion, nationality, or political stance. All applicants are entitled to equal employment opportunities through open and fair recruitment procedures.

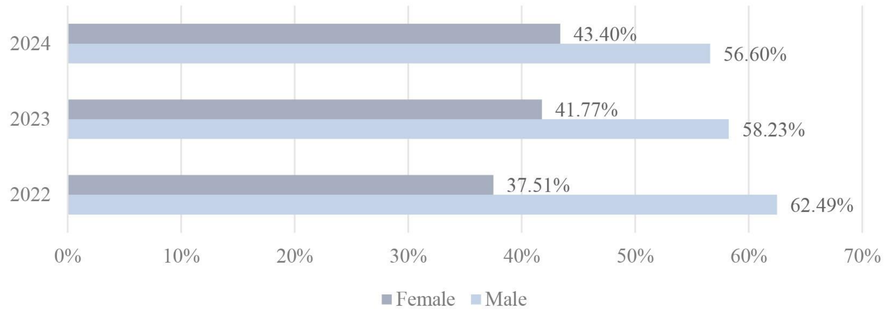
In terms of recruitment practices, the Company strictly follows government regulations and the RBA Code of Conduct to formulate comprehensive employee appointment management measures, protect applicant information, and eliminate any form of employment discrimination. During the interview process, only job-related information is collected to ensure that the selection process complies with the principles of professionalism and fairness.

We value the introduction of diverse talent and proactively recruit outstanding talent through major recruitment platforms such as 104 Job Bank and Headhunter. Ensure information symmetry through open and transparent job vacancy announcements to enable fair participation of talent from all fields. During the selection process, the supervisor and the professional human resources personnel jointly conduct the competency evaluation to ensure that the talent selection meets the job requirements.

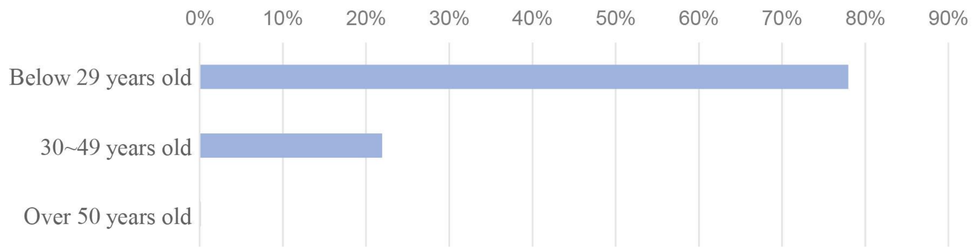
In recent years, the Company has actively promoted talent diversity, and the proportion of female newcomers has increased steadily over the last three years. In 2024, the gender ratio of newcomers worldwide was 56.60% for men and 43.40% for women. In addition, we are also committed to attracting young talent. In 2024, the age distribution of newcomers was 29 years old and below: 78% and 30–49 years old: 22%. Auras' talent recruitment strategy in the global market has gradually shaped a team that balances gender diversity and young blood.

At Auras, we attach great importance to the integration of newcomers. We provide professional guidance and support to newcomers to ensure that they can adapt to their roles and exert their strengths. In addition, through comprehensive newcomer training, promotion management, and employee welfare system, we encourage employees to plan for their career development to enhance the Company's sustainable competitiveness. The Company actively assists employees in expanding their careers and providing a comprehensive internal transfer mechanism. When employees are transferred to other units or overseas regions, comprehensive prior communication, education, and training are conducted. We also provide corresponding allowances and subsidies according to the work location to protect the rights and interests of employees and ensure smooth adaptation to the new environment.

Gender ratio of new employees in the past three years



Age distribution of newcomers



	Gender	Age group	Number
Newcomers	Female	Below 29 years old	4,003
		30-49	1,177
		Over 50 years old	6
		Total	5,186
	Male	Below 29 years old	5,338
		30-49	1,420
		Over 50 years old	6
		Total	6,764
	Total	Below 29 years old	9,341
		30-49	2,597
		Over 50 years old	12
		Total	11,950

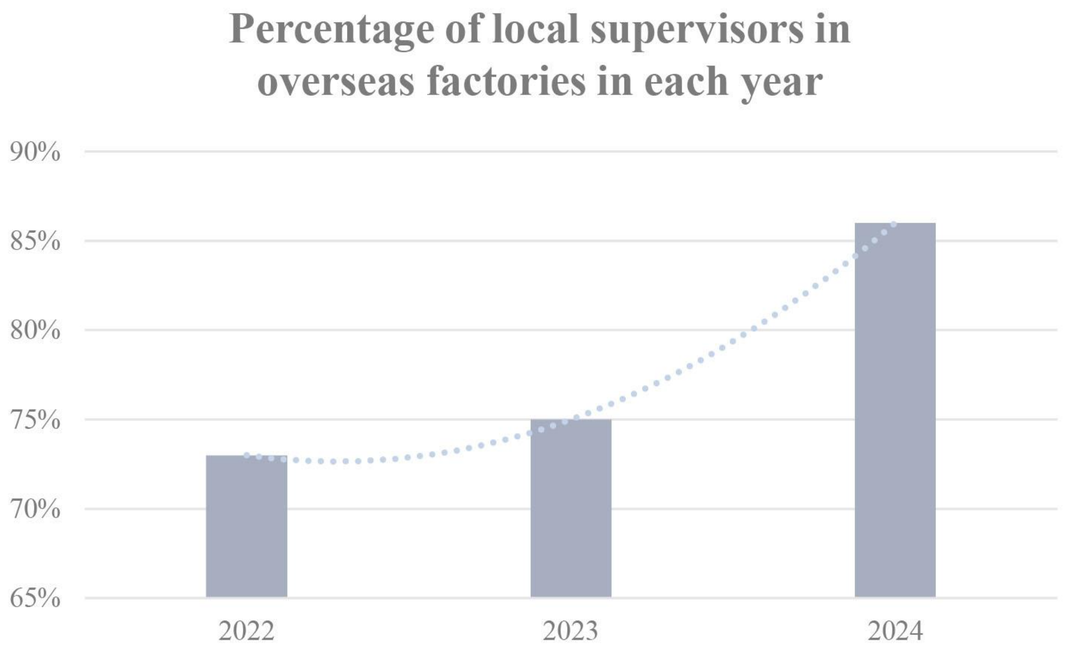
Remark: The statistics are the number of newcomers from January to December 2024

Promotion of Local Talent

In order to accelerate the Company's development goals and demonstrate its core values, Auras Technology has implemented a local management system, actively hiring local talent to maintain the flexibility and vitality of the organization. Currently, the Company has four production sites (Guangzhou, Kunshan, Chongqing, and Anhui) in China. In response to customer needs, the Company established a new factory in Thailand in 2020. In addition to dispatching Taiwanese executives to share their management experience, we also focus on cultivating local talent to positively influence the local community.

In the last three years, the proportion of local supervisors in overseas factories has exceeded 70%. From the perspective of overseas production bases, the proportion of local supervisors has increased year by year, and by 2024, the proportion of supervisors is 86% held by local colleagues.

Year	2022	2023	2024
Overseas Factories Percentage of local managers	73%	75%	86%



Auras Human Rights Policy

To fulfill corporate social responsibility and protect the basic human rights of all employees, customers, and stakeholders, we comply with the Universal Declaration of Human Rights, the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the ILO Conventions to eliminate all forms of human rights infringement and ensure that all internal and external members are treated fairly and with dignity. In addition, we have established the “Human Rights Management Policy” and disclosed it on the official website to demonstrate our commitment to human rights protection.

Prohibition of forced labor and child labor	Eliminate forced labor and child labor, and ensure the rights and freedom of all employees.
Freedom of association and labor–management communication	Respect the freedom of association and the right to collective bargaining of employees, encourage open communication, and maintain labor–management harmony.
Safe and healthy work environment.	Comply with relevant laws and regulations, continue to improve the safety and health of the work environment, reduce the risk of occupational accidents, and protect the health and well-being of employees.

In addition, Auras has actively protected the rights and interests of stakeholders in accordance with the four principles of communication, protection, correction, and supervision. The Company has announced its commitment to protecting workers and human rights through its internal and external websites, and has prohibited discrimination and harassment in the workplace. At the same time, labor and human rights issues have been included in the corporate ethics training for newcomers to deepen the human rights awareness of all colleagues and the corporate ethics culture. We will continue to monitor and implement human rights protection. There were no incidents of human rights violations or infringements on the rights of indigenous peoples in 2024. In the future, we will continue to strengthen our management mechanisms to promote corporate sustainable development and social responsibility.

Workplace Equality

We are committed to creating an equal, safe, respectful and inclusive workplace environment, and we adhere to the principle of diversity and inclusion. In all aspects of human resource management, including hiring, salary, promotion, work allocation, rewards and punishments, we treat all employees equally and fairly, and do not discriminate against them due to race, gender, sexual orientation, age, marital status, physical and mental disabilities, religious beliefs or other personal backgrounds. To protect the basic rights and interests of employees and personal safety, the Company has prohibited all forms of sexual harassment, discrimination, bullying and intimidation. The Company has formulated and announced the “Management Procedures for Grievances and Whistleblowers.” The content covers the prevention, reporting, investigation and disciplinary actions of sexual harassment. All relevant procedures are announced on internal and external information platforms to ensure that all employees can obtain and understand them.

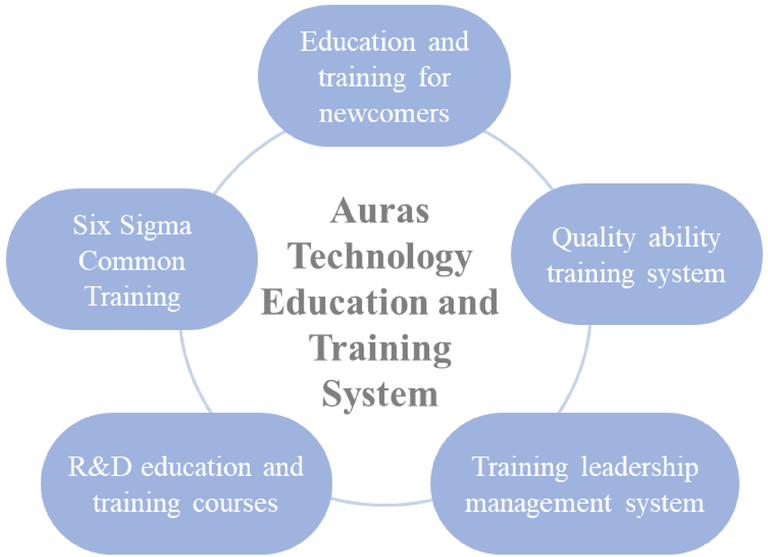
Once a grievance related to gender discrimination or sexual harassment is received, the Company will form a sexual harassment complaint review committee immediately in accordance with the law. The committee will conduct an investigation and review in a fair, confidential, and protective manner to ensure that the victim’s privacy and safety are not infringed upon. If the allegation is verified to be true, the person will be punished according to the Company’s reward and punishment system to strictly maintain the workplace justice and equality. In 2024, there were no complaints related to sexual harassment in any of the operating locations in both Taiwan and overseas, indicating that the Company has achieved excellent results in building a culture of respect in the workplace. In the future, we will continue to strengthen our education and training, promotional activities, and systems to deepen our employees’ understanding and practice of gender equality and sexual harassment prevention, creating a safe and discrimination-free work environment.

Talent Cultivation and Education and Training

We actively create a comprehensive training mechanism, provide diverse learning resources and development opportunities, and help employees improve their professional skills and management capabilities. We encourage employees to continue learning and growing at work. Through systematic career development plans, we ensure that every employee is able to exert their strengths and realize their value, and promote the Company's continuous growth.

In order to help all levels of executives and colleagues continue to improve, we have designed and implemented a comprehensive functional training program covering newcomer training, professional advanced training, and executive training courses. Through diverse learning methods, we ensure that employees can acquire the knowledge and skills they need at different stages. We have integrated corporate ethics and ESG sustainability competencies into training courses to cultivate employees' core values and key competencies, and build a team with professional and ethical literacy.

In 2024, the total number of education and training hours for all internal and external locations of Auras reached 134,281, with an average of about 24 hours of training per employee, demonstrating the importance and commitment of Auras to talent development.



Auras' Six Sigma Education and Training Course

The Company organizes a 6 Sigma Education and Training Course every year, and arranges for each new employee to conduct practical work through project promotion within one year of employment. They learn and apply the core logic and tools of the 6 Sigma, systematically cultivating talented people with data thinking and problem-solving ability.

The relevant training, project implementation, and performance results are integrated in the six Sigma standard project system for unified management. A project sharing mechanism is in place to effectively promote knowledge sharing and the exchange of experiences. This system has become an important tool for the Company to continuously strengthen organizational performance and implement sustainable development. In addition, the 6 Sigma project team also regularly organizes promotion activities to further strengthen the concept of 6 Sigma in daily work and its application.



3.2 Labor Relations, Wages and Benefits

Auras Technology has a comprehensive remuneration policy and structure, and complies with the Labor Standards Act and relevant regulations and the notice period. There are performance reward measures in place applicable to all employees. The Company carefully reviews salaries based on a number of factors including employees' education, seniority, professional experience, and job responsibilities in order to attract, motivate, and retain talented employees. The remuneration system emphasizes fairness and reasonableness, and follows the principle of gender equality, without any difference due to gender. At the same time, the Company takes into account the safety of employees and corporate social responsibility, in order to build a competitive and motivating remuneration system.

According to Article 27 of the Articles of Incorporation, if the Company has a profit in the year (i.e. the profit before tax before the deduction of the remuneration of employees and directors), 3% to 15% of the pre-tax profit of the year will be allocated as remuneration to employees, which will be distributed in cash or in stock as resolved by the Board of Directors. The object of the distribution includes the employees of the subordinate company who meet the criteria. The Company also refers to the industry salary level, overall economic trends and personal performance to adjust the salary level every year to ensure the overall remuneration is market-competitive.

We value the overall well-being of our employees, provide an equal, safe, and friendly working environment, and implement a workplace culture of diversity and inclusion through multiple measures to care for the physical, mental, and spiritual health of our employees:

- Care for foreign workers: For foreign workers, from recruitment, training, cultural integration to health and safety protection, there are project mechanisms to promote and help them smoothly integrate into the workplace environment.
- Friendly workplace and gender equality: Actively promote gender equality and empower women to create an inclusive and supportive workplace culture. In this way, all employees can unleash their strengths in a safe, respectful, and trusted environment.

Item	Definition Description/Subject of Evaluation	Goal/2024 Target Achievement
Working hours	Working hours meeting the weekly working hours of 40 hours; At least one course day per week	No overtime for seven consecutive days; No losses due to labor disputes Target 100% achieved
Non-discrimination	No disputes over discrimination in recruitment announcements and advertisements	No incidents of discrimination disputes in recruitment announcements and advertisements Target 100% achieved
Sexual harassment	Sexual harassment complaints	No sexual harassment complaint cases Target 100% achieved
Young workers	Do not employ child laborers under the minimum employment age; young workers do not engage in work activities that may endanger their health or safety, including night shifts or overtime.	No child labor under the age of 15 was employed Young workers under 18 years old were not assigned to hazardous positions. Target 100% achieved

Employee Remuneration and Benefits

We value employee salaries and overall well-being, and have established a fair, market-competitive, and performance-oriented remuneration and welfare system. At each operating location worldwide, we have formulated attractive salary policies in accordance with local laws, industry standards, economic conditions, and labor market conditions to ensure that our employees' remuneration is competitive on a reasonable and legal basis.

The salary system is based on the professional ability, education, work experience and performance of the employees. The salary adjustment after the employees join the Company is based on the personal performance, market conditions and contribution. For overseas employees, we consider the local labor market and regulatory requirements, and provide short-term and long-term incentive bonus systems that meet the local market's requirements, to encourage long-term contributions and local cultivation.

The Company's remuneration system is based on the principle of diversity and equality, regardless of gender, age, race, religion, marital status, or political stance. We are committed to establishing a harmonious labor–management relationship in accordance with the law.

In terms of welfare, we actively create a healthy, friendly, and happy workplace. Through diverse welfare measures and activities, we care about the physical and mental health of our employees and promote a balance between life and work. The Company provides travel subsidies to encourage employees to participate in outings and club activities organized by the Employee Welfare Committee. By doing this, we foster a friendly relationship with colleagues and provide them with a relaxed lifestyle, relieve work pressure, and achieve personal physical and mental balance and work family harmony.

Salary of Non-Managerial Positions

The average and median salaries of full-time employees in non-managerial positions have been disclosed on the MOPS, which is the same as the previous year. Disclosure Path for Salary Information of Full-Time Employees Not in Managerial Positions:

MOPS / Home > Corporate Governance > Information relating to corporate social responsibility > Information relating to ESG > Information about salary of full-time employees who are not in a managerial position

Happy Workplace

People-oriented, employees, customers, and social welfare are the core of the Company's operations. Auras Technology creates a friendly, respectful, and caring working environment to achieve the common growth of the Company, employees and society. We believe that a happy workplace is one of the key indicators of corporate sustainability as a happy workplace can increase employee satisfaction and lay the foundation for the Company's long-term development.

We organize regular employee outings, family days, festival parties, and charity road running events. These activities reflect our management belief of "people-oriented and work–life balance," which enhances employee interaction and cohesion, and also gives employees the opportunity to find happiness and growth. In the future, we will continue to listen to the voices of our employees and promote more diversified welfare measures to create a happy workplace.

Happy workplace





The Company has installed coffee and smart food vending machines at the office for employees.

Year-end party, dinner at LE BLE D'OR, Christmas Dinner Party







NatGeo Earth Day Run

We have long been concerned about employee health management and environmental sustainability, and have taken concrete actions to respond to environmental issues. To encourage employees to maintain a healthy body and promote the concept of protecting the earth, the Human Resources Department has organized the "NatGeo Earth Day Run" for two consecutive years. We encourage employees to actively participate in and support the concept of a healthy lifestyle and environmental protection through practical actions.

To demonstrate the Company's emphasis on health and environmental protection, the chairman personally led the employees of the headquarters in participating in the road running event on April 28, 2024, achieving the goals of health and sustainability with them. A total of 198 people participated in this event.



	2024	2023
Number of participants	**198 persons**	114 persons
4km recreational group	**13 persons**	34 persons
9km challenge group	**124 persons**	78 persons
21km half marathon group	**61 persons**	2 persons
Number of finishers	**163 persons**	89 persons

Employee travel









In 2024, we planned five diversified travel itineraries, including Kinmen, Hokkaido, Kyoto and Osaka, George Town, and Phú Quốc, offering employees and their families with diversified choices, and promoting physical and mental relaxation and team friendship.

3.3 Occupational Health and Safety

Occupational health and safety are one of the key indicators for measuring corporate social responsibility. At Auras Technology, we value employee health and benefits, create a safe and child-friendly workplace, and provide comprehensive health care and care for employees.

Occupational Safety

In terms of occupational safety, the Company has established the “Safety and Health Work Rules” with reference to the ISO 45001 management structure, the Occupational Safety and Health Act, and the requirements of customers and related organizations. By taking this approach, we reduce the hazards related to employee safety and health, providing employees with a safe and healthy working environment. In order to fulfill the social responsibility of building safe factories, the Company holds fire drills every year. By following the relevant requirements of national laws and regulations, we enhance fire safety awareness among all employees. We also train employees to be familiar with the evacuation routes in the event of an emergency in the factory and ensure that they master the correct use of fire extinguishers. We have preliminary knowledge of fire prevention and extinguishing, as well as the ability to escape and perform rescues correctly in the event of a fire.

Employee Health Checkup

Employee health is an important part of occupational health and safety. ISO 45001 requires companies to provide employees with health checkup resources on a regular basis. Moreover, health management and risk prevention measures are implemented based on the results of the checkup.

At Auras, we regularly invite medical institutions to provide health checkup services for employees, and offer excellent medical resources for newcomers, expatriate personnel, and senior executives. Medical consultation and long-term follow-up management are implemented based on the results of the health examination to ensure that employees’ health is properly cared for. In addition, we arrange Red Cross first aid training courses on a periodic basis, covering CPR (cardiopulmonary resuscitation), trauma management and sudden illness management, to enhance the knowledge and skills of employees in emergency first aid treatment.

Child-Friendly Workplace

According to ISO 45001 standard, while providing employees with health and safety protection, the Company should also consider the needs of the employees’ family members to establish a more humane working environment. In accordance with Article 31 of the Occupational Safety and Health Act and relevant laws and regulations, we have built a friendly workplace environment. We also develop a safe and healthy work environment for female employees during pregnancy, after delivery and during breastfeeding in accordance with health standards.

After the employees of the Company have served for six months, they may apply for unpaid parental leave before their children reach the age of three, for a maximum of two years. During this period, they can continue to participate in the original social insurance to ensure their basic rights. In 2024, two employees in Taiwan applied for unpaid parental leave.

Employee health checkups, Red Cross first aid training






Occupational health and safety management system

Auras' Guangzhou, Kunshan, Chongqing, and Thailand factories have obtained "ISO 45001:2018 Occupational Health and Safety Management System" certification.

Workplace environmental monitoring

Protect workers from workplace hazards, provide workers with a healthy and comfortable working environment, and conduct multiple working environment monitoring every year to control the status of work risks.

Public Security Inspection

The management department of Auras is responsible for formulating the annual industrial safety inspection plan. The inspection team produces the industrial safety report using the industrial safety inspection system, continues to inventory improvement items, and provides various units with reviews and improvements.

Equipment safety management

The Company classifies equipment into different categories, manages hazardous machinery and equipment according to laws, and conducts periodic inspections according to the "Safety Inspection Rules for Dangerous Machinery and Equipment" to ensure the safety of equipment use.

Auras Safety and Health Work Rules

- The office is equipped with a surveillance system and access control to strictly control the entrance and exit of employees to ensure the safety of employees
- Designated personnel are responsible for maintaining the office environment, regularly disinfecting the office and renewing internal equipment
- Pay attention to public safety and health in the office at all times, and set up a breastfeeding room
- The Company conducts regular inspections of the work environment every six months to provide employees with a healthy and comfortable work environment.
- Regularly implement safety and health education and training
- Conduct annual health checkups for employees to ensure their health.
- Provide fire safety training regularly, and fire-fighting, notification and evacuation training is held every six months.
- Fire-fighting equipment is inspected and reported regularly every year

Accounting

4.1 Operational
and Financial Performance



4.1 Operational and Financial Performance

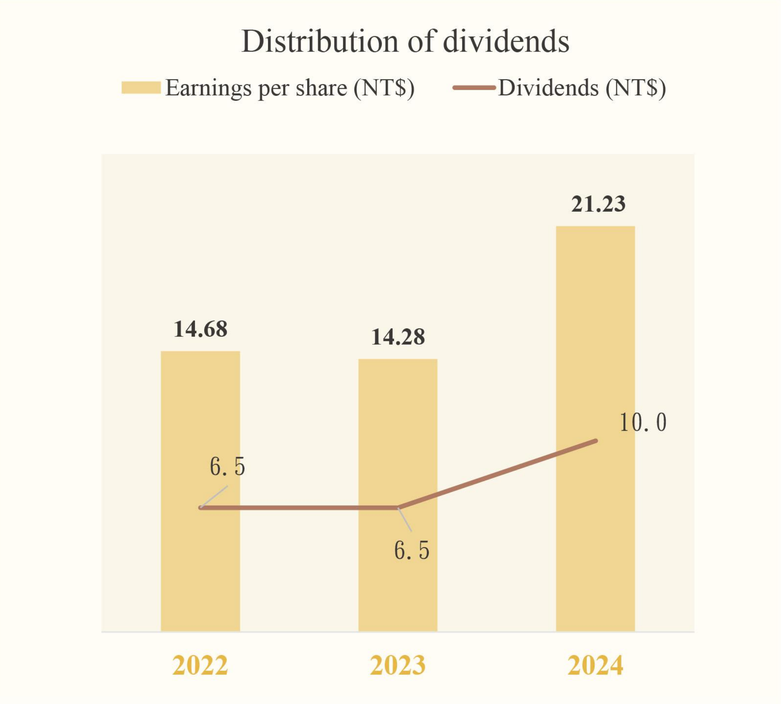
The consolidated net operating revenue of Auras Technology in 2024 was NTD 15,778,909 thousand, an annual growth of 24.1% from the consolidated net operating revenue of NTD 12,712,629 thousand in 2023. With the increase in demand for liquid cooling products and the increase in the proportion of operating revenue from high-margin models, the operating gross profit increased by 34% year-on-year, and the operating gross profit margin reached 25.5%. The operating gross profit has reached a new record high for three consecutive years, with a net profit after tax of NTD 1,931,240 thousand and an EPS of NTD 21.23.

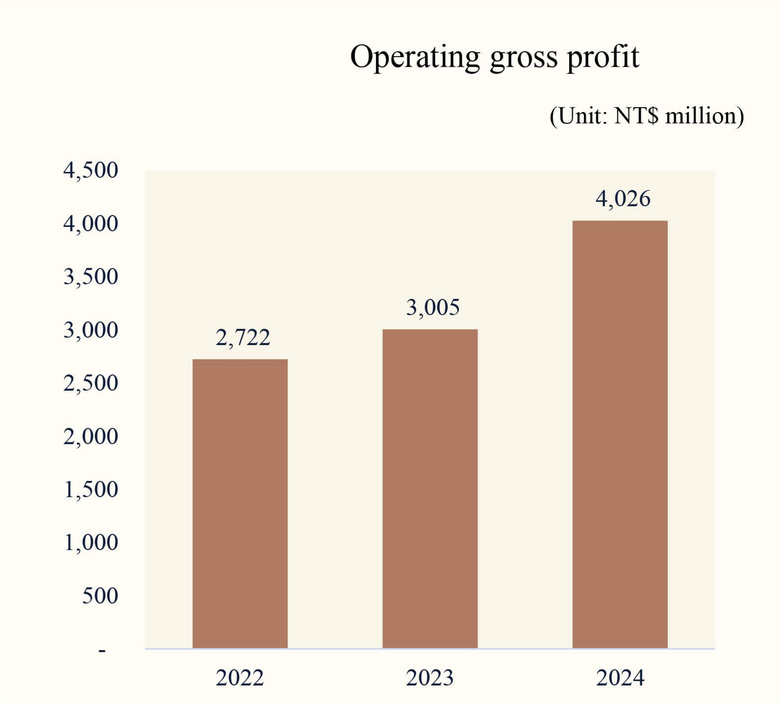
Unit: NTD thousand

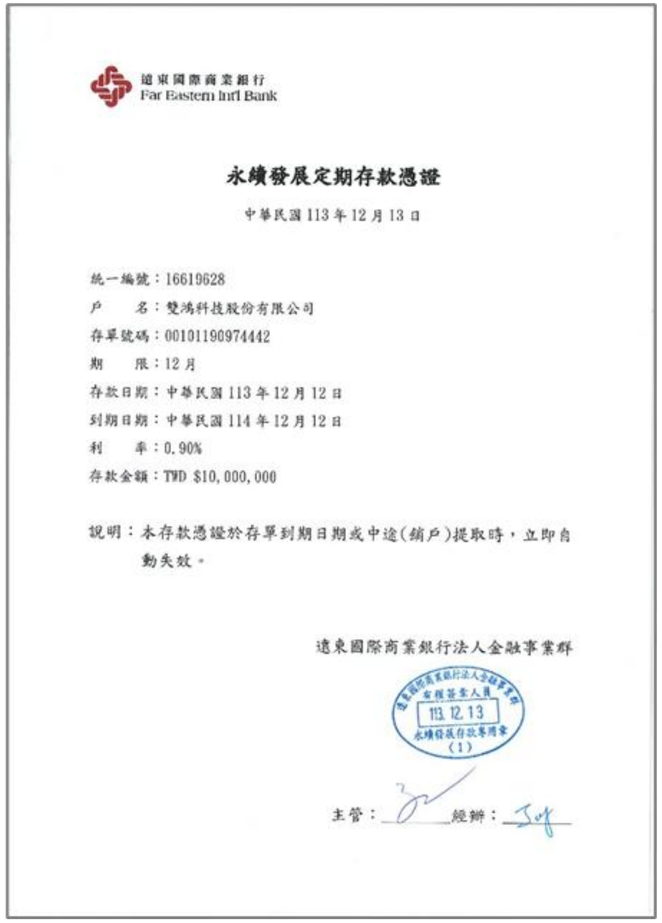
Dividends/year	2022	2023	2024
Operating revenues	13,856,991	12,712,629	15,778,909
Operating gross profit	2,722,232	3,004,923	4,026,096
Net operating income	1,173,299	1,376,298	1,910,641
Net income for the period	1,286,665	1,239,244	1,931,240
Earnings per share (NT$)	14.68	14.28	21.23
Dividends (NT$)	6.5	6.5	10.0

The Company continues to effectively promote the stable growth of operating revenue and profit through innovation and optimization, further strengthening the financial position and cash flow. Due to the outstanding performance and the attitude of transparency and accountability, the Board of Directors has reviewed and approved the increase of dividends to NTD 10 per share for 2024 to ensure that shareholders' rights are fully protected. In addition to the long-term support of shareholders, the dividend increase also reflects the Company's stable business performance, further strengthening the confidence of shareholders in the future development of the Company's operations. In the future, we will continue to focus on steady growth and uphold the spirit of innovation, persistence, and co-prosperity to actively deploy the development blueprint of product applications in the next three to five years. In addition, we will continue to improve our technological strength, market competitiveness, and profitability, creating maximum value for our shareholders, customers, and employees, and sharing the results of growth.

While pursuing stable operations and profit growth, Auras Technology actively supports sustainable finance by integrating capital utilization with ESG principles and taking concrete actions to support green economy development. In 2024, the Company took out a sustainable development deposit of NTD 10 million from Far Eastern International Bank and indirectly supported financial products with sustainable value by participating in the green financial mechanism to further implement the concept of responsible investment. In the future, Auras Technology will continue to deepen its sustainable investment strategy and make good use of financial resources to promote the co-prosperity and development of the enterprise and society.







遠東國際商業銀行
Far Eastern Int'l Bank

永續發展定期存款憑證

中華民國 113 年 12 月 13 日

統一編號：16619628
戶　　名：雙鴻科技股份有限公司
存單號碼：00101190974442
期　　限：12 月
存款日期：中華民國 113 年 12 月 12 日
到期日期：中華民國 114 年 12 月 12 日
利　　率：0.90%
存款金額：TWD $10,000,000

說明：本存款憑證於存單到期日期或中途(續戶)提取時，立即自動失效。

遠東國際商業銀行法人金融事業群

主管：　　經辦：

Sustainability



5.1 Environmental Sustainability
5.2 TCFD
5.3 Carbon Management
5.4 Energy management
5.5 Water Resource and Waste Management
5.6 Sustainable Supply Chain Management
5.7 Social Participation

5.1 Environmental Sustainability

Carbon Sustainability Progress in Response to Climate Change

While actively expanding business territory, as a corporate citizen, Auras Technology also takes corporate governance seriously, fully promotes and implements the ESG implementation plan, and leads the Company to respond to low-carbon transformation top and bottom, contributing to the protection of the environment.

We are now faced with the increasingly severe challenges of global climate change, extreme climate abnormalities, excessive resource consumption, and energy shortages. To address these challenges, Auras Technology upholds the concept of sustainable development and is committed to fulfilling its corporate social responsibility, continuing to develop environmentally friendly green products. Meanwhile, we actively invest in waste reduction and pollution prevention and pursue the efficient use of energy, water resources, and other resources. In addition, the Company also strengthens supply chain management, collaborates with industry partners to jointly control environmental risks, reduce environmental impact, demonstrating its commitment and actions to environmental protection, to together protect the sustainable future of the Earth.

In recent years, in terms of sustainable development progress, we make every effort to focus on carbon inventory, carbon disclosure, and energy management. In doing so, we aim to provide a solid foundation for the comprehensive promotion of corporate sustainability and ensure stable business operations.

Environmental Mission Incorporated in the Core Business

Recognizing the impact of the Company on the environment, Auras vows to continue to pursue a win-win situation between the environment and the Company. To strike a balance between environmental protection and corporate sustainability, Auras has actively invested in environmental protection projects aligned with its core business.

We promote sustainable development throughout our heat dissipation business. Our corporate sustainable development strategy focuses on carbon reduction and resource utilization efficiency to address the challenges of climate change and resource scarcity. In recent years, we have focused more on the R&D and application of liquid cooling technologies, replacing conventional air cooling systems to reduce energy consumption and carbon emissions. Additionally, concepts and regulations such as Hazardous Substances Free (HSF) product design and Restriction of Hazardous Substances (RoHS) have been incorporated into manufacturing processes.

The Company actively promotes energy conservation and carbon reduction measures, including improving energy efficiency during the production process while using renewable energy. We strive to reduce waste generation, implement effective waste management and recycling strategies, and continuously optimize the efficiency of water resources.

5.2 TCFD Climate-Related Financial Disclosures

According to the World Economic Forum (WEF)'s "Global Risks Report 2024," environmental risks will account for half of the top ten risks in the world in the next decade, including extreme climate events, ecosystem collapse, natural resource shortage, and pollution. In the face of these challenges, based on the scope of business, production and manufacturing, and the locations of its factories, Auras Technology has identified the potential risks and opportunities brought by climate change, and formulated corresponding countermeasures and management guidelines. We also referred to the regulations of international sustainability and climate change initiatives and domestic environmental sustainability regulations. We are committed to enhancing our response capabilities toward unexpected climate risks and opportunities, strengthening corporate resilience, and ensuring sustainable management. Please refer to Appendix 5: Climate-related Information of TWOSE/TPEx Listed Companies.

5.2.1 Governance

Governance

Sustainability Governance Framework

- According to the charter of the Corporate Governance and Sustainability Committee and the Sustainability Information Management Operation Guidelines, the "Corporate Governance and Sustainability Committee" is the highest governance body for climate change management, responsible for supervising and guiding climate-related risks and opportunities. The Committee regularly reviews the Company's climate change strategies and targets, manages climate risks and opportunities, and examines the progress and future plans. The Committee regularly reports to the Board of Directors on sustainability issues, operational status, and the results of climate risk assessment and management to ensure the sustainable development of the Company and maintain its operational strategy.
- The Board of Directors holds formal meetings at least once a year to listen to the report of the "Corporate Governance and Sustainability Committee" on the progress of ESG, including the implementation status and results of the sustainability material topics, GHG management, and climate risk response measures, ensuring the Company's steady promotion of sustainable development.

Climate Governance and Internal Management

- Establish a "Sustainability and Corporate Governance Office" as the executive secretary to coordinate the handling of sustainability-related affairs, implement climate change-related management, and take charge of cross-departmental collaboration and integrate resources to ensure climate-related efforts and transparency.
- Establish an internal climate governance mechanism and incorporate climate change impacts into the ISO 22301 business continuity management system. A comprehensive assessment is conducted every year.
- Provide climate-related education and training for senior management to enhance climate governance.

Stakeholder Engagement

- When signing contracts with supply chain partners, the Company includes social and environmental responsibility clauses to strengthen the responsibilities to be performed by suppliers. If a supplier violates the CSR policy and causes a significant impact on the environment or society, the Company will terminate the cooperation after confirming the facts of the violation. This requires the supplier to fulfill its social responsibilities and strengthen its self-management.
- Regularly evaluate suppliers to ensure that they meet the Company's business standards and sustainable development goals. Based on cooperation, we integrate sustainability requirements into the daily management of the supply chain, and work with suppliers to reduce environmental pollution and mitigate the impact of climate change.
- Through communication with stakeholders and inviting them to participate in the ESG survey, we have gained an in-depth understanding of their concerns regarding sustainability issues. Based on this assessment, we formulate risk management policies for the identification, measurement, supervision, and control of material ESG issues and take specific actions to mitigate relevant risks.

5.2.2 Strategy

- Definition of Short-Term, Medium-Term and Long-Term and Action Targets

Based on the environmental dependence, influence, risks and opportunities, Auras Technology defines the identification, evaluation and management of short-term, mid-term and long-term objectives. Based on the current analysis results, further assessments of various risks and opportunities are conducted to ensure that relevant strategic decisions are specific and feasible, and that there is a clear priority. The countermeasures are adjusted in a timely manner based on the actual needs to ensure that the Company can respond to changes in the environmental and policy requirements.

Short-, medium-, and long-term	Time	Action targets
Short term	1-5 years	Focus on the real-time controllable risks and opportunities, such as the improvement of energy efficiency and reduction of GHG emissions during the production process.
Mid-term	5-10 years	Prioritize risks related to market transformation, such as carbon tax policies and the development of low-carbon technologies, to further strengthen the climate resilience of the supply chain.
Long-term	10-30 years or more	Establish countermeasures for the long-term impact of climate change, such as realizing carbon neutrality and a comprehensive energy transition strategy.

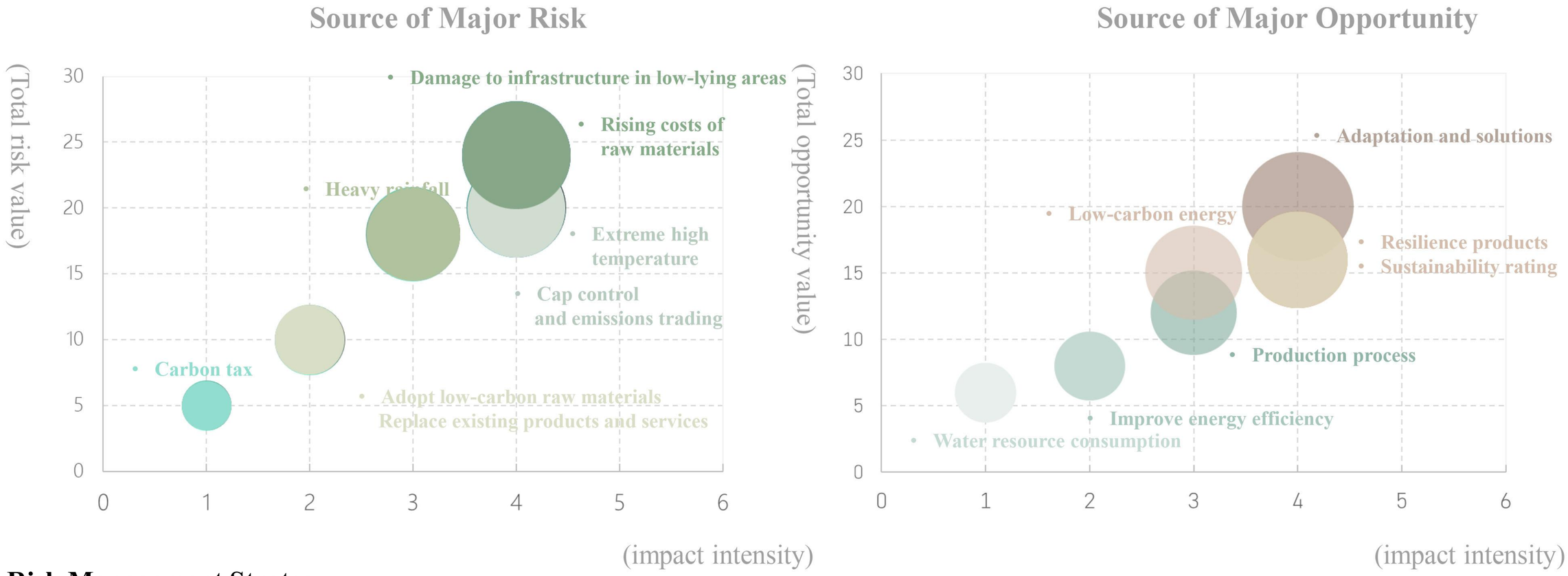
- Risk and Opportunity Identification

Aurasconducts cross-assessment ofenvironmental dependence, influence, risks, andopportunities, and performs impactanalysis of each risk based on the specific occurrence of the facts and thecountermeasuresanalysis. If there is no specific incident,activate the planning ofrelated countermeasures and solutions.

Risk Category	Risk Item	Risk Description
Physical risks	Identify the impact of extreme weather (e.g. heavy rainfall, extreme high temperatures) on the supply chain and operations, and mitigate the impacts through factory disaster prevention measures and supply chain diversification strategies.	
	Extreme climate (heavy rainfall, extreme high temperatures)	Supply chain and factory operations may be affected by the potential impact of heavy rainfall, such as flooding of the factory, resulting in massive asset losses and subsequent recovery costs, or the damage of supplier equipment, which in turn disrupts the supply chain and delays delivery on schedule. At the same time, heavy rainfall may cause damage to warehousing and inventory, resulting in additional asset losses.
	Water resource risk	Both the headquarters and factories of Auras Technology are located in countries with relatively stable water resources, where water is readily available and efficiently used. Therefore, there is no crisis of water shortage. Water resources have little impact on the manufacturing process, and the main impact is on the domestic water used by employees.
Transitional risk	Focus on the impact of carbon tax and policy changes on production costs, and reduce transition pressure through carbon management and product improvement.	
	Carbon tax	Execute carbon inventory and external verification every year. Based on the carbon inventory results, we actively promote energy conservation and carbon reduction measures, introducing ISO 50001:2018 (Energy Management System) to identify major energy use to reduce energy waste.
	Low-carbon products	Invest in high-performance liquid cooling technology to provide customers with the cooling solutions, reduce customer product energy consumption, and enhance market competitiveness.

Opportunity Type	Opportunity Item	Opportunity Description
Climate opportunities	Accelerate the development of high-performance liquid cooling technology, further develop the data center and AI high energy consumption application market.	
	Low-carbon energy	Improve energy efficiency by purchasing green power certificates and implementing the ISO 50001 energy management system.
	Resilience products	Promote high-performance liquid cooling solutions to reduce customer product energy consumption and enhance market competitiveness.

Based on the impact intensity and probability of occurrence, Auras conducted a matrix analysis to identify climate-related risks and opportunities in the value chain, organization, and downstream, and drew the climate risk and opportunity matrix as follows:



- **Risk Management Strategy**

Based on the financial impact analysis, corresponding risk response strategies are formulated. Risk management measures are prioritized to reduce the risk of financial losses, including strengthening risk monitoring, preparing for emergencies in advance, and optimizing risk response strategies, striving to minimize financial impacts.

5.2.3 Risk Management

1 Integrated Risk Management Process

- Establish the ISO 22301 Business Continuity Management System to include climate change into the Company's risk management structure.
- Risk assessments are conducted annually to identify priority operations and ensure that key businesses can continue to operate in the event of a disruption.

01. Assess the probability of occurrence

The probability of the incident occurring is evaluated on a scale of large (L), medium (M), and small (S).

02. Assess external impacts

Analyze the impact of incidents on customers, users, and the social environment, and assess the impact on a scale of large (L), medium (M), and small (S).

03. Assess internal impacts

Assess the internal impact level based on the financial status (e.g. cash flow), operational issues, and the Company's reputation.

04. Define degree of impact

The final impact is the higher of internal and external impacts.

05. Calculate priority

The priority is calculated by multiplying the impact and probability.

06. Identify priority operations

Set the priority threshold (e.g. priority ≥3) to screen out the operational items requiring priority attention.

2 GHG Management

- Since 2023, the organizational boundary has been set up with the operational control right, and the GHG inventory and external verification are carried out annually. In 2023, inventory and external verification were conducted in accordance with the ISO 14064-1 standard. In 2024, the Company conducted inventory and external verification in accordance with the GHG Protocol. For sub-categories of the Scope 1, Scope 2, and Scope 3 emissions, the Company conducted inventories and quantified their emissions. In 2024, we adopted the standard change and expanded the scope of operations. To ensure the credibility of inventory data, we changed the baseline year of the GHG inventory to 2024. Actively promote the continuous improvement plan and activities for GHG emission reduction measures based on the carbon inventory results.
- As the industry flourishes, Auras Technology has continued to expand its operating boundaries in recent years. Therefore, the overall emissions have increased compared to the previous year. However, to keep up with the international carbon reduction roadmap, we are committed to gradually achieving the carbon reduction target, actively deploying green power procurement, and increasing the use of green power through the purchase of renewable energy certificates.

3 Environmentally Friendly Management

- In order to reduce climate-related risk factors, Auras Technology simultaneously identifies feasible opportunities and develops countermeasures.
- In terms of climate change, we are developing toward green operations, energy management, and carbon information disclosure.
- We are committed to eco-friendly operations and have introduced IECQ QC 080000:2017 (Hazardous Substance Process Management System) and ISO 14001:2015 (Environmental Management System). Through the management cycle of process safety management and systemization, we effectively reduce pollution emissions and the impact on the environment.

4 Energy management

- Introduced ISO 50001:2018 (Energy Management System) in 2024 to identify major energy use and reduce energy waste.

5 Resilience increase

- Continue to invest in the R&D of energy-saving and cooling technologies, continue to refine liquid cooling and cooling technologies, improve cooling efficiency, reduce cooling costs of servers, data centers, and electronic equipment, and reduce carbon emissions.

5.2.4 Indicators and Goals

Auras is committed to technological innovation, GHG management, and climate risk management to enhance corporate climate resilience and achieve net zero. We demonstrate high commitment and practicality under the TCFD framework, and continue to promote climate risk management and low-carbon technology innovation. In the future, the Company will strengthen cooperation with the supply chain to jointly move toward the goal of net zero, combining the best practices in the world to achieve long-term climate resilience and sustainable development.

Scope 1, 2, and 3 GHG emission inventories were conducted in 2024 according to the GHG Protocol standards, with third-party verification completed.

5.3 Carbon Management

5.3.1 GHG Management

In 2023, Auras Technology adopted ISO 14064-1:2018 standard to conduct its first inventory and verification. In order to ensure the accuracy and completeness of the inventory of GHG emissions and to align with international standards, we adopted the GHG Protocol in 2024 as the standard basis for the inventory and verification of GHG emissions.

With the operational control right as the organizational boundary, the baseline year of the GHG inventory has been adjusted to 2024 due to the expansion of the organizational boundary and the adoption of standard changes in 2024. The baseline year will serve as a reference for future carbon reduction targets, and the Company will continue to track changes in GHG emissions.

- We conduct GHG inventories and verification in accordance with the GHG Protocol. Based on the standard, we follow the below inventory methods and principles
- 1. Scope: According to the GHG Protocol, the scope is divided into Scope 1 (direct emissions), Scope 2 (indirect emissions) and Scope 3 (other indirect emissions), fully covering the Company’s internal and supply chain’s emission sources.
- 2. Data quality principles: Comply with the principles of accuracy, completeness, transparency, comparability, and conservatism to ensure the high quality and sustainability of inventory data.
- 3. Verification mechanism: The verification results are verified by internal and third-party parties to ensure the fairness and credibility of the data.

GHG Inventory Results

The total GHG emissions of Auras in 2024 were 254,688.54 tCO2e, and the intensity conversion unit is the total operating revenue (NTD million), and the emission intensity was 16.14 (tCO2e/million NTD). From the perspective of the proportion of emissions by type, Scope 3 is the main source of emissions for the Company (84.61%), which is mainly derived from indirect GHG emissions from the purchase of raw materials. Therefore, in the future, we will conduct an assessment of the emissions from the purchase of raw materials and seek other low-carbon procurement methods to achieve GHG reduction.

The second largest emission source is Scope 2 (15.22%). To reduce electricity consumption, in addition to promoting energy-saving policies in the office and factory areas, technological modifications for major energy-consuming equipment will be conducted.

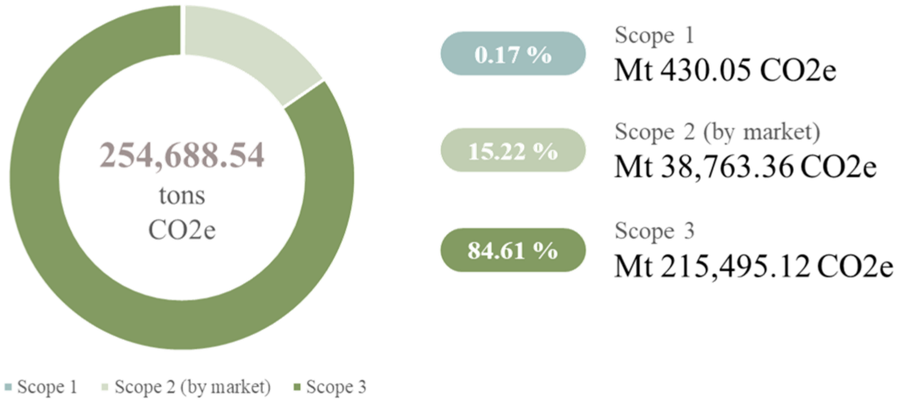
Analysis of GHG emissions:

Unit: Mt CO2e

Types of GHGs	2023	2024
Scope 1	405.80	430.05
Scope 2 (by market)	35,055.03	38,763.36
Scope 3	229,213.64	215,495.12
Total emissions	264,674.47	254,688.54
GHG emissions intensity (Mt CO2e/NTD million)	20.82	16.14

The scope of data includes the operation headquarters, factories in China (Guangzhou Factory, Kunshan Factory, Chongqing Factory, and Anhui Factory), and Thai-Horng Factory

Auras' 2024 GHG emissions from the value chain (by market)



GHG Reduction Strategy

In response to the global trend of environmental protection, the Company hopes to further implement GHG management through the following specific actions, and achieve net zero by 2050.

- Promote energy-saving policy
- Implement the energy management system to reduce energy waste
- Continue to refine the production process to reduce electricity consumption during the manufacturing stage
- Choose low-carbon transportation for upstream and downstream products

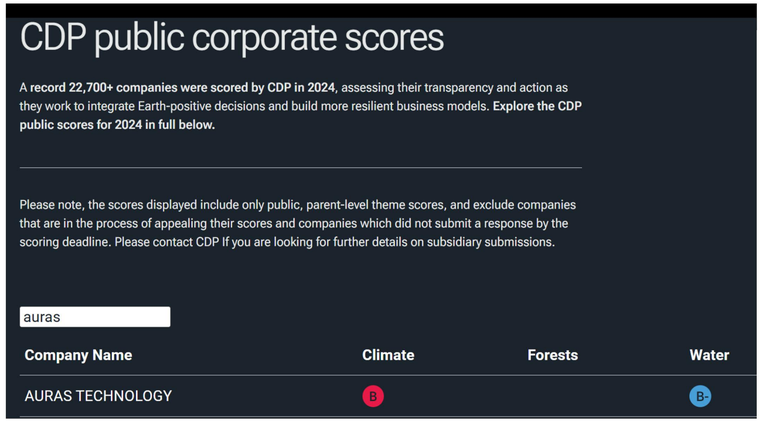
The Company's total GHG emissions in 2024 were 254,688.54 tCO2e. In 2024, the Company changed the basis of inventory and expanded its organizational boundary, and set 2024 as the baseline year.

5.3.2 Carbon Disclosure – CDP

In 2024, due to the high level of attention paid by investors to Auras Technology, the Company was invited to participate in the carbon disclosure work of the CDP capital market, actively responding and submitting relevant questionnaires to disclose the Company's performance in climate change and water resource management. In doing this, we enhanced the transparency of corporate sustainability information and strengthened the Company's responsible attitude toward the outside world.

According to the official notice of CDP, the Company was rated B in the field of climate change and B- in the field of water safety. In the future, we will continue to deepen our climate change and water resource management strategies to address the concerns of international investors and various stakeholders, and we will further implement them to achieve the SDGs.

Auras' 2024 CDP Performance



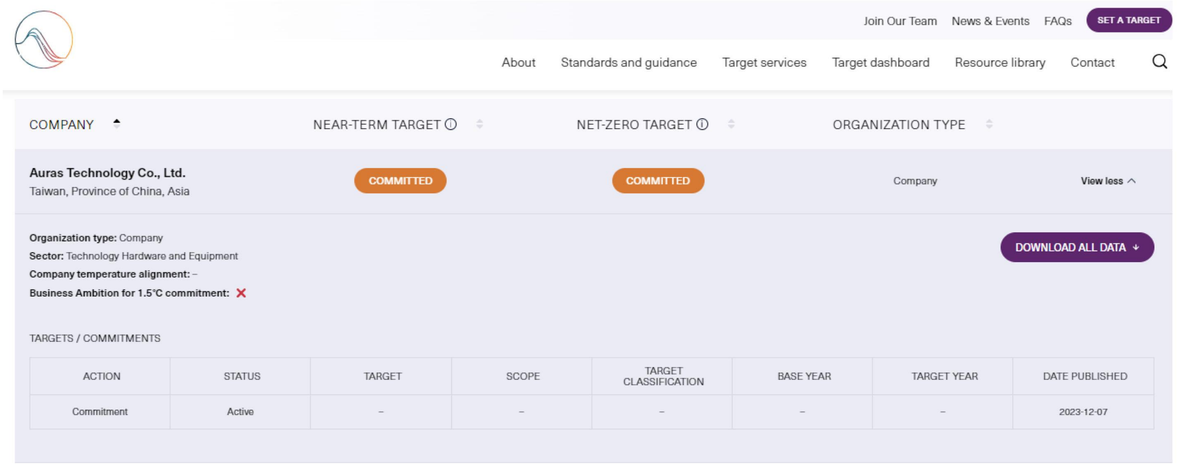
CDP Performance Growth Rate in the Past Two Years

Type of Questionnaire	2023	2024
Climate change	C	B
Water safety	C	B-

5.3.3 Reduction Action – SBTi

In late 2023, Auras Technology officially submitted the SBTi (Science Based Targets initiative) Commitment Letter and engaged in industry–academia collaboration with the National Taiwan University of Science and Technology to jointly develop and formulate science-based carbon reduction targets and corresponding strategies. To comply with the SBTi standard, we have changed to adopt the GHG Protocol for GHG inventory to ensure the integrity and consistency of carbon emission data. Through scientific methods of measurement and management of emissions, we will promote specific carbon reduction actions to move toward the net zero goal and actively implement corporate sustainable development responsibilities.

SBTi Submitted by Auras



5.3.4 Product Carbon Footprint

In 2024, the Company conducted a carbon footprint inventory for the cooling modules produced by the Guangzhou Factory in accordance with ISO 14067: 2018 standard and prepared the product carbon footprint inventory and report, which have not been verified by a third party. The cooling modules is B2B products, and the inventory covers the life cycle of product raw materials, manufacturing, and distribution.

The results of the carbon footprint inventory show that the carbon emissions of products mainly come from the raw material stage, accounting for 69.39% of the total emissions, followed by the manufacturing stage, accounting for 30.54%. The carbon footprint per unit of product is 17.38 kg CO2e/piece.

Based on this result, we will focus on the gradual reduction of carbon emissions in the raw material, process, and use stages in the future.

LCA Stage	Raw Material Stage	Manufacturing Stage	Distribution Stage
Carbon footprint (kg CO2e/per unit of target product)	12.06	5.31	0.01
Percentage	69.39%	30.54%	0.07%

01. Raw Material Stage

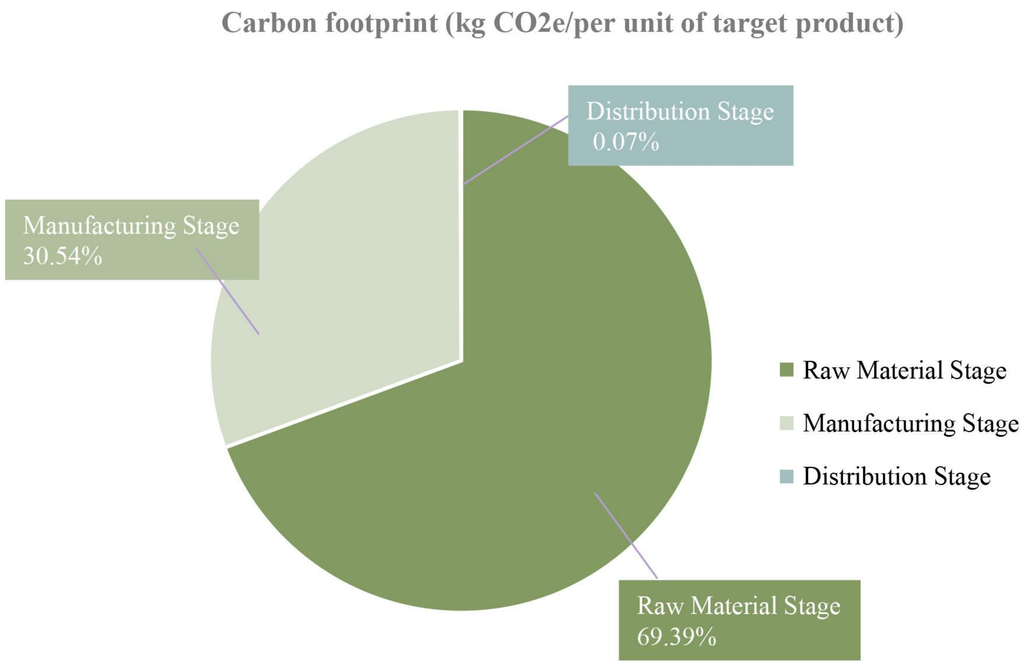
We will actively look for alternative metals with low carbon emissions (such as copper and aluminum).

02. Process Stage

As the in-house electricity consumption accounted for 30.09%, the Company will focus on energy-saving activities in the future, and strengthen equipment maintenance and renewal as energy-saving equipment to reduce energy consumption and GHG emissions.

0.3 Use Stage

Regarding the product use stage, the focus will be placed on improving heat dissipation technology to reduce electricity consumption and carbon emissions during the product use period.



5.4 Energy Management

Under the background of global energy shortage, climate change and environmental sustainability issues, energy management and transformation have become one of the key international energy policies. The selection and consumption of energy is not only a matter of business operation cost but also closely related to environmental protection and safety. The goal is to improve energy efficiency and reduce energy consumption, which can not only save costs but also mitigate the impact of climate change.

5.4.1 ISO 50001 Energy Management System

To systematically manage energy, starting from the second half of 2024, the headquarters of the Company has promoted the Energy Management System (EnMS) and established energy policies, set management goals, and implemented improvement measures according to the ISO 50001 energy management system standard, ensuring maximum energy efficiency and reducing carbon emissions. Strengthen energy management performance and move toward sustainability goals through data monitoring, analysis, and continuous optimization mechanisms. External verification will be conducted in 2025 to further ensure the effectiveness of the energy management system.

The energy consumption of each factory and office varies depending on the nature of the business. The main energy types include: purchased renewable electricity, diesel and gasoline, of which electricity is the main source of energy consumption, and the proportion of the use of fossil fuels is relatively low.

- Purchased renewable electricity: 6,941,000 kWh
- Purchased non-renewable electricity: 76,009,668 kWh

In order to improve the energy management performance, the Company actively introduces green energy and energy-saving measures to demonstrate its commitment to environmental protection. The Company is also dedicated to improving energy efficiency and reducing operating costs to achieve its long-term stable development goals.

01 Increase the proportion of green power procurement, and support low-carbon energy transformation through the purchase of renewable energy certificates.

02 The construction of the new Taipei headquarters is in the planning stage, and it will be equipped with solar panels on the rooftops for self-generation and self-use, thereby reducing dependence on non-renewable energy.

03 Introduce energy-saving design and equipment optimization to improve overall energy efficiency and reduce carbon footprint.

Energy		Unit	2023	2024
Electricity	Purchased renewable electricity	kWh	1,903,355.00	6,941,000.00
		Gigajoule (GJ)	6,852.08	24,987.60
	Purchased non-renewable electricity	kWh	62,601,177.00	76,009,668.00
		Gigajoule (GJ)	225,364.24	273,634.80
Gasoline		Liters (L)	69,286.00	54,223.00
		Gigajoule (GJ)	2,262.67	1,770.76
Diesel		Liters (L)	2,083.00	6,464.00
		Gigajoule (GJ)	73.26	227.33
Total renewable energy usage (GJ)			6,852.08	24,987.60
Percentage of renewable energy in total electricity consumption (%)			2.95%	8.37%
Total non-renewable energy usage (GJ)			227,700.17	275,632.90
Percentage of renewable energy in total energy (%)			2.92%	8.31%

Note 1 Electricity consumption is calculated based on the sum of monthly electricity bills of each site. Petroleum and diesel are mainly based on actual procurement.
Note 2: CNS (National Standards of the Republic of China) “International Steam Table” 1 kcal = 4,186.8 Joules (J)
Note 3: The energy calorific value conversion coefficients are based on the Energy Administration’s “Energy Products Unit Calorific Value Table.” To maintain the comparability of the annual differences, the calorific value of gasoline and diesel for vehicles announced by the Ministry of the Environment in February 2024 was not used.
3-1. Electricity conversion factor: 1 kWh=3,600 KJ=0.0036 GJ
3-2. Conversion coefficient of calorific value of fossil fuels: Gasoline 7,800 kcal/L=0.032657 GJ/L; diesel 8,400 kcal/L=0.035169 GJ/L

5.5 Water Resource and Waste Management

At Auras, we are committed to effectively responding to the environmental impact of waste gas, wastewater and hazardous substances caused by the operation of the manufacturing process. We have installed comprehensive pollution prevention facilities and actively invested in air pollution prevention, wastewater treatment, waste to resource and reduction actions. By doing so, we continue to move toward the development of eco-friendly and green manufacturing. All of the Company's main production sites have passed the ISO 14001 environmental management system certification, demonstrating the maturity and completeness of their environmental management systems. In 2024, there was no record of violation of any environmental protection related laws and regulations by Auras Technology, fulfilling our commitment to legal compliance and environmental protection.

5.5.1 Water Resource Management

We have been focusing on water resource energy conservation and environmental protection issues for many years. In terms of production processes, all factories use 100% tap water. In 2024, the total water withdrawal of all operating locations was 460,931 metric tons, with a total discharge rate of 55,015 metric tons and a total water consumption rate of 405,916 metric tons.

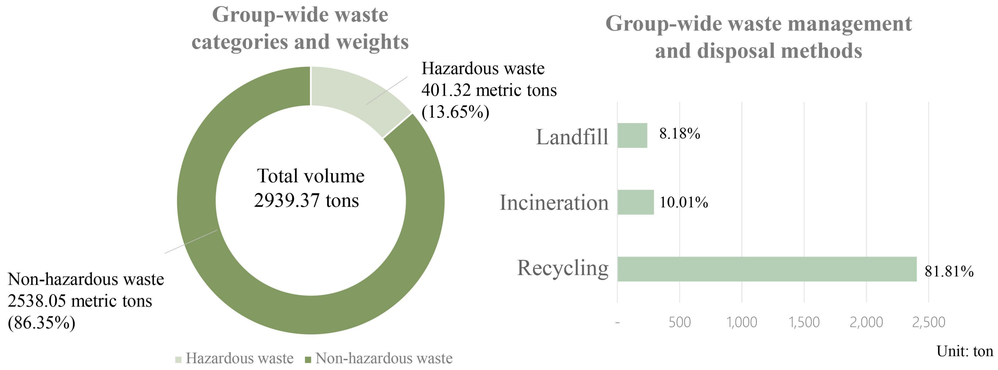
The water consumption in each year from 2022 to 2024 is as follows:

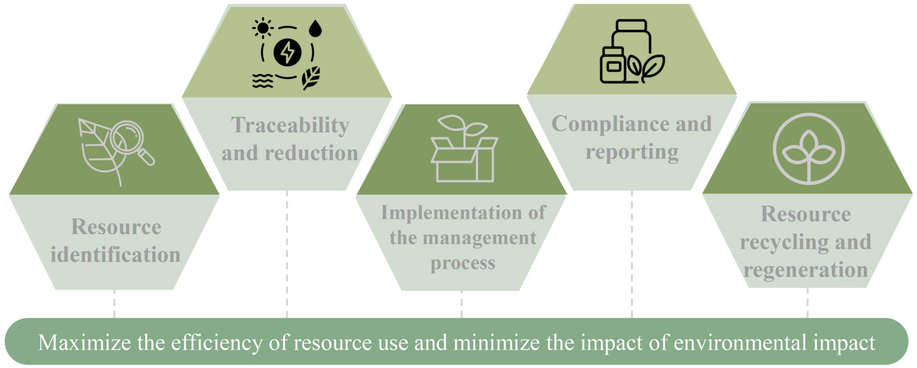
(Unit: ton)

	2022	2023	2024
Water consumption	350,369	415,209	460,931

5.5.2 Waste Management

We have established a waste management procedure and set up a responsible unit to be responsible for controlling, disposing of, and reporting the industrial waste generated from the Company's operations. The disposal of waste is implemented in accordance with the Waste Disposal Act and local regulations. In addition, the Company is committed to reducing waste from the source and enhancing the value of existing waste resources. In compliance with local regulations and existing feasible technologies, the Company adopts recycling methods such as reuse and recycling to manage waste as much as possible. By taking this proactive approach, we maximize the efficiency of resource use, and the recycling ratio accounts for 80% of all waste disposal methods.





5.6 Sustainable Supply Chain Management

5.6.1 Supplier Sustainability Management Policy

Auras Technology attaches great importance to the sustainable development of the supply chain. Through the corporate social responsibility (CSR) risk assessment, the supplier management mechanism is fully implemented. We require our suppliers to sign various "Commitment Documents," including the "Non-Disclosure and Integrity Management Commitment," "Environmental Protection and Social Responsibility Statement," and "Conflict Minerals Reporting Template," to ensure that they are in compliance with ethical and sustainable principles. At the same time, the Company also actively supports the development of the local supply chain to promote the local economy and reduce carbon emissions from transportation. In 2024, the proportion of local procurement will reach 80.88%.

I. Supplier evaluation and selection

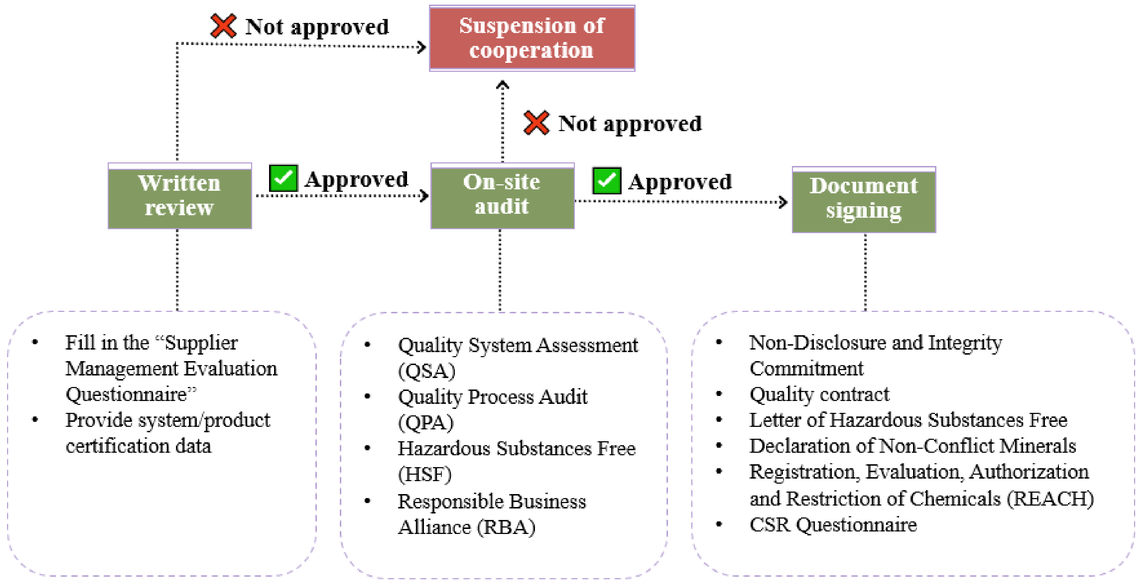
The Company has established a rigorous supplier selection and management system in accordance with the relevant standards such as "ISO 9001," and the key points of the review include:

- Good operating conditions and sound financial position.
- Sign the letter of guarantee not to use harmful substances and to provide test reports.
- Prioritize suppliers with ISO 9001, QC 080000, GP, and other certifications.
- Those who have not yet obtained certification but have a sound management system can also be considered.

For new suppliers, we will conduct a multi-stage review process based on the Responsible Business Alliance (RBA):

1. Document review and operational assessment.
2. On-site audit: Covering quality system, hazardous substance control, processes, and RBA social responsibility audit.
3. Qualification determination: Only suppliers who pass the above review process can be included in the list of qualified suppliers. Those who fail to pass the above review process are given a time limit to improve; otherwise, the cooperation will be terminated.

New Supplier Evaluation Flowchart



II. Contractual Obligations and Continuous Monitoring

All qualified suppliers are required to sign declarations of compliance and corporate social responsibility. The Company also specifies in its contracts the terms of its social and environmental responsibilities. In the event of a supplier's major violation, the Company will terminate the partnership in accordance with the law to maintain the sustainability of the supply chain and the Company's reputation.

Supplier management	Percentage of total group	Data
Percentage of suppliers that have passed "RBA"	93%	CSR Survey Form
Percentage of suppliers who signed the "Conflict Mineral Commitment"	93%	Declaration of Non-Conflict Minerals
Percentage of suppliers who signed the "Integrity Pledge"	93%	Non-Disclosure and Integrity Commitment
Percentage of suppliers who signed the "Non-Disclosure Agreement"	93%	Letter of Undertaking from Business Partners

III. Performance Evaluation and Counseling

We incorporate sustainability aspects into supplier performance evaluation, and attach great importance to traditional evaluation indicators (quality, cost, delivery, and technical capabilities), including:

- Labor rights
- Occupational safety and health
- Environmental protection
- Business ethics and integrity

A CSR assessment of the suppliers are conducted through an on-site audit on performance and HSF (hazardous substances free) on an annual basis. We provide suggestions and guidance for improvement to those who have not yet achieved the goal, and we re-evaluate the qualifications when necessary to ensure that the supply chain complies with regulations, fulfills social responsibility, and continues to be optimized.

Assessment Items	Frequency	Assessment Method	Responsible Unit
Monthly assessment	Month	Conduct statistical evaluations based on monthly quality, delivery, service, and other statuses	Quality assurance, materials management
Quarterly assessment	Quarterly	The monthly evaluation of QA and RSM is summarized quarterly, divided into five major items: quality, delivery, service, technology, and cost.	Procurement
Annual assessment	Year	Conduct QPA, QSA, and HSF audits annually.	Quality assurance

IV. Implementation Results

With a comprehensive supplier management mechanism, Auras Technology continues to strengthen supply chain resilience and work with our partners to move toward a more responsible and sustainable future. The Company's factories in Guangzhou, Kunshan, Chongqing, and Thailand have passed the third-party certification of the RBA VAP (Validated Assessment Program), demonstrating our commitment to ethical management and a sustainable supply chain.

5.6.2 Procurement of Conflict-Free Materials

In order to fulfill corporate citizenship responsibilities, Auras Technology has established and promoted a conflict mineral management system in accordance with the “Conflict Minerals Disclosure” (Rule 13p-1) of the Securities and Exchange Commission (SEC). To ensure that the purchased minerals do not come from high-risk conflict areas, we have clearly prohibited the use of conflict minerals in the selection stage of new suppliers. For existing suppliers, we continue to strengthen the transparency and compliance of raw materials in the supply chain through investigation, signing of non-prohibited statements, material traceability control, and annual audits.

The Company has also established a responsible mineral risk management process to regularly review suppliers and their upstream smelters to ensure that the entire process complies with the conflict-free principle. In addition, we require all suppliers to support international human rights regulations, provide the Conflict Minerals Reporting Template (CMRT) and related documents, and actively promote their upstream supply chain to jointly implement responsible procurement policies.

5.7 Social Participation

We believe that our business operations should not only be the pursuit of economic benefits, but also to give back to society, maintain the environment, and improve the overall social welfare. Through participation in social welfare activities, we hope to fulfill our corporate social responsibility, grow together with the community, and build a better sustainable future.

Adhering to the belief of “giving back to society,” Chairman Lin Yu-Shen founded the “Auras Foundation” in 2023. The Foundation is dedicated to caring for society and assisting disadvantaged groups, promoting social harmony, and organizing various social welfare and charity activities. The Foundation also actively supports and donates to social charity organizations. In order to exert greater influence, the Foundation has established partnerships with government agencies, non-profit organizations, enterprises and academic institutions to jointly promote the development of social welfare business.

In 2024, the headquarters and factories of Auras join hands for the donation of rice, scholarships for disadvantaged groups, elderly facilities, and the organization of tug of war for people with disabilities. At the same time, we encourage employees to actively participate in public welfare activities, build more social strength, and expand the influence of public welfare.

Planting Trees for Sustainability

Planting Seedlings of Hope to Create a Green Future

We actively implement environmental protection and biodiversity conservation, and give back to the environment and society through practical actions. To demonstrate our commitment to sustainability, we organized a tree-planting activity at Shimen Kite Park on November 30, 2024. This activity was organized by Auras Foundation and co-organized by Auras Technology. A total of 195 people, including community residents, company employees and their families, participated in this activity.

Guarding the Coast, Planting Hope

600 seedlings of beach naupaka and rhaphiolepis umbellata were planted. These wind- and salt-resistant native tree species not only strengthen coastal ecological protection, but also help increase the local green coverage ratio, provide friendlier habitats for animals and plants, and further support the sustainability of Taiwan's coastal ecology.

Considering the strong coastal wind, the Company arranged for catering trucks at the site to provide beverages and snacks to warm up the employees and supplement their energy after hard work, allowing them to enjoy the pleasant outdoor weather. The Company also prepared podocarpus gifts for the participants to take "green hope" home, continuing to feel the meaning of tree planting in their daily life. In doing this, we encouraged more people to do their part for the environment.

Explore the Ocean and Deepen Environmental awareness

At Yehliu Ocean World, we visited the ecological museums in the surrounding waters to gain a deeper understanding of the marine organisms and their habitats. At the same time, we enjoyed the wonderful performance of sea turtles and sea lions, further enhancing our understanding and awareness of marine ecological conservation in the pleasant and entertaining atmosphere.

Continuous Care, Creating a Sustainable Future

We implement the long-term sustainability of our green commitments. After the tree-planting activities, we continue to monitor and manage the growth of the land and seedlings, as well as promoting ecosystem awareness. We work with employees and the general public to create long-term positive impacts on the local environment.





Tree planting activity





Beach Naupaka Profile

Coastal plants commonly found in coastal areas are known for their wind resistance, tide resistance, and drought resistance. Coastal plants are wind-resistant species that can stabilize soil and provide rich habitats for local ecosystems.



Rhaphiolepis Umbellata Profile



A native species in the coastal area, rhaphiolepis umbellata has strong adaptability and growth potential, featuring dense foliage that creates a cool environment in summer while providing food for local birds and insects.

Initiative for Tree Planting Activity

| E Environment|

Coastal line protection: The root system of beach naupaka can stabilize soil, slow down coastal erosion, protect the local coastal ecosystem, and increase ecological diversity. Rhaphiolepis umbellata serves as a habitat and food source for local birds, promoting ecological balance and stability.

| S Society|

Inject green energy into the ecology and environment
Promote interaction and cooperation between employees and family members, and enjoy the outdoor time close to nature.

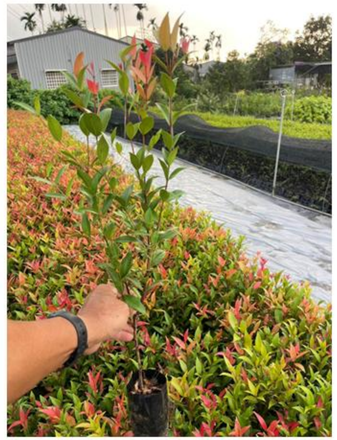
| G Governance|

Increase the sense of participation and environmental identity of the Company's employees, and foster a sustainable environment.
Coherence

Effectiveness of the activity

A total of 195 participants, an increase of 35% compared to 2023.
600 trees were planted, an increase of 50% compared to 2023.







Appendix

- Appendix 1: GRI Content Index
- Appendix 2: SASB Content Index
- Appendix 3: Comparison Table of Sustainability Disclosure Indicators
- Appendix 4: Mapping of GRI 2-6 Indicators — Description of the Enterprise’s Industry Classification and Value Chain
- Appendix 5: Climate-related information of TWOSE/TPEx Listed Companies

Appendix 1: GRI Content Index

General Disclosures

GRI standards	Disclosure	Corresponding Chapter	Annotation
Organization and Reporting Practices			
GRI 2-1	Organizational details	About the Report 1.1 About Auras	
GRI 2-2	Entities included in the organization's sustainability reporting	About the Report 1.1 About Auras	
GRI 2-3	Reporting period, frequency and contact point	About the Report	
GRI 2-4	Restatements of information	About the Report	
GRI 2-5	External assurance	About the Report	
Activities and workers			
GRI 2-6	Activities, value chain and other business relationships	2.2 Technological Innovation and Market Layout	
GRI 2-7	Employees	3.1 Talent Attraction, Cultivation, and Retention	
GRI 2-8	Workers who are not employees	3.1 Talent Attraction, Cultivation, and Retention	
Governance			
GRI 2-9	Governance structure and composition	1.2.1 Corporate Governance 1.2.2 Operation of the Board of Directors	
GRI 2-10	Nominating and selecting the highest governance body	1.2.2 Operation of the Board of Directors	
GRI 2-11	Chair of the highest governance body	1.2.2 Operation of the Board of Directors	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	1.2.2 Operation of the Board of Directors Sustainability Governance	
GRI 2-13	Delegation of responsibility for managing impacts	1.2.2 Operation of the Board of Directors Sustainability Governance	
GRI 2-14	Role of the highest governance body in sustainability reporting	1.2.2 Operation of the Board of Directors	
GRI 2-15	Conflicts of interest	1.2.4 Ethical corporate management	
GRI 2-16	Communication of critical concerns	1.2.2 Operation of the Board of Directors	
GRI 2-17	Collective knowledge of highest governance body	1.2.2 Operation of the Board of Directors	
GRI 2-18	Evaluating the highest governance body's performance	1.2.2 Operation of the Board of Directors	
GRI 2-19	Remuneration policies	1.2.2 Operation of the Board of Directors	
GRI 2-20	Process to determine remuneration	1.2.2 Operation of the Board of Directors	

Appendix 1: GRI Content Index

General Disclosures

GRI standards	Disclosure	Corresponding Chapter	Annotation
GRI 2-21	Ratio of Annual Total Compensation		The Company values fairness and reasonableness in compensation and formulates its compensation policies based on job responsibilities, performance, and market benchmarks to maintain both internal and external equity. However, specific data related to the internal compensation structure and remuneration of senior management constitute highly confidential information. Due to confidentiality obligations and competitive sensitivity, the Company is not in a position to disclose the relevant ratio figures externally. Moving forward, the Company will continue to monitor international disclosure trends and regulatory developments and will evaluate the feasibility of gradually enhancing the transparency of compensation information, provided that such disclosure does not compromise confidentiality principles.
Strategy, policies and practices			
GRI 2-22	Statement on sustainable development strategy	Message from the Chairman　Sustainable Development Main axis-AURAS	
GRI 2-23	Policy commitments	Sustainable Development Main axis-AURAS	
GRI 2-24	Embedding policy commitments	Message from the Chairman　Sustainable Development Main axis-AURAS	
GRI 2-25	Processes to remediate negative impacts	1.2.3 Compliance with laws and regulations 1.2.4 Ethical corporate management 1.4 Risk Management	
GRI 2-26	Mechanisms for seeking advice and raising concerns	1.2.4 Ethical corporate management	
GRI 2-27	Compliance with laws and regulations	1.2.3 Compliance with laws and regulations	
GRI 2-28	Membership in Associations	2.2 Technological Innovation and Market Layout	
Stakeholder engagement			
GRI 2-29	Approach to stakeholder engagement	Stakeholder engagement	
GRI 2-30	Collective Bargaining Agreements		As of now, the Company has not established a labor union and does not have any collective bargaining agreements in place. In accordance with legal requirements, a labor-management committee has been established, and labor-related matters are discussed and resolved through labor-management meetings.

Appendix 1: GRI Content Index

General Disclosures

GRI standards	Disclosure	Corresponding Chapter	Annotation
GRI 201 Economic Performance			
GRI 201-1	Direct economic value generated and distributed	4.1 Operational and Financial Performance	
GRI 201-2	Financial implications and other risks and opportunities due to climate change	5.2 TCFD	
GRI 203 Indirect Economic Impacts			
GRI 203-1	Infrastructure investments and services supported	5.7 Social Participation	
GRI 204 Procurement Practices			
GRI 204-1	Proportion of spending on local suppliers	5.6.1 Supplier Sustainability Management Policy	
GRI 205 Anti-corruption			
GRI 205-2	Please specify the communication and training of the Company's anti-corruption policies and procedures.	1.2.3 Compliance with laws and regulations	
GRI 205-3	Confirmed incidents of corruption and actions taken	Sustainability Performance	
GRI 206 Anti-competitive Behavior			
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1.2.3 Compliance with laws and regulations	

GRI standards	Disclosure	Corresponding Chapter	Annotation
GRI 207 Tax			
GRI 207-1	Approach to tax	1.2.3 Compliance with laws and regulations	
GRI 207-2	Tax governance, control, and risk management	1.2.3 Compliance with laws and regulations	
GRI 207-3	Stakeholder engagement and management of concerns related to tax	Stakeholder engagement	
GRI 302 Energy			
GRI 302-1	Energy consumption within the organization	5.4 Energy management	
GRI 302-2	Energy consumption outside of the organization	5.3.1 GHG Management	
GRI 302-4	Reduction of energy consumption	5.4 Energy management	
GRI 303 Water and Effluents			
GRI 303-1	Interactions with water as a shared resource	5.5.1 Water Resource Management 5.3.2 Carbon Disclosure – CDP	
GRI 303-2	Management of water discharge-related impacts	5.5.1 Water Resource Management	
GRI 303-3	Water withdrawal Disclosure	5.5.1 Water Resource Management	
GRI 303-4	Water discharge Disclosure	5.5.1 Water Resource Management	
GRI 303-5	Water consumption	5.5.1 Water Resource Management	

Appendix 1: GRI Content Index

General Disclosures

GRI standards	Disclosure	Corresponding Chapter	Annotation
GRI 305 Emissions			
GRI 305-1	Direct (Scope 1) GHG emissions	5.3.1 GHG Management	
GRI 305-2	Energy indirect (Scope 2) GHG emissions	5.3.1 GHG Management	
GRI 305-4	GHG emissions intensity	5.3.1 GHG Management	
GRI 305-5	Reduction of GHG emissions	5.3.3 Reduction Action – SBTi	
GRI 306 Waste			
GRI 306-4	Waste diverted from disposal	5.5.2 Waste Management	
GRI 308 Supplier Environmental Assessment			
GRI 308-1	New suppliers that were screened using environmental criteria	5.6 Sustainable Supply Chain Management	
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	5.6 Sustainable Supply Chain Management	
GRI 401 Employment			
GRI 401-1	New employee hires and employee turnover	3.1 Talent Attraction, Cultivation, and Retention	
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.2 Labor Relations, Wages and Benefits	
GRI 401-3	Parental leave	3.3 Occupational health and safety	

GRI standards	Disclosure	Corresponding Chapter	Annotation
GRI 403 Occupational Health and Safety			
GRI 403-1	Occupational Health and Safety	3.3 Occupational health and safety	
GRI 403-2	Hazard identification, risk assessment, and incident investigation	3.3 Occupational health and safety	
GRI 403-3	Occupational health services	3.3 Occupational health and safety	
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	3.3 Occupational health and safety	
GRI 403-5	Worker training on occupational health and safety	3.3 Occupational health and safety	
GRI 403-6	Promotion of worker health	3.3 Occupational health and safety	
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.3 Occupational health and safety	
GRI 403-8	Workers covered by an occupational health and safety management system	3.3 Occupational health and safety	
GRI 404 Training and Education			
GRI 404-1	Average hours of training per year per employee	1.2.3 Compliance with laws and regulations 3.1 Talent Attraction, Cultivation, and Retention	
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	3.1 Talent Attraction, Cultivation, and Retention	
GRI 405 Diversity and Equal Opportunity			
GRI 405-1	Diversity of governance bodies and employees	3.1 Talent Attraction, Cultivation, and Retention	

Appendix 1: GRI Content Index

General Disclosures

GRI standards	Disclosure	Corresponding Chapter	Annotation
GRI 408 Child Labor			
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	3.1 Talent Attraction, Cultivation, and Retention	
GRI 409 Forced or Compulsory Labor			
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	3.1 Talent Attraction, Cultivation, and Retention	
GRI 411 Rights of Indigenous Peoples			
GRI 411-1	Incidents of violations involving rights of indigenous peoples	3.1 Talent Attraction, Cultivation, and Retention	
GRI 414 Supplier Social and Environmental Assessment			
GRI 414-1	New suppliers that were screened using social criteria	5.6 Sustainable Supply Chain Management	
GRI 414-2	Negative social impacts in the supply chain and actions taken	5.6 Sustainable Supply Chain Management	
GRI 418 Customer Privacy			
GRI 418-1	Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data	1.2.3 Compliance with laws and regulations 1.3 Information Security	

Appendix 1: GRI Content Index

Disclosure of Material Topics

GRI standards	Disclosure	Corresponding Chapter	Annotation
GRI3: Material topics			
3-1	Process to determine material topics	Material Topic Identification Process	
3-2	List of Material Topics	Management of material topics	
3-3	Identification of Material Topics	Management of material topics	
GRI 203: Indirect Economic Impacts			
203-1	Infrastructure investments and services supported	5.7 Social Participation	
GRI 205: Anti-corruption			
205-3	Confirmed incidents of corruption and actions taken	Sustainability Performance	
GRI 302: Energy			
302-1	Energy consumption within the organization	5.4 Energy management	
GRI 305: Emissions			
305-1	Direct (Scope 1) GHG emissions	5.3.1 GHG Management	
305-2	Energy indirect (Scope 2) GHG emissions	5.3.1 GHG Management	
GRI 401: Employment			
401-1	New employee hires and employee turnover	3.1 Talent Attraction, Cultivation, and Retention	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.2 Labor Relations, Wages and Benefits	
401-3	Parental leave	3.3 Occupational health and safety	

GRI standards	Disclosure	Corresponding Chapter	Annotation
GRI 403: Occupational Health and Safety			
403-1	Workers' representation in formal joint management–worker health and safety committees	3.3 Occupational health and safety	
GRI 405: Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	3.1 Talent Attraction, Cultivation, and Retention	
GRI 406: Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	3.1 Talent Attraction, Cultivation, and Retention	2024 No occurrence of discrimination
GRI 411: Rights of Indigenous Peoples			
411-1	Incidents of violations involving rights of indigenous peoples	3.1 Talent Attraction, Cultivation, and Retention	2024 No violation of the rights and interests of indigenous peoples
GRI 413: Local Communities			
413-1	Operations with local community engagement and impact assessments	5.7 Social Participation	
413-2	Operations with significant actual and potential negative impacts on local communities	5.7 Social Participation	
GRI 418: Customer Privacy			
418-1	Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data	1.2.3 Compliance with laws and regulations 1.3 Information Security	

Appendix 2: SASB Content Index

Statement of Use: Auras Technology has reported ESG information for the period from January 1 to December 31, 2024 in accordance with the SASB Standards; SASB Industry: Hardware (HW)

Item	Number	Description of Indicator	Indicator Responses and Supplements	Corresponding Chapter
Product Safety	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	-	1.3 Information Security
Diversity and inclusion	TC-HW-330a.1	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) technical employees and (d) all other employees	-	3.1 Talent Attraction, Cultivation, and Retention
Product life cycle management	TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Auras Technology adopts a B2B business model – the design and life cycle planning of end products are based on the customer's needs. The Company does not directly participate in complete life cycle management and does not disclose the relevant data of SASB's product life cycle management indicators.	-
	TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent		
	TC-HW-410a.3	Percentage of eligible products, by revenue, certified to an energy efficiency certification		
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	Auras Technology adopts a B2B business model – the end-of-life scrapping and recycling operations of products are handled by downstream customers. Auras Technology does not recycle the scrapped products.	-
Supply chain management	TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	-	5.6 Sustainable Supply Chain Management
	TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	-	5.6 Sustainable Supply Chain Management
Procurement of materials	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	-	5.6 Sustainable Supply Chain Management

Appendix 2: SASB Content Index

Activity Indicator

Number	Description of Indicator	Indicator Responses and Supplements	Corresponding Chapter
TC-HW-000.A	Area of manufacturing facilities	57,586,818 pcs of cooling modules	-
TC-HW-000.B	Factory area	150,912m²	1.1 About Auras
TC-HW-000.C	Percentage of production from owned facilities	100% / based on the scope of financial reporting	-

Appendix 3: Comparison Table of Sustainability Disclosure Indicators–Computers and Peripheral Equipment

Number	Indicator	Type of Indicator	Corresponding Chapter	Annual Disclosure Status	Unit
1.	Total energy consumption, percentage of purchased electricity, and utilization rate of renewable energy	Quantification	5.4 Energy management	300,600.50 gigajoules (GJ) Purchased renewable electricity accounted for 8.31% Purchased renewable electricity accounted for 91,69% Renewable energy usage rate 8.37%	Gigajoules (GJ) Percentage (%)
2.	Total water withdrawal and consumption	Quantification	5.5.1 Water Resource Management	Total water withdrawn 460,931m³ Total water consumption 405,916m³	Thousand cubic meters (m3)
3.	Weight of hazardous waste generated and percentage recycled	Quantification	5.5.2 Waste Management	Hazardous waste 401.32 metric tons Percentage recovered 81.81%	Tons (t) Percentage (%)
4.	Describe the type, number of people, and proportion of occupational accidents	Quantification	3.3 Occupational health and safety	0 occupational accidents involving 0 people in 2024	Percentage (%) and quantity
5.	Disclosure of product life cycle management: including the weight of scrapped products and electrical waste, and the percentage of recycling	Quantification	5.5.2 Waste Management	Auras Technology adopts a B2B business model – the end-of-life scrapping and recycling operations of products are handled by downstream customers. Auras Technology does not recycle the scrapped products.	Tons (t) Percentage (%)
6.	Description of the risk management related to the use of critical materials	Qualitative description	5.6.2 Procurement of Conflict-Free Materials	We have established the “Hazardous Substance Control and Management Procedures” to ensure that material management is in full compliance with international regulations and customer requirements. We have also established the “Conflict Minerals Policy” and operating procedures, including the risk management policy for supplier violations of relevant regulations, to perform due diligence.	Not applicable
7.	Total monetary losses as a result of legal proceedings associated with the anti-competitive practices law	Quantification	1.2.3 Compliance with laws and regulations	The total amount of monetary losses as a result of legal proceedings associated with the anti-competitive practices law was NTD 0.	Reporting currency
8.	Major product output by product category	Quantification	-	57,586,818 pcs of cooling modules	Varies by product type

Appendix 4: Mapping of GRI 2-6 Indicators — Description of the Enterprise's Industry Classification and Value Chain

There were no significant changes in information related to Auras Technology's industry positioning, business operations, value chain, partnerships, major transformations, or product details compared to the previous reporting period. Auras operates in the electronics industry, specifically in the thermal module manufacturing sector within other electronics industries. In its sustainability report, the company references disclosure topics defined by the Sustainability Accounting Standards Board (SASB) for the Hardware industry. Positioned in the midstream of the electronics industry value chain, Auras primarily engages in the manufacturing and supply of thermal modules for electronic products. Auras Technology specializes in the field of thermal management and is committed to becoming a comprehensive thermal solution provider. The company initially focused on the design, manufacturing, and sales of notebook (NB) cooling modules, and later expanded its business to include air cooling module manufacturing for servers, graphics cards, motherboards, and workstations.

Auras Technology's Operations Cover Key Segments of the Value Chain

Core Business and Positioning

The company has successfully transformed from an air cooling thermal module manufacturer into a liquid cooling solution full rack system provider, continuously advancing its capabilities in liquid cooling technologies within the thermal management field.

Operational Activities (Midstream)

The company's operational headquarters, located in New Taipei City, Taiwan, is primarily responsible for sales and R&D. To meet customers' customized design requirements, Auras continues to manufacture thermal modules at its facilities in China and Thailand—including Kunshan, Guangzhou, Chongqing, Anhui, and the Taihong plant—and is increasing in-house production rates of heat pipes and vapor chambers.

Impact on Downstream

Auras' liquid cooling solutions can optimize power usage effectiveness (PUE) to below 1.2, effectively supporting clients in achieving their green computing goals.

Auras Technology is headquartered in Taiwan and operates global production bases, including facilities in Guangzhou, Kunshan, Chongqing, and Anhui in China, as well as the Taihong plant in Thailand. The company is committed to expanding its global market presence and enhancing its international competitiveness. Its business scope includes existing segments such as servers, notebooks, graphics cards, motherboards, and automotive electronics, while also continuing to develop emerging markets in AI, HPC, automotive, charging devices, and energy storage.

Auras Technology's Value Chain Relationships

Upstream (Suppliers)

Auras Technology places strong emphasis on the sustainable development of its suppliers. The company requires suppliers to sign documents such as confidentiality and integrity commitments, as well as environmental protection and social responsibility declarations. In 2024, the company achieved a local procurement rate of 80.88%, aiming to support the local economy and reduce carbon emissions.

Midstream (Auras Technology)

Auras is responsible for core technology R&D and the supply of liquid cooling solution full rack systems. Through customized design and manufacturing processes, the company accelerates customer adoption of liquid cooling technologies.

Downstream (Customers)

Auras operates primarily under a B2B (business-to-business) model. Its customer base includes industries with high computing power demands, such as cloud data centers, high-performance computing (HPC), AI computing, and big data processing. Product applications also extend to servers, graphics cards, motherboards, and workstations. At the end of the product life cycle, disposal and recycling are typically managed by downstream customers.

Auras Technology's Partners

Financial Institutions

Engaged in sustainable time deposits with Far Eastern International Bank to support the development of a green economy.

Academic Institutions

Collaborated with National Taiwan University of Science and Technology in industry-academia partnerships to jointly develop and define science-based carbon reduction targets and corresponding strategies.

Professional Service Firms

Financial data is audited by PwC Taiwan. Greenhouse gas emissions data has been verified by an independent third party.

Charitable Organizations

In 2023, Auras established the Auras Charity Foundation and has since built partnerships with government agencies, non-profit organizations, the business sector, and academia to promote the development of social welfare initiatives.

Insurance Companies

Purchased insurance coverage for commercial fire, cargo transportation, product liability, and public accidents to mitigate operational risks.

Optimization and Transformation

Business Positioning Transformation
Auras Technology has successfully transformed from an air cooling thermal module manufacturer into a liquid cooling solution full rack system provider.
Operational Performance
In 2024, the company achieved a gross profit margin of 25.5%, marking a record high for the third consecutive year. Earnings per share (EPS) reached NT$21.23, also setting a new historical high.
Corporate Governance Reform
To align with corporate governance policies, the role of General Manager—previously held concurrently by the Chairman—was reassigned. On August 9, 2024, the Board of Directors appointed Mr. Chih-Wei Chen, former Vice President, as the new General Manager.
Sustainability Reporting Standard Update
The greenhouse gas (GHG) inventory methodology was updated from the ISO 14064-1:2018 standard used in 2023 to the GHG Protocol in 2024. With the expansion of the organizational boundary, 2024 has been reset as the new base year.
Establishment of Charitable Foundation
In 2023, Chairman Mr. Yu-Shen Lin initiated the founding of the Auras Charity Foundation.

Auras Technology primarily operates under a B2B (business-to-business) model. Its customers span industries requiring high-performance thermal solutions, including cloud data centers with intensive thermal demands in the AI era, servers, notebooks, graphics cards, motherboards, automotive applications, as well as emerging markets in AI, HPC, charging equipment, and energy storage. Our major product lines include:
Air Cooling Product
Thermal modules for notebooks, servers, graphics cards, motherboards, and workstations. Key Components: Heat pipes and vapor chambers (high-performance vapor chambers), used for rapid heat transfer from chips.
Liquid Cooling Systems
Customizable liquid cooling thermal solutions, including cold plates, rack manifold / inner manifold, liquid-to-air and liquid-to-liquid cooling distribution units (CDU, RPU, HRU), quick connectors. The company’s liquid cooling technologies include Direct Liquid Cooling (DLC) and Immersion Cooling.

Appendix 5: Climate-related information of TWOSE/TPEx Listed Companies

Item	Status of implementation
1. Describe the supervision and governance of climate-related risks and opportunities by the Board of Directors and management.	Major climate issues are determined in accordance with IFRS and SASB standards for the specific industry, and information disclosure is conducted accordingly. Identify and evaluate the climate change risks and opportunities faced by enterprises accurately in response to climate-related issues. Auras Technology Co., Ltd. will have TCFD "Task Force on Climate-related Financial Disclosures" introduced in 2024 to analyze risks and opportunities, and define major risks and opportunities. In the future, the Company will conduct TCFD scenario analysis to identify climate-related indicators and targets, and establish a climate-related risk management system and transformation plan. In response to the high uncertainty of climate and the rapid changes in policies and markets, and to keep track of estimate the possible impact of climate change, our senior executives of various departments convene meetings to identify major climate risks and opportunities. The Company also further evaluates the possible risks that floods, droughts, typhoons and high temperatures may bring to each operating location, in order to grasp the climate changes and market dynamics of the external environment, and to consider the overall operational strategy planning in a comprehensive manner. The "Corporate Governance and Sustainability Committee" was established under the jurisdiction of the Board of Directors to be responsible for the formulation of the policy, system or related management guidelines for sustainable development, and report to the Board of Directors. The Sustainable and Corporate Governance Office was established under the Committee to be responsible for promoting the sustainable development policy, complying with environmental-related laws and regulations and international standards. As well as these, the Office also integrates risk assessment to perform risk management on sustainability issues.

Item	Status of implementation
2. Describe how the identified climate risks and opportunities affect the Company' s business, strategy, and finances (short term, mid term, and long term). 3. Describe the impact of extreme climate events and transformation actions on finance. 4. Describe how climate risk identification, evaluation, and management processes are integrated into the overall risk management system.	At Auras, we are actively developing solutions to reduce the impact of climate change on operations and finances, and improve the organization' s climate resilience. Short-term is defined as 5 years or less, mid-term as 5 to 10 years, and long-term as more than 10 years. The Company assesses the potential impact of climate risks and opportunities on its operations and finances, in order to plan various actions in response to climate-related risks and opportunities.

Risk items	Type	Impact schedule	Countermeasures and action plans
Heavy rain	Physical risk– Immediate	Short term (0–5 years)	Assess the risks in the locations with high risk of flooding, and reduce the impact of disasters through insurance planning and diversification of procurement strategies.
Total volume control and emission Trading	Transformation risks– Policy and Regulation	Medium term (5–10 years)	Conduct annual greenhouse gas inventory and verification operations.
Increase in the cost of key Components	Transformation risk – Technology	Long term (10–30 years)	Regularly hold operating cost meetings to review the countermeasures for increased operating costs, and maintain and improve the Company' s profits.

Opportunity items	Impact schedule	Financial impact	Strategic planning	Corresponding business Strategy Goals
Production process	Medium term (5–10 years)	Decrease in direct cost	Promote low carbon green production	Enhance energy efficiency
Low-carbon energy	Medium term (5–10 years)	Indirect (operating) cost decrease	Use low-carbon energy sources	In response to the greenhouse gas regulations
Adaptation and solutions	Medium term (5–10 years)	Revenue growth from Increased product and service demand	R&D and innovation of new products or services	Meeting the expectations of investors
Sustainability rating	Medium term (5–10 years)	Revenue growth from Increased product and service demand	Enhance sustainability rating	Meeting the expectations of investors
Resistant products	Medium term (5–10 years)	Revenue growth from Increased product and service demand	Formulate enhanced countermeasures and preventive measures for climate resilience	Meeting the expectations of investors

Item	Status of implementation
5. If scenario analysis is applied to evaluate resilience to climate change risks, it is necessary to describe the scenarios, parameters, assumptions, analysis factors, and main financial impacts applied. 6. If there is a transformation plan in response to climate-related risk management, describe the content of the plan, and the indicators and objectives used to identify and manage physical risks and transformation risks. 7. If an internal carbon pricing is used as a planning tool, it is necessary to describe the basis for price determination. 8. If climate-related goals are set, it is necessary to describe the scope of activities, greenhouse gas emissions, planning schedule, annual achievement progress, and other information. If carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, it is necessary to describe the source and quantity of carbon reduction credits or the quantity of RECs.	The company has not yet fully implemented climate scenario analysis, transition planning, internal carbon pricing, or specific climate targets. However, it recognizes the potential risks and opportunities that climate change poses to its operations. Going forward, the company will gradually establish relevant management mechanisms and refer to international frameworks such as the TCFD and SBTi to assess the feasibility of related measures and set carbon reduction targets. At the same time, it will strengthen greenhouse gas (GHG) inventory processes as the foundation for developing emission reduction strategies and action plans.

Item	Status of implementation
9. Greenhouse gas inventory and assurance, reduction goals, strategies, and specific action plans (fill in 1-1 and 1-2 separately).	• **Greenhouse Gas Assurance Information** The factories in Taiwan conducted the inventory and external inspection in accordance with the ISO 14064-1 standard in 2023. The assurance border included the Taiwan headquarters and external warehouses. The assurance range included Category I (fixed emission sources, mobile emission sources, fugitive emission sources, and process emission sources), Category II (outsourced power), Category III (upstream transportation and business travel), Category IV (product purchase, outsourced fuel and energy resources, and waste treatment and removal). Category V and Category VI were identified as insignificant emission sources according to the greenhouse gas inventory significance assessment standard. Therefore, they were not included in the 2023 inventory and assurance range. In 2024, the factories in Taiwan conducted the inventory and external inspection in accordance with the GHG Protocol. In accordance with the operational control approach, the scope of the inventory included the Taiwan Headquarters, external warehouses, the Taipei Factory 1 and Taipei Factory 2. Based on the current status of the Company, inventory and quantification of emissions for each sub-category of Scope 1, Scope 2 and Scope 3 were conducted. • **Greenhouse gas reduction goals, strategies, and specific action plans** The Company conducted the greenhouse gas inventory in accordance with the ISO 14064-1:2018 standard in 2023. In 2024, the standard to follow was changed to GHG Protocol, with Scope 1 and Scope 2 emissions of 11.9693 Mt CO2e and 645.5399 Mt CO2e, respectively. In 2024, the organizational boundary was expanded and the adoption of standards was changed. To ensure the credibility of the inventory data, the Company changed the greenhouse gas inventory base year to 2024. We hope to reduce the emission intensity by 25% by 2030 and achieve zero carbon by 2050 through the following actions. The Company has performed a greenhouse gas inventory annually since 2023 to regularly evaluate and control greenhouse gas emissions of the organization and to have the third-party verification completed. We will manage and control the energy demand in the operation control area, and promote continuous improvement plans and activities for greenhouse gas emission reduction actively based on the inventory results. We will promote energy-saving policies and introduce energy management systems to reduce energy waste. We also precisely monitor the temperature of the air conditioning equipment in the Company. Air conditioning is adjusted to the energy-saving temperature according to the season and the condition of the personnel, to reduce unnecessary energy consumption. We are committed to reducing the environmental and climate impacts caused by greenhouse gas emissions, and practicing the environmental concepts of saving energy resources, protecting the environment, and achieving sustainability.


Auras
Go Greener! Go Auras!
https://www.auras.com.tw/