

20
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Reporting Scope

This report covers the implementation and performance of Jarllytec Group's sustainability policies concerning social, environmental, and governance (ESG) aspects, for the period from January 1, 2024, to December 31, 2024. The disclosure of indicators in this report primarily pertains to the Taiwan, China, and Southeast Asia plants of JARLLYTEC CO., LTD. (referred to in this report as "Jarllytec," or "the Company,"). The economic performance indicators disclosed are for the entities included in the consolidated financial statements, encompassing the Company and its subsidiaries.

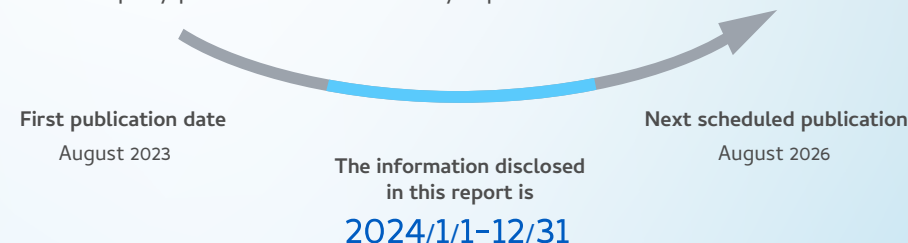
The data disclosed within this report is derived from the Company's internal statistics and surveys, and is presented using internationally recognized indicators. This report has been prepared in accordance with the GRI Standards, issued in 2021 by the Global Reporting Initiative (GRI). Furthermore, the content references the 'Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,' the 'United Nations Sustainable Development Goals (SDGs),' the 'Sustainability Accounting Standards Board (SASB) Standards,' and the 'Task Force on Climate-related Financial Disclosures (TCFD) recommendations.' Where estimated data is utilized, it is explicitly noted in the relevant sections.

Financial data presented herein is sourced from the Company's publicly disclosed financial reports, prepared in accordance with the International Financial Reporting Standards (IFRSs) as endorsed and issued by the Financial Supervisory Commission R.O.C (Taiwan), and the Regulations Governing the Preparation of Financial Reports by Securities Issuers. These financial statements have been audited and attested by KPMG Taiwan and are presented in New Taiwan Dollars (NTD).

All of Jarllytec's management systems undergo regular internal audits. The Company has also achieved third-party verification for its implementation of ISO 9001 (Quality), ISO 14001 (Environmental), ISO 45001 (Occupational Health and Safety), IECQ QC080000 (Hazardous Substance Process Management), ISO 14064-1 (Greenhouse Gas Inventory), and ISO 27001 (Information Security) Management Systems.

Reporting Period and Cycle

The reporting period covered by this sustainability report is from January 1, 2024, to December 31, 2024. This is Jarllytec's third sustainability report. The Company publishes a sustainability report on an annual basis.



Restatements of Information

Any restatements of historical data in this report will be disclosed and explained in the relevant sections of the report.

External Assurance

This report has been approved by the Chairperson and endorsed by the Board of Directors. No external assurance or verification has been conducted for the contents of this report. The GHG emissions data has obtained third-party verification from AFNOR International, confirming its conformance with the ISO 14064-1 standard.

Contact Information

If you have any suggestions or questions regarding this report, we sincerely welcome your feedback.

🏢 Sustainable Development Department

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Cover Design Concept

The main visual element is Jarllytec "inward-folding, sunken hub," depicting the moment of its unfolding through a suspended perspective, symbolizing the dynamics of startup and the diversity of product applications.

The intersection of the hub is infused with radiant imagery, signifying the shining moment of annual achievements. The overall color scheme, interwoven with blue and white, complemented by mirrored reflections and a streamlined background, showcases a sense of technology and Zhaoli's expertise and innovation in precision technology.

As the world confronts the intensifying challenges of climate change, resource scarcity, and societal transformation, Jarllytec is profoundly aware of the responsibilities we bear. Guided by a commitment to prudent management and a forward-looking vision, we continue to answer the urgent call for sustainability through concrete, deliberate actions. In 2024, we formally established environmental stewardship, social engagement, and corporate governance (ESG) as the three pillars of our development. More than just principles, these pillars are deeply integrated into every facet of our operations as we advance toward a more resilient and sustainable business model.

In the face of the escalating climate crisis, proactive action is a commitment we hold firm. This year, for the first time, Jarllytec completed a group-wide greenhouse gas inventory to gain a precise understanding of our carbon footprint. We have also implemented a digital carbon management system to sharpen our management of carbon-related risks and assets. On our path to an energy transition, we introduced renewable energy into our portfolio and launched a green power roadmap, with plans to steadily increase its share to meet our demanding carbon reduction targets. Accelerating the replacement of aging, high-consumption equipment while promoting diverse energy-saving initiatives remains a top priority in our steady transition to a low-carbon future.

Sustainable operations are built on a foundation of robust governance and organizational resilience. Jarllytec is continuously strengthening its internal governance framework by embedding a culture of integrity, enhancing internal controls, and optimizing our grievance and audit systems to ensure transparency and effective risk management. In cybersecurity, we are institutionalizing our defense architecture and conducting rigorous risk assessments to proactively safeguard stakeholder interests and fortify our operational stability.

I have always believed that our people are our most valuable asset for long-term success. Jarllytec is dedicated to cultivating a safe, healthy, and inclusive workplace that champions a culture of diversity and respect. To empower our employees' professional growth, we offer a wide array of training and development opportunities designed to deepen their sense of belonging and engagement. Beyond our own walls, fulfilling our corporate social responsibility is a vital part of our mission. Through sustained community initiatives and dedicated resource investment, we strive to deepen our local ties and expand our positive social impact, demonstrating a steadfast commitment to the common good.

Looking ahead, Jarllytec will continue to expand its use of renewable energy, deepen its carbon management capabilities, and strengthen the resilience of its sustainable supply chain. By leveraging data and technology to drive management innovation, we are embedding sustainability into the very core of our operations. For us, sustainable development is not just a responsibility — it is the core engine of our growth and long-term value creation. We will continue working to deliver meaningful and lasting outcomes for our company, our industry, and the global community.

Chair of the Board,
Jarllytec Industrial Co., Ltd.

郭声汉



Governance

Ranked in the 6%-20%

range in the Corporate
Governance Evaluation

16.5%

year-over-year increase
in 2024 operating revenue

92 points

Customer satisfaction survey score

100%

of new suppliers signed the Supplier
Code of Conduct on Environmental and
Social Responsibility

43

new patents
granted

570

effective patents
in total

**No customer
complaints**

related to information security



Environment

**First-time
participant**

in the CDP Carbon Disclosure
Project evaluation

650,000 kWh

Energy-saving equipment
projects achieved a total
electricity reduction

486 metric tons

a total greenhouse gas emissions

100%

compliance rate in workplace
environmental monitoring compliance rate
in domestic wastewater testing

378.85 metric tons

Utilized a total of recycled materials

Completed ISO 14064-1

greenhouse gas inventory
across all Group facilities

74,000 kWh

Introduced renewable energy
for the first time



Social

95.6 points

Employee satisfaction survey score

Zero

employee grievance cases reported

14.5 hours

of average employee
training time per person

**Badge of Accredited
Healthy Workplace**

Certification

Donated NT\$263,059

to social welfare organizations

Hosted Five

public welfare activities



1.1 Sustainability Vision

Jarlllytec is committed to becoming a model of corporate sustainable development and social responsibility, creating long-term value for employees, customers, shareholders, supply chain partners, and the community through innovative and high-quality products and services. The Company firmly believes that businesses should assume responsibility for society and the environment. It upholds integrity, transparency, and accountability as the core of its governance, with the Board of Directors continuously overseeing operational status and internal controls to ensure stable operations and safeguard the rights and interests of all stakeholders.

Jarlllytec actively integrates Environmental, Social, and Governance (ESG) goals into its operational strategies. Aligning with the spirit of the United Nations Sustainable Development Goals (SDGs), the Company continually optimizes corporate governance, enhances operational efficiency, and expands its social influence. By strengthening internal management mechanisms and sustainability practices, the Company aims to enhance its brand reputation and corporate image, thereby realizing its vision of providing stable returns to shareholders, offering a quality work environment, promoting social inclusion, and contributing to environmental protection.

1.1.1 Sustainable Development Strategic Pillars and Goals



ESG Targets

Sustainability Short-, Medium-, and Long-Term Targets

Short-term
Goals

2024
|
2026

Medium-term
Goals

2026
|
2028

Long-term
Goals

2028
|
2030

Governance

1. Expand product breadth and depth to enhance economic performance.
2. Maintain corporate governance evaluation ranking in the top 20%.
3. Maintain customer satisfaction survey scores at 90 points or above.
4. Achieve 90% local sourcing of raw materials for Taiwan headquarters and China plants; achieve 10% local sourcing of raw materials for Thailand and Vietnam plants.
5. Establish a comprehensive information security framework.

1. Achieve continuous and stable profitability.
2. Maintain corporate governance evaluation ranking in the top 20%.
3. Maintain customer satisfaction survey scores at 90 points or above.
4. Achieve 90% local sourcing of raw materials for Taiwan headquarters and China plants; achieve 50% local sourcing of raw materials for Thailand and Vietnam plants.
5. Foster a corporate culture of information security and privacy.

1. Achieve return on investment and continuous growth from profits generated by plant expansions.
2. Maintain corporate governance evaluation ranking in the top 20%.
3. Maintain customer satisfaction survey scores at 90 points or above.
4. Achieve 90% local sourcing of raw materials for Taiwan headquarters and China plants; achieve 90% local sourcing of raw materials for Thailand and Vietnam plants.
5. Implement automated and intelligent information security defenses.

Environmental

1. Expand greenhouse gas (GHG) inventory boundary; complete GHG inventory for all group operating
2. Reduce headquarters' GHG emissions by 1% annually (Baseline year: 2022)
3. Establish a group-wide energy management system to monitor and manage the use of various energy resources.
4. Reduce headquarters' energy intensity by 1% annually.
5. Achieve RE40 for headquarter renewable energy use.

1. Join the Science Based Targets initiative (SBTi) and set science-based reduction targets.
2. Reduce group GHG emissions by 4.2% annually (Baseline year: 2026)
3. Reduce group energy intensity by 2.5% annually.
4. Achieve RE40 for group-wide renewable energy use.
5. Improve CDP rating score to B (Management level)

1. Reduce group GHG emissions by 4.2% annually (Baseline year: 2026)
2. Increase group energy efficiency by 1.5 times.
3. Achieve RE75 for group-wide renewable energy use.
4. Improve CDP rating score to A (Leadership level)
5. Increase the proportion of recycled materials used in products.

Social

1. Provide each employee with 30 hours of on-the-job training opportunities annually.
2. Achieve zero employee grievances.
3. Organize at least 2 public welfare activities annually.
4. Maintain an occupational safety incident rate below 0.9% of the total workforce.

1. Establish a talent development and training system to improve channels for employee on-the-job learning and advanced studies.
2. Achieve zero employee grievances.
3. Organize at least 4 public welfare activities annually.
4. Maintain an occupational safety incident rate below 0.8% of the total workforce.

1. Achieve zero employee grievances.
2. Organize at least 8 public welfare activities annually.
3. Maintain an occupational safety incident rate below 0.7% of the total workforce.



1.2 Sustainable Development Committee

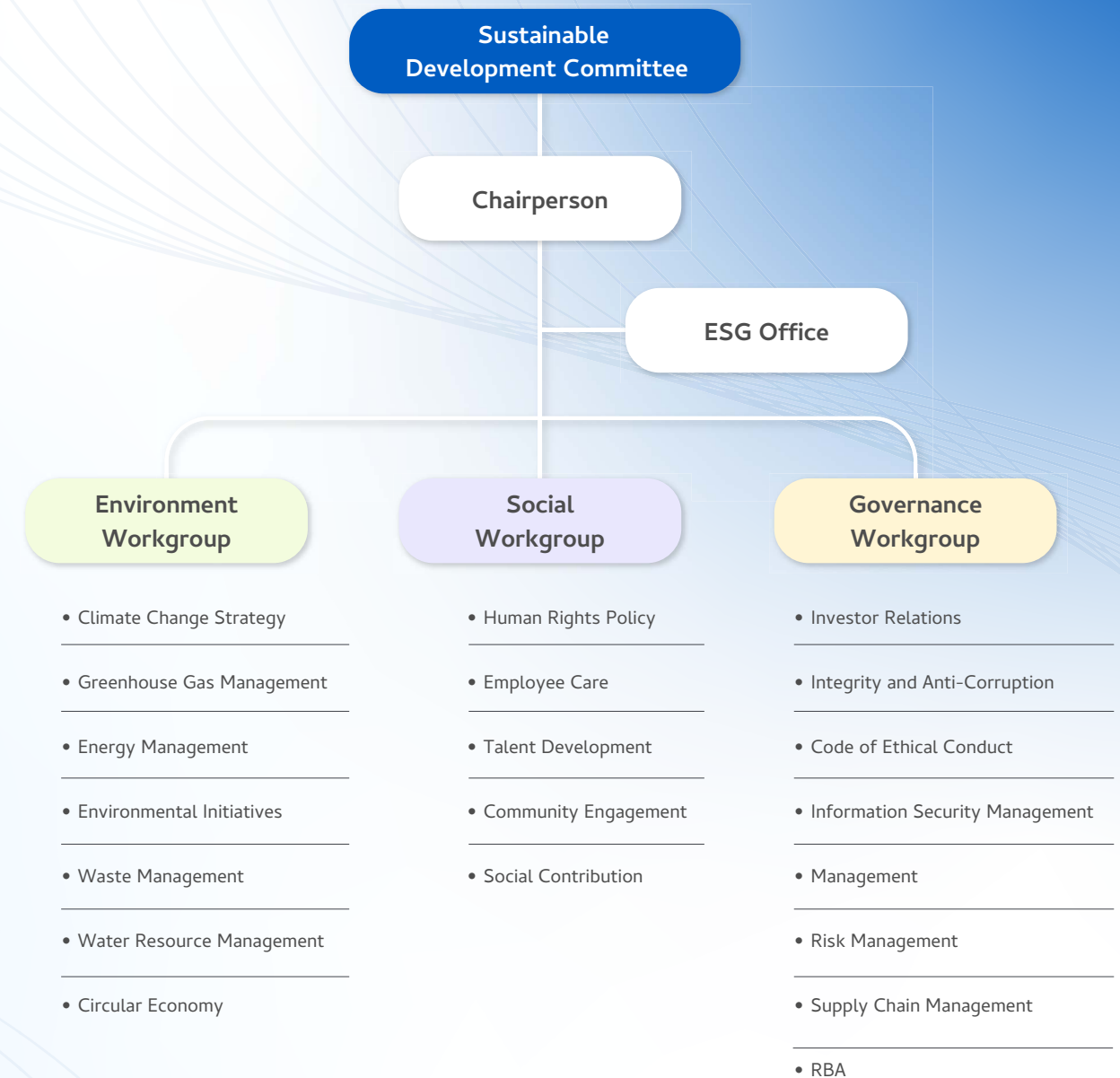
In 2023, Jarllytec established the Sustainable Development Committee. This new committee integrated and internalized the former Corporate Social Responsibility (CSR) Committee, aiming to advance sustainable development goals and coordinate the execution of environmental, social, and corporate governance (ESG) strategies and plans. Chaired by the Chair of the Board, the committee comprises three working groups: Corporate Governance, Environmental Sustainability, and Social Inclusion.

The Sustainable Development Committee convenes regular meetings, during which the Chairperson oversees reports on operational execution status and the formulation of sustainability strategies and goals. The committee also reports its decisions and execution results to the Board of Directors annually. The Committee actively invites broad participation from various departments in sustainable development initiatives. Its members include executives at the Vice President, Director/Senior Manager, and Manager levels. Leveraging the diverse expertise of these executives from different fields, they collaboratively formulate a development blueprint for the Company that is both sustainable and possesses core competitive advantages.

The responsibilities of the Sustainable Development Committee include the following:

- 01.** Formulating the company's sustainability goals and strategies.
- 02.** Reviewing, revising, and tracking annual implementation plans, and reporting on their performance.
- 03.** Preparing the annual sustainability report.
- 04.** Reporting implementation results, goals, and plans to the Board of Directors annually.

Sustainable Development Committee Organizational Chart



1.2.1 Policies and Standards for Responsible Business Conduct

Jarlllytec adheres to responsible business conduct. To implement a corporate culture of integrity and honesty and to meet the expectations of investors and other stakeholders, the Board of Directors has approved and promulgated relevant regulations such as the "Code of Integrity and Ethical Conduct," "Code of Conduct," and "Supplier Commitment to Environmental and Social Responsibility." These documents detail the Company's policies, standards, operating procedures, behavioral guidelines, and related grievance systems, requiring employees and business partners to comply with these regulations when conducting business. These measures aim to prevent dishonest conduct, cultivate a culture of integrity and accountability within the Company, and reflect its commitment to upholding the highest ethical standards in all business activities.

The Company's "Code of Integrity and Ethical Conduct" and "Code of Conduct" substantially cover the preventive measures for various conducts stipulated in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies." Additionally, Jarlllytec complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflict of Interest, relevant regulations for publicly listed companies, and other laws related to commercial activities, as a fundamental prerequisite for implementing ethical operations. The Company continuously monitors changes in domestic and international laws and regulations to assess their potential risks and impacts. Based on the results of regulatory identification, Jarlllytec reviews its internal regulations to ensure its policies and standards are appropriate and adequate. Links to related policy commitments are available on the Company's website, in the ESG Corporate Governance section.

Code of Integrity and Ethical Conduct

Jarlllytec's corporate core values are: Integrity in Operations, Meticulous Management, Continuous Improvement, and Sustainable Development. Furthermore, the first principle of the Company's business philosophy is "To operate with integrity as a principle and adhere to high professional ethics," which demonstrates the importance the Company places on integrity.

Based on this, to establish a corporate culture of ethical operations and sound business practices, the Company formulated the "Code of Integrity and Ethical Conduct." This code is promoted through various channels, including the company website, internal employee training materials, electronic announcements, bulletin boards, and promotional videos, with the aim of actively fostering a work environment characterized by integrity, openness, pragmatism, and cooperation.

01.



Stipulates that directors, managers, and all employees shall not accept any improper benefits or engage in illegal or dishonest conduct in business activities. The scope includes prohibiting bribery and acceptance of bribes, illegal political donations, improper charitable donations or activities, and acceptance of improper gifts or hospitality.

02.



Stipulates that directors, supervisory units, and managers should avoid conflicts of interest, and establish comprehensive internal control systems for dishonest conduct or high-risk business activities.

03.



Requires employees to comply with and sign an integrity statement.

Code of Conduct

01.



This regulation governs the ethical conduct of directors, managers, and all employees in the performance of their duties. Its scope includes: avoiding conflicts of interest and the improper transfer of benefits, prohibiting the pursuit of personal gain, ensuring the confidentiality of company and client information, fair dealing and the truthful reporting of transactions, and the proper use and maintenance of company assets.

Supplier Commitment to Environmental and Social Responsibility

01.



Requires suppliers to understand and jointly adhere to the Company's professional ethics, extending the core value of integrity in operations throughout the supply chain.

02.



Requires suppliers entering into a business relationship for the first time to sign the "Supplier Commitment to Environmental and Social Responsibility."



1.2.2 Integrating Policy Commitments into Activities and Business Relationships

In 2017, Jarllytec established the "Corporate Social Responsibility Committee," which was renamed the Sustainable Development Committee in 2023. Chaired by the Chair of the Board, it directs the ESG working groups in formulating Jarllytec's ESG vision and strategy. An ESG Office was established, responsible for promoting ESG-related affairs, including resource integration for ESG working groups, inter-departmental communication, and related budget compilation. Concurrently, management regulations are formulated based on various operational risk assessments, and compliance with relevant laws and regulations is ensured through the operation of internal audit and internal control mechanisms.

The Sustainable Development Committee convenes at least four meetings a year. Through these regular meetings, it establishes annual sustainable development policies and commitment policies related to responsible business conduct, and reviews the implementation status of various sustainable development initiatives. To integrate company resources and incorporate ESG issues into daily operations, the Sustainable Development Committee has established "Environmental Sustainability," "Social Inclusion," and "Corporate Governance" working groups to drive ESG-related affairs. These working groups primarily coordinate with the ESG Office to formulate and execute various ESG project guidelines, reporting their progress and results to the Sustainable Development Committee. Members include senior executives from various departments of the Company. Furthermore, the ESG Office is also responsible for organizing meetings, facilitating cross-departmental communication and coordination, identifying and responding to annual material issues, collecting operational results on ESG issues from various units, and compiling the sustainability report.

When the Company needs to develop new suppliers due to capacity, cost, or technical considerations, and after the requesting unit confirms the potential supplier's supply capability and willingness to cooperate, an application is submitted to the Quality Assurance department for a formal evaluation. New suppliers are required to complete relevant documents, including the "Supplier Information Form," "Environmental Protection and Quality Assurance Agreement," "REACH Declaration," "Supplier Commitment to Environmental and Social Responsibility," and "Supplier RBA Self-Assessment Checklist." Only upon meeting all requirements and signing these requested documents can a supplier be deemed qualified. Annual supplier conferences are held to communicate relevant environmental and responsibility requirements. Supplier evaluations are also conducted annually. If a supplier fails to meet the evaluation criteria, they are removed from the qualified supplier list until improvements are made and they pass a re-assessment. Supplier self-assessments encompass all relevant Environmental, Social, and Governance (ESG) issues, covering Corporate Social Responsibility (CSR), factory occupational safety, ethical standards, and environmental protection. Suppliers are required to cooperate in implementing related standards to achieve mutual prosperity and coexistence.

Advocacy and Promotion of Responsible Business Conduct



01.



To ensure that Jarllytec's employees understand and implement the Company's policy commitments, ethical operations, and professional ethics, the Company requires employees to complete 4 hours of relevant educational training courses annually. Awareness is also promoted annually through seminars, emails, and internal website announcements to enhance employees' understanding of professional ethics and regulatory compliance.

02.



Concurrently, Jarllytec requires its business partners to adhere to its supplier code of conduct. New suppliers are required to sign a "Supplier Social Responsibility Commitment" upon onboarding. Furthermore, these standards are promoted each time suppliers participate in the Company's business activities, and the Company's code of conduct requirements are communicated through supplier evaluations.

03.



The Company strictly complies with relevant laws and regulations from governing authorities concerning corporate governance, ethical operations, environmental protection, and labor rights, and implements legal education within the organization. It regularly conducts educational training for employees, promoting the concept of ethical operations in all employees' daily business execution. Additionally, the content of the "Code of Integrity and Ethical Conduct" and "Code of Conduct" is promoted to the Board of Directors and management at least annually within the board meeting cycle to ensure their understanding of its importance. In 2024, internal and external educational training related to ethical operations was conducted, including courses on ethical operations, corporate governance, accounting systems, and internal controls, totaling 6,424 participants and 9,814.8 hours.

1.2.3 Grievance Channels

Jarllytec has established feedback and grievance channels responsible for the management of the Company's integrity, ethics, and responsible business conduct. These channels also oversee the formulation, supervision, and execution of the Company's responsible business conduct policies and regulations, as well as the investigation of and disciplinary actions for reported cases. The General Manager's Office reports to the Board of Directors and the Audit Committee at least once a year on matters including professional ethics, regulatory compliance, and reported incidents. To strengthen the supervisory function of corporate governance, the Company has established "Complaint and Personal Rights Protection Procedures." The public website provides a dedicated telephone line and email address for receiving grievances and reports, serving as reporting channels. Grievances can be submitted via telephone and email, or reported to the General Administration Department, Audit Office, or Finance Department.

Upon receiving a reported case, the Company immediately arranges for the responsible unit to conduct an investigation based on the nature of the case, ensuring proper recording and follow-up of the handling process. The identity of the whistleblower, the content of the report, and the individuals involved in the investigation are kept confidential to prevent them from unfair treatment or retaliation. For confirmed cases, actions are taken depending on the severity of the circumstances, including termination of employment contracts or business relationships, and undertaking necessary legal action. Concurrently, awareness campaigns, educational training, emails, and the internal website are used to enhance employee understanding and prevent the recurrence of similar incidents. Jarllytec received no reported grievance cases in 2024.

Should any violation of ethical operations or responsible business conduct occur, employees can also promptly report and provide feedback to management through telephone extensions, suggestion boxes, email, the stakeholder section on the official website, and the internal proposal system. External stakeholders who become aware of any violations of ethical operations or business ethics can report them using the dedicated lines of the Company's Audit Office and Finance Department, or through the stakeholder section on the official website. When stakeholders submit opinions via the dedicated email in the stakeholder section of the website, the message is transmitted through the system to the corresponding dedicated contact window. This contact window must report on the handling progress within a specified timeframe. The Company also conducts monthly compilations, statistics, and tracking of the number of submissions received and their processing status.

Consultation and Reporting Channels

External Channels



Supplier and Customer Reporting Hotline

☎ Auditing Department
(02)2298-2666#111
✉ csr@jarlly.com

Investor Complaint Hotline

☎ Financial Department
(02)2298-2666#115
✉ Investor : investor@jarlly.com

Internal Channels



Employee General Complaints and Reporting Hotline

☎ Management Department
(02)2298-2666#105
✉ employee@jarlly.com

On-site Employee Suggestion Box Installed at factory premises

Sexual Harassment Complaint Hotline

☎ Management Department
(02)2298-2666#127
✉ employee@jarlly.com



1.3 Materiality Assessment

1.3.1 Materiality Analysis

Identification of Sustainability Topics

Jarlllytec identifies key sustainability topics with reference to international sustainability standards such as the GRI Standards, SASB Standards, and the TCFD framework, as well as the United Nations Sustainable Development Goals (SDGs). The company also reviews the sustainability reports of industry peers both locally and globally, along with sector-specific issues of concern. The Sustainability Development Committee leads the discussion and identification process. Based on the results of stakeholder engagement surveys, a total of 21 sustainability topics were consolidated into the issue list in 2024. In 2024, Jarlllytec collected 165 valid stakeholder responses, including 95 from employees, 58 from suppliers, 6 from customers, and 3 each from government representatives and shareholders.

Impact Assessment

Jarlllytec conducted a Sustainability Impact Assessment Survey with input from management-level stakeholders, department heads, and senior executives. Each topic was evaluated for its actual and potential positive and negative impacts on the economy, environment, and society. The assessment considered both the likelihood of occurrence and the scale of impact:

- **Positive impacts** were assessed according to their magnitude, scope of influence, and likelihood of occurrence.

- **Negative impacts** were evaluated based on severity and probability, with particular attention to potential human rights concerns.

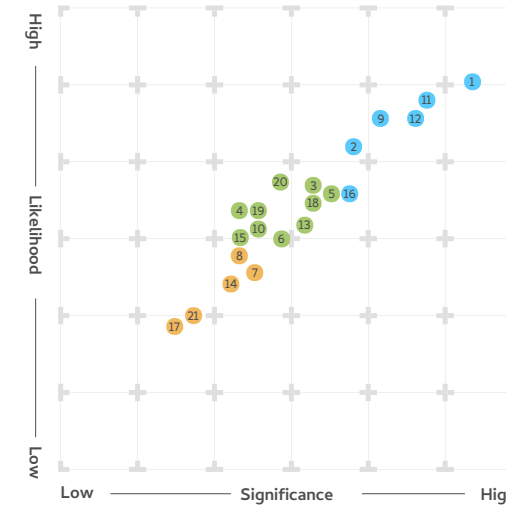
Ranking of Impact Significance

The results of the impact assessment survey were aggregated to determine the total impact score for each topic, combining both positive and negative aspects. The topics were then ranked based on the significance of their impacts. Jarlllytec's management team reviewed the rankings and conducted an equal-weight analysis. The process also incorporated considerations such as industry-relevant topics, international trends, and insights from external consultants. Based on this analysis, a materiality threshold was established. Seven topics were initially identified as material issues for 2024: Product Quality and Safety, Economic Performance, Information Security and Customer Privacy, Supply Chain Management, Talent Attraction and Retention, Greenhouse Gas Management, and Energy Management. These topics were subsequently reported to the Chairperson for further review.

Validation and Disclosure of Material Topics

The Chairperson reviewed and validated the identified material topics, as well as the appropriateness of the materiality threshold, to ensure that no significant issues were overlooked. This validation process ensured the completeness, inclusiveness, and strategic alignment of the material topics with Jarlllytec's sustainability development strategy. Upon final approval, the management team confirmed the boundaries of each material topic, both within and beyond the organization. All material topics have been fully disclosed in this report. Relevant strategies, management actions, key performance indicators, and targets have been outlined in accordance with material topic reporting requirements to ensure that this sustainability report accurately and faithfully reflects Jarlllytec's ESG performance.

Positive Impact Materiality Matrix



6 High-Priority Positive Impact Topics

- 1 Economic Performance
- 2 Product Quality and Safety
- 9 Energy Management
- 11 Greenhouse Gas Management
- 12 Information Security and Customer Privacy
- 16 Talent Attraction and Retention

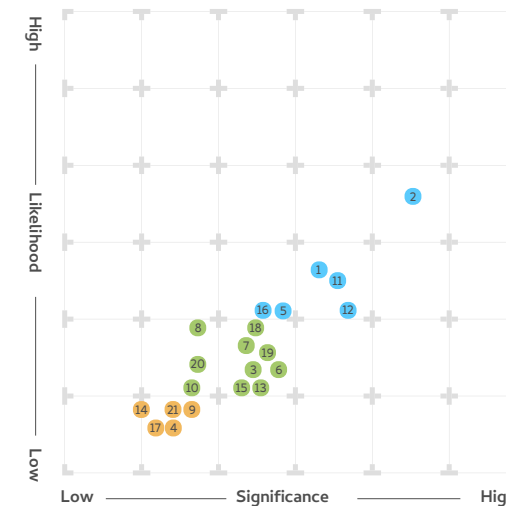
5 Positive Impact Topics for Ongoing Monitoring

- 7 Innovation and R&D
- 8 Customer Service Management
- 14 Green Procurement
- 17 Climate Change Mitigation and Adaptation
- 21 Indirect Economic Impacts

10 Secondary Positive Impact Topics

- 3 Secondary Positive Impact Topics
- 4 Occupational Health and Safety
- 5 Employee Rights and Labor Relations
- 6 Supply Chain Management
- 10 Ethical Management
- 13 Green Products
- 15 Legal Compliance
- 18 Human Rights
- 19 Risk Management
- 20 Tax Responsibility
- Raw Material Management

Negative Impact Materiality Matrix



6 High-Priority Negative Impact Topics

- 1 Economic Performance
- 2 Product Quality and Safety
- 5 Supply Chain Management
- 11 Greenhouse Gas Management
- 12 Information Security and Customer Privacy
- 16 Talent Attraction and Retention

5 Negative Impact Topics for Ongoing Monitoring

- 4 Employee Rights and Labor Relations
- 9 Energy Management
- 14 Green Procurement
- 17 Climate Change Mitigation and Adaptation
- 21 Indirect Economic Impacts

10 Secondary Negative Impact Topics

- 3 Occupational Health and Safety
- 6 Ethical Management
- 7 Innovation and R&D
- 8 Customer Service Management
- 10 Green Products
- 13 Legal Compliance
- 15 Human Rights
- 18 Risk Management
- 19 Tax Responsibility
- 20 Raw Material Management



Changes in Material Topics

In 2024, Jarllytec identified seven material topics. Compared to the previous year, the topics that have changed include: Information Security and Customer Privacy, Greenhouse Gas Management, Energy Management, Talent Attraction and Retention, Occupational Health and Safety, Ethical Business Conduct, Innovation and R&D. The primary reasons for these changes are outlined as follows:

Category | Changes in Material Topics

Topic |
Information Security and Customer Privacy /
Greenhouse Gas Management /
Energy Management / Talent Attraction and Retention

Reason for Adjustment :

Based on the results of the impact assessment, alongside considerations of domestic and internal policy trends and Jarllytec's current strategic focus areas, the 2023 topic "Energy and Greenhouse Gas Management" was separated. It is now divided into two distinct topics: "Greenhouse Gas Management" and "Energy Management," allowing for better-defined management strategies and targets for each area. In addition, "Information Security and Customer Privacy" and "Talent Attraction and Retention" have now reached the threshold for materiality based on the 2024 assessment, and have therefore been elevated to material topics for inclusion in Jarllytec's 2024 Sustainability Report.

Category | Voluntary Sustainability Topics

Topic |
Occupational Health and Safety /
Ethical Business Conduct/Innovation and R&D /
Wastewater and Waste Management

Reason for Adjustment :

According to the 2024 impact assessment results, the 2023 material topics "Occupational Health and Safety" and "Ethical Business Conduct" did not meet the materiality threshold for this year. However, considering global sustainability trends and in alignment with Jarllytec's sustainability strategy, these two topics - alongside the 2023 voluntary topics "Innovation and R&D" and "Wastewater and Waste Management" - will be included as voluntary sustainability topics for 2024, to ensure continued responsiveness to stakeholder concerns.

Significance Assessment of Positive and Negative Impacts on Sustainability Issues

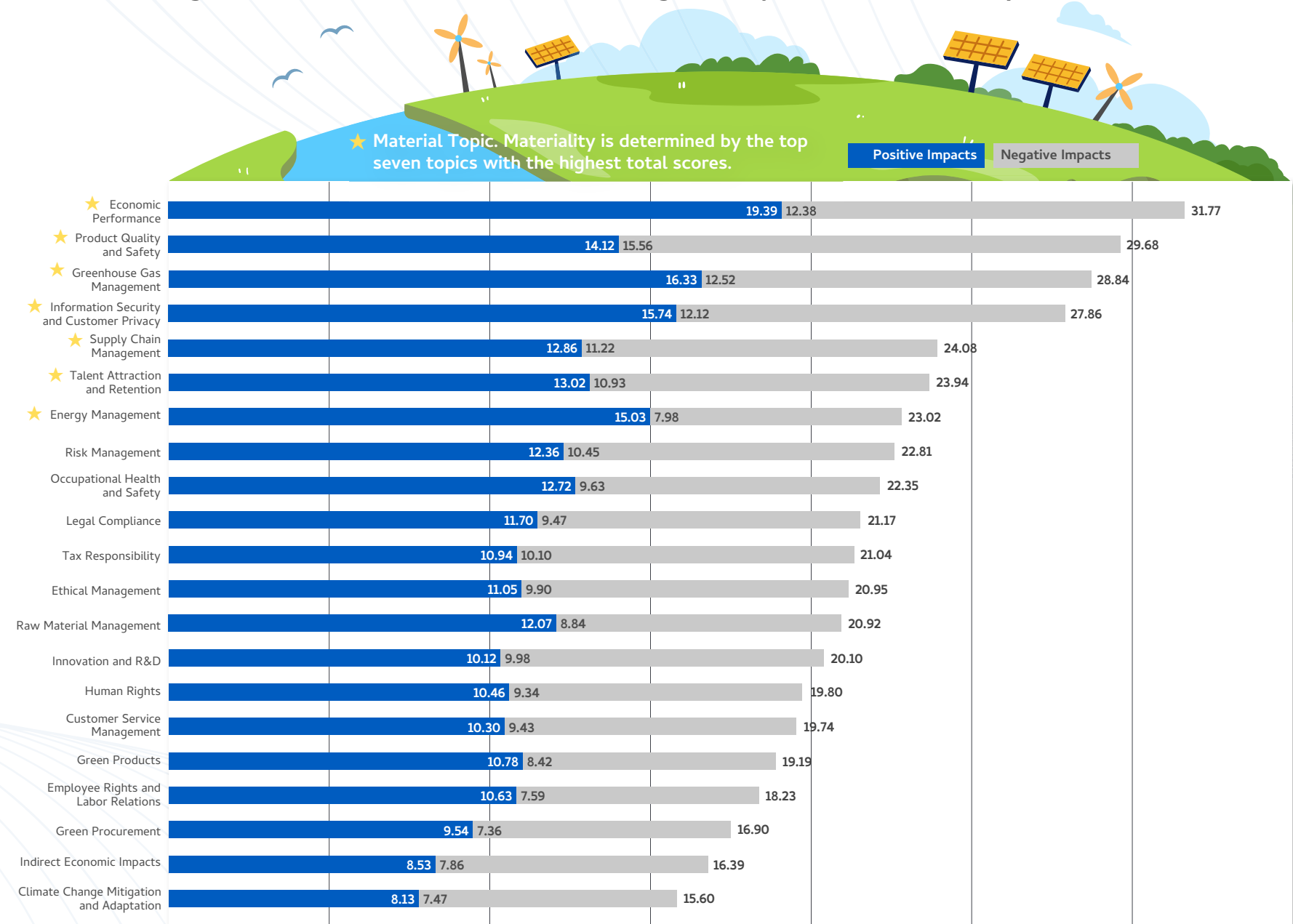


Table of Material Topics and Value Chain Boundaries

Direct Impact

Indirect Impact

Aspect	G				E		S	
Material Topics	Economic Performance Information Security and Customer Privacy Product Quality and Safety Supply Chain Management				Greenhouse Gas Management Energy Management		Talent Attraction and Retention	
Value Chain Boundary of Impact	Upstream Jarlllytec Downstream				Upstream Jarlllytec Downstream		Upstream Jarlllytec Downstream	
Key Concerns	Sustainable and stable profitability to achieve business continuity Strengthening information security and protecting customer privacy Ensuring product quality to meet customer expectations Implementing supply chain management to ensure product quality and reduce environmental impact				Managing greenhouse gas emissions to mitigate climate change impact Promoting green energy and enhancing energy efficiency for sustainable operations		Maintaining stable labor relations to foster sustainable business development	
Responsible Task Force	Corporate Governance Group				Environmental Sustainability Group		Social Responsibility Group	
Corresponding SDGs	08 DECENT WORK AND ECONOMIC GROWTH 09 INDUSTRY, INNOVATION AND INFRASTRUCTURE 09 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS				07 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION 07 AFFORDABLE AND CLEAN ENERGY 09 INDUSTRY, INNOVATION AND INFRASTRUCTURE 13 CLIMATE ACTION		05 GENDER EQUALITY 08 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES	
Response Section	2.3 Economic Performance 2.4 Information Security 3.2 Product Quality 3.4 Sustainable Supply Chain Management				4.2 Climate Change Adaptation 4.3 Greenhouse Gas Management 4.4 Energy Management		5.1 Talent Development	

Material Topic Management Approach

Progress Light Indicators : ● More than 75% ● 75%-50% ● Below 50%

Topic	Economic Performance	Greenhouse Gas Management	Energy Management	Product Quality and Safety	Information Security and Customer Privacy	Supply Chain Management	Talent Attraction and Retention
Strategy	Regularly disclose business performance and maintain financial soundness	Conduct GHG inventory and develop reduction plans	Enhance energy efficiency and energy transition	100% compliance with HSF material management	File Protection	Optimize local sourcing in regional supply chainst	Strengthen harmonious labor relations
2024 Goal	Expand product range and depth to enhance economic performance	Complete group-wide GHG inventory	Adopt renewable energy	100% compliance with HSF material management	Zero incident reports	90% local raw material sourcing at Taiwan HQ and China sites	Zero employee complaints
2024 Performance	1. Revenue in 2024 reached NT\$9,578 million. 2. EPS in 2024 was NT\$8.73.	Scope 1 : 345.54 tCO ₂ e Scope 2 : 4429.16 tCO ₂ e	Purchased 74,000 kWh of renewable energy	100% compliance with HSF material management	Zero incident reports	90% local raw material sourcing at Taiwan HQ and China sites	Zero employee complaints
Status	●	●	●	●	●	●	●
2025 Goal	Continue stable profitability	Complete 2025 group GHG inventory	1. Enhance energy management system 2. Increase renewable energy procurement	100% compliance with HSF material management	Zero incident reports	1. Maintain 90% local sourcing at Taiwan HQ and China 2. Achieve 10% local sourcing at Thailand and Vietnam sites	Maintain zero complaints
2026 Goal	Continue stable profitability	Complete 2025 group GHG inventory	1. Improve energy efficiency 2. Reach 25% renewable energy usage (RE25)	100% compliance with HSF material management	Zero incident reports	1. Maintain 90% local sourcing at Taiwan HQ and China 2. Achieve 50% local sourcing at Thailand and Vietnam sites	Maintain zero complaints
2030 Goal	profitability from plant expansion to recover and grow investment	Achieve 4.2% absolute GHG reduction vs. 2026 baseline	1. Improve energy efficiency by 1.5x vs. 2024 2. Achieve 75% renewable energy usage (RE75)	100% compliance with HSF material management	Zero incident reports	1. Maintain 90% local sourcing at Taiwan HQ and China 2. Achieve 90% local sourcing at Thailand and Vietnam sites	Maintain zero complaints

1.4 Stakeholder Engagement



1.4.1 Stakeholder Identification

In accordance with the five principles of the AA1000 Stakeholder Engagement Standard (AA1000SES) — Influence, Dependency, Responsibility, Tension, and Diverse Perspectives — Jarllytec distributed stakeholder identification questionnaires to employees, including management personnel. The results were reviewed and approved by the Chairperson and senior executives. Based on the level of importance, stakeholders were categorized into five major groups:

01. customers
02. employees
03. government agencies
04. shareholders/investors
05. suppliers/contractors

Stakeholder
Customers

Customers are regarded as key partners of the Company. Jarllytec actively listens to customer needs, keeps abreast of industry trends, and provides professional

Key Concern	Specific Areas of Concern	Communication Channels	Frequency	Communication Outcomes
Anti-Corruption	Ensure all employees comply with anti-corruption laws and ethical standards to protect customer interests from any form of corrupt practices.	An anti-corruption hotline has been established. Customers may anonymously report any violations related to business integrity.	As needed	1. Customer Satisfaction Survey: The overall average satisfaction score in 2024 was 92. 2. Participation in various technical forums and seminars: One end-customer or ODM technical seminar held each quarter, with 5–10 participants per session. 3. Compliance with customer audits and requirements related to products, the environment, and corporate responsibility. The Company signs confidentiality and integrity clauses with customers to ensure adherence to contractual commitments.
Regulatory Compliance	Comply with the latest regulations and policy updates issued by regulatory authorities; promptly respond and revise disclosed information to ensure compliance.	"Contact Us" section on the Company website; public information is updated as needed.	As needed	
Supplier Environmental Assessment	Evaluate whether suppliers have established clear environmental policies and management systems to ensure they effectively manage and reduce environmental impacts.	ESG-related information, including related information, including environmental data, is publicly available on the Company website. Customers may submit questions via the "Contact Us" section.	As needed	
Product and Service Labeling	Ensure product safety and compliance with relevant regulatory requirements. Regularly launch competitive products and services.	Technical forums and seminars are held quarterly to promote and introduce new products directly to customers. 1. Annual customer satisfaction surveys conducted. 2.Customer audits received and responded to.	Quarterly Annually	
Information Security and Confidentiality	Establish an information security management system to adequately protect information assets. The Company also provides employee training to enhance information security awareness and capabilities.	Customers occasionally raise information security issues, and the Company provides appropriate responses and implements relevant measures.	As needed	

Stakeholder
Employees

Employees are one of the Company's most valuable assets. Through a range of policies and management guidelines, Jarllytec strives to ensure transparent and effective communication channels, fostering a two-way open communication environment. This enables continuous employee development, effective talent placement, and the creation of a high efficiency, enjoyable, and challenging workplace.

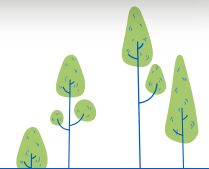
Key Concern	Specific Areas of Concern	Communication Channels	Frequency
Occupational Health and Safety	Zero Accidents and Zero Occupational Hazards To ensure compliance with occupational health and safety (OHS) standards through effective communication, the Company convenes the Occupational Safety and Health Committee on a quarterly basis. The Committee is also responsible for promoting occupational hazard prevention and conducting incident reviews.	Occupational Safety and Health Committee	Quarterly
	Maintenance of Occupational Health and Safety Management System The Company guides all departments in conducting regular audits and reviews of the Environmental, Health and Safety (EHS) management system to ensure the effective implementation of policies and continuous improvement.	Regular EHS system audits	Annually
	Health Promotion With the aim of proactively supporting employees' physical, mental, and emotional well-being and promoting work-life balance, the Company provides regular free health check-ups and monthly consultations with professional medical practitioners.	Professional medical consultations	Monthly
Diversity and Equal Opportunities	Implementation of Management Commitment and Satisfaction Review The Company has established a "Social Responsibility Management Manual," which serves as the standard for implementing the social responsibility management system of Chau-Li Technology Co., Ltd., including its subsidiaries and affiliated companies. The Manual provides guidelines for labor rights, environmental protection, health and safety, and professional ethics. All managers and employees are required to comply with the regulations and continuously improve labor rights, environmental and occupational safety, and professional conduct, thereby reducing EHS risks, enhancing labor-management relations, and meeting social responsibility standards.	Employee satisfaction survey	Annually
Regulatory Compliance	Regulatory Identification and Implementation The Company has established a "Regulatory Identification and Control Procedure" to assess the applicability of relevant EHS/HSF/corporate social responsibility (CSR) laws, industry standards, and updated regulatory information. Internal training is conducted to promote awareness of new regulations. In addition, the Company holds regular meetings to share regulatory identification results, which are then communicated by department heads to employees to ensure compliance with government regulations and stakeholder health and safety requirements.	Employee satisfaction survey	Annually
Employee Welfare	Supporting Employee Well-being and Work-Life Balance The Company offers a variety of employee welfare programs, including: holiday bonuses, birthday gifts, subsidies for weddings, funerals, and other life events, continuing education support, company outings, annual employee gatherings, year-end banquets with raffles, and movie screenings. Subsidies are also provided for forming employee clubs, encouraging participation in leisure activities and fostering interpersonal relationships. To recognize employees' hard work and enhance well-being, the Company also provides periodic health check-ups and travel accident insurance for business trips, ensuring comprehensive protection.	Welfare Committee	As needed

Stakeholder
Employees

Key Concern	Specific Areas of Concern	Communication Channels	Frequency	Communication Outcomes
Labor Management Relations	Maintain accessible and independent grievance mechanisms. The Company has established a "Grievance and Personal Rights Protection Procedure" and provides effective channels for employee feedback and complaints. Labor management meetings are held quarterly to proactively encourage employee input, and all issues are handled fairly and justly in accordance with labor laws and international human rights policies.	Designated grievance email account Labor Management Meetings Anonymous Suggestion Box	As needed Quarterly Monthly	- Quarterly labor-management meetings, minimum four times annually. - Anonymous suggestion boxes and sexual harassment reporting mailbox: No complaints received in 2024 - On-site medical personnel provide consultations; periodic health checkups are provided every three years —exceeding legal requirements. A contracted occupational physician also provides monthly health services.
Non-Discrimination and No Forced Labor	The Company upholds equal opportunity principles and values diversity. Discrimination based on astrology, blood type, class, language, ideology, religion, political affiliation, place of origin, appearance, disability, race, color, age, gender, sexual orientation, gender identity/expression, nationality, pregnancy, beliefs, veteran status, genetic information, or marital status is strictly prohibited. All work and overtime must be voluntary; no form of forced, bonded, prison, or slave labor is tolerated. Employment contracts are signed voluntarily by mutual agreement.	Employee training programs	As needed	- Quarterly reviews of government regulations and stakeholder-related requirements to ensure compliance. Employee satisfaction survey (2024): Overall satisfaction with management, work environment, leadership, and benefits reached 95.55% (508 government regulations and stakeholder related requirements to ensure compliance. - Employee satisfaction survey (2024): Overall satisfaction with management, work environment, leadership, and benefits reached 95.55% (508 responses from 627 employees; 81% response rate).
Anti-Corruption	The Company promotes business integrity through regular training on the "Code of Ethical Conduct," "Guidelines for Preventing Unethical Behavior," and the "Whistleblowing System." Employees are encouraged to report any ethical violations.	Employee training Designated grievance email Anonymous Suggestion Box	As needed	

Stakeholder
Government, Competent Authorities, and Industry Associations

The Company ensures compliance with all pertinent governmental regulations and proactively supports the implementation of public policies. Through transparent, bidirectional communication, the Company endeavors to foster trust, secure support, and facilitate cooperation with governmental entities.



Key Concern	Specific Areas of Concern	Communication Channels	Frequency	Communication Outcomes
Regulatory Compliance	This includes adherence to the Company Act, securities and exchange laws, relevant tax codes, labor legislation, and occupational safety and health regulations, among others.	Official documents, websites of competent authorities, informational briefings, policy seminars, symposiums, and public hearings.	As needed	- Joined the "Taiwan Climate Partnership" to actively support governmental initiatives promoting energy conservation and carbon reduction. - Publishes an annual sustainability report in alignment with the Financial Supervisory Commission's (FSC) "Corporate Governance 3.0 – Sustainable Development Roadmap," thereby enhancing ESG information disclosure.

Stakeholder

Shareholders and Investors

The Company is committed to providing shareholders and investors with equitable and timely access to material corporate information. Such transparency is fundamental to the sustainable reflection of the Company's intrinsic market value and fostering long-term trust.

Key Concern	Specific Areas of Concern	Communication Channels	Frequency	Communication Outcomes
Operating Performance	Monthly revenues, quarterly financial reports, and annual reports are promptly uploaded to the Company website.	Company website	As needed	1. An annual Shareholders' Meeting is convened. 2. Material information is promptly disclosed via the Market Observation Post System (MOPS). 3. The Company website features an Investor Relations mailbox (investor@jarlly.com), facilitating convenient communication. 4. A spokesperson system is established to respond to telephonic inquiries from investors. 5. The Company engages with domestic and international institutional investors through periodic meetings or conference calls. For instance, in 2024, the Company was invited to and participated in seven institutional investor conferences.
Disclosure of Material Information	All material information is promptly announced on the Market Observation Post System (MOPS).	Shareholders' Meeting Investor Relations Mailbox : investor@jarlly.com	Annually As needed	
Dividend Policy	Dividends are distributed based on the Company's annual profitability.	Disclosed via the Market Observation Post System (MOPS)	As needed	

Stakeholder

Suppliers and Contractors

The Company regards its suppliers and contractors as vital partners in achieving sustainable operations. It is committed to fostering relationships built on mutual trust and close collaboration to ensure shared growth and prosperity.

Key Concern	Specific Areas of Concern	Communication Channels	Frequency	Communication Outcomes
Market Image	Occupational Health and Safety	Company website, Email communication (csr@jarlly.com)	As needed	1. In 2024, 24 new suppliers signed Environmental Commitment Letters, provided third party laboratory accredited inspection certificates for their products, and returned REACH and SVHC survey forms. 2. A total of 23 new suppliers signed the Supplier Social Responsibility Commitment in 2024. 3. In 2024, 22 new suppliers signed the "Integrity Pledge" with the Company. 4. The 2024 Supplier Conference was convened on May 10, 2024. 5. Seven online supplier educational training sessions were conducted in 2024 (on January 11, April 17, July 16, September 4, October 1, October 11, and November 8). Topics covered included: introduction to sampling standards, guidance on shipping report formats, REACH regulation awareness, introduction and training for thrusters, training on mandrel appearance inspection standards, and a briefing on the digitalization of shipping inspection reports and Hazardous Substance Free (HSF) test reports. 6. In 2024, a 100% completion rate for supplier evaluations was achieved, which included 7 on site audits and 2 desktop (documentary) audits.
Regulatory Compliance	Hazardous Substance Management adherence to EU hazardous substance directives and customers' requirements, including but not limited to the RoHS 2.0 Directive, halogen restrictions, Perfluorooctane Sulfonate (PFOS) Directive, and REACH requirements.	Supplier Seminars/Workshops	Annually	
Supplier Labor Practices Evaluation	Supplier Management Suppliers are required to comply with or surpass local government labor laws and regulations. This includes establishing a healthy and safe working environment, prohibiting the employment of child labor, ensuring employee remuneration meets all applicable wage laws, and conducting transparent recruitment and employment processes, with all employees afforded equal opportunities for advancement and training.	Annual Supplier Audits	Annually	



Material Topic | Economic Performance**GRI Standard** | GRI 201-1, GRI 201-4**Description
of Impacts**

Sustained and stable profitability is one of the key factors for a company's long-term sustainability. It enables the enterprise to implement initiatives related to environmental sustainability, social responsibility, employee welfare, and value creation for shareholders. Conversely, poor or declining economic performance may threaten the Company's ability to continue operations.

**Policy
and
Commitment**

arllytec is committed to regularly disclosing its operational performance, optimizing automated manufacturing processes to enhance product quality, continuously developing new products and applications to strengthen competitiveness, and creating shareholder value while fulfilling its corporate social responsibilities.

**Evaluation
Mechanisms**

1. Hold regular management meetings.
2. Conduct monthly business performance review meetings.
3. Convene regular Board of Directors meetings to report on operational results.
4. Maintain fair and independent governance by engaging external experts as committee members.

**Management
Approach****Actions to enhance positive impacts:**

1. Comply with legal and regulatory requirements to improve company evaluations and attract potential investors.
2. Conduct regular performance assessments to inform compensation and reward systems.

Actions to mitigate negative impacts:

1. Prevent harm to stakeholder interests resulting from non-compliance with regulations.
2. Address potential financial losses incurred during the development phase of new products.
3. Establish and periodically review policies, systems, standards, and structures related to the annual and long-term performance targets and compensation of the Board of Directors and management team.

**Stakeholder
Engagement**

1. Stakeholders may access information regarding the Company's operational performance through the Board of Directors and annual reports.
2. Stakeholders may raise related concerns during the annual general meeting of shareholders.

**Performance
2024**

1. In 2024, the Company recorded revenue of NT\$9,578 million, representing a **16.51%** increase compared to NT\$8,221 million in 2023.
2. Earnings per share (EPS) in 2024 was NT\$8.73, up **0.46%** from NT\$8.69 in 2023.

Goals**Short-term
1-3 years**

1. Comply with regulatory requirements in the disclosure of financial performance.
2. Maintain stable profitability, analyze sources of profit, and optimize financial resource allocation.

**Medium-term
3-5 years**

1. Expand and deepen product applications to improve revenue performance.
2. Generate returns from newly constructed facilities and achieve capital recovery.

**Long-term
5-10 years**

1. Establish new revenue streams through continuous innovation and product development.
2. Sustain profitability growth from facility expansion.



Material Topic | Information Security and Customer Privacy**GRI Standard** | GRI 418**Description
of Impacts**

Effective information security management can reduce the risk of data breaches, enhance corporate image and operational efficiency, and foster market trust and competitive advantage. Conversely, failure to comply with information security standards may result in severe fines, reputational damage, and legal liabilities in the event of a data breach.

**Policy
and
Commitment**

Jarlllytec is committed to fully safeguarding customer privacy and information security. In accordance with the ISO 27001 international standard, the Company has established and continues to maintain an Information Security Management System (ISMS). Security measures such as encryption, firewalls, and access control are implemented to prevent unauthorized access and data leakage. Customer data is used solely within legal and necessary boundaries and is not shared with third parties without prior consent. The Company regularly reviews and upgrades its security mechanisms to ensure ongoing regulatory compliance.

**Evaluation
Mechanisms**

1. Conduct annual management review meetings to assess the achievement of information security objectives .
2. Engage third-party verification agencies for regular inspections to ensure the effectiveness of security systems.

**Management
Approach****Actions to enhance positive impacts:**

1. Strengthen customer trust .
2. Improve operational efficiency.
3. Enhance corporate reputation and competitiveness.
4. Prevent and minimize losses from security incidents.
5. Reduce potential risks arising from security vulnerabilities.

Actions to mitigate negative impacts:

1. Address potential technology-related risks .
2. Allocate significant resources and costs to maintain security systems.

**Stakeholder
Engagement**

1. Suppliers: Annual supplier meetings include training on information security, recognizing that suppliers play a crucial role in the Company's security framework.
2. Customers: The Company maintains transparent communication with customers to demonstrate its commitment to privacy protection.
3. Internal stakeholders: Periodic information security campaigns and phishing simulations are conducted across all departments to foster collective responsibility for information protection.

**Performance
2024**

1. **Data protection: Company data is secured through file protection, encryption technologies, and the implementation of multi-factor authentication.**

2. **Incident response: In the event of a data breach or vulnerability, the Company responds swiftly to minimize damage.**

Goals**Short-term
1-3 years**

1. Enhance protection of R&D drawings and documents
 - Control storage locations and access to R&D files and blueprints.
 - Use software that meets information security standards to protect intellectual property.
2. Strengthen protection of internal company documents
 - Adopt security-compliant software with monitoring capabilities to track data flow.
3. Establish a comprehensive information security framework
 - Reinforce firewalls, intrusion prevention systems (IPS), and antivirus software to defend against external threats.
 - Expand employee training and conduct more frequent phishing simulations to enhance security awareness.
4. Strengthen foundational security measures
 - Improve password management and implement multi-factor authentication (MFA) to protect internal systems.
 - Conduct regular security assessments, such as penetration tests, to identify and fix vulnerabilities.

**Medium-term
3-5 years**

1. Cultivate a corporate culture of information security and privacy protection
 - Integrate security and privacy into the Company's core values, supported by continuous training and awareness campaigns.
2. Implement security incident response plans and drills
 - Deploy monitoring tools for real-time surveillance of data traffic and system status to detect anomalies early.

**Long-term
5-10 years**

1. Introduce automated and intelligent security systems
 - Leverage big data and AI-based predictive analytics to proactively mitigate security risks and enable more precise risk management.

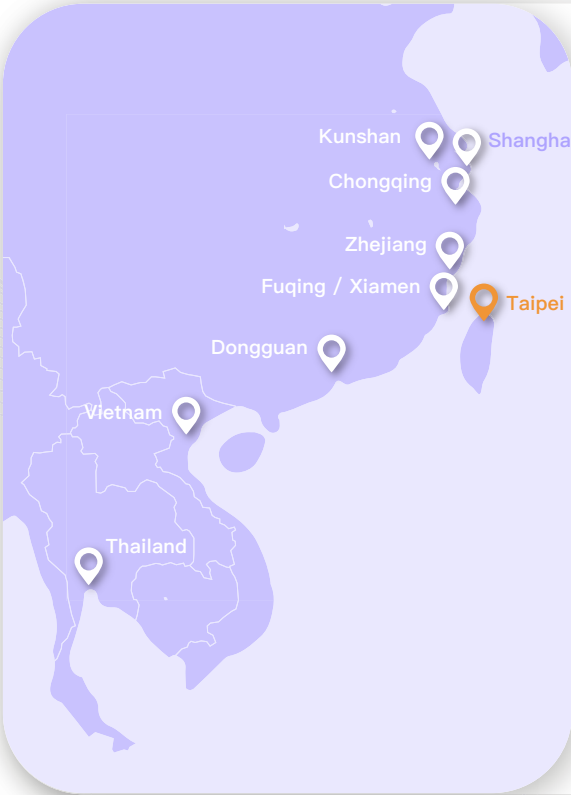


2.1 About Jarllytec

2.1.1 Company Profile

Jarllytec Co., Ltd. was established on July 7, 2004. The Company is primarily engaged in:

- 1.The research and development (R&D) of hinge mechanisms, including those for Notebook computers (laptops), All-In-One (AIO) PCs, Liquid Crystal Display (LCD) monitor stands, Webcams (video camera hinges), Automotive systems, Foldable screens (flexible screen folding hinges).
- 2.The research and development (R&D), design, manufacturing, and sales of fiber optic connectors. Jarllytec's operational headquarters is located in New Taipei City. Its production network comprises 10 sites located in cities such as Shanghai, Kunshan, Chongqing, and Dongguan. The Company has a total workforce of 2,492 employees.



Location	Company Name
TAIPEI	JARLLYTEC CO., LTD.
SHANGHAI	JARLLY TECHNOLOGY (SHANGHAI) CO., LTD.
KUNSHAN	KUNSHAN JARLLY ELECTRONICS LTD.
ZHEJIANG	ZHEJIANG JARLLY PRECISION TECHNOLOGY CO., LTD.
FUQING	JARLLY (FUQING) ELECTRONIC CO., LTD
CHONGQING	JARLLY TECHNOLOGY (CHONGQING) CO., LTD.
XIAMEN	XIAMEN JARLLY ELECTRONICS CO., LTD.
DONGGUAN	DONGGUAN JARLLY ELECTRONICS CO., LTD.
THAILAND	JARLLYTEC (THAILAND) CO., LTD
VIETNAM	JARLLYTEC (VIETNAM) CO., LTD.

2.1.2 Products and Services

FOLDABLE PHONE HINGES



Designed for various types of mobile phones, these hinges offer diverse multi-joint folding mechanisms, including inward-folding screen-accommodating structures, inward-folding U-shaped structures, and outward-folding telescopic structures, unlocking greater possibilities and practicality.

CONSUMER ELECTRONICS HINGES



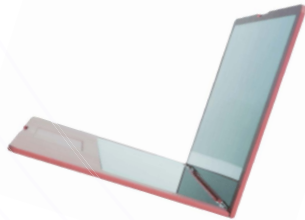
Serving leading international brands and ODM/OEM manufacturers, these hinges are integral to various consumer electronics, including camera screen flip mechanisms, AR/VR device pivots, TWS earphone accessory hinges, smart glasses rotating shafts, webcam stands, and gaming entertainment accessories.

LCD MONITOR STANDS



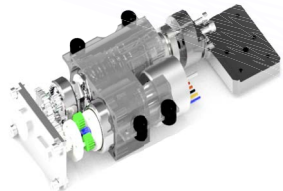
Developing and designing a variety of stands for Liquid Crystal Displays (LCDs), including those for standard LCD monitors, All-In One (AIO) PCs, and ergonomic cantilever arm stands. These are custom-engineered based on screen size and weight to provide optimal support, appropriate actuation torque, and robust, durable structures.

LAPTOP HINGES



Custom-designed hinges cater to diverse usage scenarios for notebook computers, including features like soft-closing, auto-lift (self-lifting), and 360-degree flip capabilities, all tailored to enhance user applications.

AUTOMOTIVE AND OTHER HINGES



Utilized in diverse in-vehicle devices and auxiliary equipment for various modes of transportation. Examples include mobile phone mounting brackets, in-car adjustable mounts, dual-axis adjustment mechanisms, automatic viewing angle adjustment devices, and automatic rotating shafts for numerous automotive applications.

FIBER OPTIC CONNECTORS



Developing, designing, and assembling a range of high-quality, high-efficiency fiber optic connectors and related accessories.

2.1.3 Operational Overview

In 2024, the total operating revenue reached NTD 9,578,170 thousand. For more detailed information on financial performance, please refer to the Company's 2024 Annual Report.

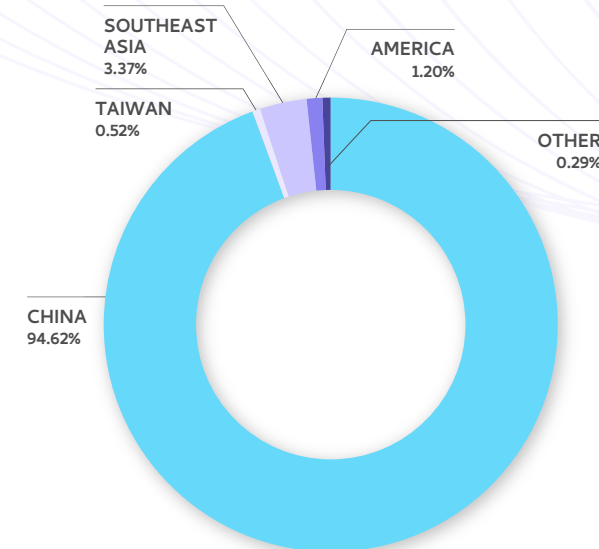
JARLLYTEC'S ECONOMIC PERFORMANCE OVER THE PAST THREE YEARS – BY SALES REGION (UNIT: NTD THOUSAND)

Sales Region	2022 Operating Revenue (NTD)	2023 Operating Revenue (NTD)	2024 Operating Revenue (NTD)
China	6,570,719	7,809,718	9,063,289
Taiwan	127,694	79,540	49,707
Southeast Asia	8,426	212,901	322,686
America	280,872	71,245	115,179
Others	32,896	47,260	27,310
Total	7,020,608	8,220,663	9,578,170

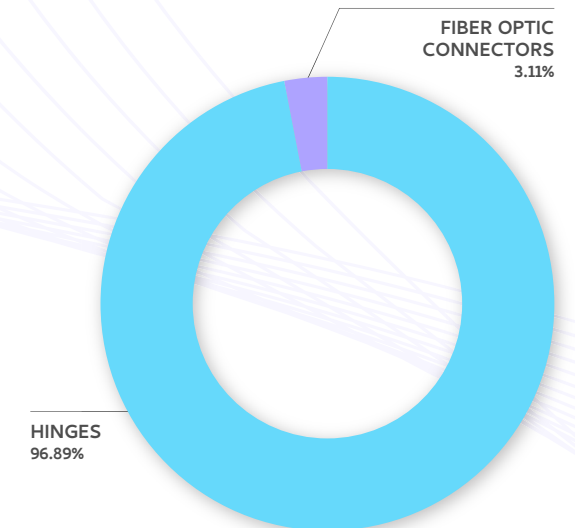
JARLLYTEC'S ECONOMIC PERFORMANCE OVER THE PAST THREE YEARS – BY PRODUCT CATEGORY (UNIT: NTD THOUSAND)

Product / Service	2022 Operating Revenue (NTD)	2023 Operating Revenue (NTD)	2024 Operating Revenue (NTD)
Hinges	6,742,953	8,010,734	9,280,085
Fiber Optic Connectors	277,655	209,929	298,086
Total	7,020,608	8,220,663	9,578,170

2024 Sales by Region



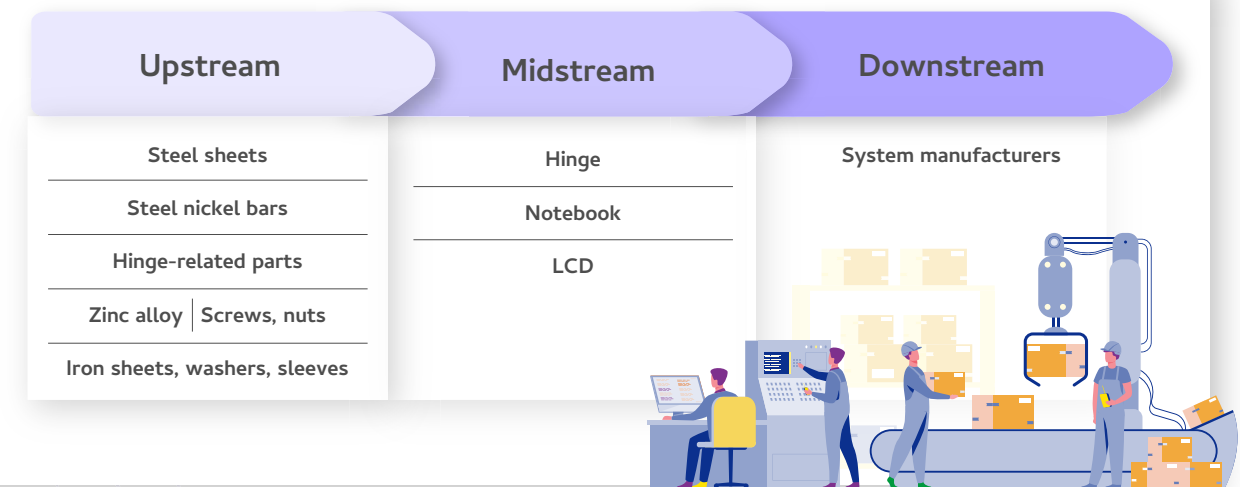
2024 Sales by Product Category



2.1.4 Value Chain Overview

In 2024, Jarllytec was primarily engaged in the research and development (R&D), design, manufacturing, and sales of torsion shafts (hinges) for products such as notebook computers, LCDs, mobile phones, and 3C electronics.

The Company's main products, hinges, are created through mechanical structural design by assembling numerous mechanical components. These finished products must adhere to customer specified inspection standards for torque, hole positioning, and durability. Within this industry, the upstream consists of manufacturers of hinge components. Jarllytec operates in the midstream, focusing on collaborative structural design with downstream customers and the assembly of finished hinge products. Downstream customers are system manufacturers like notebook computers, LCDs, and 3C electronics. The upstream, midstream, and downstream structure of the hinge industry is illustrated in the appended figure.



2.2 Corporate Governance

2.2.1 Corporate Governance Organization

The Board of Directors of Jarllytec serves as the Company's highest governance body. To support the Board in fulfilling its oversight responsibilities, the Company has established an Audit Committee and a Remuneration Committee. The Audit Committee reports to the Board at least quarterly, while the Remuneration Committee reports at least twice a year, presenting their activities, proposals, and related resolutions.

In addition, the Company has established a Sustainability Development Committee and appointed a Corporate Governance Officer to oversee matters related to corporate governance and sustainability. The Chair of the Board serves as the management representative, and committee members are composed of representatives from various departments. ESG Office reports annually to the Board of Directors on the committee's decisions and implementation outcomes.

2.2.2 Corporate Governance Structure

Jarllytec CO., LTD. Corporate Governance Framework



2.2.3 Board Operations

The Board of Directors is composed of seven members, including four independent directors, each serving a three-year term. Independent directors account for approximately 57.14% of the entire Board.

The Audit Committee consists of four members, all of whom are independent directors, representing 100% independence. Similarly, the Compensation Committee comprises three members, also all independent directors, ensuring full independence in its composition.

Title	Name	Gender	Experience	Board Meeting Attendance Rate in 2024
Chairperson	Dellson Investment Co., Ltd	N/A	N/A	—
Director Representative	Chang, Tai Yuan	Male	Master of EMBA School of Management, National Taiwan University Taipei University of Marine Technology Inventec Sourcing Manager	100%
Vice Chairperson	Young Win Assets Management CO., Ltd.	N/A	N/A	—
Director Representative	Liu, Kuang Hua	Male	Master of EMBA School of Management, National Taiwan University Taipei University of Marine Technology Inventec Sourcing Manager	100%
Director	Sunrise Investment Co., Ltd	N/A	N/A	—
Director Representative	Liu, Bo Liang	Male	Master's degree, Institute of China, Chinese Culture University Deputy Director of the Police Department of the Ministry of the Interior Kaohsiung City Government Police Chief chief of criminal police	100%
Independent Director	Wu, Sou Shan	Male	PhD of Department of Finance, Insurance & Real Estate, University of Florida Master's degree of Institute of Man agement of Science, National Chiao Tung University Bachelor's degree of Department of Accounting and Statistics, National Chung Hsing University Independent director of Yuanta Financial Holding Co., Ltd. (Yuanta Securities Co., Ltd.) Professor and dean of College of Management, Chang Gung University Professor of Chiao Tung University Consultant of Sateowned Enterprise Commission, Ministry of Economic Affairs Supervisor of Hua Nan Financial Holding Co. (and permanent in Hua Nan Bank) Chairman of Securities and Futures Institute / Chairman of Taipei Exchange	100%
Independent Director	Yang, Shang Hsien	Male	Department of Accounting, Tamkang University Accountant of Baker Tilly Clock & Co Accountant of Lan-Jai CPAs Firm	100%
Independent Director	Lee, Chien Ming	Male	Master of Business Administration, EMBA of National Taiwan University PhD of Department of Science, New York University Tandon School of Engineering Master's degree of Department of Science, Fu Jen Catholic University Bachelor's degree of Department of Science, Fu Jen Catholic University Asia area manager of Ciba Specialty Chemicals Inc. General manager of the subsidiary, View Sonic Group (Sintech Technology Corp./Opti International Corp., Taiwan) / General manager of Asian Chemical Group Division Vice general manager of Marketing and Purchasing Departments, Chan Mao Optoelectronics Co., Ltd. / Taiwan's General manager of LG Display Co., Ltd.	100%
Independent Director	Lee, Hsin Jin	Female	Master of English Teaching, University of Birmingham	100%

Board Diversity

The Board of Directors of Jarllytec demonstrates a diverse composition in terms of professional expertise, including backgrounds in management, engineering, law, accounting, and industrial operations. Board members bring a wide range of industry and academic knowledge, enabling them to provide professional advice from multiple perspectives, which greatly contributes to enhancing the Company's operational performance and management efficiency. The Board also includes one female director, reflecting the Company's commitment to board diversity. For detailed information on the members' principal experience and other significant positions held, please refer to the section "Information on Directors and Supervisors (I)" in the Company's 2024 Annual Report.

Audit Committee

To strengthen corporate governance, Jarllytec established an Audit Committee in accordance with Article 14.4 of the Securities and Exchange Act, thereby replacing the functions of supervisors. The committee comprises four members and holds meetings at least once every quarter. The Audit Committee is composed entirely of independent directors, who elect one among themselves as the convener. Each independent director serves a three-year term and may be reappointed upon re-election. The responsibilities of the Audit Committee include:



01. Establishing or amending the internal control system in accordance with Article 14.1 of the Securities and Exchange Act.
02. Evaluating the effectiveness of the internal control system.
03. Establishing or amending procedures for major financial transactions, including acquisition or disposal of assets, derivative transactions, lending of funds, endorsements, or guarantees, in accordance with Article 36-1 of the Securities and Exchange Act.
04. Reviewing matters involving directors' conflicts of interest.
05. Reviewing significant asset or derivative transactions.
06. Reviewing major lending of funds, endorsements, or guarantees.
07. Reviewing the public offering, issuance, or private placement of equity securities.
08. Appointment, dismissal, or remuneration of the attesting CPA.
09. Appointment or dismissal of financial, accounting, or internal audit officers.
10. Reviewing the first, second, third quarter, and annual financial reports.
11. Reviewing other major matters as stipulated by the Company or the competent authority.

Remuneration Committee

To establish a sound remuneration system for directors, supervisors, and managerial officers, Jarllytec set up a Remuneration Committee in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter." The committee was established on December 27, 2011, and is composed of three members. It holds at least two meetings per year. Members are appointed by a resolution of the Board of Directors and elect one among themselves as the convener, who serves as the external representative of the committee. The term of office for committee members coincides with that of the appointing Board of Directors. The Remuneration Committee shall exercise its powers faithfully and with the care of a prudent manager, and submit recommendations to the Board of Directors for discussion. The committee's responsibilities include:

- Periodically reviewing and proposing amendments to the committee charter.
- Establishing and regularly reviewing the Company's performance goals and compensation policies, systems, standards, and structures for directors and managerial officers, both annually and in the long term.
- Periodically assessing the achievement of performance goals by directors and managerial officers, and determining their compensation accordingly.

The Audit Committee was established on June 21, 2018. The current term of the four committee members runs from June 18, 2024, to June 17, 2027. A total of five meetings were convened in 2024.

Committee	Independent Director Ratio	Main Responsibilities	Number of Meetings Held in 2024	Actual Attendance Rate
Audit Committee	100%	To assist the Board of Directors in its decision-making and in overseeing matters including: the fair presentation of the Company's financial statements; the selection (and dismissal), independence, and performance of the external auditors; the Company's internal control system; compliance with laws and regulations; and risk management and control, among other matters.	5	100%
Remuneration Committee	100%	To establish and periodically review the policies, standards, systems, and structures for the performance evaluation and remuneration of Directors and executives; and to periodically evaluate and determine the remuneration of Directors and executives.	3	100%

Note Please refer to the Company's 2024 Annual Report for further details regarding the Audit Committee and the Remuneration Committee.

Director Nomination and Selection

The election of directors at Jarllytec follows the candidate nomination system stipulated in Article 192-1 of the Company Act. In accordance with relevant regulations, shareholders holding more than 1% of the Company's total issued shares may submit a list of nominated candidates. Directors are elected by shareholders during the Annual General Meeting.

The nomination and selection of board candidates take into account board diversity, including gender, age, nationality, and cultural background, as well as professional knowledge, expertise, and industry experience. This ensures that directors possess the necessary competencies, skills, and experience to perform their duties effectively, particularly in managing issues related to economic, environmental, and social impacts. In order to maintain board independence, the Company also adheres to the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” for the nomination and appointment of independent directors.

Chair of the Highest Governance Body

The current Board of Directors of Jarllytec is the 8th term, with Mr. Chang, Tai Yuan serving as Chairperson. He is also a member of the management team, responsible for administrative operations and leading the development and execution of corporate strategies. His dual role provides the Group with strong and consistent leadership and enhances the effectiveness of long-term strategic planning and execution. Mr. Chang also serves as the representative of Dellson Investment Co., Ltd. To safeguard the independence of corporate operations, the Chairperson is required to regularly declare conflicts of interest and is subject to supervision by the independent directors.

Governance of Economic, Environmental, and Social Topics

As the highest governance body, the Board of Directors oversees Jarllytec's performance and risk management in economic, environmental, and social topics. When making significant decisions, the Board considers the impacts, risks, and opportunities of such topics, as well as the opinions of stakeholders. Stakeholder engagement details are provided in the “Stakeholder Engagement” section of this report.

In response to global sustainability trends, the Company established a Sustainable Development Committee in 2023, chaired by Mr. Chang, Tai Yuan. The committee is responsible for formulating Jarllytec's ESG vision and strategies and reports its execution progress to the Board on an annual basis.

To implement sustainability strategies, the Company has set up a ESG Office, which leads ESG-related initiatives, including resource integration across ESG working groups, cross departmental communication, and development of project plans. The Environmental Sustainability, Social Inclusion, and Corporate Governance groups are composed of department level supervisors. These groups work in line with the ESG Office to define execution guidelines and carry out relevant initiatives.

The Company's Sustainability Report is compiled by the ESG Office based on inputs from various departments. It is finalized upon approval by the Chairperson and officially issued after endorsement by the Board of Directors. The 2024 Sustainability Report was approved by the Chairperson and adopted by the Board on August 11, 2025.

Conflict of Interest and Avoidance

In accordance with Article 206 of the Company Act, Jarllytec has clearly stipulated in its Board of Directors' meeting procedures that if any director or the legal entity they represent has a personal interest in any matter discussed at a board meeting, they must disclose the material aspects of such interest during the meeting. They shall not participate in the discussion or voting on the matter and may not act on behalf of other directors in voting. Details regarding board members and their recusal due to conflicts of interest—including meeting dates, recused directors, agenda items, reasons for recusal, and participation in voting—are disclosed in the Company's 2024 Annual Report.

Communication of Key Matters

In addition to the regular meetings and reporting mechanisms of each functional committee to the Board of Directors, the management of various departments regularly reports important matters to the Board and ensures timely communication on any key material issues. The communication channels and frequencies of each department in 2024 are detailed as follows:



Board Training

To enhance the professional knowledge and competencies of directors, Jarlytec arranges annual training programs based on industry characteristics, corporate development strategies, and the educational and professional backgrounds of directors. These programs cover topics including corporate governance, economics, environmental and social issues. Details of board training are presented as follows:



Director Training Overview for 2024 :

Director Training					
Position	Name	Training Date	Organizer	Course Title	Training Hours
Chairperson	Chang, Tai Yuan	2024/10/16	Chinese Corporate Governance Association (CCGA)	20th (2024) International Corporate Governance Summit	6
Vice Chairperson	Liu, Kuang Hua	2024/09/10	Taipei Exchange (TPEX)	Information Session on Insider Shareholding for Emerging and OTC Companies	3
		2024/01/11	Co-organized by the Chinese Economic Development Association and the Taiwan Listed Companies Association	Key Observations on the Global Economy 2024	3
Director Representative	Liu, Kuang Hu	2024/11/06	CCGA	2024 Global Economic Outlook and Industry Trends	3
		2024/09/10	TPEX	Information Session on Insider Shareholding for Emerging and OTC Companies	3
		2024/04/10	Taiwan Institute of Directors	Steering the Ship of Corporate Wisdom: Corporate Governance as the Guiding Force	3
Independent Director	Liu, Bo Liang	2024/10/05	Taiwan Academy of Banking and Finance (TABF)	E-Course on Digital Asset Crime Tactics and Anti-Money Laundering	3
		2024/08/21	CCGA	Business Considerations and Legal Risk Analysis in Corporate Decision-Making	3
		2024/08/21	CCGA	ESG-Related Legal Issues for Board Consideration	3
Independent Director	Wu, SouShan	2024/07/09	TPEX	TPEX Group Seminar: "AI Strategy and Governance"	3
		2024/04/10	Taiwan Institute of Directors	Steering the Ship of Corporate Wisdom: Corporate Governance as the Guiding Force	3
Independent Director	Lee, Chien Ming	2024/05/17	CCGA	Cybersecurity Governance and Oversight Strategies for the Board	3
		2024/05/10	CCGA	Introduction to Nomination and Compensation Committees under U.S. Law: A Case Study	3
Independent Director	Lee, Hsin Jin	2024/11/13	Securities and Futures Institute (SFI)	Challenges and Opportunities in Sustainable Development Pathways & Introduction to GHG Inventory	3
		2024/10/22	SFI	Intellectual Property Management: Focusing on Patents and Trade Secrets	3
		2024/10/16	CCGA	20th (2024) International Corporate Governance Summit	3
		2024/07/09	TPEX	TPEX Group Seminar: "AI Strategy and Governance"	3

Board Performance Evaluation

At the close of each fiscal year, the designated executive unit gathers information related to Board activities. This information is then distributed to each director, who completes self-assessment questionnaires for the Board of Directors Performance Evaluation, Functional Committee Performance Evaluation, and Individual Director Performance Evaluation. The executive unit collects all submitted questionnaires and, in accordance with the evaluation criteria outlined in Article 7 of the company's Board of Directors Performance Evaluation Policy, compiles a report documenting the assessment results. This report is then submitted to the Board for review. On January 17, 2025, the performance evaluations for the 2024 Remuneration Committee, Audit Committee, and Board of Directors were presented to the Remuneration Committee for review.

All performance evaluations for the Remuneration Committee, Audit Committee, and Board of Directors were rated as "Excellent" and subsequently approved by the Board of Directors.

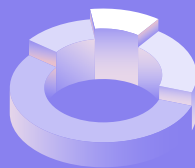
Remuneration Policy for the Board and Senior Management

Director compensation is determined in accordance with the Company's Articles of Incorporation, and performance evaluation results are taken into consideration when determining remuneration. Starting in 2023, the remuneration of senior management has been linked to ESG related objectives relevant to their roles, including product quality and safety, energy saving and carbon reduction, and occupational health and safety. Performance against these goals is evaluated as a basis for remuneration decisions.

Information on the compensation including salaries, bonuses, special expenses, retirement benefits, and employee remuneration of the Board and senior management is detailed in the 2024 Annual Report (Section 3: Remuneration for Directors, Supervisors, President, and Vice Presidents). Senior management is defined as those at the Vice President level and above.

60% Financial
Metrics

Revenue / Operating profit /
Net income / Asset turnover /
ROA / ROIC / Profitability targets



40% Strategic
Development
Initiatives

Strategy formulation /
ESG development /
New business initiatives /
Organizational management /
Talent cultivation



Remuneration Determination Process

Jarlltyec has established a Remuneration Committee under the Board of Directors, parallel in authority to the Audit Committee. The Remuneration Committee consists of three independent directors and is responsible for the fair and reasonable review and decision-making of compensation for the highest governance body and senior executives.

Remuneration is granted in accordance with the Company's Articles of Incorporation, which require approval by the shareholders' meeting. Annually, the allocation of employee and director remuneration for the previous fiscal year is reported at the annual shareholders' meeting.

The 2024 remuneration proposal was approved at the shareholders' meeting held on June 19, 2025. For further details on the decision-making process and operations of the Remuneration Committee, please refer to the 2024 Annual Report. The current remuneration policy is formulated based on corporate governance and market competitiveness and involves only internal stakeholders in the decision-making process.

**Composition and
responsibilities**

**Institutional
Basis**

**Resolution and
approval**

Annual Total Compensation Ratio

The individual with the highest annual total compensation at Jarlltyec is the General Manager.

In 2024, the median annual total compensation for other employees within the group was NT\$553,000, while the average was NT\$692,000. The ratio of the General Manager's annual total compensation to the median compensation of other employees was 8.03:1. The ratio to the average compensation of other employees was 6.41:1.

Changes in compensation for 2024 are as follows:

1. The General Manager's annual total compensation increased  0.41% from the previous year.
2. The median annual total compensation for other employees increased by 17.46% from the previous year, and the average increased  9.61%.
3. The ratio of the percentage increase in the highest individual compensation to the percentage increase in the median employee compensation was 0.02348:1.

Note Annual total compensation includes salary, bonus, year-end incentives, and employee remuneration.

Legal Compliance

**01.** In 2024, Jarllytec was not subject to any fines or non-monetary sanctions for non-compliance with laws and regulations in the social or economic domains.

**02.** The Company also did not incur any penalties from competent authorities for anti-competitive behavior, antitrust violations, or monopolistic practices.

**03.** There were no incidents of corruption reported in 2024.

Membership Associations

In response to the global transition toward net-zero carbon emissions, and to keep abreast of international sustainability trends, technological innovations, and the development of relevant climate-related regulations, Jarllytec actively participated in the following industry associations in 2024. Through these memberships, the Company aims to enhance engagement with academia and industry peers, exchange market intelligence and insights, and continuously strengthen its sustainability capabilities.

Association	Status
Taiwan Climate Partnership	Member
Taipei Computer Association (TCA)	Member
National Taiwan University (NTU) TPIDC Industry-Academia Alliance	Member
New Taipei City Industrial Association	Member
Taiwan Chief Information Security Officer Alliance	Member

2.2.4 Ethical Business Conduct

Anti-Corruption

In 2024, Jarllytec conducted a 100% corruption risk assessment across all of its operational sites, and no incidents of corruption or breaches of ethical business practices were identified.

01. Corporate Governance Mechanisms

- The Board of Directors Meeting Rules include provisions for conflict of interest avoidance. Donations from related parties or significant donations to unrelated parties must be submitted to the Board of Directors for review.
- A Remuneration Committee has been established.
- The Company has implemented a Code of Ethical Conduct and a Guideline for Ethical Business Practices.
- Internal control policies and operational procedures are in place, including management policies, authorization systems, and functional segregation.
- The Integrity Commitment Statement explicitly prohibits personnel from accepting improper benefits.

02. Audit Mechanisms

- Anti-corruption is designated as a mandatory item within the internal audit system.
- If any potential violations of ethical conduct by suppliers or contractors (including agents and traders) are detected, the Company will proactively investigate.

2.2.5 Internal Control and Audit System

To promote sound management, ensure operational efficiency, the reliability of financial reporting, and legal compliance, Jarllytec has designated internal control personnel responsible for reviewing operational effectiveness and supervising departmental authorization practices. These personnel are tasked with providing timely feedback and recommendations to ensure complete and effective internal controls. The internal control system functions as a self-monitoring mechanism, implemented in accordance with legal requirements and aligned with corporate governance and strategic planning.

Internal auditors perform their duties with objectivity and impartiality, regularly reporting issues and improvement recommendations to senior management and attending Board meetings to present findings. Internal audit reports are submitted in compliance with regulatory timelines. No significant deficiencies in internal controls were identified in 2024.

2.3 Economic Performance

2.3.1 Financial Performance

In 2024, Jarllytec's consolidated revenue reached NT\$9,578,170 thousand, with a net profit after tax of NT\$576,762 thousand, and earnings per share of NT\$8.73. For detailed operational performance and financial information, please refer to the 2024 Annual Financial Report.



\$

Economic Performance Information

Unit : NTD thousand

	2022	2023	2024
Direct Economic Value Generated: Revenue	\$ 7,020,608	\$ 8,220,663	\$ 9,578,170

\$

Direct Economic Value Spent - Economic Value Distributed

Operating Costs (Note 1)	\$ 5,616,626	\$ 6,737,414	\$ 7,992,045
Employee Wages and Benefits (Note 2)	\$ 447,805	\$ 474,816	\$ 534,394
Payments to Capital Providers	\$ 120,243	\$ 180,364	\$ 297,411
Payments to Governments by Country	\$ 177,273	\$ 204,101	\$ 267,946

\$

Economic Value Retained: "Direct Economic Value Generated" less "Economic Value Distributed"

Economic Value Retained	\$ 658,661	\$ 623,968	\$ 486,374
-------------------------	------------	------------	------------

Note 1. "Employee Wages and Benefits" included in operating costs amounted to NT\$876,761 thousand in 2022, NT\$975,326 thousand in 2023, and NT\$1,165,509 thousand in 2024.
2. Refers to "Employee Wages and Benefits" classified under operating expenses.

2.3.2 Tax Policy and Risk Management

Jarlllytec is committed to complying with all applicable tax laws and regulations as part of its sustainable business practices. The Company ensures that its operations reflect economic substance to maintain fairness and reasonableness in all transactions. Core principles include:

01. **Compliance with relevant tax laws, accurate tax filings, and proper documentation.**
02. **Continuous monitoring of local and international tax law changes, with comprehensive impact assessments and responsive strategies to ensure compliance and competitiveness.**
03. **Utilization of lawful tax incentives and investment credits to support innovation and align with governmental policies.**
04. **Corporate structure and transactions are designed based on business substance to ensure rational and compliant tax planning.**
05. **Related-party transactions are executed with economic substance and at fair and reasonable market prices.**

Certified public accountants are engaged to perform annual corporate income tax audits. The Chief Financial Officer holds ultimate responsibility for tax risk management, while day to-day tax administration is handled by the accounting department. The company monitors global tax developments, maintains communication with its auditors, and regularly participates in tax training sessions organized by government or professional organizations. A communication channel is available on the Company website for stakeholders regarding tax matters.

Defined Benefit Obligations and Other Retirement Plans

In accordance with the laws of each jurisdiction where it operates, Jarlllytec contributes to employees' social insurance programs, including labor retirement, healthcare, and pension schemes.

For employees in Taiwan, retirement benefits are provided under both the Labor Standards Act (old scheme) and the Labor Pension Act (new scheme). The Company ensures full compliance by making annual year-end contributions to cover employees' future pension entitlements. As of 2024, 100% of eligible employees in Taiwan are enrolled in the retirement plan.

Under the old scheme, the Company contributes at least 2% of employee salaries to a dedicated account managed by the Labor Retirement Reserve Supervisory Committee at the Bank of Taiwan. Contributions totaled NT\$1,235,294 in 2024.

Under the new scheme, the Company contributes 6% of monthly salaries to individual pension accounts managed by the Bureau of Labor Insurance, totaling NT\$17,174,024 in 2024. Employees may voluntarily contribute an additional 0–6% of their monthly salary to their pension accounts.

Financial Assistance Received from the Government

In 2024, Jarlllytec applied for an R&D investment tax credit under Article 10 of the Statute for Industrial Innovation, with a total tax credit of NT\$1,964 thousand.

Political Contributions

Jarlllytec maintains a stance of political neutrality and refrains from involvement in political parties or lobbying activities. In 2024, the Company made no political contributions. Employees are free to express their individual political views.



2.4 Information Security

Jarlllytec places strong emphasis on information security and is committed to ensuring the confidentiality, integrity, and availability of data. In alignment with the ISO/IEC 27001 international standard, the Company has established, implemented, and continuously improved its Information Security Management System (ISMS) to strengthen technical defense measures, enhance employee awareness, and ensure compliance with regulatory requirements.

The primary objective is to uphold stakeholder trust, safeguard business continuity, and support the Company's long-term sustainable development. From 2023 to 2024, there were no complaints regarding customer privacy breaches or data loss.

2.4.1 Information Security Management Strategy

On September 1, 2023, Jarlllytec formally initiated the implementation of ISO/IEC 27001:2022, establishing an Information Security Management Committee to lead related efforts. The Company successfully obtained ISO/IEC 27001 certification in November 2023. Internally, the Company has implemented encryption and access controls for R&D design files (DLP), restricting read/write permissions exclusively to authorized personnel within the organization.

File access tracking systems and USB device control measures are also in place, requiring prior approval from the Chief Information Security Officer before computer access is granted. Externally, the Company has adopted a range of advanced cybersecurity tools, including MDR (Managed Detection and Response) monitoring, multi-factor authentication (MFA), Fortinet FortiToken, FortiSIEM, and endpoint detection and response (EDR) solutions. As of 2024, the EDR deployment rate across company devices has reached 99.9%.



Strategic Focus

Implementation Measures

ISO 27001 Implementation & Governance

Internal and external audits are conducted annually. In September 2023, the Company officially implemented ISO/IEC 27001.

Jarlllytec established a comprehensive Information Security Committee to safeguard sensitive customer information through defined policies and control measures.

Internal Data Leak Prevention

Encryption controls for R&D files using DLP, accessible only by authorized internal personnel.

USB access control; computer access is only enabled upon review and approval by the Information Security Officer.

External Cyber Threat Protection

MDR monitoring implemented on company servers.

Integration of MFA, SIEM for event management, and EDR malware detection with a 99.9% deployment rate.



ISO 27001 Information Security Management System

External Impacts

Hackers searching for various
Microsoft vulnerabilities,
port intrusion.

Vulnerable points:
Server, User, Web, Port, etc.

Attacked targets (external systems)
generate risk values.

Through mail, command attacks,
embedding programs >
obtain AD, host highest authority.

Asset Value :

1. Confidentiality
2. Integrity
3. Availability

Proceed with encryption
ransomware, unable to operate.

Countermeasures

Business Continuity Plan (BCP) /
Disaster Recovery Plan (DRP)

Incident Response Plan

Threat Monitoring, Network Segmentation

Vulnerability Scanning,
Weakness Scanning (Enhanced)

Email Security

Multi-Factor Authentication (MFA)

Security Incident Logging

Software, Hardware, and ISO 27001 Information Security Management System

Protection Categorization and Implementation

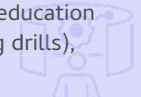
Hardware: Firewall



Software: Antivirus software,
SPAM comprehensive email filtering,
email auditing system, MDR (Managed Detection and
Response) threat detection and
response service (24/7)



Personnel: Information security education
and training (social engineering drills),
vulnerability scanning



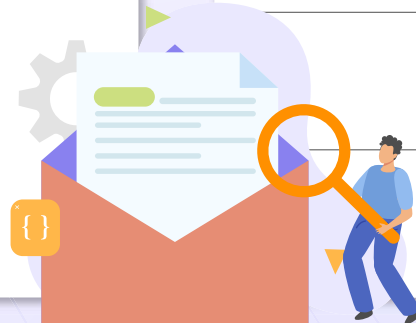
Backup Software



Identity Verification Server



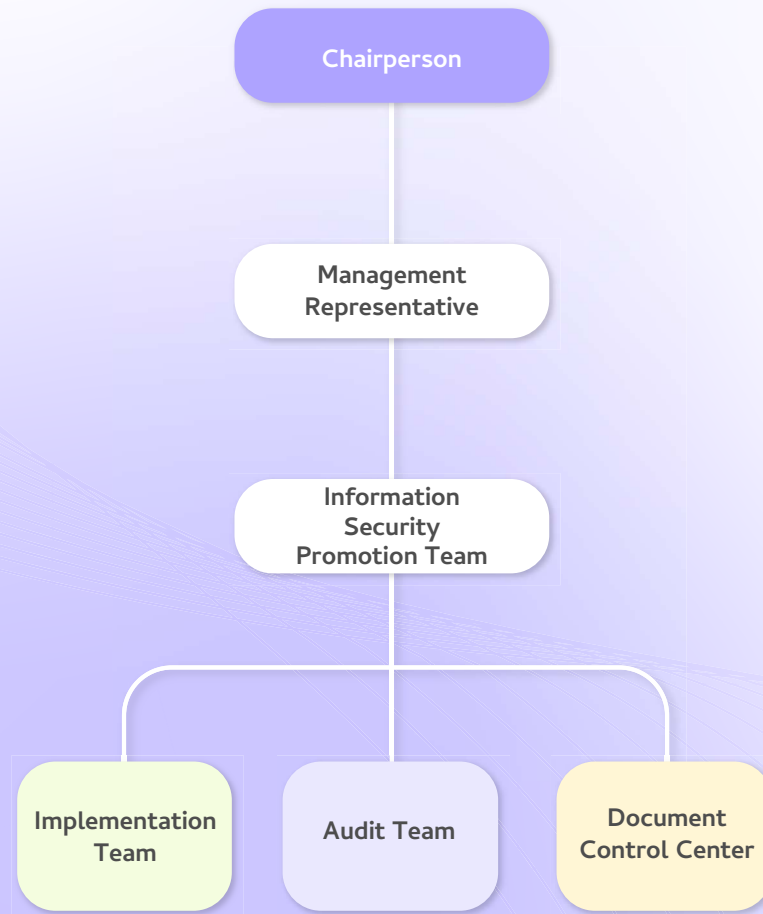
SIEM (Security Information and
Event Management) Platform



Information Security Management Committee

The Information Security Management Committee is responsible for promoting information security management policies and related measures. It conducts comprehensive reviews and enhancements of the Company's information security policies and protective measures.

The Management Representative convenes at least one management review meeting annually to report on relevant risks, key issues, and management performance. In addition, the Committee reports the implementation status of information security to the Board of Directors at least once a year.



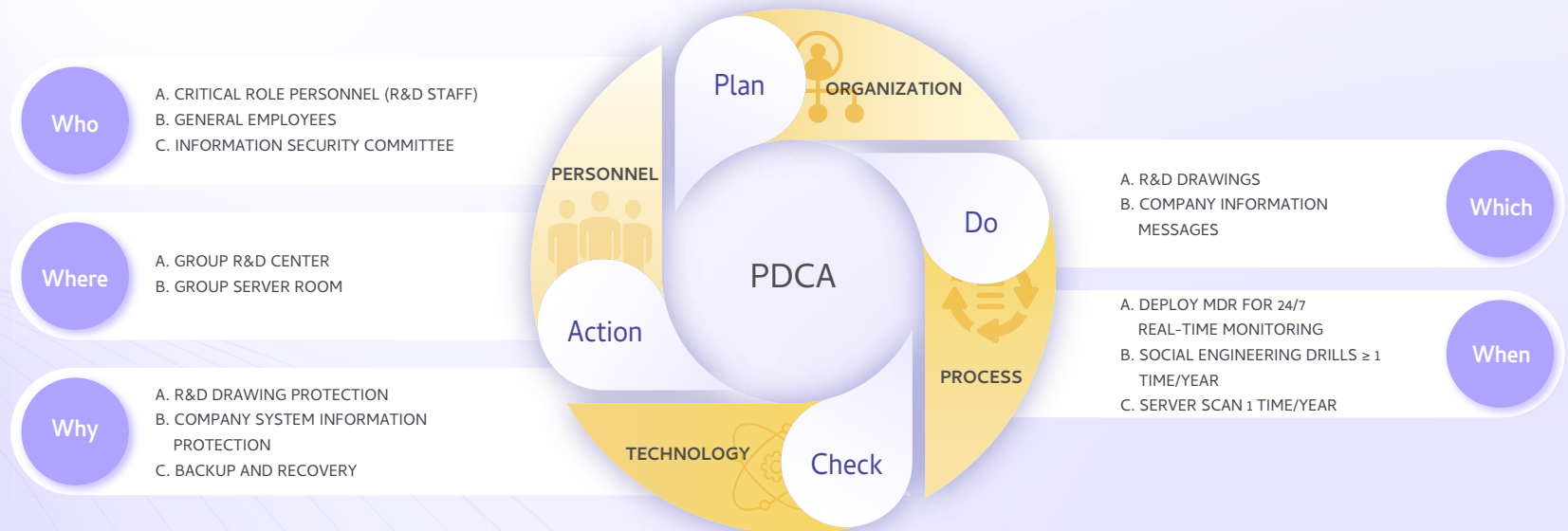
Execution and Management of Information Security Objectives

Performance 2024

1. Installed file protection software for R&D personnel to ensure R&D files can only be accessed on company devices, effectively preventing unauthorized file leakage (Achievement rate: 100%)
2. Installed R&D file protection tracking software for non-R&D personnel (Achievement rate: 90%)
3. Completed one social engineering drill across the Group, one vulnerability scan and one penetration test at the Taiwan site (Achievement rate: 100%)
4. Completed one Business Continuity Plan (BCP) drill (Achievement rate: 100%)

Targets 2025

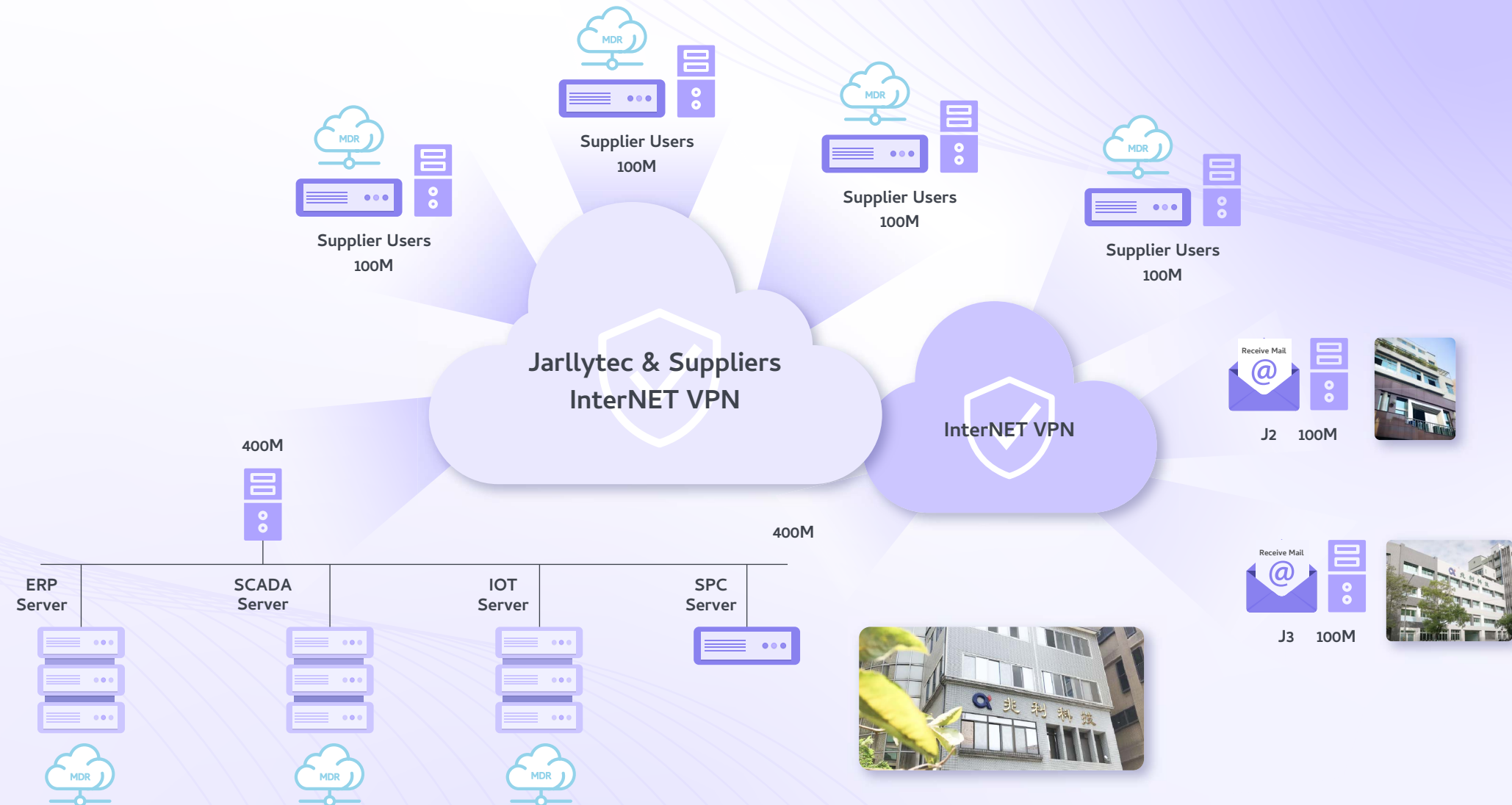
1. Install file protection software for non-R&D personnel (Target: 100%)
2. Conduct two social engineering drills across the Group and one vulnerability scan at the Taiwan site.
3. Conduct one BCP drill.



Highlight Story

Supplycabin transformation project

In 2023, Jarllytec participated in the Ministry of Economic Affairs' initiative to facilitate low carbon and smart transformation for small and medium enterprises. The Company assisted four manufacturers in establishing complete information security systems, including implementation of dual network interface segregation between equipment and the OA segment, and the installation of MDR systems (24/7 managed detection and response) at supplier sites. By 2024, the systems for all four manufacturers had been completed, ensuring cybersecurity for both Jarllytec and its supply chain within the industrial cluster network.



Highlight Story

R&D Drawing Management

Starting in 2023, Jarllytec began installing the next generation goPatrol file protection software for R&D personnel to safeguard customer drawings. This software enables file encryption, data flow tracking, and usage logging for R&D users.

For other personnel, the system collects file usage logs to reconstruct user activity and detect potential data leaks. The system also includes reporting and alert functions to support a robust baseline defense mechanism. By 2024, installation was 100% completed for R&D personnel and 90% completed for other departments.

Information Security Education and Training

Jarllytec places great importance on information security education. All new employees receive security training upon onboarding. Annual social engineering drills are conducted to enhance awareness. Since March 2023, all incoming external emails are flagged with bilingual warnings to reduce cybersecurity risks.

01.



Enhanced Security Training

All new hires receive mandatory information security training. Quarterly awareness campaigns are held, and annual training and testing are conducted for all departments until participants pass.

02.



Social Engineering Drills

From May to September 2024, a drill was conducted targeting 876 users, each receiving two simulated phishing emails (total: 1,752). In the initial round, 3.08% failed (including 28 new hires). After additional training and a second drill, 10.34% failed (including 5 new hires).

03.



External Email Warning

Since March 2023, all external emails have included a warning label in both Chinese and English: “Caution: This is an external email. Please verify the sender before opening links or attachments.”

Training Outcomes	2023	2024
Enhanced Security Training New Employee / Training Hours	39 20	90 45
ISO Procedure Orientation Participants / Training Hours	150 133.5	270 810
Social Engineering Drill Initial Pass Rate / Retest Pass Rate	95.5% / 100%	96.92% / 89.66%

Information Security Implementation Results

01. Security Organization	ISO 27001:2022 introduced on Sept 1, 2023. Established the Information Security Management Committee led by the Chairperson. Includes one Management Representative, five members in the Implementation Team, two in the Audit Team, 11 in the Execution Team, and one Document Control member.		
02. Information Security Policies	Approximately 11 policy documents revised to meet ISO 27001 requirements.	03. Violation Incidents	Zero information security violations reported in 2024.
04. Training & Awareness	90 new hires received 45 hours of training; 270 participants attended departmental sessions totaling 810 hours.	05. Security Audits	Completed both internal and external audits in 2024, covering IT, InfoSec management, and R&D.
06. Defense Performance	Average monthly: 49,688 external attack attempts blocked; 852 suspicious internal/external threat behaviors intercepted; 5,745 spam/malicious emails filtered.		
07. Threat Monitoring	24/7 MDR services active; average of 108 IIH threats per quarter; zero security or malware incidents in 2024.		
08. Vulnerability Remediation	Initial server vulnerability scan in July 2024; retested in September. OS and database systems upgraded to reduce vulnerabilities.		
09. Social Engineering Drill	One company-wide drill in 2024: 1,752 emails sent to 876 users. Initial fail rate: 3.08%; retest fail rate: 10.34%.		
10. Security Testing	BCP drills conducted on 9 critical systems in 2024; all achieved expected results.		

Awards and Certificationsz

ISO27001 : 2022

Certificate TW24/00000056

The management system of

JARLLYTEC CO., LTD.

No. 13, Wugong 5th Rd., Xinzhuang Dist., New Taipei City 248020, Taiwan
has been assessed and certified as meeting the requirements of
ISO/IEC 27001:2022

For the following activities

The provision of information security management activities covering operation management R/D drawing service, network and information room by IT department. This is in accordance with the Statement of Applicability Version B, date 2023-11-17.

This certificate is valid from 18 January 2024 until 18 January 2027 and remains valid subject to satisfactory surveillance audits.
Issue 1. Certified since 18 January 2024

Jonathan H. Hall

Authorised by
Jonathan Hall
Global Head - Certification Services

SGS United Kingdom Ltd
Rozemore Business Park, Ellesmere Port, Cheshire, CH65 3EN, UK
t +44 (0)151 950 6666 - www.sgs.com



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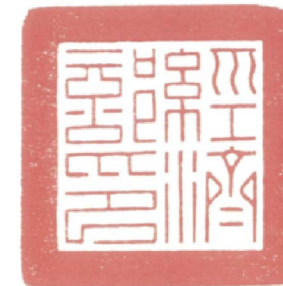
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SGSLow-Carbon and
Smart Transformation Program 經濟部
Ministry of Economic Affairs**感謝狀**

CERTIFICATE OF APPRECIATION

兆利科技工業股份有限公司

感謝貴公司參加經濟部製造業低碳及智慧化升級轉型計畫，響應政府以大帶小政策，帶動供應鏈升級轉型，提升產業競爭力，貢獻良多，特頒此狀以資感謝。

部長 **王美花**

中華民國 113 年 4 月



Future Plans

Initiative	01. HA Firewall Deployment 	02. Antivirus Upgrade Review 	03. Server Storage Review 
Description	To be implemented in 2025. A high-availability (HA) firewall setup will ensure automatic failover in the event of a malfunction, minimizing network disruptions and enhancing system and data transmission stability.	Regular checks on antivirus software versions on all company devices to enhance endpoint security.	Routine inspections of storage capacity on critical servers. Plans include reviewing email server capacity to ensure personal email storage complies with internal standards and avoids performance degradation.

2.4.2 Privacy Protection

Protecting customer privacy is a fundamental responsibility of any enterprise. It not only enhances corporate credibility but also safeguards customer rights and satisfaction. Jarllytec has implemented comprehensive data confidentiality and information security policies, incorporating strict access control mechanisms to limit employee access to customer information. All data is encrypted during storage and transmission to prevent unauthorized access or leakage. In the digital age, Jarllytec relies on secure and reliable database systems for storing customer data. These systems undergo regular security assessments to identify and eliminate potential risks, thereby ensuring data integrity and confidentiality, and preventing tampering, leakage, or loss.

The Company also reinforces employee awareness through continuous information security training, aiming to reduce vulnerabilities and enhance risk response capability. Ultimately, safeguarding customer privacy and information security is not only a corporate responsibility but also essential for maintaining trust and enabling sustainable development. In 2024, there were no incidents involving customer privacy breaches or data loss.

Material Topic | Product Quality and Safety**GRI Standard** | GRI 416, GRI 417**Description
of Impacts**

Jarlllytec leverages its ISO 9001 Quality Management System to provide system services that meet client requirements, aiming to be a value-creating partner across the global hinge industry supply chain. Jarlllytec's products contain various components, materials, and raw materials. Improper use or selection of these could impact client health and safety, introducing operational risks for the company.

**Policy
and
Commitment**

Jarlllytec consistently upholds four core business philosophies: quality service, meticulous management, continuous improvement, and sustainable operations. Regarding its Quality and Hazardous Substances Free (HSF) policy, Jarlllytec mandates four key principles: prevention over correction, doing it right the first time, prioritizing client satisfaction, and prohibiting the use of hazardous substances. This ensures 100% product compliance with National Standards of the Republic of China (CNS) and supervision and testing certification from the Bureau of Standards, Metrology and Inspection.

**Evaluation
Mechanisms**

1. Annual Management Review Meetings: These meetings are conducted annually to assess the achievement of quality objectives.
2. Third-Party Verification: Jarlllytec annually commissions a third-party certification body to conduct inspections and audits to maintain the effectiveness of its systems.

**Management
Approach****Actions to enhance positive impacts:**

1. Production equipment optimization: Incorporating recycled materials and actively investing in various software and hardware equipment.
2. Product quality assurance and supplier selection: All raw materials and supplies must be purchased from qualified vendors on the approved supplier list, and materials must comply with HSF requirements before procurement. New suppliers must undergo an assessment and approval process before purchasing. This assessment is conducted by an evaluation team comprising representatives from procurement, quality assurance, engineering, and research and development.
3. Efficient management methods and comprehensive supply chain management: To ensure supplier capabilities and performance, suppliers must sign a "Purchase Agreement." The terms of the agreement can be modified as mutually agreed upon.

Actions to mitigate negative impacts:

1. Introduction of automated production equipment and automated finished product inspection: This will enhance industrial competitiveness.
2. Establishment of a traceable management system.
3. Utilization of production efficiency data generated by the machine connectivity system as a performance appraisal standard.

**Stakeholder
Engagement**

1. Supplier Engagement: Stakeholders can participate in discussions regarding standards and raise relevant questions through supplier conferences.
2. Collaborative Self-Assessment and Audits: Stakeholders collectively participate in self-assessments and audits to ensure quality and safety requirements are met.
3. Open Communication Channels: Stakeholders can submit concerns or suggestions through publicly available communication channels on the company website.

**Performance
2024**

Jarlllytec employs a PDCA (Plan-Do-Check-Act) cyclical quality management approach to enhance product quality and improve production processes, thereby promoting continuous quality improvement. In 2024, there were 461 improvements in group supplier management audits, achieving a **100%** improvement rate.

Goals**Short-term
1-3 years**

1. Jarlllytec plans to apply for a Ministry of Economic Affairs project: "Driving Small and Medium-sized Manufacturers towards Low-Carbon and Smart Transformation - Jarlllytec's Smart Production Management and Supply Chain Integration Application Plan for Hinge Products." Leading four supply chain partners, Jarlllytec aims to implement an e-system for quality management.
2. Establish a quality traceability system for suppliers, digitalizing measurement data to automatically generate outbound inspection reports.
3. Automatically incorporate material lists and HSF compliance reports into outbound inspection reports.

**Medium-term
3-5 years**

1. To continuously enhance quality, Jarlllytec will increase its investment in automated production equipment to reduce human error-induced quality issues, improve production efficiency, and minimize process variations.
2. To achieve long-term, high-quality maintenance, the Company plans to evaluate the implementation of AI and AOI inspection systems. This will enable automated preventive quality maintenance while simultaneously meeting client product demands.

**Long-term
5-10 years**

1. Jarlllytec aims to build a smart factory by establishing a group-wide traceable management system. This system will link material management, production, quality, and information systems to facilitate real-time, comprehensive analysis and management, thereby reducing production waste.



Material Topic | Supply Chain Management**GRI Standard** | GRI 204-1, GRI 308, GRI 414**Description
of Impacts**

Jarlllytec is dedicated to implementing robust supplier management to ensure product quality and safety. By incorporating safer product designs and components, the Company aims to reduce environmental pollution during product use and at end-of-life, while also enhancing the safety of waste handlers during processing. Stakeholders highly value companies that balance environmental protection, fair labor practices, cost reduction, and sustainable supply when manufacturing.

**Policy
and
Commitment**

Suppliers are Jarlllytec's most vital partners. To enhance supply chain sustainability, Jarlllytec collaborates closely with its suppliers to foster a win-win industrial chain. The Company has established a responsible and transparent supply chain management system, working hand-in-hand with suppliers to promote the procurement of green materials. Jarlllytec requires all its suppliers to uphold labor human rights, adopt environmentally responsible manufacturing processes, and provide safe working environments. Annual audits are conducted to ensure suppliers consistently comply with Jarlllytec's Code of Conduct.

**Evaluation
Mechanisms**

1. Regularly convened management meetings.
2. Monthly discussions on business performance.
3. Regularly convened board meetings to report operational performance to the directors.
4. Maintain an external expert committee structure to ensure fairness and independence.

**Management
Approach****Actions to enhance positive impacts:**

1. Jarlllytec strengthens supplier resilience by increasing communication channels with suppliers through regular supplier conferences and quarterly supplier audits.

Actions to mitigate negative impacts:

1. The Company is establishing a systematic procurement parts management platform. This platform will collect and analyze data, integrating material procurement across all 11 group facilities to improve supply chain integration and management, ultimately reducing costs and inventory risks.

**Stakeholder
Engagement**

1. Stakeholders can participate in discussions on standards and raise relevant questions during supplier conferences.
2. Stakeholders can collectively participate in self-assessments and audits to meet Jarlllytec Group's requirements.

**Performance
2024**

In 2024, new suppliers achieved a **100%** signing rate for the "Supplier Commitment to Environmental and Social Responsibility" document.

Goals**Short-term
1-3 years**

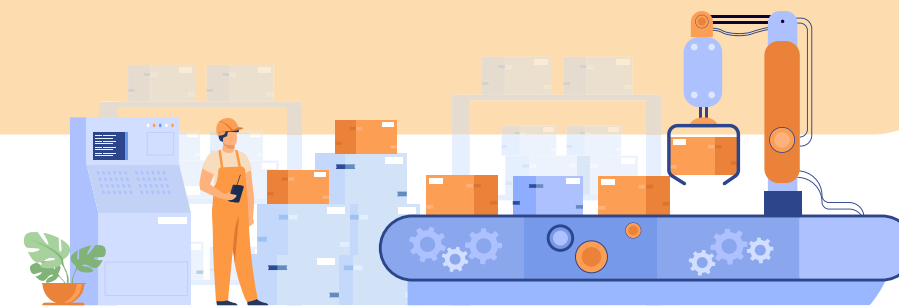
1. Optimize Regional Supply Chain: Target 90% local procurement of raw materials for Taiwan headquarters and China facilities; 10% local procurement for Thailand and Vietnam facilities.
2. Declaration Status: Achieve a 100% signing rate for "REACH Declarations" by new Tier 1 suppliers and a 100% signing rate for "Supplier Commitments to Environmental and Social Responsibility" by new Tier 1 suppliers.
3. Supplier Conference: Host one supplier conference annually.

**Medium-term
3-5 years**

1. Optimize Regional Supply Chain: Target 90% local procurement of raw materials for Taiwan headquarters and China facilities; 50% local procurement for Thailand and Vietnam facilities.
2. Declaration Status: Maintain a 100% signing rate for "REACH Declarations" by new Tier 1 suppliers and a 100% signing rate for "Supplier Commitments to Environmental and Social Responsibility" by new Tier 1 suppliers.
3. Supplier Conference: Host one supplier conference annually.

**Long-term
5-10 years**

1. Optimize Regional Supply Chain: Target 90% local procurement of raw materials for Taiwan headquarters and China facilities; 90% local procurement for Thailand and Vietnam facilities.
2. Declaration Status: Maintain a 100% signing rate for "REACH Declarations" by new Tier 1 suppliers and a 100% signing rate for "Supplier Commitments to Environmental and Social Responsibility" by new Tier 1 suppliers.
3. Supplier Conference: Host one supplier conference annually.



3.1 Innovation

3.1.1 Innovation and Research & Development

For over three decades, Jarllytec has established a leading position in fields such as notebook computer hinges, monitor support stands, and mobile phone hinges through stable operations, meticulous management, innovative R&D, and advanced process technologies. Facing increasing product requirements and competition, Jarllytec consistently emphasizes R&D investment. The Company achieves a high approval rate for its annual R&D investment tax credit plans and has established an R&D incentive mechanism, offering patent bonuses while concurrently protecting intellectual property rights.

In terms of talent, Jarllytec recruits outstanding professionals through industry-academia collaborations and provides systematic education and training upon entry. For employees interested in further studies, the Company offers on-the-job training opportunities. Quarterly innovation and design presentations are held, allowing various R&D units to showcase achievements in innovative products or manufacturing techniques. This fosters a collective brainstorming environment aimed at continuous improvement, maintaining a strong atmosphere of innovation and breakthrough. Consequently, new product designs are progressively refined, and the theoretical knowledge, technical skills, and experience of R&D personnel advance daily. Jarllytec is committed to providing customers with high-quality services, understanding their product and specification needs, and accordingly planning its technological and product roadmap.

The Company also constructs the necessary testing and verification equipment for new products. Jarllytec strives to break new ground in notebook (NB), tablet, and mobile phone hinges, alongside monitor support stands. This involves innovating novel hinge structures for new NB, mobile phone, and tablet stands. Furthermore, Jarllytec develops modular designs for monitor support bases and quick-release options, often incorporating elements like natural wood for support pillars.

3.1.2 Intellectual Property and Patents

Jarllytec champions research and development (R&D) innovation and breakthroughs. Through the strategic planning and proactive promotion by R&D management, coupled with strong support and encouragement from the Company and its senior executives, an open and free environment is cultivated. This environment empowers employees to think critically and engage in mutual exchange, thereby fostering extensive brainstorming. Furthermore, group discussions and cross-departmental technical seminars refine the creative development, methodologies, techniques, and even the mindset related to hinge product design. The Company also motivates employees through bonuses and public recognition, which are considered positive factors in annual performance evaluations and promotion assessments, encouraging R&D personnel to bravely innovate.

As of 2024, Jarllyrec holds a total of 570 valid patent certificates in Taiwan, China, the United States, and other regions, ranking first among its peers in Taiwan. The cumulative number of acquired patents has reached 1089. These patents encompass "invention," "utility model," and "design" types, covering aspects such as the mechanism/structure, manufacturing processes, and aesthetic design of "hinges." This demonstrates the R&D team's long-term focus and vigorous innovation capabilities within its core business. Currently, 29 patent applications are under official review, and the Company will continue its dedicated efforts in developing new products and proposing patents.

Valid Certificates	Subtotal	NB	3C	Stand	Other
Taiwan Utility Model / Invention / Design	258	106	51	98	3
China Utility Model / Invention / Design	248	103	48	95	2
United States Invention / Design	64	21	18	25	0
Subtotal	570	230	117	218	5
Total	570				

Pending Applications	Subtotal	NB	3C	Stand	Other
Taiwan Utility Model / Invention / Design	11	3	5	3	0
China Utility Model / Invention / Design	18	4	6	5	3
United States Invention / Design	0	0	0	0	0
Subtotal	29	7	11	8	3
Total	29				

3.1.3 Green Products

Jarlllytec is dedicated to being a sustainable enterprise that maintains an environmentally friendly approach, treats its employees well, adheres to benchmark governance, and contributes to society. Commencing from the product design phase, the Company mandates green design principles. These include modular design, the utilization of recycled materials, and simplified product design to create products characterized by high durability and multifunctional capabilities. While enhancing product value, these practices concurrently reduce energy consumption and environmental impact.

Circular Economy

Jarlllytec actively incorporates recycled materials into its production processes. These materials primarily include recycled plastics, die-cast metals, and stamped iron components. The Company is committed to progressively increasing both the proportion and total volume of these recycled materials used year over year. In 2024, the recycled content ratio for plastics with recycled components reached 77% (83,575 kg utilized). Die-cast metals with recycled components recorded a 98% recycled content ratio (271,078 kg utilized). For stamped iron components with recycled content, the ratio was 10% (24,199 kg utilized).

Category	Material	Recycled Content Weight (kg)	Total Material Weight with Recycled Content (kg)	Recycled Ratio
 Plastic	ABS	80,650	105,593	76%
	HIPS	2,925	3,441	85%
 Die-Cast Metals	ADC12	257,823	258,254	99%
	AL6063	13,255	17,673	75%
 Stamped Iron	SGCC/SPCC	24,199	235,364	10%

Recycled Material Usage Overview

Procurement Management Platform

Jarlllytec is committed to the use of green materials. To accurately track the utilization of recycled materials, the Company began establishing a procurement management platform system in 2023. Through system-based data collection and analysis, this platform integrates material procurement across the Group's 10 plant sites. It is designed to aid in supply chain integration and management, thereby reducing costs and inventory risks. The formal implementation of this system is anticipated in 2025.

3.2 Product Quality

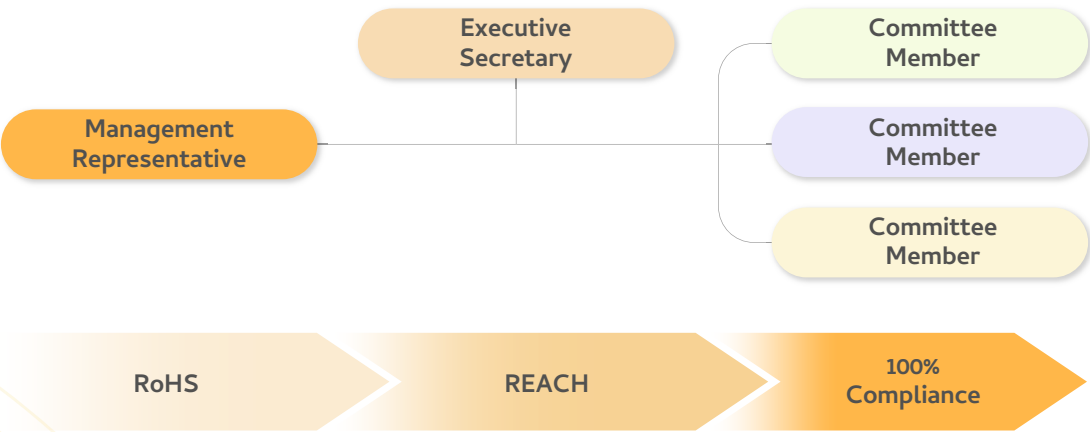
3.2.1 Product Quality

Leveraging years of design and manufacturing experience, Jarlllytec implements comprehensive product testing and rigorous quality control, placing significant importance on meeting customer requirements for product quality. To ensure that product raw materials comply with hazardous substance regulations, the Company introduced the IECQ QC080000 system in 2012. In adherence to international environmental regulations, Jarlllytec manages hazardous substances for 100% of its raw materials and hinge products, establishing effective management and monitoring mechanisms.

Furthermore, in coordination with customer needs and regional environmental laws and regulations, products are designed to meet stipulated requirements. Annual verification by ARES ensures the system's continued effectiveness. Jarlllytec's quality policy is centered on "prevention over correction, doing it right the first time, and satisfying customer needs" as its long-term quality management objectives. All products developed and manufactured by the Company comply with relevant legal provisions, and there have been no instances of penalties due to violations. In 2024, all products achieved 100% compliance with customer requirements as well as environmental laws and regulations, with no violations of any relevant regulations or voluntary codes.

Quality and Hazardous Substance Management Team

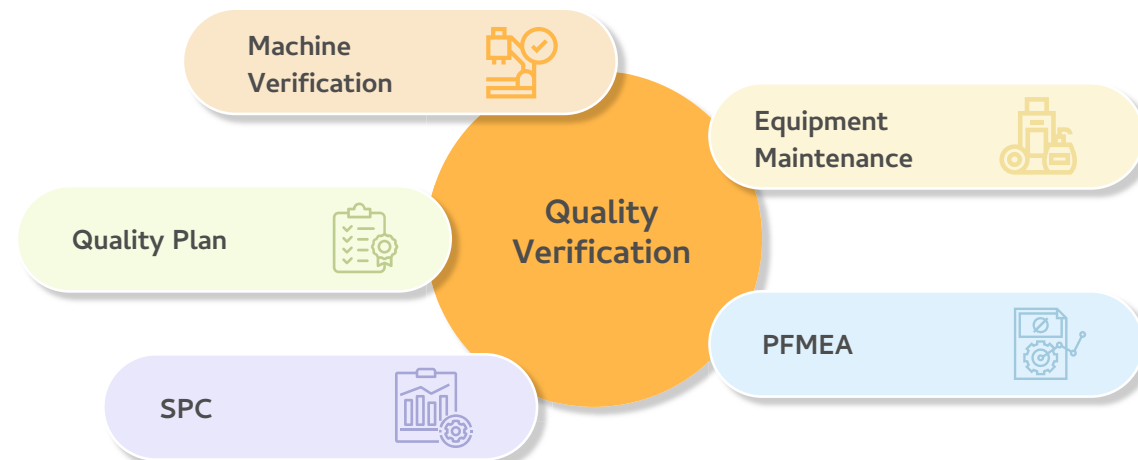
Jarlllytec has established a "Quality and Hazardous Substance Management Team." A management representative is appointed by the Chairperson, with various departments serving as implementation members. This structure ensures that quality and hazardous substance management requirements are effectively implemented across all units. The objective is to guarantee that all products not only comply with the 2011/65/EU RoHS Directive of the European Union but also achieve 100% satisfaction of customer requirements.



Quality Verification Testing

To meet customer quality demands and ensure that verification testing satisfies product quality standards, Jarllytec undertakes the following measures:

- 01.** Old equipment is systematically replaced to reduce waste parts generated from equipment repairs. Equipment calibration and maintenance are rigorously implemented to ensure data accuracy.
- 02.** To enhance corporate competitiveness, personnel skills are consistently developed to ensure product quality and safety. This prevents the provision of erroneous verification data that could lead to misjudgments and adversely affect design and development schedules.
- 03.** The Company collaborates with customers to review the feasibility of drawing dimensions and implements Statistical Process Control (SPC). This control is extended to Metrology Target Design (MTD) and Standard Inspection Procedure (SIP) management.
- 04.** Quality Plans are implemented, and machine verification plans are introduced during the development phase. The credibility of Process Failure Mode and Effects Analysis (PFMEA) is periodically reviewed.

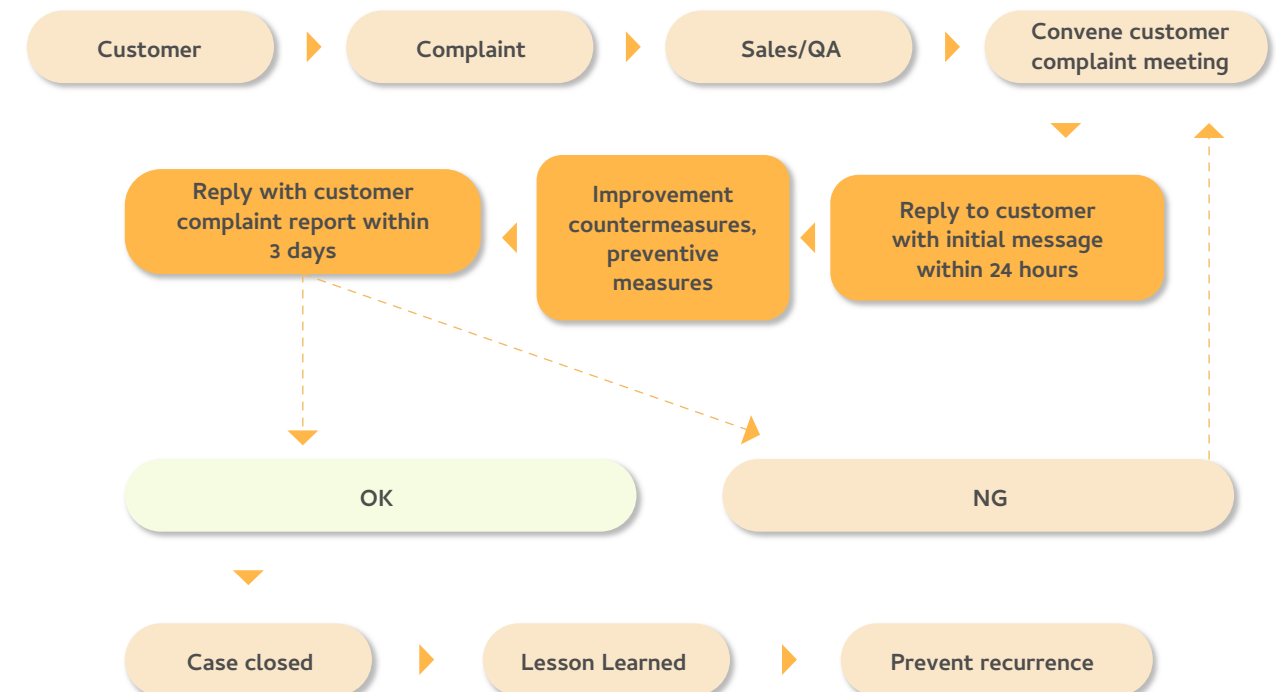


Quality Complaint Management Process

To ensure that all customer complaints are addressed appropriately and effectively, Jarllytec has established a rigorous customer complaint management process. Upon receipt of any customer complaint, Jarllytec immediately activates this process to resolve the issue within the shortest possible timeframe and prevent escalation. The initial step in the process is the receipt of the customer complaint, followed by the prompt convening of a complaint meeting to clarify the issue and conduct a preliminary analysis. To demonstrate the importance placed on customer concerns, Jarllytec commits to providing an initial response within 24 hours of receiving the complaint.

After completing a root cause analysis, corrective actions are formulated, implemented, and their effectiveness is confirmed. Finally, Jarllytec will provide a complete complaint report within 3 days of receiving the initial complaint. The core objective of this process is not only to properly handle and resolve current complaint incidents but also to emphasize the establishment of a "Lesson Learned" mechanism.

Furthermore, the process strictly adheres to the Plan Do Check Act (PDCA) cycle of quality management to achieve continuous improvement. Concurrently, Jarllytec utilizes the 8D (Eight Disciplines) problem solving methodology to systematically analyze issues and develop countermeasures, thereby enhancing the overall level of quality management.



Requirements for Product and Service Information and Labeling

As of 2024, Jarllytec adheres to environmental control regulations, conducting self monitoring by categorizing materials into high, medium, and low risk levels for X Ray Fluorescence (XRF) spot testing. A total of 13,729 items were inspected, with 13,729 items qualified, achieving a qualification rate of **100%**.

Green Jarlly



Compliance with Environmental Regulations:

All products of Jarllytec have environmental regulation requirements specified on their design drawings, ensuring control from the source.



Substances Impacting Society and the Environment:

To meet customer requirements, all products are affixed with environmental labels such as HF (Halogen Free), GP (Green Product), RoHS, or Green Jarlly on their outer packaging. Corresponding management systems are in place in accordance with international standards.



Green Jarlly Label:

Products that meet the limit values specified in the "JARLLY Environmental Protection Quality Assurance Certificate" HSF Management List are labeled with the Green Jarlly sticker on their outer packaging.

Note 1. outer packaging. (Note: The HSF Management List references the European Union directives and Jarllytec customer requirements for restricted and banned substances.)

Incidents of Non-compliance Concerning Product and Service Information and Labeling

In 2024, Jarllytec did not incur any incidents of non-compliance with regulations concerning product and service information or labeling that resulted in fines or other adverse penalties.



In 2024, the Company did not violate any relevant regulations or voluntary codes.

Incidents of Non-compliance Concerning Marketing Communications

In 2024, Jarllytec did not incur any incidents of non-compliance with regulations concerning marketing communications that resulted in fines or other adverse penalties.



In 2024, the Company did not violate any relevant regulations or voluntary codes.

3.2.2 Responsible Minerals Sourcing

Jarllytec commits to not using metal minerals from unknown origins or conflict-affected regions. The Company has adopted a policy to conduct due diligence on the sources of tantalum, tin, tungsten, gold (3TG), cobalt, and mica in its products. This is to reasonably ensure that their origins comply with the "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas" or equivalent and recognized due diligence frameworks. The Company's responsible minerals sourcing policy can be viewed at the following website address:

<https://www.jarlly.com/esg/corporate-social-responsibility>

3.3 Customer Service Management

Customer service plays a crucial role in the success of any enterprise. It directly impacts customer satisfaction, loyalty, and retention rates. By providing exceptional customer service, businesses can differentiate themselves from competitors, enhance their reputation, and attract new customers through positive word-of-mouth. Effective communication is key to delivering outstanding customer service. This includes actively listening to customers, using clear and concise language, tailoring communication styles to their needs, and providing regular updates and feedback.

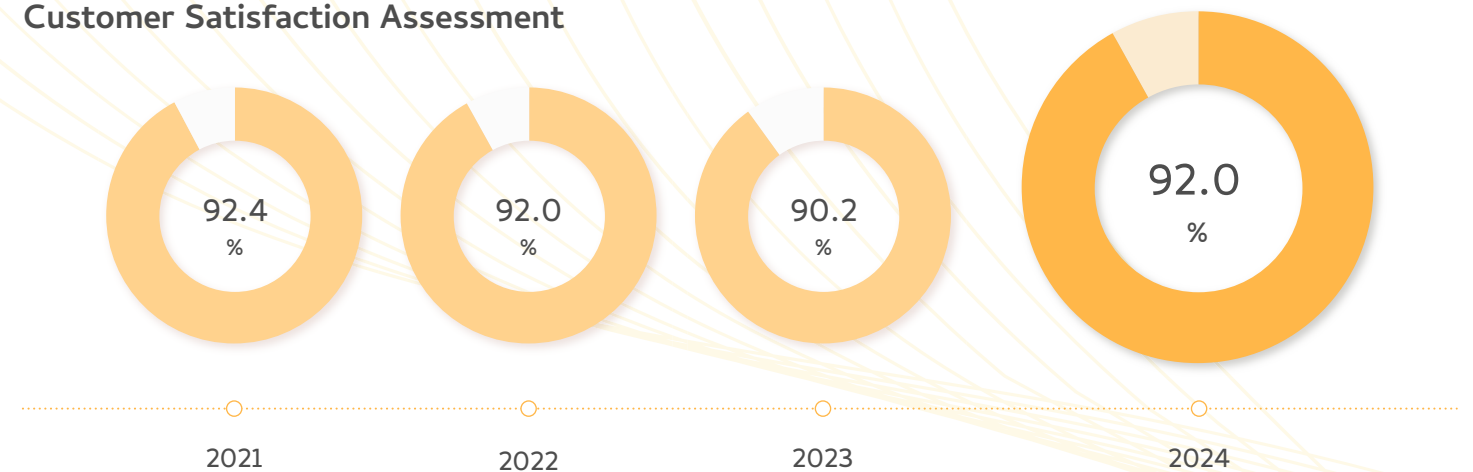
3.3.1 Customer Satisfaction

To more comprehensively understand customer needs for its products and to enhance service quality, Jarllytec conducts annual customer satisfaction surveys. The survey questionnaire assesses six aspects: handling timeliness, message feedback, personnel attitude, cooperativeness, professional competence, and Hazardous Substance Free (HSF) compliance. The collated scoring results from customer feedback are conveyed to personnel in relevant responsible departments and their supervisors to formulate improvement plans, thereby elevating product and service quality.

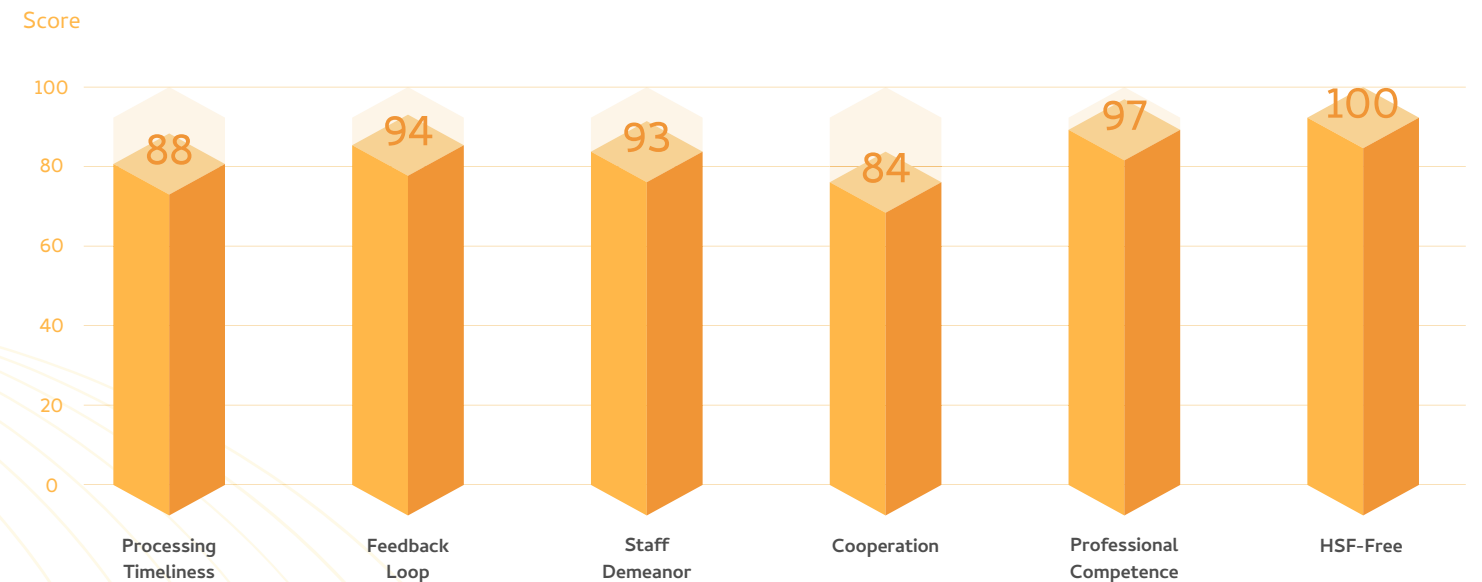
In 2024, the average customer satisfaction score for Jarllytec was 92 points, demonstrating that the Company's performance in customer service and satisfaction has earned significant trust and affirmation from its clients. An analysis of the satisfaction survey results indicates that items achieving the target score of 90 points or above include: all company products meeting HSF (Hazardous Substance Free) requirements, professional competence, message feedback, and personnel attitude. Obtaining customer feedback through these surveys also helps the Company identify opportunities for innovation and improvement. This process allows Jarllytec to further understand potential shortcomings in its products or services, enabling it to take measures that better address customer needs and expectations.



Customer Satisfaction Assessment



2024 Customer Satisfaction Survey



3.4 Sustainable Supply Chain Management

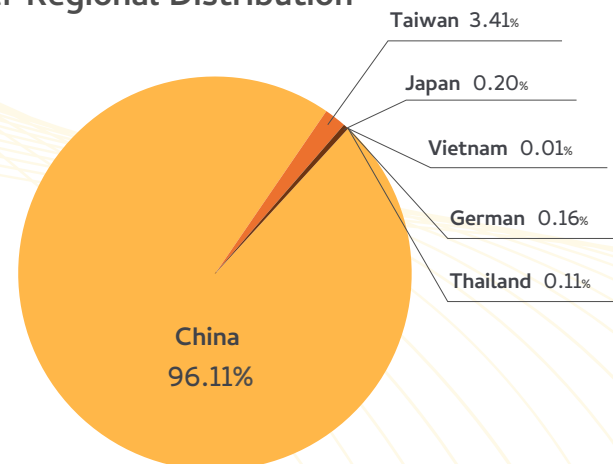
Jarlllytec's trusted products are built upon the foundation of high-quality and stable raw materials, components, consumables, and related services provided by its suppliers — who are regarded as key partners in the Company's operations. To ensure product quality and implement its business policies, Jarlllytec requires all new suppliers to sign an Environmental Quality Assurance Agreement, a REACH Declaration, and a Supplier Commitment to Environmental and Social Responsibility. As of the reporting period, 100% of new suppliers have completed the required documentation.

Additionally, Jarlllytec has developed a "Procurement Contract" based on international standards such as the Responsible Business Alliance (RBA) Code of Conduct and ISO guidelines. This contract helps suppliers align with required practices and conduct self-assessments across multiple areas, including labor, health and safety, environmental management, ethics, and management systems. Jarlllytec further verifies supplier compliance through on-site audits, as well as monthly and quarterly supplier evaluations, ensuring adherence to ESG principles.

3.4.1 Supply Chain Overview

Jarlllytec's supply chain encompasses raw material procurement, production processing, logistics and distribution, and waste disposal. The Company is committed to ensuring the efficient operation and stability of its supply chain, with raw material procurement constituting the largest segment. Jarlllytec maintains close cooperation with its tier-1 suppliers, including raw material providers, component manufacturers, and outsourced processing partners, to ensure product quality, production efficiency, and effective control of operational costs. In line with the Company's local procurement policy, suppliers are primarily located in Taiwan and China. The regional distribution of suppliers in 2024 is shown in the figure below.

2024 Supplier Regional Distribution



Local Procurement

Jarlllytec upholds the principles of local procurement and local production. This approach aims to achieve timely and geographically appropriate procurement, reduce management and operational costs, minimize carbon emissions from transportation, create local employment opportunities, and promote economic prosperity and development. With the exception of suppliers designated for specific customer-specified materials, Jarlllytec prioritizes local suppliers for its procurement activities.



2024

The local procurement rate for its plants in China reached 100%, while the rate for its Taiwan plants was 99.89%, and for its Southeast Asia plants, it was 5.25%.



2026

Taiwan and China plants will maintain a local procurement rate of over 90%, and its Southeast Asia plants will achieve 10% local procurement of raw materials.

3.4.2 Supply Chain Management

Supply chain management at Jarlllytec comprises three key phases: New Supplier Approval, Continuous Risk Management, and Performance Evaluation. These processes cover tier-1 component manufacturers.

Phase 1: New Supplier Approval

New Supplier Selection Criteria

- Quality Audits
Process Capability (QSA, QPA) /
Quality System
- Declarations
REACH Declaration /
Corporate Social Responsibility
Commitment /
Letter /
Environmental Quality Assurance
Certificate

Phase 2: Continuous Risk Management

Establishing Tiered Management

- Annual Audits
Supplier Corporate Social
Responsibility Self-
Assessment Checklist /
REACH Survey

Phase 3: Performance Evaluation

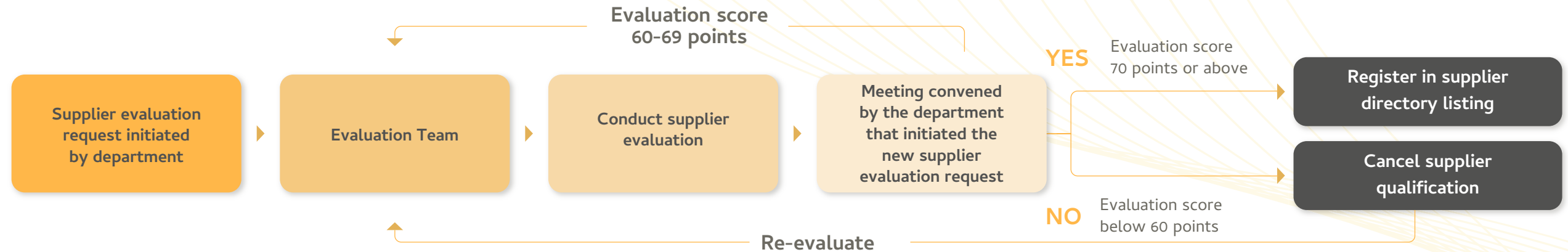
Basis for Orders and Collaboration

- Quarterly Performance Evaluation
Technology / Quality /
Cost / Delivery



Phase 1 : New Supplier Approval

To meet the threshold for qualification, new suppliers must sign Jarllytec's REACH Declaration, Corporate Social Responsibility Commitment, and Environmental Quality Assurance Certificate. They must also pass a quality audit before they are approved to collaborate with Jarllytec.



Phase 2 : Continuous Risk Management

Key suppliers undergo annual risk classification management. Key suppliers are defined as those with annual purchase values exceeding NT\$2 million in the previous year, excluding customer-designated vendors. Adhering to the RBA (Responsible Business Alliance) Code of Conduct, Jarllytec has established 12 major assessment criteria for supplier risk self-assessment: freely chosen employment, prohibition of child labor, working hours and wages/benefits, non-discrimination, freedom of association, occupational health and safety, machine safeguarding, industrial hygiene and emergency preparedness, dormitories and canteens, environmental protection, business ethics, and management systems. Through audits and investigations, Jarllytec identifies and manages potential environmental and social risks to prevent adverse impacts that could disrupt supply chain operations.

To further enhance its understanding of supplier risks and opportunities, Jarllytec plans to implement a sustainable supplier risk assessment mechanism in 2025. This survey will be based on the five core pillars of the RBA framework and will incorporate guidelines from ISO 20400 (Sustainable Procurement) and PAS 7000 (Supply Chain Risk Management). Additional topics will include carbon emissions management and long-term corporate sustainability strategies.

Through systematic data collection, suppliers will be categorized by risk level, and tailored management measures and improvement plans will be developed accordingly. This initiative aims to strengthen suppliers' sustainability capabilities and collectively build a more resilient and responsible supply chain ecosystem.

Phase 3 : Performance Evaluation

In the 2024 annual evaluation, 92% of suppliers were rated Grade A, and 8% were rated Grade B.

Rating	A	B	C	D
Total Score	Above 20	15-20	10-15	Below 10

The Quality Assurance, Procurement, R&D, and other relevant departments conduct quarterly evaluations of qualified suppliers by the 15th of each quarter (January, April, July, and October). Suppliers with more than 30 batches delivered in the previous quarter are subject to this evaluation. Suppliers rated B or above may be considered for new product development and increased procurement volumes in the following month, based on their evaluation results.

Suppliers receiving a C rating must submit a root cause analysis and improvement plan within one week. Those rated C for two consecutive quarters will be disqualified from participating in new product development. Suppliers rated D must submit an improvement plan and have their site manager report in person; a D rating for two consecutive quarters will result in disqualification as an approved supplier.

3.4.3 Supply Chain Audit

New Supplier Screening Mechanism

Jarlllytec keeps pace with global sustainability trends by leveraging supplier conferences to communicate critical updates and requirements related to the RBA Code of Conduct, HSF management policies, and ESG practices. These platforms are used to disseminate new information and evolving expectations to suppliers, with the goal of advancing sustainable development collaboratively. In alignment with international standards such as those from the RBA and ISO, Jarlllytec has developed a "Procurement Contract" to assist suppliers in complying with operational requirements. Suppliers are required to conduct self-assessments across five major risk categories: labor, health and safety, environmental management, business ethics, and management systems. These assessments are validated through Jarlllytec's on-site audits and supplemented by monthly and quarterly supplier evaluations to verify compliance with ESG standards.

In 2024, a total of seven new suppliers were qualified, all of whom were screened based on both environmental and social criteria, resulting in a 100% screening rate. To ensure that selected or subcontracted suppliers meet company requirements and stakeholder expectations, Jarlllytec, when onboarding new suppliers, requires them to sign an environmental quality assurance certificate and a social responsibility commitment, and to undergo REACH surveys. Referencing domestic and international standards as well as occupational safety and health regulations, suppliers must ensure the thorough implementation of principles such as human rights equality, no child labor, prohibition of forced labor, and no violations of major social responsibility regulations.

The assessment items for the reporting year and the percentage of new qualified suppliers who passed the assessment are as follows:

2024 New Supplier Environmental and Social Standard Assessment Items

Assessment Aspect | Environmental
Assessment Criteria :



Assessment Aspect | Social
Assessment Criteria :



Negative Environmental and Social Impacts in the Supply Chain and Actions Taken

Jarlllytec requires all qualified suppliers to establish environmental management policies in accordance with regulations and to adhere to the following social responsibility guidelines: comply with or exceed local government labor related laws and regulations, do not use child labor, ensure working hours and wages meet legal requirements, practice equality and non discrimination, prohibit forced labor, and establish a healthy and safe working environment.

In 2024, Jarlllytec conducted environmental and social impact assessments for 39 existing suppliers , along with 7 newly approved suppliers, totaling 46 suppliers. Based on these assessments, no suppliers were identified in 2024 as having significant actual or potential negative environmental or social impacts.

	Environmental Impact Assessment	Social Impact Assessment
Number of suppliers screened during reporting period	46 suppliers	46 suppliers
Percent age of new suppliers passing standard screening	100%	100%

Note

1. Environmental impact assessments cover aspects such as emissions and pollution, waste management, and resource utilization.

2. Social impact assessments cover labor relations, occupational health and safety, training, and education.

3. The number of suppliers screened during the reporting period includes both existing and new suppliers.

3.4.4 Supplier Conference

Jarlllytec holds an annual Supplier Conference to communicate its expectations and reinforce partnerships with suppliers. During the 2024 conference, Jarlllytec presented its sustainability related policies and promoted awareness of key international standards and trends, including the RBA Code of Conduct, HSF management policy, greenhouse gas inventory in accordance with ISO 14064, net zero carbon emissions, and ESG practicespractices.



Highlight Story Promotion of Supplier Esystem

To advance the implementation of ESG principles, Jarlllytec requires its raw material suppliers to attach the following documents with their shipments:

1. Shipping inspection reports.

2. Test reports related to HSF.

To enhance the transparency and efficiency of data storage, the Company plans to convert these paper based documents into an electronic system, thereby promoting better data governance and compliance. This initiative will not only reduce the demand for paper, further lessening the impact of tree felling and decreasing carbon dioxide emissions, but also contribute to environmental protection.

To support this electronic transformation, Jarlllytec, in conjunction with the Ministry of Economic Affairs' project plans for Jarlllytec to pioneer the implementation of this esystem in Q1 2025. This is estimated to reduce paper usage by at least 2,500 sheets annually. Subsequently, in Q2 2025, the program will be extended to the entire Jarlllytec Group, with an anticipated final paper reduction exceeding 20,000 sheets.

Material Topic | Greenhouse Gas Management**GRI Standard** | GRI 305**Description
of Impacts**

Jarlllytec recognizes that effective greenhouse gas (GHG) management is crucial. Reducing emissions positively impacts the environment by mitigating climate change and aligns with global sustainability goals. Conversely, failure to manage GHG emissions poses negative impacts, including increased operational costs due to rising energy prices and potential regulatory penalties, along with reputational damage within the supply chain and among stakeholders.

**Policy
and
Commitment**

Jarlllytec is committed to achieving the standards set by the Paris Agreement, striving to limit the global average temperature increase to within 1.5 degrees Celsius. It plans its organizational carbon reduction pathway in alignment with the Science Based Targets initiative (SBTi), aiming to contribute to a healthier planet. Concurrently, Jarlllytec is developing a supplier audit procedure to collaborate with its supplier partners on greenhouse gas management, building a low-carbon, sustainable supply chain, and co-creating green value.

**Evaluation
Mechanisms**

1. The Sustainable Development Committee, chaired by the Chairperson, is established as the Company's highest governance unit for ESG matters.
2. The ESG Office regularly reviews carbon management implementation, including inventory progress and reduction effectiveness, and coordinates related strategies.
3. The ESG Office reports execution results of carbon management to the Sustainable Development Committee Chairperson and the Committee quarterly.

**Management
Approach****Actions to enhance positive impacts:**

1. Jarlllytec plans to implement a digital carbon management platform to efficiently consolidate carbon emission data from all group locations.
2. The Company will gradually increase its use of renewable energy and plans to join initiatives such as RE100 and SBTi.

Actions to mitigate negative impacts:

1. Jarlllytec will progressively complete carbon inventories for all group locations, following the sustainability roadmap for listed companies.
2. In response to international supply chain net-zero goals, Jarlllytec's facilities will utilize a certain percentage of green electricity.

**Stakeholder
Engagement**

1. Jarlllytec will communicate its annual ESG goals and future plans through Board meetings, investor conferences, and the Company's official website.
2. An ESG mailbox will be set up and publicized on the Company's official website, serving as the primary communication channel with external stakeholders.
3. Jarlllytec will implement organizational greenhouse gas inventories and incorporate renewable energy usage in response to international supply chain requirements.
4. The Company will promote greenhouse gas management initiatives at supplier conferences, inviting supplier partners to collaboratively move towards net-zero.
5. Jarlllytec plans to develop a supplier greenhouse gas management audit procedure to implement tiered management for suppliers.

**Performance
2024**

1. In 2024, Jarlllytec completed greenhouse gas inventories for all group facilities.
2. 2024 Group Scope 1 emissions: 919.0536 metric tons.
2024 Group Scope 2 emissions: 8632.5767 metric tons.
2024 Group Scope 3 emissions: 3209.4636 metric tons.

Goals**Short-term
1-3 years**

1. Establish a greenhouse gas management working group to plan the Company's net-zero pathway and execute related tasks.
2. Implement a digital carbon management platform to systematically complete greenhouse gas inventories for all group facilities, following ISO 14064-1.
3. Initiate a CDP (Carbon Disclosure Project) disclosure project.

**Medium-term
3-5 years**

1. Complete greenhouse gas inventories for all group sites in accordance with ISO 14064-1 and obtain third-party verification.
2. Plan to join international initiatives like SBTi and RE100.

**Long-term
5-10 years**

1. Continuously achieve annual reduction targets by following the SBTi reduction pathway, aiming for a 4.2% absolute reduction in greenhouse gas emissions compared to the base year (base year 2026).



Material Topic | Greenhouse Gas Management**GRI Standard** | GRI 302**Description
of Impacts**

Effective energy management offers significant environmental benefits, including reducing greenhouse gas emissions, lowering pollution, and conserving natural resources. Economically, it directly cuts operational costs, boosts energy efficiency and independence, and lessens reliance on external energy supplies, thereby enhancing energy security. However, companies may face challenges such as technical and expertise barriers, potentially high initial capital investment, and the complexities of energy structure transition, all of which could impact financial performance.

**Policy
and
Commitment**

Jarlllytec has established a systematic energy management approach to achieve sustainable operations and fulfill its corporate social responsibility. The Company has formed a cross-departmental "Energy Management Workgroup" responsible for strategizing energy transition and integrating resources to continuously enhance energy efficiency and expand renewable energy applications. This approach aims to optimize energy usage, meet carbon reduction targets, and lay the foundation for Jarlllytec's green competitiveness.

**Evaluation
Mechanisms**

1. The Energy Management Team regularly reviews energy consumption across all facilities, including energy efficiency and the performance of high-energy-consuming equipment, to evaluate the need for replacement with more efficient alternatives.
2. The Energy Team periodically reports its energy management execution results to the ESG Office.

**Management
Approach****Actions to enhance positive impacts:**

1. Jarlllytec plans to implement an energy management system, continuously monitoring facility energy consumption and analyzing data for improvements.
2. The Company will gradually increase its use of renewable energy and plans to join the RE100 initiative.

Actions to mitigate negative impacts:

1. In alignment with international supply chain net-zero goals, the Company's facilities will utilize a certain percentage of green electricity.

**Stakeholder
Engagement**

1. Jarlllytec will communicate its annual ESG goals and future plans through Board meetings, investor conferences, and the Company's official website.
2. An ESG mailbox will be set up and publicized on the Company's official website, serving as the primary communication channel with external stakeholders.
3. Jarlllytec will implement renewable energy use in response to international supply chain requirements.
4. The Company will promote energy management initiatives at supplier conferences, inviting supplier partners to collaboratively move towards net-zero.

**Performance
2024**

1. In 2024, Jarlllytec formed an Energy Team and completed the establishment of an energy management system at its headquarters.
2. The Company also replaced some old, high-energy-consuming equipment in 2024, projected to save approximately 650,000 kWh annually.

Goals**Short-term
1-3 years**

1. Establish an energy working group to plan and execute company energy-saving projects.
2. Implement an energy management platform, installing smart electricity systems at headquarters to continuously monitor and collect historical energy consumption data from facilities.
3. The Taiwan facility will first sign a CPPA (Corporate Power Purchase Agreement) for renewable energy transfer, with other group locations gradually adopting renewable energy use.

**Medium-term
3-5 years**

1. Construct solar power plants to achieve self-generation and self-consumption of renewable energy.
2. Group locations will sign CPPA renewable energy transfer agreements and purchase EACs (Energy Attribute Certificates), progressively integrating renewable energy.
3. The Group will install smart electricity systems consolidated within the headquarters' energy management system, enabling the formulation of a group-wide energy management strategy.
4. Plan participation in the RE100 international initiative.

**Long-term
5-10 years**

1. Continuously enhance energy efficiency, aiming for a 1.5-fold improvement by 2030, based on 2024 levels.
2. Continuously increase the proportion of renewable energy usage across the group.



4.1 Environmental Policy

To effectively implement the requirements of the ISO 14001 Environmental Management System and the ISO 45001 Occupational Health and Safety Management System, Jarllytec will adhere to relevant environmental, safety, and health (ESH) regulations and requirements, and will adopt proactive management and improvement measures. Therefore, the Company commits to the following:

- 1 Energy Saving and Carbon Reduction** 

Develop product carbon footprints, carbon labeling, and carbon neutrality initiatives; conserve energy and resource consumption; and promote industrial greening.
- 2 Waste Reduction** 

Implement waste sorting and reduction to minimize environmental pollution and hazards.
- 3 Recycling and Regeneration** 

Recycle and reuse energy and resources to enhance their regeneration and efficient use.
- 4 Hazard Prevention** 

Strive to achieve targets of zero pollution, zero accidents, and zero disasters.
- 5 Regulatory Compliance** 

Comply with ESH laws and regulations and other relevant requirements.
- 6 Continuous Improvement** 

Conduct regular audits and reviews to ensure the effective implementation of policies and achieve continuous improvement.
- 7 Health Promotion** 

Proactively care for the physical, mental, and spiritual well-being of workers, aiming to foster a balance between family and work.
- 8 Friendly Workplace** 

Construct a friendly workplace characterized by gender equality, non-discrimination, and labor dignity, enabling workers to perform their duties with peace of mind.
- 9 Worker Participation** 

Provide workers with opportunities for consultation and participation in the processes of developing, planning, implementing, evaluating performance, and taking improvement actions.

4.2 Climate Change Adaptation

4.2.1 Governance

Jarllytec follows the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD) for identifying climate-related risks and opportunities. The Company's Board of Directors serves as the highest supervisory unit for climate issues, overseeing the overall climate strategy and the Sustainability Development Committee's execution of climate-related risk management.

The Sustainability Development Committee regularly reviews environmental, social, and corporate governance risks, including but not limited to the promotion and operation of climate change-related initiatives. It identifies material risks and opportunities and formulates corresponding response and adaptation strategies. At least once a year, the Sustainability Development Committee reports to the Board of Directors on the implementation results and plans concerning corporate sustainability and climate change-related issues.



4.2.2 Strategies

Referencing the guidelines of the TCFD, Jarllytec conducts an analysis of its various potential risks and the likelihood of their occurrence. Based on factors such as asset lifespan, potential risks, and the industry sectors and geographical regions of its operations, the Company evaluates short, medium, and long-term risks (Short-term: 1-3 years; Medium-term: 3-5 years; Long-term: 5-10 years) and opportunities, assessing the potential degree of threat to its future operations. These findings are publicly disclosed in its annual Sustainability Report.

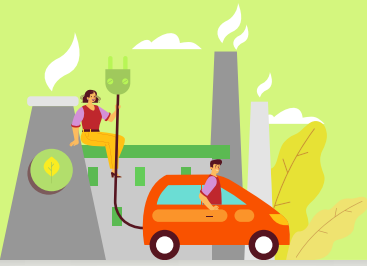
Jarllytec plans to expand its assessment scope in the future, including a rating system for risks and opportunities. It intends to create a risk and opportunity matrix based on "probability of occurrence" and "impact level" to determine these ratings, with results anticipated to be classified into three risk levels: low, medium, and high. This will also define the priorities for addressing these risks and opportunities. Risks classified as medium or high will be designated as major risks, for which further preventive measures and improvement plans will be developed.

Climate Change-Related Risks and Response Measures

	Risk Dimension	Climate-Related Risks	Impact Horizon	Potential Financial Impact	Response Strategies	Financial Impact of Response	Outcomes and Performance
Physical Risks	Extremity 	Increased severity of extreme weather events such as typhoons and floods.	Short-term	- Natural disasters like typhoons may lead to operational disruptions, damage to operational equipment, impact on employee livelihoods, and supply chain interruptions for components. - Associated recovery costs and delays in product delivery will increase management costs and reduce sales.	- The Company has established disaster preparedness and response management procedures to address natural disasters potentially caused by extreme weather. - In the event of typhoons or other natural disasters, response is carried out according to emergency response guidelines. - Personnel receive enhanced training and education on emergency handling for natural disasters.	Financial impact is primarily emergency response expenditures; it does not involve transformational actions. Increased operating costs due to the addition of disaster prevention equipment.	- The Company's established disaster response management procedures have significantly reduced losses from disasters. - Buildings, equipment, and fire-related matters are inspected periodically/irregularly. - Relevant disaster insurance has been purchased. - Emergency response training for personnel is conducted.
	Extremity 	Annual increase in average temperatures	Long-term	- Sustained high temperatures and an increase in the number of summer days lead to higher electricity consumption for air conditioning, resulting in increased energy costs. - Increased temperatures negatively impact production efficiency, leading to reduced sales and increased operating costs.	- Replacing existing air conditioning and machinery with energy-efficient alternatives. - Promoting centralized office layouts and green building practices to conserve air conditioning usage. - Optimizing relevant production or inspection equipment, lowering environmental temperatures, or increasing airflow to mitigate any potential impact on production and shipping schedules. - Continuously maintaining equipment and monitoring electricity consumption to ensure stable power usage.	- Initial equipment investment leads to increased capital expenditures. - Equipment replacement results in increased operating costs.	- Equipment optimization and environmental improvements. - Long-term energy saving and carbon reduction initiatives yield higher returns on investment. - The adoption of energy-efficient air conditioning and machinery significantly reduces electricity consumption, achieving energy saving and carbon reduction benefits.
	Extremity 	Increased air conditioning load and heat stress on employees due to warming	Long-term	- Global average temperature rise potentially increases variability in production processes. If environmental temperatures are too high, it will affect employee morale and stability, causing certain difficulties in management. - High temperatures may lead to heatstroke or other health issues for employees, resulting in decreased work efficiency, reduced output or sales, and lower company revenue.	- Gradually replacing air conditioning units with poor energy performance. - Utilizing an energy monitoring system to reduce unnecessary air conditioning use.	Increased expenditure due to equipment optimization and environmental improvements.	Reduced electricity expenses. 

Note The impact horizon is defined as: Short term (1-3 years), Mid term (3-5 years), and Long term (5-10 years).

Risk Dimension	Climate-Related Risks	Impact Horizon	Potential Financial Impact	Response Strategies	Financial Impact of Response	Outcomes and Performance
Policy and Regulations 	Enhanced emission reporting obligations.	Mid-term	● In response to government requirements for disclosing corporate greenhouse gas emissions, the integration of data across the Group will be complex due to varying environmental regulations and national laws. The process will require significant human resources for data collection and coordination, thereby increasing labor costs.	● A dedicated contact person is required to integrate and classify the lists provided by each plant to minimize data statistical discrepancies. 	● Increased labor costs. ● Increased personnel travel expenses.	● A dedicated task force was established in Taipei, with designated personnel from each plant coordinating with Taipei to discuss data collection methods and confirm data accuracy and validity. The data provided by the Group exhibits minimal discrepancies and high accuracy.
Policy and Regulations 	Greenhouse gas Cap-and-Trade and carbon tax/fee	Long-term	● The "Climate Change Response Act" establishes a mechanism for levying "carbon fees," expected to commence in 2024. Consequently, the Company may incur "carbon fee" operational costs in the future.	● The Company has set carbon reduction targets. ● Currently, the Company procures energy-efficient products and promotes energy conservation, with a comprehensive adoption of eco-friendly refrigerants.	● Increased operating costs due to the procurement of energy-efficient products, promotion of energy conservation, and use of eco-friendly refrigerants.	● A target has been set to reduce emissions by at least 1% annually.
Policy and Regulations 	Requirements and regulation of existing products and services	Long-term	● Government imposing significant requirements on existing products and services, necessitating large-scale adjustments in the supply chain. ● Increased operational costs, including compliance costs and higher insurance premiums.	● Developing and procuring more costly recycled raw materials to align with international trends and meet customer demands. ● If certain product services are identified as being affected by carbon-related policy fluctuations, relevant measures should be drafted in advance to mitigate the impact.	● Increased procurement costs.	● All products manufactured meet customer requirements, and there were no product non-compliance cases in 2024.

Transition Risks	Risk Dimension	Climate-Related Risks	Impact Horizon	Potential Financial Impact	Response Strategies	Financial Impact of Response	Outcomes and Performance
	Technology 	Increased cost of purchasing renewable energy.	Short-term	- Responding to client commitments such as RE100 and carbon neutrality pledges will lead to annual cost increases. - The Company's production and shipping plans, as well as operational costs, are influenced by the monthly volume of green electricity. - Expenditures for research and development of new and alternative technologies. - Increased renewable energy expenditures.	- In response to client demands, the Company evaluates the establishment of renewable energy sources or the purchase of relevant renewable energy certificate solutions. - In addition to purchasing renewable energy certificates, the Company actively seeks renewable energy investment opportunities and considers installing in-plant heat recovery equipment to reduce electricity expenditures. - The Company is considering long-term contracts to secure lower green electricity purchase prices.	- Purchasing renewable energy certificates will increase the - Company's electricity expenses, progressively increasing by several million NTD annually before achieving RE100. Long-term expenditure planning is required due to the need for long-term green electricity purchases.	- Establishment of renewable energy sources or purchase of relevant integrated power and certificate solutions. - Meeting customer expectations and ESG considerations encourages clients to continue increasing order volumes.
	Technology 	Costs of replacing existing products and services with Low-Carbon alternatives and implementing new practices and Processes	Mid-term	- Under pressure from regulatory authorities and customers, the low-carbon transition is an irreversible trend, and improvements in low-carbon processes will increase operational costs. - When addressing customer requirements, evaluating the feasibility of adjusting or updating existing production equipment to meet these requirements, and assessing whether technical variations in production can be overcome. - The replacement of existing products with low-carbon alternatives necessitates a large-scale transformation in production processes and R&D.	- Inventorying carbon emission information for existing products and services, and formulating relevant measures in advance to mitigate impact. - For new product development, assessing the feasibility of new equipment or equipment upgrades.	- Increased operational costs. - Increased capital expenditure for low-carbon equipment. - Increased costs for equipment purchase or modification.	Increased customer satisfaction with the Company. 
	Market 	Changes in customer behavior.	Mid-term	- As customers respond to global net-zero emissions and environmental impact reduction trends, if existing products and services fail to meet low-carbon market demand, sales may decrease, and revenue may decline, impacting the Company's financial planning. - Low carbon products increase product design costs and supply chain management costs.	- Utilizing more efficient transportation models. - Implementing low-carbon production processes and offering products and services with reduced environmental impact. - Providing customized services to clients. - Phasing out old, high-energy-consuming equipment. - Actively seeking talent for low-carbon transition and training employees for the era of low-carbon transformation.	- Increased operational costs and increased capital expenditure for low-carbon equipment. - Transition action: Corporate investment in sustainable management initiatives.	The Company can actively invest in environmental, social, and corporate governance (ESG) aspects to enhance its ESG performance and gain customer trust.

Transition Risks

Risk Dimension	Climate-Related Risks	Impact Horizon	Potential Financial Impact	Response Strategies	Financial Impact of Response	Outcomes and Performance
Market 	Customer green product regulatory requirements / rising consumer awareness of green products	Long-term	- Changes in consumer preferences lead to a decrease in demand for goods and services. - The increasing global prohibition and restriction of substances means that if the Company fails to comply with international regulations, it may lead to a decrease in demand for its goods / services. - The Company is required to publicly disclose information on hazardous substances in materials.	- Identifying customer green product regulations and establishing internal company standards to ensure customer requirements are met, serving as the basis for the Company's green products. - Cooperating with customer green product regulatory requirements, providing third-party testing reports and Full Materials Declarations to assist customers in launching green products into the consumer market. - Utilizing online platforms and in-person courses to collect global trends in prohibited and restricted substances, simultaneously understanding future customer needs, and preparing countermeasures in advance.	- Requires dedicated personnel, increasing labor costs. - Increased testing fees and personnel operating time, leading to higher testing expenses. - Increased training expenses.	100% customer satisfaction with green products. - Upon successful transition, all manufactured products will be green products. - No customer complaints regarding the Company's products have been received to date.
Market 	Rising raw material costs	Long-term	- Increased green electricity costs for the Company lead to higher production costs. - When customers specify green and environmentally friendly raw materials, this indirectly increases raw material costs. - Changes in the Company's energy management costs and waste disposal expenses lead to higher production costs.	- The Company needs to increase its operational liquidity and enhance its return on investment. - Planning to reduce transportation and packaging costs through simplified modular design.	- Increased procurement costs. - Increased operational costs.	Reduced transportation costs and carbon emissions.
Reputation 	Increasing stakeholder scrutiny and negative feedback.	Mid-term	- Failure to meet stakeholder expectations in climate change actions will lead to negative public opinion and reduced customer trust and satisfaction, affecting corporate reputation. - If the Company cannot provide solutions for product issues raised by customers, extended shipping times will increase costs, impacting future order acquisition. - Customers, influenced by national policies and increased consumer awareness, will consider a supplier's willingness to adapt as a crucial factor for future orders.	- Increasing green manufacturing and green innovation to enhance the Company's green image. - Strengthening communication with customers to understand their future strategies and ensure the Company's future direction aligns with customer needs. - Actively engaging with customers while simultaneously discussing appropriate improvement methods internally. If complete improvement is not feasible, communicate with customers to reach a balance.	- Increased operational costs. - Increased capital expenditure for carbon-reduction equipment. - Increased product costs.	- Enhanced corporate social image, serving as material for publicity and reports, thereby increasing customer and stakeholder trust in the Company. - Assuming no customer complaints are received, anticipated increases in order volume and revenue. - Timely communication with stakeholders.

Opportunities	Risk Dimension	Climate-Related Risks	Impact Horizon	Impact on Company Strategy, Operations, and Finance	Response Strategies	Financial Impact of Response	Outcomes and Performance
	Resource Efficiency	Utilizing highly efficient production and distribution processes	Short-term	- Enhancing output efficiency and reducing pollution emissions during production through the modernization and replacement of production equipment and the implementation of smart energy-saving management. - Increasing maintenance frequency for high-energy-consuming equipment to maintain high-efficiency operation, inspecting all air conditioning pipelines to prevent leaks, or using high-efficiency lighting to reduce electricity bills and carbon emissions. - Ensuring procured information-related equipment meets environmental requirements and centralizing purchases as much as possible to reduce vendor transportation frequencies. - Reducing production costs. - Insufficient control over product packaging materials leads to increased packaging costs. - Limited automation in manufacturing processes results in higher labor costs. - Developing energy or resource-saving processes to reduce carbon emissions in the environment. - Systematizing component specifications facilitates component management and procurement cost analysis	- Replacing old equipment to improve energy efficiency. - Implementing smart energy-saving systems. - Deploying energy monitoring systems to track power consumption and health of all production equipment, enabling inspection and maintenance of existing equipment or replacement with high-efficiency devices, leading to the development of low-carbon processes. - Promoting Industry 4.0 for smart factory transformation and implementing AI intelligent manufacturing systems to increase automation in processes. - Introducing new technologies and utilizing automated production equipment to improve yield and reduce rework opportunities, thereby decreasing energy consumption during production. - Controlling product packaging to reduce the use of packaging materials. - Minimizing unnecessary waste during production and product packaging. - Promoting clearer labeling of component specifications within the system to facilitate subsequent component management and cost analysis of similar components. This initiative began in 2024 and is expected to be fully implemented by Q2 2025.	- Reduced percentage of energy consumption in the production process, leading to lower operating costs. - Use of energy-efficient equipment, resulting in increased production efficiency and higher revenue. - Increased capital expenditure. - Increased procurement costs. - Increased system maintenance and update costs.	- Completion of Group equipment updates and implementation of smart energy saving, resulting in reduced electricity consumption and carbon emissions. - Lower personnel costs and increased production efficiency. - Reduced production costs, enhancing corporate competitiveness. - Development of smart factories, simultaneously reducing direct and indirect costs.
	Resource Efficiency	Recycling and Reuse	Mid-term	- The Company enhances the recycling of waste plastics, industrial packaging materials, and key metal materials, thereby reducing operational costs. - Through the use of recycled cartons, which can incorporate over 90% recycled content, the Company promotes environmental sustainability and deeper integration of green packaging into the environment.	- Strengthening the product material recycling system, enhancing upstream sorting and recycling effectiveness, and ensuring the quality of secondary materials or recycled products. - Establishing product quality supervision mechanisms and standards. - Evaluating the feasibility of establishing heat recovery systems. - Optimizing general waste recycling models to increase recycling volume. - Promoting the recycling of supplier shipping packaging materials. - Increasing the frequency of using recycled cartons.	- Recycling packaging materials and waste metals, reducing operational costs. - Lowering procurement costs.	- Creating a green consumption model, reducing the use of disposable products, and strengthening education and advocacy for sustainable and circular resource recovery. - Reducing carbon emissions and decreasing company operating expenses.

Opportunities

Risk Dimension	Climate-Related Risks	Impact Horizon	Impact on Company Strategy, Operations, and Finance	Response Strategies	Financial Impact of Response	Outcomes and Performance
Energy Sources 	Utilizing Low-Carbon Energy	Mid-term	Assessing the feasibility of using low-carbon energy equipment in server rooms to reduce energy expenditures.	Reducing operational costs through efficiency improvements.	- Implementing carbon reduction measures at low cost. - Increased equipment procurement costs.	- Achieving carbon reduction effects without significant expenditure increases. - Meeting client and government regulatory requirements, enhancing company image.
Products and Services 	Research and Development and Innovation for New Products and Services	Long-term	- The Company develops reusable or disassemblable product components to extend product life cycles. - Developing modular product designs where products can be disassembled at the end of their life, and components and parts are easily reusable or recyclable. - Developing patented new structural designs to enhance product distinctiveness. - Developing low-carbon products using green materials, recycled materials, and 100% recycled content, thereby reducing carbon emissions. Using environmentally friendly raw materials will lessen environmental impact; financial costs may increase, but subsequent environmental and waste treatment will be more eco-friendly.	- New technical design solutions, including product design development and patent circumvention design, to extend product lifespan. - Promoting generative AI design to reduce production costs. - Leveraging government subsidies and industry-academia-government collaborative innovative research. - Collaborating with clients and upstream suppliers to develop energy/resource-saving processes, reducing the carbon emission impact on the environment during product manufacturing. - Procuring green materials, recycled materials, and environmentally friendly raw materials, utilizing natural raw materials.	- Increased R&D costs. - Increased AI procurement and maintenance costs. - Reduced operational costs.	- At the end of the product life cycle, components and parts are easily reusable or recyclable. - Reduced labor and highly efficient production.



Risk Dimension	Climate-Related Risks	Impact Horizon	Impact on Company Strategy, Operations, and Finance	Response Strategies	Financial Impact of Response	Outcomes and Performance
Products and Services 	Energy Monitoring System to Identify Energy Consumption Hotspots and Improve Efficiency	Short-term	- Utilizing an energy monitoring system to identify the Company's energy consumption hotspots, thereby evaluating improvement plans, which can reduce production costs and enhance corporate competitiveness. - Integrating high-energy-consuming equipment with IoT for accurate energy consumption data collection. - Implementing smart manufacturing processes to improve production efficiency and reduce human error rates. - For company operations, additional production line efficiency can be achieved, minimizing or preventing errors. While purchasing new smart equipment may increase initial costs, the long-term benefits and improved product quality will be significant.	- Collaborating with government resources to establish an energy detection system to identify the Company's energy consumption hotspots. - Actively improving production efficiency, promoting production line automation, and implementing an IoT system for equipment monitoring and analysis. - Implementing IoT connectivity.	- Initial increase in capital expenditure; long-term reduction in production costs after identifying and improving energy consumption issues. - Increased equipment costs.	- Enhanced company image. - Reduced production costs, improving corporate competitiveness. - Real-time information and data accuracy.
Resilience 	Participation in Renewable Energy Projects and Adoption of Energy Efficiency Measures (Energy Substitution/Diversification)	Long-term	- Assisting suppliers in conducting carbon inventories to enhance future supply chain stability. If a supplier cannot perform carbon emissions reduction, identifying alternative supply sources to ensure timely response to future impacts caused by climate or market variability. - Increasing supply chain reliability and operational capabilities under different conditions.	- Assisting and guiding suppliers in conducting greenhouse gas inventories. - Guiding suppliers to purchase green electricity (solar/geothermal/wind power).	- Human resource expenditure. - Increased operational costs.	Through supply chain guidance, sharing net-zero trends, and simultaneously increasing supply chain resilience. In 2024, supplier guidance frequency is one supply chain conference per year.



4.2.3 Risk Management

Jarlllytec identifies climate-related risks and opportunities in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. The Company selects relevant climate risk and opportunity factors, assesses their potential impact on corporate strategy, operations, and financial performance, and prioritizes them based on materiality. The Board of Directors holds ultimate responsibility for climate risk management. Annually, the Sustainable Development Committee provides regular reports to the Board on the execution and results of climate risk management, overseeing its implementation.

The Sustainable Development Committee has a Sustainability Working Group composed of managers and representatives from various departments and business units. Each year, this working group conducts comprehensive assessments of various risks and opportunities, including those related to climate, to develop response and adaptation strategies. These findings are then compiled into an enterprise risk management report presented to the Sustainable Development Committee, assisting the Board in reviewing the implementation of risk management.



4.2.4 Metrics and Targets

Jarlllytec is actively planning to conduct ISO 14064 greenhouse gas inventories across all its global operational sites, aiming to obtain verification reports from third-party certifiers. Simultaneously, the Company is planning projects for energy conservation, carbon reduction, and green electricity adoption to achieve its low-carbon transition goals. The Company has set a climate-related target to reduce carbon emissions by at least 1% annually.

In 2024, Jarlllytec's headquarter initially introduced renewable energy. Moving forward, the Company will consider expanding green electricity procurement or acquiring carbon offsets to accelerate carbon reduction efforts, depending on the extent of climate change impact on its operations.

4.2.5 CDP Climate Disclosure

In response to increasing stakeholder expectations regarding sustainability, Jarlllytec participated in the CDP Climate Disclosure questionnaire for the first time this year. This initiative reflects the Company's commitment to sustainable development and served as an opportunity to comprehensively assess the current state of its sustainability management practices. Jarlllytec received a Grade C rating in its inaugural submission, recognizing the Company's initial efforts in environmental transparency and affirming its determination to advance sustainability. The CDP assessment provided valuable insights for Jarlllytec's future sustainability roadmap. Building on these assessment results, the Company will continue to strengthen its sustainability strategies, including identifying climate-related risks and opportunities, and improving the measurement and management of greenhouse gas emissions. Jarlllytec aims to elevate its CDP rating to Grade B by 2026, thereby enhancing its ability to address global climate challenges and generate long-term sustainable value for all stakeholders.

4.3 Greenhouse Gas Management

4.3.1 Greenhouse Gas Inventory

Jarlllytec first initiated its greenhouse gas (GHG) inventory in 2022, with the scope primarily focused on its headquarter. In 2023, the inventory scope expanded further to include three Taipei factory sites. 2024 marks a significant milestone as Jarlllytec successfully completed GHG inventories for all group locations, with all data verified by AFNOR International. This comprehensive inventory establishes a robust baseline for future emission reduction initiatives. It also represents a major step forward in the Company's commitment to mitigating climate change and lessening its negative impact on the planet.

For the quantification process, the Company adheres to the international standard ISO 14064-1:2018, utilizing industry-accepted emission factor and mass balance methodologies for calculating emissions. The Global Warming Potential (GWP) coefficients reference the latest data published by the United Nations Intergovernmental Panel on Climate Change (IPCC) in its Sixth Assessment Report (AR6, 2021). All emission statistics are managed according to the Operational Control Approach.

Scope 1 & Scope 2 Emissions

In 2023, Jarlllytec's greenhouse gas (GHG) inventory focused primarily on its Taiwan facilities, covering Scope 1 (direct emissions) and Scope 2 (energy indirect emissions), with a total emission volume of 5,357.147 metric tons of carbon dioxide equivalent (tCO₂e). In 2024, the inventory boundary was expanded to include all group facilities across Taiwan, China, and Southeast Asia. Under this broader scope, the Group's total GHG emissions reached 9,551.6303 tCO₂e. Emissions intensity from controllable sources (Scope 1 and Scope 2) was calculated at 0.9972 tCO₂e per million NTD revenue. This more comprehensive inventory enables Jarlllytec to better assess the carbon footprint across its operations and, while the business continues to grow, more effectively evaluate and demonstrate emission reduction performance.

2023 Scope 1 & Scope 2 GHG Emissions (tCO ₂ e)				
Scope/Region	Taiwan	China	Southeast Asia	Group-wide
Scope 1	345.5472	-	-	-
Scope 2	5011.5999	-	-	-
Scope 1+2	5357.147	-	-	-
2024 Scope 1 & Scope 2 GHG Emissions (tCO ₂ e)				
Scope 1	454.527	292.3337	172.193	919.0536
Scope 2	4854.8014	3605.4685	172.3068	8632.5767
Scope 1+2	5309.3284	3897.8022	344.4998	9551.6303

Note 1. Unit: metric tons of CO₂ equivalent (tCO₂e)
2. The 2023 inventory boundary covered only Taiwan facilities, while the 2024 inventory boundary expanded to include the entire group.

Scope 3 Emissions

In 2024, Jarllytec conducted materiality assessment and inventory of Scope 3 GHG emissions in accordance with ISO 14064-1 guidelines, covering six categories of indirect emissions. The total Scope 3 emissions amounted to 3,209.4636 tCO₂e. Among these, emissions from purchased goods and services (upstream energy-related activities) were the highest, at 1,123.74 tCO₂e, highlighting upstream energy use as a major indirect emission hotspot for the Group. This was followed by upstream transportation and distribution, which accounted for 1,128.9988 tCO₂e, reflecting the significant impact of logistics activities on overall emissions.

2024 Scope 3 GHG Emissions (tCO ₂ e)				
Scope/Region	Taiwan	China	Southeast Asia	Group-wide
Upstream Transportation	19.0162	408.5897	317.5702	745.1761
Downstream Transportation	44.4781	315.5971	3.4245	363.4997
Employee Commuting	152.5033	79.1738	113.6578	345.3349
Business Travel	68.7105	223.7365	10.0690	302.516
Purchased Goods (Upstream Energy Activities)	1047.3517	42.0814	39.5657	1128.9988
Solid and Liquid Waste Treatment	123.0256	49.4208	151.4917	323.9381
Total	1455.0854	1118.5993	635.7789	3209.4636

Note

- Emissions from purchased goods only include those generated by upstream energy activities.
- Emissions related to solid and liquid waste treatment cover those generated during both their treatment and transportation processes.

4.3.2 Greenhouse Gas Emission Reduction Actions and Results

Jarllytec focuses on four key strategic areas: improving energy efficiency and conservation, integrating renewable energy, supply chain collaboration with Scope 3 emission reductions, and process improvement with low-carbon technology application. Through these measures, the Company aims to reduce direct emissions and energy consumption. Jarllytec also partners with value chain stakeholders to promote comprehensive carbon reduction efforts, such as optimizing logistics and transportation, procuring green products, and enhancing waste management efficiency.

In 2024, the Company replaced air compressors at its three Taipei facilities to boost energy efficiency. Beginning in October, Jarllytec also started incorporating renewable energy to lower indirect Scope 2 emissions. Jarllytec has established 2024 as its baseline year for controllable Scope 1 and Scope 2 greenhouse gas emissions. The Company commits to reducing these emissions by at least 2% annually, starting from 2025. This target ensures that as business continues to grow, carbon emission intensity (which was 0.9865 tCO₂e per million in revenue in 2024) will be effectively lowered, demonstrating Jarllytec's steadfast commitment to environmental sustainability.

4.4 Energy Management

Jarllytec recognizes electricity as its primary source of energy consumption. Therefore, the Company actively implements various energy-saving measures in its daily operations, including the management of power usage for lighting and air conditioning systems, with the aim of enhancing overall electricity efficiency. In 2024, to tangibly improve electricity efficiency, Jarllytec replaced its aging air compressor system, projecting an annual electricity saving of approximately 650,000 kWh. Furthermore, to gain a more precise understanding of energy usage, Jarllytec introduced a digital energy management system at its headquarter to monitor equipment energy consumption data in real-time and began inventorying high-power-consuming equipment.

Concurrently, the Company is actively developing diversified energy sources, incorporating renewable energy, and procuring 74,000 kWh of green electricity. Looking ahead, Jarllytec plans to install smart meters in its facilities to monitor equipment electricity data more meticulously and anticipates that the introduction of the energy management system will serve as a starting point for progressively enhancing the overall energy efficiency of its entire plant.

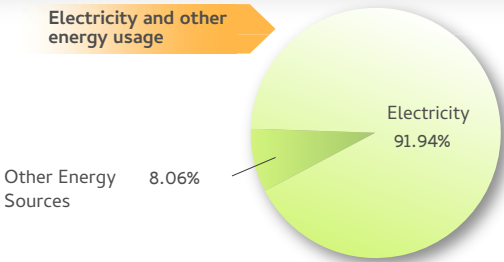
4.4.1 Energy Consumption and Intensity

Energy Type	2023		2024	
	Annual Consumption	Energy Consumption (GJ)	Annual Consumption	Energy Consumption (GJ)
Electricity - Purchased Non-Renewable	8,266,440(kWh)	29,765.96	17,293,405(kWh)	62256.26
Electricity - Renewable Energy	-	-	74,000 (kWh)	266.4
Gasoline	7108.15(L)	232.14	40,899.75(L)	1,335.73
Diesel	88.25(L)	3.1	6,165.23(L)	216.84
Natural Gas	102,969(m) ³	3,880.18	104,178(m) ³	3,925.74
Total Energy Consumption (GJ)	33,881.39		68,000.97	
Energy Intensity (GJ/NT\$ Million)	28.25		7.1	

Note

- 2024 energy consumption scope now includes the China and Southeast Asia facilities.
- Energy types covered : fuel and electricity.
- This ratio uses the organization's internal energy consumption.
Electricity : 860kcal/kWh, Natural gas : 9,000 kcal/M3, Gasoline : 7800kcal/L, Diesel : 8400kcal/L.

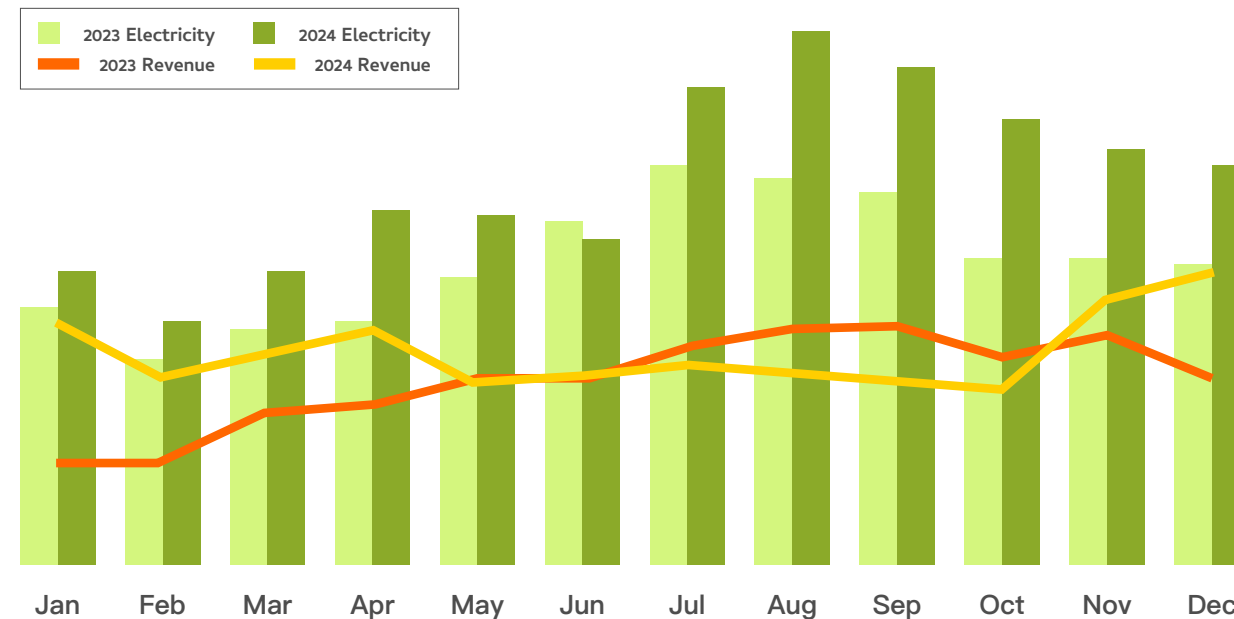
Electricity and other energy usage



4.4.2 Group Electricity Consumption

Jarlllytec's revenue and overall electricity consumption in 2024 both showed significant growth compared to 2023. This phenomenon primarily reflects the Company's expanding business scale, which led to increased utilization rates of production lines and related equipment, thereby driving up electricity demand.

This concretely demonstrates the continuous reliance of the Company's production needs and operational activities on energy. To address this, Jarlllytec will continue to focus on implementing various energy-saving measures to improve energy efficiency. By introducing more energy-efficient equipment, optimizing manufacturing processes, and prioritizing the reduction of energy intensity, the Company aims to effectively lower production costs and mitigate environmental impact, thereby achieving sustainable corporate operations.



4.4.3 Energy Saving Initiatives

To actively respond to the global energy transition trend and fulfill its commitment to corporate energy saving and carbon reduction, Jarlllytec implemented several energy-saving measures in 2024, demonstrating its efforts and determination towards environmental sustainability.

Headquarters Energy Management System Implementation

Jarlllytec recognizes that enhancing energy efficiency is the primary step in energy transition and the most cost-effective solution for greenhouse gas reduction. Upholding this principle, Jarlllytec took the lead in July 2024 by introducing a digital Energy Management System (EMS) at its headquarter, making it the group's first implemented location. By installing Current Transformers (CTs) at each floor's power distribution switch and collecting energy consumption data from various endpoints via smart distribution panels, this data is displayed in real-time on the EMS screen. This enables the Company to continuously monitor equipment energy consumption and assess potential energy anomalies or waste.

In the future, Jarlllytec will actively manage energy-intensive equipment within the factory and develop feasible energy-saving measures. Looking ahead, Jarlllytec plans to gradually expand the digital energy management system to its domestic and international operational sites, connecting group information through EMS to more effectively manage energy, align with international standards, and advance towards the goal of energy transition.

Air Compression System Replacement and Upgrade

To further enhance energy utilization efficiency, Jarlllytec's Taiwan plants completed the upgrade of its air compressor system in 2024. By re-evaluating the plant's air demand, the Company procured variable frequency air compressors to replace the outdated equipment.

The new system employs variable frequency parallel operation and standby modes, allowing it to flexibly adjust the number of operating units based on actual air consumption. During off-peak hours, only a small number of air compressors are needed to maintain operation, while the remaining units enter standby mode. When air demand increases, the standby units automatically activate to meet the demand, effectively preventing unnecessary energy consumption. It is estimated that this upgrade will improve the energy efficiency of the air compressor system by over 30%, saving an estimated 650,000 kWh of electricity annually.

4.4.4 Renewable Energy

Jarlllytec is dedicated to developing sustainable energy management strategies to effectively reduce the environmental impact of its operational activities, respond to customer demands, achieve the Company's carbon reduction targets, and ultimately realize its vision of sustainable corporate development.

In October 2024, Jarlllytec officially integrated renewable energy by procuring 74,000 kWh of green electricity. This fully demonstrates the Company's commitment to environmental sustainability and concrete actions. Looking ahead to 2025, Jarlllytec plans to increase its green electricity procurement to 300,000 kWh, with the expectation that its headquarter will achieve the phased target of RE25. Concurrently, the Company is also actively evaluating the feasibility of installing solar power generation equipment at its existing facilities to continuously advance energy transition and move towards a more sustainable future.



4.4.5 Air Pollution Control

Jarlllytec's Taiwan facilities implement stringent measures to control air pollution. In the acid stripping area (where nitric acid is the raw material), exhaust gases are collected by hoods before discharge. The sintering area utilizes sealed pipelines to collect waste gases, which are then incinerated in a waste gas incinerator before release into the atmosphere. Natural gas serves as the fuel for both processes. Pollutant concentrations are measured according to the environmental testing standard methods announced by the Ministry of Environment. The measured values for air pollutants are: nitrogen oxides (NO_x) at 30 ppm, and sulfur dioxide (SO₂) and particulate matter (PM) both at ND (non-detectable, i.e., below monitoring limits). Testing is required only when permits are renewed and includes particulate matter, sulfur oxides, nitrogen oxides, and volatile organic compounds.

This year's testing results consistently met the emission standards stipulated by the Air Pollution Control Act. Monitoring instruments undergo annual calibration, while overall mechanical maintenance is performed bi-annually. Furthermore, emission stacks are inspected annually to ensure proper functionality and to check for corrosion. Generators are only activated during emergencies and are not considered regular emission sources, thus they are not categorized as primary emission sources.



Air Pollutant Emissions

Emission Category

Nitrogen Oxides (NO_x)

2023

3600kg

2024

3825kg

Note

1. Reporting Scope: For 2023, the statistics cover the Taiwan facility. For 2024, the scope has been expanded to include facilities in China and Southeast Asia.
2. Data Presentation: All data is rounded to the nearest whole number.
3. Emission Factor Source: Emission factors are derived from the "Air Pollution Fee and Emission Reporting Integrated Management System" announced by the Climate Change Administration, Ministry of Environment.
4. Hazardous Air Pollutants (HAPs): These statistics are based on the reported emissions of individual substances subject to surcharges, as regulated by the Ministry of Environment's "Air Pollution Control Fee Collection Regulations."

4.5 Water Resource Management

4.5.1 Water Resource Risk Assessment

According to the World Resources Institute's (WRI) Aqueduct Water Risk Atlas, Jarlllytec's facilities are situated in areas with varying degrees of water stress.

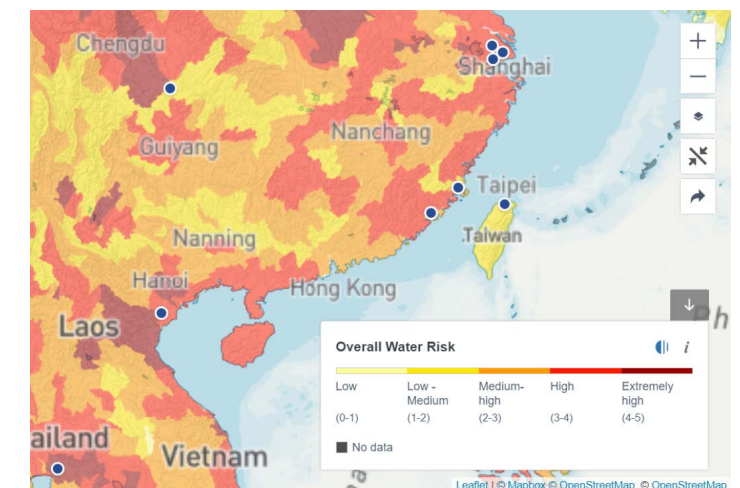
The Taiwan plant experiences low stress, while the Chongqing plant is in a medium-low stress region. Facilities in Fuqing and Xiamen are categorized as medium-high stress. A higher level of concern is noted for the Shanghai, Kunshan, Zhejiang, and Vietnam plants, which are all in high-stress areas. The Thailand plant faces the most significant challenge, being located in an extremely high-stress region.

Mutual Impacts of Shared Water Resources

Global climate change has increasingly made water scarcity a regular occurrence. If water shortages become the norm, society could face desertification. While the entire world grapples with water scarcity, various nations are employing different methods to ensure economic development remains unimpeded, allowing businesses to pursue sustainable growth and collectively shape a global water future. Due to climate change, Taiwan and China have experienced water shortages. Production lines with high water consumption may face challenges in meeting delivery deadlines, potentially leading to breaches of contract.

However, as the water resources for Jarlllytec's Taiwan and China plants are primarily supplied by municipal waterworks, there has been no significant impact on water resources. Currently, the Company does not face major risks such as unstable water supply. Risks and opportunities coexist. In the event of drought-induced water scarcity, the Company, from a long-term operational perspective, will adhere to government-imposed water restrictions and cooperate with local government policies by implementing various measures.

These include reducing water pressure, temporarily suspending or shortening water supply for facility domestic use, and promoting reduced tap water consumption within the plant during normal times. Furthermore, the Company encourages reduced water usage and enhances water recycling (e.g., using mop water for toilet flushing) to achieve continuous operations and sustainable development. As the Company is not a major consumer of water resources, and its production processes do not require water, short-term water shortages do not have a significant negative impact on the Company's core operations.



Uses the water stress index to analyze the water resource risk levels at global locations, while also disclosing water withdrawal sources, discharge receiving bodies, and wastewater treatment units.

Categories	Taiwan Plant	Shanghai Plant	Chongqing Plant	Kunshan Plant	Zhejiang Plant	Fuqing Plant	Xiamen Plant	Dongguan Plant	Vietnam Plant	Thailand Plant
Water Stress Index	Low	High	Medium-Low	High	High	Medium-High	Medium-High	Medium-High	High	Extremely High
Water Source	Dahan River, Shimen Reservoir	Yangtze River Basin	Bishan Yanjinghe Reservoir, Sanjiang Reservoir, Tongxin Reservoir	Yangcheng Lake	Taipu River Changbaidang	Honglu Water Plant, Kuiling Water Plant, Guanyinpu Water Plant	Tongan Tingxi Reservoir	Dongjiang	Honghe River	Phanom Sarakham District Irrigation Office
Discharge Receiving Body	Tamsui River	Municipal Sewage Network	Municipal Domestic Sewage Network, Binan River	Municipal Sewage Network	Tamsui River	Municipal Drainage Pipes	Tongan Bay	Shima River	Industrial Park Wastewater Drainage Network	Bang Pakong River
Wastewater Treatment Unit	New Taipei Industrial Park Wastewater Treatment Plant	Bailonggang Wastewater Treatment Plant	Bishan District Wetland Park Wastewater Treatment Plant	Industrial Park's Own Wastewater Treatment Station	Jiaxing United Wastewater Treatment Co., Ltd.	Rongyuan Wastewater Treatment Plant, Second Wastewater Treatment Plant	Xiamen Tongan District Wastewater Treatment Plant	Tangxia Lincun Wastewater Treatment Plant	Capella Ha Nam Investment Co., Ltd.	Industrial Estate Authority of Thailand

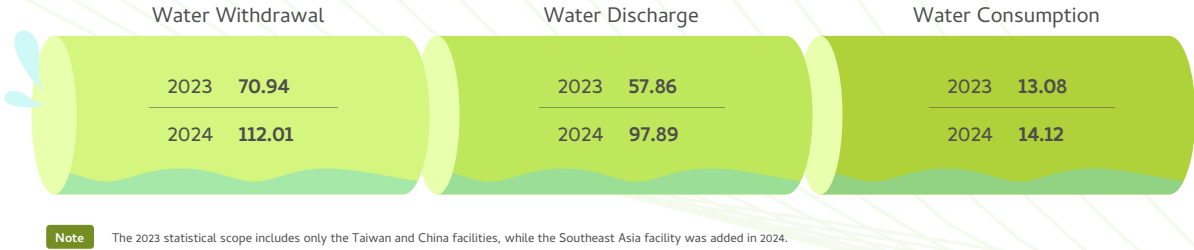
4.5.2 Water Resource Management

The primary water supply for Jarllytec’s Taiwan and China facilities comes from municipal waterworks, with water predominantly used for office consumption and raw material processing. Wastewater from the Taiwan plant is treated by an on-site wastewater treatment system before being discharged to the New Taipei Industrial Park’s wastewater treatment plant for further processing. Wastewater from the China facilities is discharged to their respective wastewater treatment plants or industrial park wastewater facilities for treatment, all of which hold government discharge permits. Jarllytec continues to promote water conservation measures, including the widespread use of water-saving certified equipment throughout its facilities and enhanced daily management practices across all plants. The Company plans to continue its robust water resource management efforts in the future, fostering its progression toward green operations.

In 2024, the Taiwan plant withdrew approximately 29.19 million liters, China facilities approximately 68.92 million liters, and Southeast Asia facilities approximately 13.90 million liters, all sourced from third-party freshwater supplies. Wastewater discharge volumes for the same period were approximately 23.77 million liters for the Taiwan plant, 60.22 million liters for China facilities, and 13.90 million liters for Southeast Asia facilities. All discharged wastewater is routed to third-party wastewater treatment plants for processing before final release.

Overall Water Consumption in 2023 and 2024

(Unit: Million Liters)



2024 Water Consumption by Water Stress Region

(Unit: Million Liters)



4.5.3 Water Conservation Management

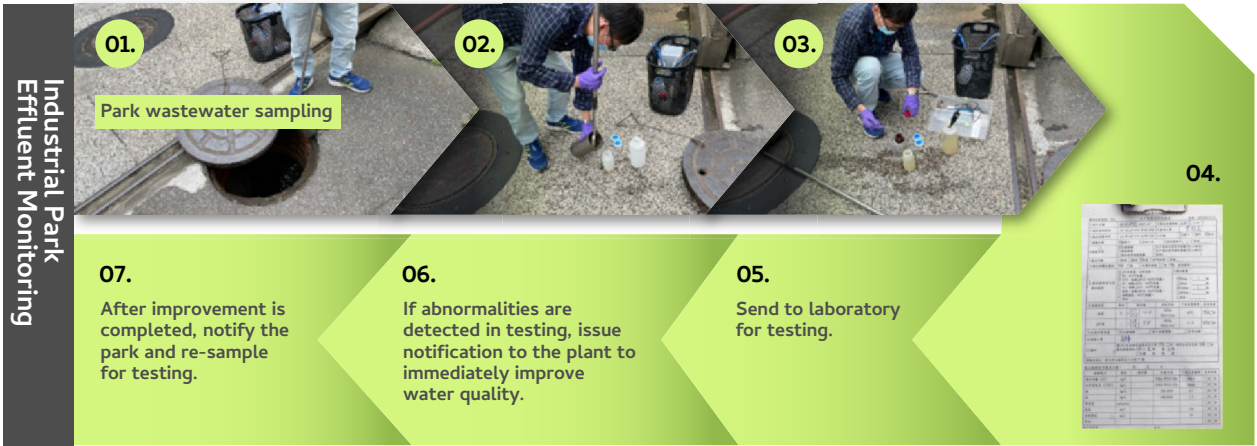
Jarllytec actively complies with relevant government regulations by implementing water recycling initiatives at its Taiwan and China facilities. These efforts include using mop water for toilet flushing and collecting rainwater for plant irrigation to promote growth. Moving forward, the Company will continue to develop various water-saving projects aimed at reducing overall water consumption and preventing unnecessary water waste.

Since 2022, Jarllytec has been systematically replacing outdated equipment (with a replacement rate of 95%, ongoing), prioritizing water-efficient models for all new installations. Facilities preferentially select faucets and toilets with Taiwan’s Water Saving Mark, China’s Water Efficiency Label, Thailand’s Green Label, and Vietnam’s Water Efficiency Label schemes. This ensures water conservation is achieved without significantly altering existing water usage habits. Furthermore, each facility has separate discharge points for rainwater and wastewater to prevent pollution.

Management of Water-Related Impacts

Regarding wastewater quality, Jarllytec's Taiwan plant adheres to its internal "Operational Environment Control and Measurement Procedures," which cover rainwater discharge and domestic wastewater treatment methods. Different testing procedures and standards apply to various categories, such as the entry standards for wastewater quality at the New Taipei Industrial Park Wastewater Treatment Plant, the Water Pollution Control Act, and effluent standards. Wastewater from the Taiwan plant primarily consists of domestic sewage, which is directly discharged to the New Taipei Industrial Park Wastewater Treatment Plant for processing. All wastewater discharged from the Taiwan plant complies with regulatory requirements. In accordance with the Water Pollution Control Act, Jarllytec applies for water pollution control permits to establish wastewater treatment facilities. The on-site wastewater treatment facilities are designed to treat cleaning wastewater discharged from raw materials.

After treatment, the water is discharged to the New Taipei Industrial Park, while inorganic sludge is consigned to licensed waste disposal operators. For effluent testing within the industrial park, the plant conducts irregular sampling at various wastewater discharge points. The collected wastewater samples are then brought back to the laboratory for effluent quality testing. Testing standards adhere to the regulations stipulated by the New Taipei Industrial Park Wastewater Treatment Plant (where tested parameters are subject to national effluent standards as entry limits). Key parameters and values include pH (between 6.0 and 9.0), Suspended Solids (SS) (<30), Chemical Oxygen Demand (COD) (<100), Biochemical Oxygen Demand (BOD) (<30), and Oil and Grease (<10). Test results for the Taipei Headquarters and Taipei Zhaoshun plant consistently meet the park's and effluent discharge standards. If test values exceed the park's specified limits, the factory is notified with an anomaly report and required to implement corrective actions. Upon completion of improvements, a request is sent to the park's testing unit for re-sampling. To effectively manage wastewater and ensure compliance with regulatory effluent standards, Jarllytec's Taiwan plant has obtained ISO 14001 environmental management system certification, systematically managing environment-related issues. In 2024, the entire Jarllytec group achieved its goals of zero wastewater discharge leaks and zero environmental complaints.



The industrial park regularly educates factories within its premises on the "Operational Environment Control and Measurement Procedures." This initiative aims to effectively manage waste generated by wastewater treatment plants, thereby minimizing environmental impact and promoting continuous improvement. The wastewater treatment facilities established within the industrial park also significantly reduce the investment burden on individual factories for water pollution control equipment, leading to an overall reduction in environmental pollution load. Currently, these treatment facilities are functioning effectively and consistently meet national effluent discharge standards.

Rainwater Recycling and Monitoring

Jarllytec's Taiwan facility also conducts rainwater quality testing, adhering to the recommended water quality values for building rainwater storage and utilization, as stipulated by the administrative guidance document from the Water Resources Agency, Ministry of Economic Affairs. These recommended values serve as a reference for the design and maintenance management of rainwater harvesting facilities and align with the "Green Building" chapter of the Building Technical Regulations concerning rainwater storage and utilization. To ensure the hygienic safety of recycled rainwater, testing is conducted at least every six months.

The parameters tested include hydrogen ion concentration (pH), chemical oxygen demand (COD), oil and grease (n-hexane extractables), and true color. Following the regulatory requirement for semi-annual testing, an external testing unit collects samples from the Taiwan facility in January and July each year. These samples are then analyzed in the laboratory for the aforementioned parameters. The tested values, derived using the inspection methods and procedures prescribed by the Environmental Protection Administration, Executive Yuan, consistently fall within the legally stipulated ranges.



4.6 Waste Management

4.6.1 Waste Management

Jarllytec adheres to government regulations for waste disposal, submitting waste clearance plans and implementing comprehensive waste management practices. The majority of waste is handled through outsourced disposal services. For this purpose, Jarllytec legally contracts qualified waste management companies that comply with all relevant laws. Waste is meticulously sorted to ensure proper handling by these contractors, thereby preventing additional environmental burden and pollution risks.

Through effective waste and hazardous substance management, Jarllytec comprehensively assesses and inventories the generation and flow of all waste streams, aiming to minimize waste generation as much as possible. This approach reduces environmental impact, and promotes resource recovery to achieve sustainable development goals. Jarllytec upholds the principles of "waste sorting, resource recycling, and reuse," striving to provide a better living environment by dedicating itself to reuse and environmental protection for the benefit of our planet.

Management of Significant Waste-Related Impacts

Waste collection and disposal for Jarllytec's Taiwan, China, and Southeast Asia facilities are entrusted to external, legally authorized disposal organizations. Generated waste is primarily handled through incineration and physical treatment. Incineration is predominantly used for general domestic waste, while resource utilization is more applicable to food waste. Physical treatment processes involve official triplicate manifests and proper documentation to ensure that waste disposal contractors do not illegally dump waste.

Jarllytec selects its waste management partners after evaluating qualified vendors listed on government environmental protection agency websites. The Company conducts annual compliance awareness programs for its suppliers, encouraging them to implement robust waste management practices. Furthermore, Jarllytec regularly reports waste-related records annually and meticulously retains supporting documentation for waste output monitoring and control to facilitate future inspections. China and Southeast Asia facilities identify suitable waste disposal contractors in accordance with local regulations, with these contractors providing relevant data to the responsible personnel at each plant.

4.6.2 Waste Disposal

In 2024, Jarllytec's waste generation consisted entirely of non-hazardous waste, totaling 212.44 metric tons. This total includes 26.18 metric tons from the Taiwan plant, 179.73 metric tons from China facilities, and 6.53 metric tons from Southeast Asia facilities. The data for general waste from the Taiwan plant is provided annually by waste management operators from the Environmental Protection Administration's official website.

For China and Southeast Asia facilities, this information is compiled and provided by each plant or directly by waste disposal contractors. Furthermore, documentation for general industrial waste is corroborated by information from the industrial waste declaration and management information system, including declaration manifests and proper disposal certificates provided by contractors.

Year				2023		2024			
Waste Categories (Unit: Metric Tons)				Taiwan Plant	China Plants	Taiwan Plant	China Plants	Southeast Asia Plants	
Non-Hazardous Waste	Off-site	Disposal Transfer	Preparation for Reuse	-	11.76	-	26.00	-	
			Composting	-	90.00	-	-	-	
			Recycling	7.20	7.80	7.50	62.94	35.12	
		Direct Disposal	Incineration	46.24	71.04	25.84	179.48	6.53	
			Landfilling	-	54.00	-	-	-	
			Physical Treatment	1.46	7.41	0.34	0.25	-	
			Thermal Treatment	3.79	-	-	-	-	
		Subtotal			58.69	242.01	33.68	268.67	41.65

- Note
1. The statistical scope for 2023 covers Jarllytec's Taiwan and China facilities, while the 2024 statistical scope includes Taiwan, China, and Southeast Asia facilities.

2. There is no hazardous waste generated within Jarllytec's facilities.

3. On-site waste is directly transported by waste collection vendors to the treatment facilities.



Quarterly, based on the volume of materials, Jarllytec organizes waste reduction and recycling events. These initiatives help employees understand that resource recycling contributes significantly to the planet and mitigates environmental impacts, such as air pollution or harmful gases from waste incineration that can compromise air quality and human health. These activities further highlight the planet's fragility, emphasizing the need to diligently protect our planet. Each recycling item is also clearly explained and differentiated, ensuring all facilities understand the purpose of recycling and the specific recyclable items (e.g., paper, PET bottles, plastics).

All collected recyclable materials are sorted and categorized. In 2024, Jarllytec Group successfully reduced waste output from its Taiwan and China facilities by more than 1%. Concurrently, the total recycled resources amounted to approximately 105.56 metric tons. Jarllytec's future objective is to achieve an annual 1% reduction in waste output.

Waste Recycling Performance Management



The recycling volume for 2023 covers Jarllytec's Taiwan and China facilities, while the 2024 recycling volume includes Taiwan, China, and Southeast Asia facilities.



4.7 Biodiversity

Jarllytec adheres to the Convention on Biological Diversity and the Kunming-Montreal Global Biodiversity Framework, recognizing the critical importance of biodiversity and natural environment conservation. All of Jarllytec's production facilities are situated within government-designated science or industrial parks, ensuring they are not adjacent to or located within environmental protection areas or ecologically sensitive regions. The Company's operations strictly comply with local environmental regulations to mitigate any burden on the local ecological environment and prevent adverse impacts on ecosystems and biodiversity. Jarllytec continuously monitors international trends and consensus, following relevant frameworks and standards to establish a scientific basis for ongoing initiatives and performance disclosure in this vital area.

4.6.3 Waste Reduction and Recycling

Jarllytec is dedicated to reducing waste at its source and actively promoting on-site waste recycling and reuse. The Company aims to minimize waste generation and lessen the environmental impact of its production processes. This commitment includes continuing environmental recycling projects and fully implementing circular economy principles. Jarllytec advocates for general waste reduction targets, educating all facilities on waste resource recovery and classification to achieve overall waste reduction. Discussions at the Occupational Safety and Health Committee meetings also reinforce the importance of zero waste and resource reuse to optimize environmental reduction efforts.

Material Topic | Talent Attraction and Retention**GRI Standard** | GRI 401, GRI 402-1, GRI 403-1, GRI 404-3, GRI 405-1, GRI 406-1, GRI 408-1, GRI 409-1, GRI 411-1**Description
of Impacts**

Effective talent attraction and retention strategies are crucial for enhancing corporate competitiveness. These strategies not only draw in top talent but also boost employee satisfaction, foster innovation and productivity, and reduce recruitment and training costs. Conversely, a lack of robust management mechanisms can lead to high turnover, resulting in knowledge loss, low morale, and team instability, ultimately impacting business development and brand image.

**Policy
and
Commitment**

Jarlllytec strives to provide diverse development opportunities and learning resources, cultivating employees' professional capabilities for career advancement. It is dedicated to establishing fair compensation and promotion mechanisms, creating an inclusive and motivating work environment to boost employee satisfaction and a sense of belonging. By implementing a comprehensive talent strategy, the Company aims to achieve mutual growth with its workforce and realize sustainable development.

**Evaluation
Mechanisms**

Jarlllyte regularly assesses labor relations through various mechanisms:

1. Annual Employee Satisfaction Survey: This survey collects employee opinions and feedback, serving as a basis for evaluating the effectiveness of labor relations policies and measures, allowing for timely adjustments and improvements.
2. Supervisor-Employee Communication Meetings: Held as needed to ensure open communication channels.
3. Diverse Feedback Channels: Multiple avenues are provided for employees to express their opinions. Labor-Management Meetings and Sexual Harassment Grievance Committee: These formal platforms address specific issues.
4. Human Rights Education and Training: Regular training sessions on human rights are organized for all employees.

**Management
Approach**

Actions to enhance positive impacts:

1. Employee Engagement in Management: The Company actively promotes employee involvement in management, establishing mechanisms for participation in decision-making to enhance their sense of responsibility and belonging.
2. Professional Development: The Company provides on-the-job training, performance appraisals, and a comprehensive promotion system to boost employee morale and productivity.

Actions to mitigate negative impacts:

1. For issues that could lead to labor-management conflicts, the Company implements timely and effective response measures, actively negotiating solutions to prevent conflicts from escalating and impacting corporate stability.

**Stakeholder
Engagement**

1. Employer-Employee Relations: To maintain an independent and accessible grievance mechanism, the Company has established a dedicated grievance email inbox and conducts monthly reviews of anonymous employee suggestion boxes; it also holds quarterly labor-management meetings and an annual employee satisfaction survey.
2. Non-Discrimination and No Forced Labor: To prevent unlawful discrimination, ensure equal employment opportunities, and prohibit forced labor, the Company regularly conducts employee training to disseminate relevant information to all staff. Concurrently, it performs quarterly reviews of government regulations to ensure compliance.

**Performance
2024**

1. **Employee Satisfaction:** The 2024 annual employee satisfaction survey achieved an 81% response rate and a satisfaction score of 95 points.
2. **Labor-Management Meetings:** Four labor-management meetings were convened in 2024.
3. **Employee Grievances:** There were zero employee grievance cases in 2024.
4. **Sexual Harassment Complaints:** There were zero sexual harassment complaint cases in 2024.
5. **Performance Appraisal Participation:** The participation rate for regular employee performance appraisals in 2024 was 100%.

Goals**Short-term
1-3 years**

1. Maintain zero employee grievances.
2. Achieve an employee satisfaction survey score of 92 points.
3. Continuously strengthen communication with employee representative bodies to resolve existing labor-management conflicts and disputes, fostering harmonious and stable labor relations.

**Medium-term
3-5 years**

1. Maintain zero employee grievances.
2. Achieve an employee satisfaction survey score of 94 points.
3. Establish a comprehensive labor-management negotiation mechanism and a continuous, effective communication platform to actively resolve labor disputes and enhance employee satisfaction.

**Long-term
5-10 years**

1. Maintain zero employee grievances.
2. Achieve an employee satisfaction survey score of 95 points.
3. Commit to building labor-management relations based on win-win cooperation, creating long-term stable partnerships, and realizing mutual growth and sustainable development for both the enterprise and its employees.



5.1 Talent Development

5.1.1 Workforce Composition

Jarlllytec's total workforce comprises 2,492 employees, all of whom are full-time staff, representing 100% of the overall personnel. Jarlllytec prioritizes hiring local talent at its operational sites, resulting in a 100% local employment rate.

The Company strictly adheres to all labor laws and regulations set by government authorities, and it has never employed child labor. Any foreign nationals hired are managed in accordance with relevant local legal requirements.

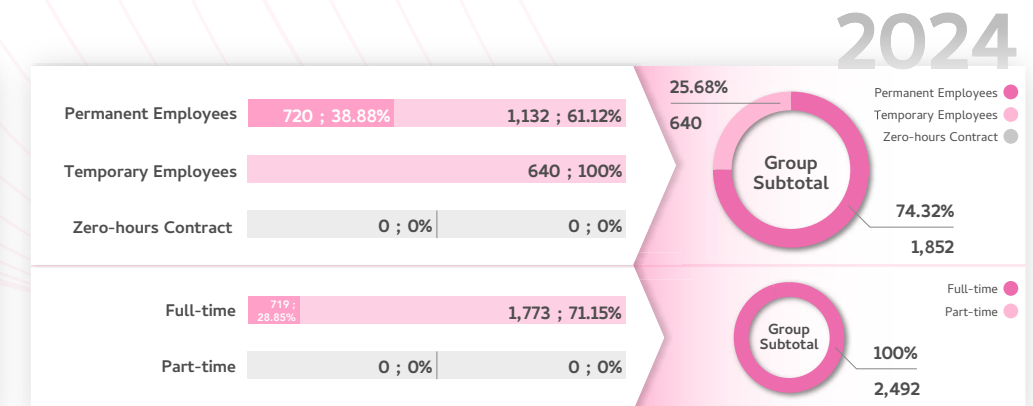
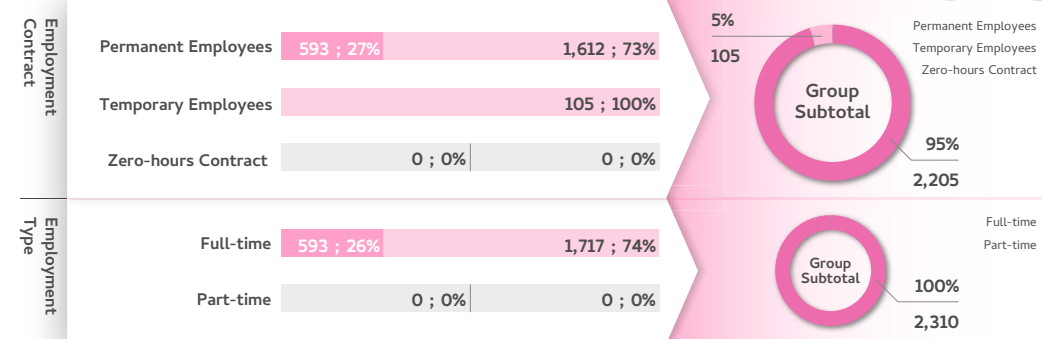
Regarding workforce distribution, 28.85% of employees are located at Jarlllytec's primary operational base in Taiwan, while the remaining 71.15% are distributed across China and Southeast Asia.

Categorized by Work Region

● Taiwan ● China & Southeast Asia

Unit | Employees ; %

Note The "Number of Employees" refers to the actual count of personnel.



Jarlllytec values diversity and workplace inclusion. Employee recruitment, compensation, and benefits do not vary based on gender, age, nationality, race, or religion. The male-to-female employee ratio is approximately 0.72:1. The higher proportion of temporary employees in China and Southeast Asia is primarily because Jarlllytec's facilities are concentrated in China, leading to a higher demand for labor. Additionally, local practices often involve fixed-term contracts, contributing to the higher percentage of temporary staff.

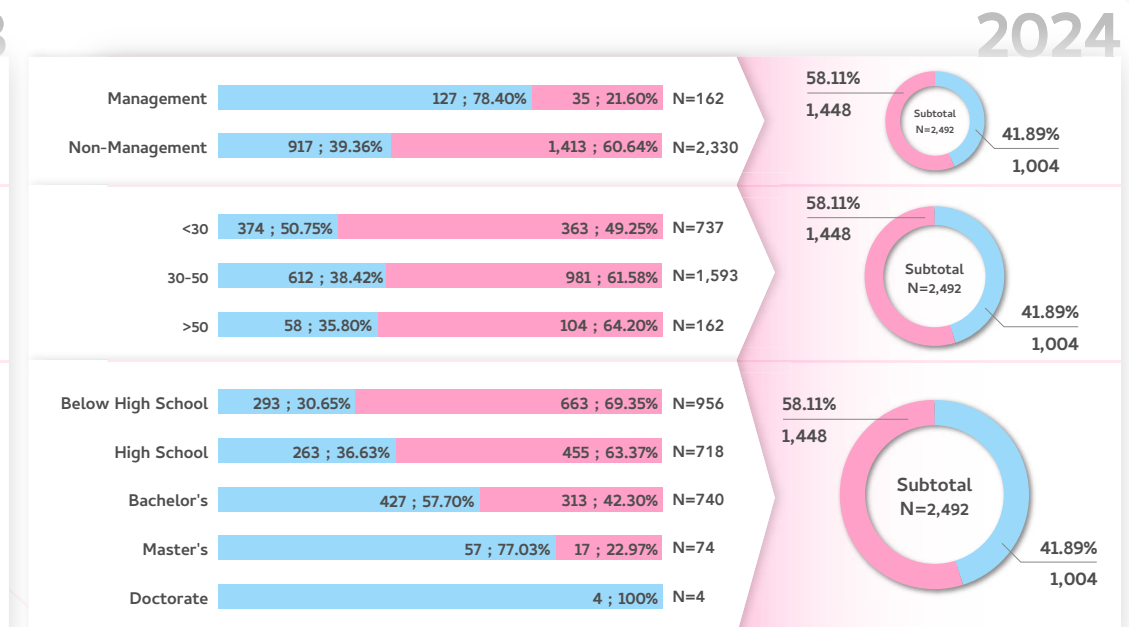
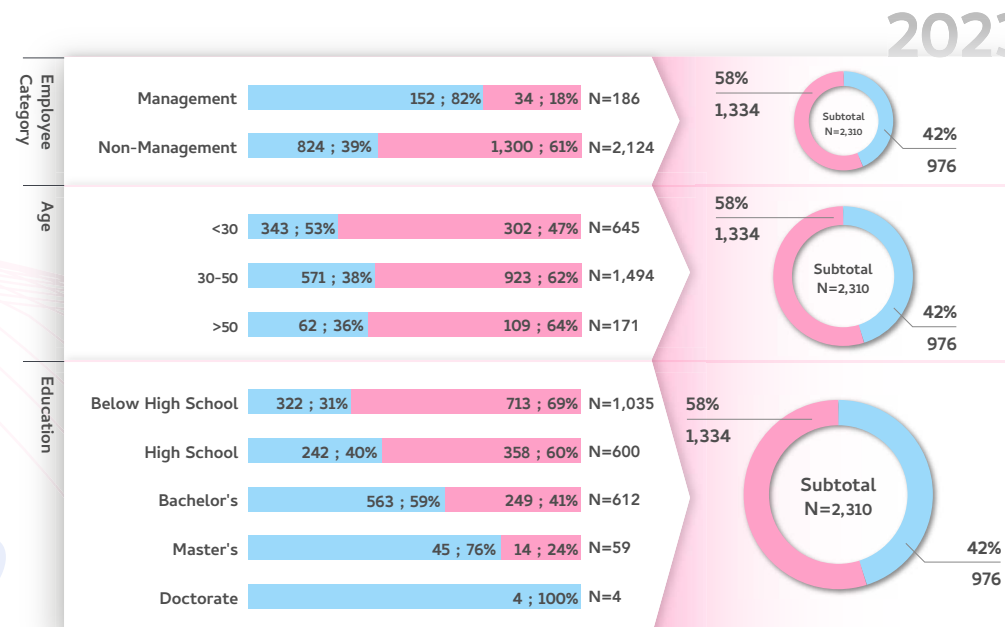
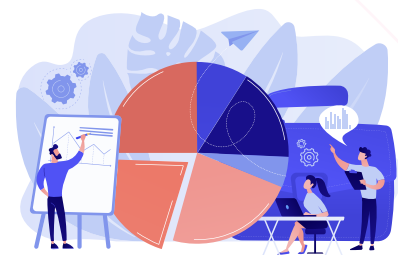
There were no significant fluctuations in the total number of employees during the reporting period or when compared to the previous period. As of December 31, 2024, in addition to its 2,492 employees, Jarlllytec also had 65 non-employee workers performing duties (e.g., on-site contractors, security personnel, catering staff).

Workforce Structure

● Male ● Female

Unit | Employees ; %

N | Employees Subtotal



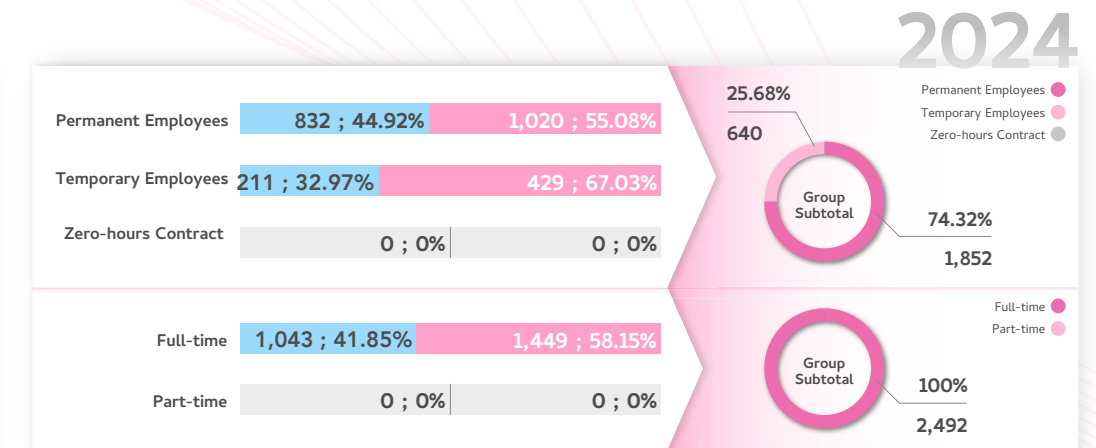
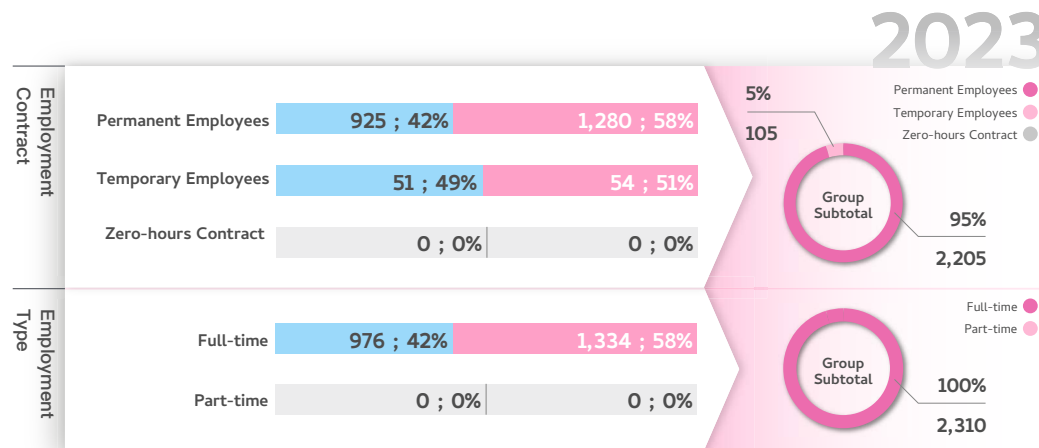
Categorized by Gender

Categorized by gender

● Male ● Female

Unit | Employees ; %

Note The "Number of Employees" refers to the actual count of personnel.



Employee Diversity and Inclusion

			2022		2023		2024	
			Employees	Percentage	Employees	Percentage	Employees	Percentage
Indigenous People	Male	<30 years old	72	3.43%	79	3.42%	38	1.50%
		30-50 years old	63	3.00%	71	3.07%	13	0.50%
		>50 years old	1	0.05%	2	0.09%	0	0.00%
	Female	<30 years old	53	2.52%	71	3.07%	59	2.40%
		30-50 years old	135	6.42%	150	6.49%	32	1.30%
		>50 years old	7	0.33%	8	0.35%	2	0.10%
People with Disabilities	Male	<30 years old	8	0.38%	10	0.43%	6	0.20%
		30-50 years old	10	0.47%	12	0.52%	6	0.20%
		>50 years old	1	0.05%	2	0.09%	0	0.00%
	Female	<30 years old	1	0.05%	1	0.04%	1	0.00%
		30-50 years old	8	0.38%	11	0.48%	5	0.20%
		>50 years old	1	0.05%	0	0.00%	0	0.00%
Subtotal			360	17.94%	417	18.05%	162	6.50%

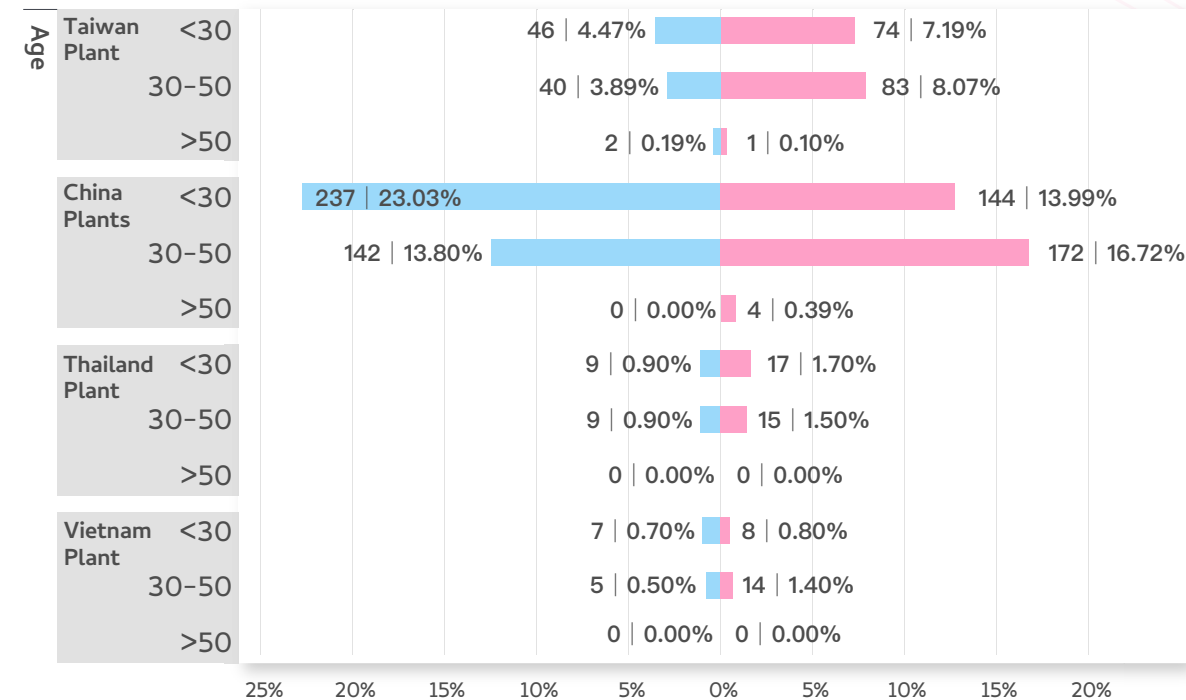
Note 1. Percentages are rounded to two decimal places.
2. The statistical scope covers the total number of employees across Jarlytec's Taiwan, China, and Southeast Asia facilities.

New Hires and Employee Turnover

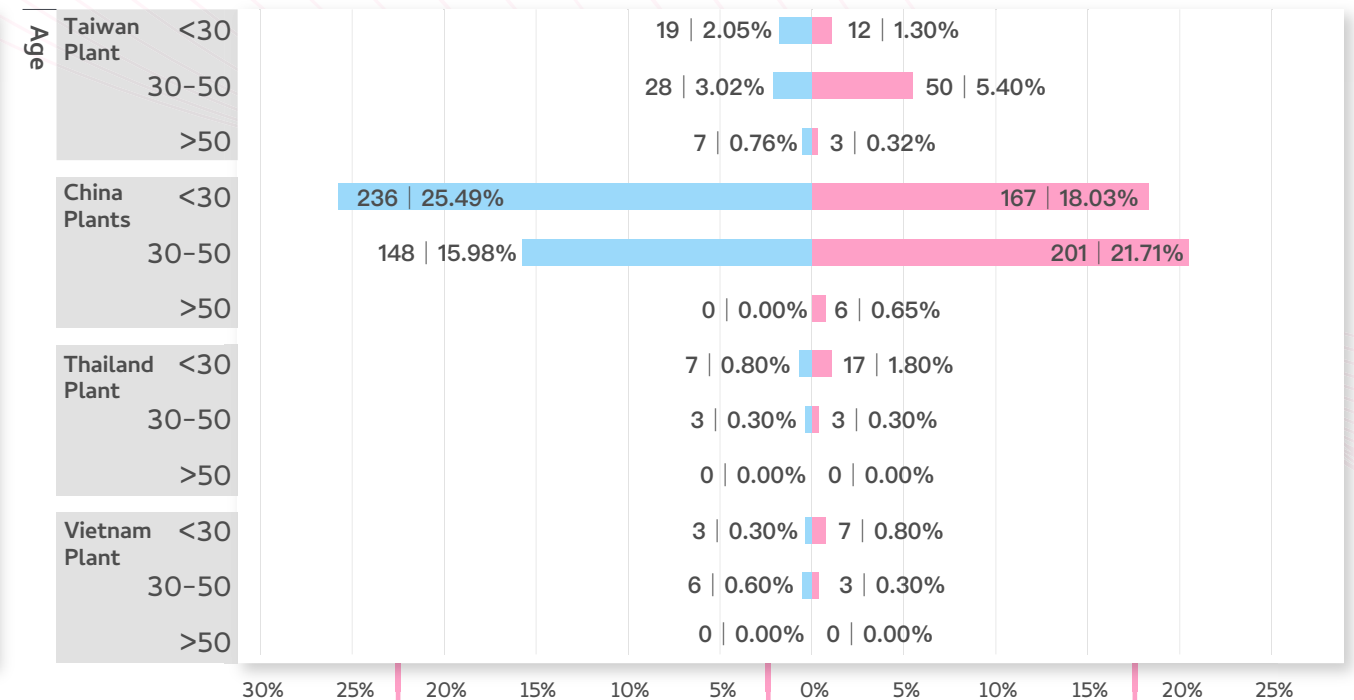
Talent is a crucial asset for Jarllytec. The Company is dedicated to fostering a work environment that is challenging, conducive to continuous learning, warm, harmonious, and safe. Jarllytec determines salary levels based on employees' educational and professional backgrounds, specialized skills, and years of experience. Additionally, the Company has developed a competitive compensation strategy, talent cultivation and development mechanisms, performance appraisal and promotion systems, diverse and comprehensive welfare benefits, and a legally compliant retirement system to attract and retain outstanding talent.

Furthermore, Jarllytec has established a Remuneration Committee, which convenes regular meetings to discuss compensation-related matters, including employee remuneration. These discussions are then submitted to the Board of Directors for review and approval. Through these robust systems, Jarllytec promotes mutual growth and development between the Company and its employees. As of December 2024, the workforce structure is distributed as shown in the table below:

New Hires Subtotal : 1029



Employee Turnover Subtotal : 926



Note

- Percentages are round ed to two decimal places.
- The statistical scope covers the total number of employees across Jarllytec's Taiwan, China, and Southeast Asia facilities.

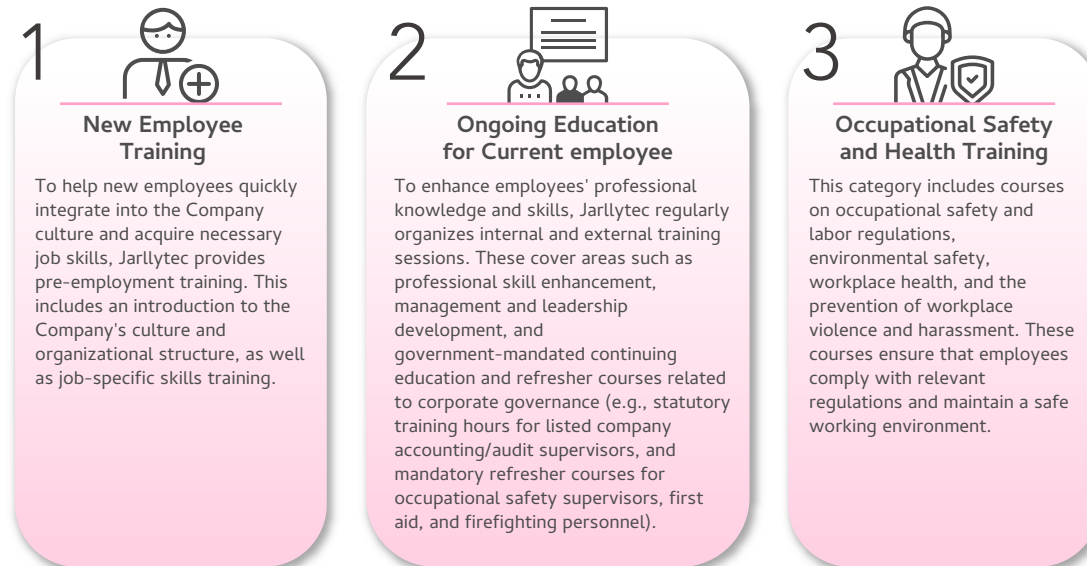


5.1.2 Talent Management

Education and Training

Jarlllytec recognizes that its employees are crucial assets for the Company's sustainable operations and development. To enhance employees' professional capabilities and work ethic, and to foster shared growth between individuals and the Company, Jarlllytec is dedicated to providing various types of education and training. We have also established a comprehensive and diverse education and training policy that includes the following key course categories:

Training Course Categories



Training Overview

Jarlllytec actively promotes various types of training to ensure that every employee receives training tailored to their position and development needs. The average training hours per employee over the past two fiscal years are presented below:

Training results	2023	2024
Total Employee Training Hours	35154	36032
Total Number of Employees	2310	2492
Average Employee Training Hours	15.22	14.50

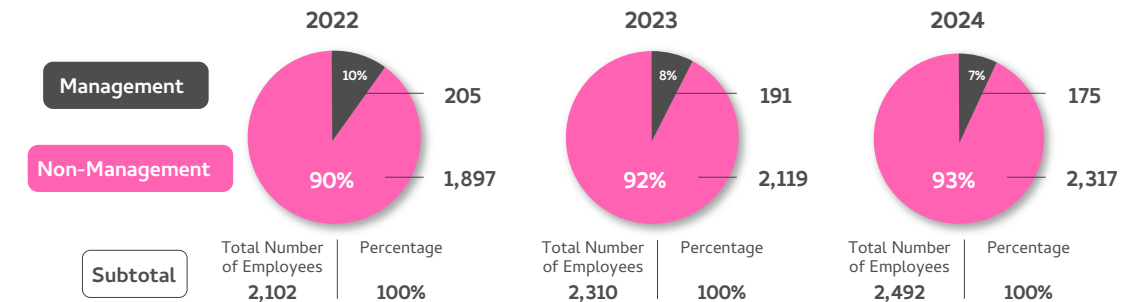
External Training Subsidies

Jarlllytec offers an external training subsidy policy to foster employees' professional growth and knowledge enhancement. This initiative encourages continuous learning, strengthens individual competitiveness in the workplace, and motivates employees to challenge themselves and elevate their expertise. These subsidies not only aid employee development but also boost work efficiency and company competitiveness, achieving a win-win scenario for both the business and its staff. Jarlllytec strives for mutual success in individual career development and the Company's sustainable operations.

Performance Management

Jarlllytec manages talent through its performance appraisal system, which evaluates all employees, including staff, managers, and new hires, biannually. These appraisals serve as the basis for salary adjustments, employee bonuses, position promotions, and employee development training. Performance management criteria for direct and indirect personnel are differentiated based on their respective functions.

Jarlllytec conducts appraisals for employees with three or more months of service. In 2023, 2,310 employees participated in performance appraisals, achieving a 100% completion rate. To enhance the Company's performance management system, Jarlllytec plans to implement a new OKR (Objectives and Key Results) performance appraisal system in 2024, aiming to help employees and managers align on work objectives and key results, thereby improving corporate competitiveness.



Note

- Percentages have been rounded to the nearest whole number.
- The total number of employees includes both male and female colleagues.
- The statistical scope covers the total number of employees across Jarlllytec's Taiwan, China, and Southeast Asia facilities.

Collective Bargaining Agreements

Jarlllytec currently does not have any collective bargaining agreements in place. To foster harmonious labor-management relations, safeguard mutual rights and interests, and strengthen cooperation and coordination, the Company holds at least four labor-management meetings annually. These meetings involve 5 employee representatives and aim to boost work efficiency, enhance employee welfare, and promote business development.

Minimum Notice Period for Operational Changes

Jarlllytec adheres to the minimum notice period requirements stipulated by the Labor Standards Act when informing employees about operational changes. To protect employee rights, the Company communicates any changes through labor-management meetings before implementation. Affected employees are notified within the timeframes prescribed by relevant laws. For example, in Taiwan, the Labor Standards Act requires a notice period of 10 to 30 days, depending on the employee's seniority.

5.1.3 Health and Maternity Protection

Parental Leave

Jarlllytec stands firmly behind its employees. If an employee needs an extended leave for reasons such as parental care, military service, or serious illness, they can apply for a leave of absence without pay and later apply for reinstatement. This policy helps employees balance family care needs. Additionally, Jarlllytec provides maternity health protection and related measures for female employees during their pre- and post-pregnancy periods. The Company encourages employees with children under three years old to apply for parental leave without pay, ensuring young children receive the best possible care.

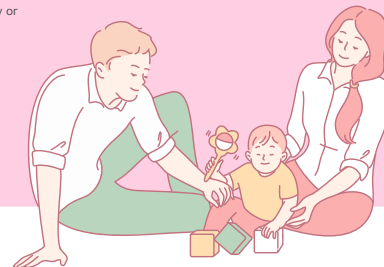
In 2024, the application rate for parental leave among eligible employees was 46%, and the return-to-work rate was 67%. Furthermore, the retention rate for employees who returned from parental leave and remained with the Company for at least one year in 2024 was 100%. These figures demonstrate Jarlllytec's commitment to supporting employee families and fostering a positive, family-friendly work environment.

2024 Parental Leave Statistics Table

Categories	Female	Male	Subtotal
Number of Eligible Applicants in 2024	6	6	12
Number of Actual Applicants in 2024	3	3	6
Parental Leave Application Rate in 2024	50%	50%	50%
Number of Employees Awaiting Reinstatement in 2024	2	3	5
Number of Reinstated Employees in 2024	2	2	4
Reinstatement Rate in 2024	100%	67%	80%
Number of Reinstated Employees in 2023	4	1	5
Number of Employees Reinstated for a Full Year by 2024	4	1	5
Parental Leave Retention Rate in 2024	100%	100%	100%

Note

1. "Eligible applicants in 2024" refers to the total count of male and female employees who applied for maternity or paternity leave in 2024.
2. The statistical scope covers Jarlllytec's Taiwan facility.



Employee Benefits

Jarlllytec prioritizes the health and well-being of its employees, striving to create a suitable work environment. The Company is dedicated to enhancing employee benefits, boosting their sense of company identification, and improving overall workplace satisfaction. For the specific needs of female and maternal employees, Jarlllytec provides nursing rooms and maternity subsidies as support.

To promote employee health and work-life balance, the Company has established an Employee Welfare Committee. This committee offers a variety of initiatives, including diverse club activities, corporate outings, and family days. These activities help employees relieve stress and foster positive interactions among colleagues.

Club Activities

Establish diverse employee clubs, encourage participation, and provide subsidies.

Festive Bonuses/Gifts

Distribute bonuses and gifts for Labor Day, Dragon Boat Festival, and Mid-Autumn Festival.

Year-End Party

Organize dinner banquets, performances, and raffle activities.

Birthday Bonus

Provide cash gifts to celebrate employee birthdays.

Maternity / Paternity Benefits

Provide congratulatory money for the birth of an employee's child.

Company Drip / Family Day

Welfare Committee plans and organizes travel events and subsidizes employee participation

Work Party

Hold an annual company-wide dinner for staff interaction.

Marriage, Bereavement, and Hospitalization Subsidies

Provide congratulatory payments for employee marriages, funeral subsidies for immediate family members, and consolation payments for employee hospitalizations meeting qualifying durations.

5.1.4 Human Rights Policy

Jarlllytec addresses human rights risks by referencing the "Universal Declaration of Human Rights (UDHR)," the "International Bill of Human Rights," the "ILO Declaration on Fundamental Principles and Rights at Work," the "United Nations Global Compact's Ten Principles," and the "Responsible Business Alliance (RBA) Code of Conduct." Domestically, it adheres to relevant laws such as the "Labor Standards Act," the "Act of Gender Equality in Employment," and other labor safety regulations. Furthermore, Jarlllytec has developed its "Human Rights Policy" by consulting relevant human rights reports pertaining to the electronics manufacturing industry. This policy applies to Jarlllytec and its subsidiaries, serving as a guiding principle for personnel management across all operational bases. It mandates implementation in daily operations and urges all suppliers and business partners to collectively adhere to its principles. The Human Rights Policy has been approved by Jarlllytec's Chairperson and consented to by the Board of Directors, with the Chairperson serving as the Company's highest authority decision-maker.

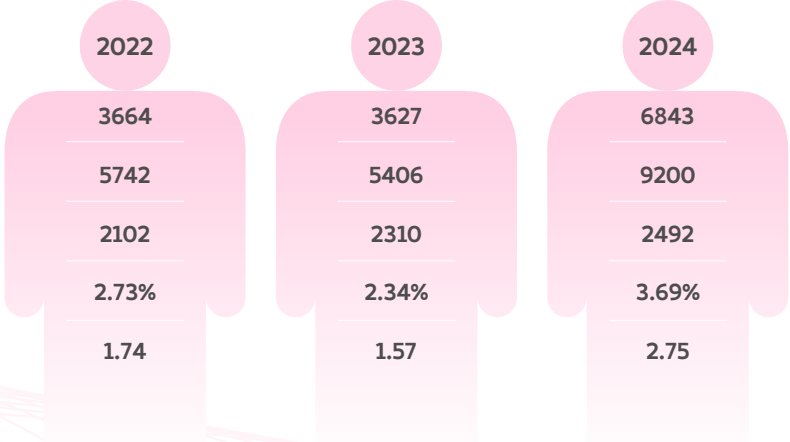
To safeguard the fundamental human rights of the Company's employees and value chain partners (including customers, suppliers, contractors, agents, joint ventures and alliance partners, and local communities), and to promote environmental, social, and economic sustainable development, Jarlllytec supports and respects the "Universal Declaration of Human Rights," Principles 1 and 2 of the "UN Global Compact," the three principles of "Protect, Respect, and Remedy" from the "UN Guiding Principles on Business and Human Rights," and the international human rights norms of the ILO "Declaration on Fundamental Principles and Rights at Work." The Company strictly observes the national laws and regulations of its operating locations and ensures the implementation of human rights safeguards by joining the "Responsible Business Alliance" and regularly reviewing the execution of its human rights policy. Jarlllytec diligently implements supplier management; in 2024, no instances of child labor were reported. Suppliers are required to comply with or exceed local government labor regulations, establish healthy and safe working environments, refrain from employing child labor, ensure employee wages meet all applicable wage-related laws, and conduct open recruitment and hiring.

Every employee is afforded equal opportunities for promotion and training. Jarlllytec implements human rights management guidelines, including the prohibition of forced labor. In 2024, no operational sites or suppliers were identified with significant risks of forced or compulsory labor, nor were there any incidents involving the infringement of Indigenous peoples' rights. For detailed information on the Human Rights Policy, please refer to the Company's website under the <ESG Zone>. In 2024, Jarlllytec conducted human rights protection-related training for its employees, totaling 6,843 hours, with 9,200 participants completing the training. Moving forward, Jarlllytec will continue to focus on human rights protection issues and promote relevant education and training to further enhance awareness of human rights protection and reduce the likelihood of related risks. In 2024, Jarlllytec reported no incidents of discrimination. To protect the rights of its employees and ensure strict adherence to its Human Rights Policy, Jarlllytec conducts annual policy or procedural training on human rights issues (e.g., sexual harassment prevention). Employee participation information is provided in the table below:

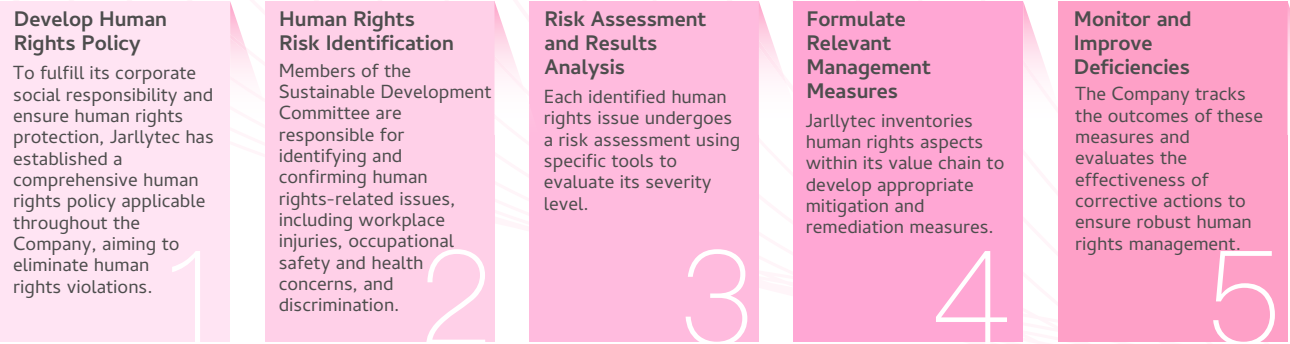
Human Rights Training

Total Human Rights Training Hours
Total Number of Employee Participants in Human Rights Training
Total Number of Employees
Percentage of Employees Receiving Human Rights Training
Average Training Hours

Note The statistical scope includes Jarlllytec's Taiwan, China, and Southeast Asia facilities.



Five Steps of Human Rights Due Diligence



Jarlllytec and its affiliated enterprises are dedicated to environmental protection, respecting human rights, and safeguarding employee health and safety. The Company references the "Universal Declaration of Human Rights (UDHR)," the "International Bill of Human Rights," the "ILO Declaration on Fundamental Principles and Rights at Work," the "United Nations Global Compact's Ten Principles," and the "Responsible Business Alliance (RBA) Code of Conduct." Domestically, Jarlllytec adheres to relevant laws such as the "Labor Standards Act," the "Act of Gender Equality in Employment," and other labor safety regulations. These serve as the foundation for implementing corporate social responsibility guidelines (e.g., CSR, RBA) and social responsibility systems. To ensure its qualified suppliers meet social responsibility standards, Jarlllytec mandates that all such suppliers comply with social responsibility guidelines in their products and services.

Specific Actions :

Policy and Internal Governance Enhancement : Jarlllytec has developed a Social Responsibility Management Manual to ensure that internal regulations align with corporate responsibility.

Supply Chain Management : The Company has implemented a supplier human rights review mechanism. Through contracts, audits, and training, Jarlllytec encourages suppliers to improve labor and human rights conditions.

Training and Awareness Raising : Jarlllytec provides education to internal employees and partners on human rights risks and compliance requirements to ensure effective implementation.

Grievance Mechanism : A secure, anonymous, and accessible reporting mechanism has been established to enable stakeholders, such as employees, suppliers, and investors, to raise concerns.

Remediation Measures : In cases of human rights infringements, Jarlllytec has established a corrective action control procedure for remediation, which may include providing compensation or improving working conditions or the environment.

Transparent Disclosure and Monitoring : The Company regularly publishes human rights due diligence reports, disclosing identified risks, response strategies, and remediation outcomes to ensure external oversight and build trust.

External Expert Guidance : Since 2023, Jarlllytec has engaged external consultants to optimize its human resource systems and enhance employee benefits to support talent retention.

Jarlllytec actively responds to, strongly endorses, and supports the United Nations Sustainable Development Goals (SDGs). Drawing inspiration from relevant initiatives, the Company adheres to principles such as: "Commitment to environmental protection and energy conservation, implementing environmental sustainability." "Deepening philanthropic endeavors, maintaining social harmony." "Prioritizing employee human rights, ensuring information security." "Adhering to codes of conduct, practicing integrity in operations." These principles guide Jarlllytec's daily operations. The Company believes that through effective management and execution, CSR actions will integrate with business strategy and become fundamental to its development and operational approach, enabling employees to contribute continuously to social sustainable development.

Furthermore, Jarlllytec implements a series of policy commitments related to responsible business conduct, including the Social Responsibility Policy Commitment Letter, Code of Ethical Management, Social Responsibility Management Manual, Code of Conduct, and Supplier Commitment to Environmental and Social Responsibility. For more details on these policy commitments, please refer to Jarlllytec's website.

5.2 Health and Safety

5.2.1 Safe Workplace

Occupational Health and Safety Management System

Jarlllytec is dedicated to providing employees with a safe working environment. The Company has established an Occupational Health and Safety (OHS) Management System in accordance with ISO 45001 management system standards and relevant articles of its Occupational Safety and Health Management Regulations. This system effectively implements OHS management through the P-D-C-A (Plan-Do-Check-Act) cycle. Jarlllytec has obtained ISO 45001:2018 certification for its OHS Management System. The scope of certified operational sites includes facilities in Taiwan, Shanghai, Kunshan, Fuqing, Chongqing, Xiamen, Vietnam, and Thailand. The management system covers all employees, contractors, and subcontractors within these certified facilities and offices. The Zhejiang facility is not yet certified, but plans for its certification are progressively underway.

The OHS Committee at the Taiwan facility comprises labor representatives elected by various departments, including the chairperson, executive secretary, management representatives, OHS personnel, and labor representatives. The Chair of the Board serves as the Committee's chairperson. The committee consists of 24 members, with 13 being labor representatives. Meetings are held quarterly. All personnel, including employees, can submit OHS-related matters to their labor representatives via email or other relevant channels for discussion within the committee. The committee also provides recommendations on proposed safety and health policies, reviews, coordinates, and advises on safety and health matters, and plans, supervises, and promotes OHS management initiatives. The Occupational Safety and Health Office maintains a dedicated OHS email and hotline, allowing employees to raise any OHS-related issues at any time for further processing and response.

Statistics on OHS Management System Coverage	2023	2024
Number of Company Employees	2,045	2,272
Number of Workers (Non-Company Employees)	148	104
Number of Employees and Workers Covered by the OHS Management System	2,193	2,298
Percentage of Employees and Workers Covered by the OHS Management System	100%	96.7%
Number of Employees and Workers Audited Internally	2,101	2,176
Percentage of Employees and Workers Audited Internally	95.8%	94.7%
Number of Employees and Workers Audited by External Organizations	1,872	1,984
Percentage of Employees and Workers Audited by External Organizations	85.4%	86.3%



Hazard Identification, Risk Assessment, and Incident Investigation

In Jarlllytec's operational environment, employees face significant risks primarily related to fire safety and chemical hazards. In addition to providing training to employees who handle chemicals during their work, Jarlllytec aims to enhance safety and health awareness among all levels of personnel and achieve a zero-accident goal. The Company conducts routine and non-routine occupational hazard identification and risk assessment processes for these two specific hazards. In accordance with its Emergency Response Measures Control Procedures, fire safety drills and chemical spill response plan exercises are conducted every six months. These drills take place at the Taiwan facility and foreign employee dormitories. For its China facilities, fire safety drills are conducted in accordance with China's "Fire Protection Law" and "Regulations for Fire Safety Management of Government Agencies, Organizations, Enterprises, and Institutions." The drill frequency adheres to Article 36 of the latter regulation, which mandates fire safety training for employees in public gathering places at least every six months. The Thailand facility complies with Article 3, Clause 2 of the local government's "Occupational Safety, Health and Environment Act B.E. 2554 (2011)" and the "Ministerial Regulation on Fire Prevention and Suppression Management and Implementation Standards B.E. 2555 (2012)," conducting annual fire drills and evacuation training.

The Vietnam facility adheres to Article 19 of "Decree No. 136/2020/ND-CP" and Article 9 of "Circular No. 149/2020/TT-BCA" issued by the local government, implementing fire and rescue plans and conducting regular drills. An internal audit of the Occupational Health and Safety Management System (ISO 45001) is conducted annually based on Jarlllytec's Internal Audit Procedures. Auditing personnel must undergo at least 6 hours of internal training before they can conduct peer audits of other departmental auditors. Additionally, an ergonomic hazard assessment is conducted annually for manufacturing and materials department personnel to identify any areas requiring improvement in current operations. The results of these drills and audits must be reported to the Occupational Health and Safety Committee, with continuous follow-up to ensure that improvement recommendations are implemented. In 2024, the drill and audit results complied with regulatory requirements. Jarlllytec will continue to maintain a favorable working environment and conduct regular checks to ensure the health and well-being of its employees.

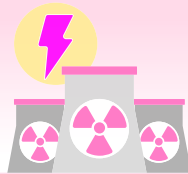
In accordance with Jarlllytec's "Incident Investigation Control Procedure," employees can follow the prescribed process to handle and report hazardous situations. This ensures they are not penalized for reporting hazards or dangerous conditions to worker representatives, employers, or regulatory authorities, or for the occurrence of an incident. The grievance channel is based on Jarlllytec's "Communication Management Procedure," allowing employees to follow its guidelines to submit suggestions related to occupational safety and health, thereby ensuring every employee receives appropriate protective measures. Annual emergency response plan training is conducted based on Jarlllytec's "Emergency Response Measures Control Procedure." This training enables workers to quickly determine whether to evacuate and notify the responsible unit when facing unsafe environments or behaviors. Post-incident meetings are convened to review and improve procedures and prevent recurrence. In the event of a disaster, Jarlllytec does not dismiss, transfer, or impose any other adverse disciplinary action on the affected employees.

Based on Jarlllytec's "Incident Investigation Control Procedure, the process for investigating occupational incidents includes the following steps:



Occupational Health Services

Jarlllytec has established a "Health Examination Management Procedure" to safeguard and maintain the health, life, and property of its workers, prevent occupational diseases, reduce labor disputes, and fulfill social responsibility requirements. In line with Article 17 of the "Labor Health Protection Rules," Jarlllytec regularly conducts general health examinations for its active employees. Furthermore, in accordance with Article 28 of the "Enforcement Rules of the Occupational Safety and Health Act," employees performing operations that pose specific health hazards undergo special health examinations periodically or when their work tasks change. Based on Jarlllytec's "Health Management Procedure," the provisions for health examination operations are as follows:



1. **Special Health Hazard Operations within the Plant:** For operations involving special health hazards (such as the operation of ionizing radiation equipment), XRF operators in the Quality Assurance Department undergo examinations once every year. The costs for these special health hazard examinations are submitted annually to the Labor Insurance Bureau for reimbursement. However, for first-time new hires or when work tasks change, the examination fees are covered by the Company.



2. **New Employee Health Examinations:** Upon employment, new hires must undergo a general labor health examination or a special health examination, as determined by their job responsibilities, at a medical institution designated by the Occupational Safety and Health Administration or a medical facility contracted by the Company. The costs for these pre-employment physical examinations are covered by the Company.



3. **General Health Examination Frequency:** The frequency of general health examinations is outlined in the table below:

Subject	<40 year olds	40-65 year olds	>65 year olds
Frequency	Once every 3 years	Once every 3 years	Once every year



4. For specific health examinations of particular employee groups, as mandated by the Ministry of Labor, eligible colleagues are obligated to undergo these specific health checks.

The results of the aforementioned health examinations are submitted to the occupational health service nurse. General physical (health) examination records are retained for 7 years, special physical (health) examination records for 10 years, and ionizing radiation examination records for 30 years for future reference. Jarlllytec provides occupational health services, including monthly on-site doctor visits and regular health examinations. The Company's occupational health service nurses review the health examination reports. Based on the report findings and recommendations, they plan and arrange individual employee consultations and continuously follow up on the outcomes.

Worker Training on Occupational Health and Safety

Jarlllytec adheres to its "Education and Training Control Procedure" to ensure workers quickly understand training classifications and required hours. At its Taiwan facility, Jarlllytec provides new employee training, on-the-job training, social responsibility hazard identification and risk assessment training, and internal auditor training. New employee training covers the work environment, job nature, and occupational health and safety, totaling 6 hours. Jarlllytec's on-the-job training involves departmental training and professional certification education and assessment. This ensures employees are familiar with their job responsibilities, can respond effectively to emergencies, and efficiently solve problems.

Social responsibility hazard identification and risk assessment training includes practical applications of workplace environment and operational hazard identification, risk assessment methods, and controls. Internal auditor training introduces the ISO 45001 Occupational Health and Safety Management System, basic auditing principles and methods, audit planning and preparation, audit execution and review, and on-site audit practical exercises. If a position requires external training, employees receive a training subsidy. After completing external training, they share their experiences with other workers, fostering collective growth.

Worker Health Promotion

Jarlllytec's "Health Examination Management Procedure" aims to protect and maintain worker health, safety, prevent occupational diseases, reduce labor disputes, and meet social responsibility requirements. According to this procedure, the Company's dedicated occupational health service nurses conduct health examinations. Active employees under 65 are examined every three years, and those 65 and over are examined annually. Each year, Jarlllytec discusses the list of employees to be examined with the Human Resources Department. Based on health examination results, individual consultations are arranged with the occupational health service physician. The physician provides improvement recommendations, and these are tracked based on the consultation outcomes.

All worker health examination information is kept confidential and stored only by the occupational health service nurses; unauthorized personnel are prohibited from accessing these records. To promote worker health, Jarlllytec develops diverse health promotion programs, including health lectures and activities such as weight management programs, stair-walking challenges, or assistance with race registrations. Health education information is disseminated through bulletin boards and email. For catering, the Company's Employee Welfare Committee regulates catering providers according to the "Standards for Good Food Hygiene Practices."

Health Promotion Activities

Protecting Employee Health Amidst Epidemic Risks

Following the Lunar New Year in 2024, both influenza and COVID-19 cases saw an increase in northern Taiwan, with the CDC noting numerous family cluster infections in communities. Recognizing that employees share office spaces and frequently use public facilities, Jarlllytec proactively implemented epidemic prevention measures and enhanced overall health awareness. To mitigate transmission risks, Jarlllytec aligned with government epidemic prevention guidelines, continuously promoting healthy living initiatives.

The Company also leveraged local resources, collaborating with the Xinzhuang District Health Center to provide "COVID-19 XBB Vaccine On-site Vaccination Services." A total of 99 participants were vaccinated, receiving an enthusiastic response from employees. Jarlllytec encourages its colleagues to proactively enhance their self-protection, integrating health into their daily routines. This isn't just about epidemic prevention; it's a tangible demonstration of Jarlllytec's commitment to the health of its employees and their families.

Health Awareness Promotion

Jarlllytec is dedicated to promoting health awareness activities to boost employee health literacy and self care capabilities. These initiatives cover topics like influenza prevention, proper handwashing techniques, vaccine information, balanced diets, and food poisoning prevention.

Jarlllytec ensures employees can subtly develop accurate health concepts in their daily work by displaying health education posters in common areas and on bulletin boards, and by periodically sharing health tips through internal communications. Looking ahead, Jarlllytec will continue to align its promotional content with government health policies and seasonal disease changes. The Company aims to enhance the accessibility and practicality of health information, fostering a workplace culture that genuinely cares for employee well being.



Nurturing a Thriving Workplace with Greenery

Jarlllytec's Vietnam facility actively champions campus greening and tree-planting initiatives. These efforts not only support environmental sustainability goals but also prioritize the positive impact of greenery on employee well-being.

Green plants effectively purify the air and mitigate the heat island effect, while also enhancing employees' psychological comfort and reducing stress. Research indicates that natural environments can significantly alleviate issues like anxiety, fatigue, and distraction, thereby promoting overall physical and mental well-being.



Preventing and Mitigating Occupational Health and Safety Impacts Linked to Business Relationships

Jarlllytec adheres to its "Contractor Environmental, Safety, and Health Control Procedure" to safeguard company property, prevent occupational hazards, ensure worker safety and health, and fulfill social responsibilities. Before commencing work, coordination meetings are held with contractors regarding construction projects. Contractors must also undergo environmental, safety, and health training, and complete a Contractor Environmental, Safety, and Health Management Acknowledgment and Undertaking Form, a Work Permit Application Form, and a Construction Personnel Undertaking Form before work can begin.

For workers who are not Jarlllytec employees, the Company complies with legal requirements by implementing necessary management practices to ensure contractors and suppliers maintain a safe and healthy work environment. This includes integrating safety regulations into contracts and supplier codes of conduct, conducting hazard awareness briefings for contractor personnel before they enter facilities, and providing safety supervision. Jarlllytec also performs irregular safety inspections and provides deficiency reports to the contracting units or responsible persons for safety improvements.

Healthy Workplace Certification - Badge of Accredited Healthy Workplace

Jarlllytec is dedicated to promoting tobacco hazard prevention and health promotion, striving to create an excellent and healthy work environment.



In January 2025, the Company was re-evaluated and certified by the Health Promotion Administration of the Ministry of Health and Welfare. Jarlllytec was awarded the "Healthy Workplace Certification - Badge of Accredited Healthy Workplace," which remains valid for three years.

Occupational Injuries

Jarlllytec's "Hazard Identification and Risk Assessment Control Procedure" aims to enhance awareness and importance of safety and health among all levels of personnel. The Company conducts hazard identification and risk assessment for critical operations or high-potential hazard events, striving for zero accidents. By continuously identifying hazards, assessing risks, and implementing necessary control methods, risks are managed to a safe level.

In addition to incorporating significant risks identified through the aforementioned assessments into goal management plans, Jarlllytec also follows its "Risk Management Procedure." This procedure outlines risk treatment methods, prioritizing hazard elimination as the most effective approach to protect workers. Risks can also be reduced or diversified to minimize incidents and achieve desired outcomes.

To further ensure worker safety, Jarlllytec adheres to the International Labour Organization (ILO) Guidelines on Occupational Safety and Health Management Systems (2001) and ISO 45001:2018, implementing the following prevention and protection measures in order of priority:

- Eliminating hazards (risks).
- Substituting hazardous (risky) procedures, operations, materials, or equipment with less hazardous ones.
- Controlling hazards (risks) at the source through engineering controls or organizational measures.
- Minimizing risks through designing safe work systems, including administrative control measures.
- Providing appropriate personal protective equipment (PPE), including clothing, free of charge when residual hazards (risks) cannot be controlled by collective measures, and taking steps to ensure its correct use and maintenance.

Jarlllytec compiles occupational injury statistics and data based on its incident investigation reports and submissions to the Occupational Safety and Health Administration. In 2024, there was one employee occupational injury incident, which was classified as an electrical shock during operation.

Occupational Injury Analysis Statistical Table

2023 Number of Occupational Injury Cases 0

Total Hours Worked

Male 1,835,743 / Female 2,595,464 / Subtotal 4,431,207

2024 Number of Occupational Injury Cases Male 1 / Female 0 / Subtotal 1

Total Hours Worked

Male 2,068,549 / Female 2,678,697 / Subtotal 4,747,246

Total Days Lost Due to Injury Male 18 / Subtotal 18

Lost Time Injury Frequency Rate (LTIFR) Male 0.48 / Subtotal 0.21

Lost Time Injury Severity Rate (LTISR) (%) Male 8 / Subtotal 3

Number of Recordable Occupational Injuries Male 1 / Subtotal 1

Recordable Occupational Injury Rate Male 0.48 / Subtotal 0.21

Occupational Diseases

Jarlllytec is dedicated to effectively reducing the risk of occupational diseases for its workforce. The Company has established a "Occupational Disease Prevention Management Measures" to ensure workers remain healthy and safe in their work environments. This includes conducting irregular inspections of facilities to identify and address on-site hazards.

For identified hazard risks, Jarlllytec has also established hazard identification and risk assessment indicators. In 2024, no occupational disease incidents were reported across all operational sites, including Taiwan, China, and Southeast Asia facilities. Annually, human factors engineering hazard prevention assessments are performed to prevent musculoskeletal injuries and enhance the quality of work life.

Note

1. The statistical scope for "employees" covers Jarlllytec employees located in Taiwan and China facilities.
2. The statistical scope for "workers" covers all non-employees whose work and/or workplace are controlled by the organization.
3. "Occupational injury cases" refers to worker diseases, injuries, disabilities, or fatalities caused by buildings, machinery, equipment, raw materials, chemicals, gases, vapors, dust, or other operational activities and occupational causes at the workplace.
4. "Number of recordable occupational injuries": Refers to the number of recordable occupational injuries (including commuting accidents as defined by GRI Standards), encompassing fatalities and severe occupational injuries.
5. "Recordable occupational injury rate": Refers to the number of recordable occupational injuries (excluding commuting accidents) occurring per million hours worked. The formula is: (Number of Recordable Occupational Injuries / Total Hours Worked) x 106. Rounded to two decimal places.
6. LTIFR =(Number of Occupational Injury Cases×106)/ (Total Hours Worked.) Rounded to two decimal places. LTISR (excluding fatalities) = (Total Days Lost Due to Occupational Injury× 106)/ (Total Hours Worked.)
7. Rounded to the nearest whole number, discarding decimals.

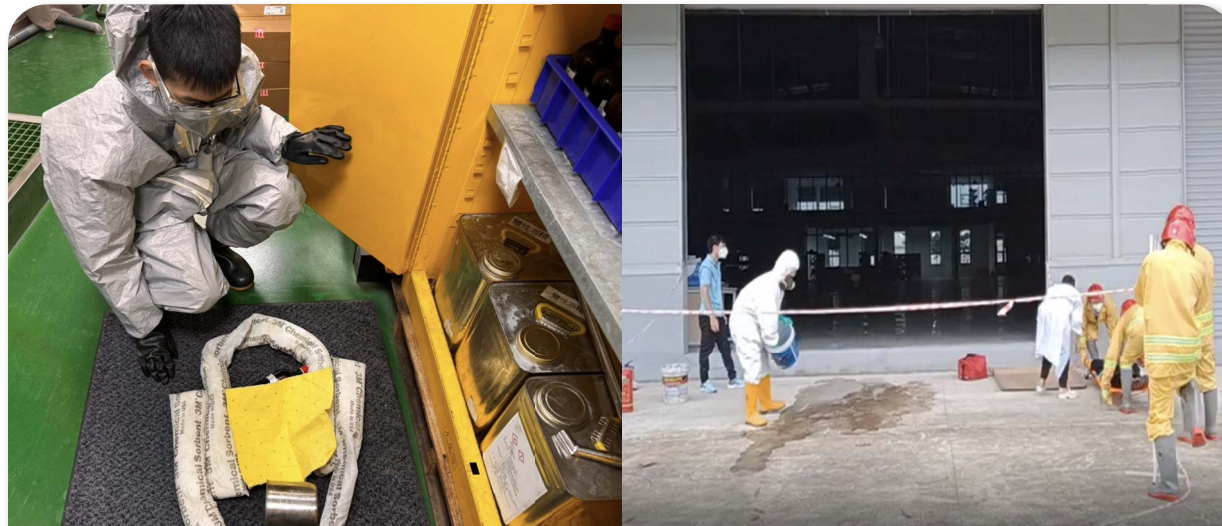


Chemical Spill Emergency Response Plan and Management

Jarlllytec stores all chemicals used in its manufacturing processes at designated locations and implements necessary management measures. Storage areas and containers are marked and managed in accordance with local government regulations. Specifically, Taiwan facilities follow the "Hazardous Chemicals Labeling and Communication Regulations" and "Hazardous Chemicals Assessment and Classification Management Measures." China facilities adhere to the "Regulations on the Safety Management of Hazardous Chemicals" (State Council Decree No. 591). Thailand facilities comply with the "Hazardous Substances Act" (B.E. 2535 / 1992). Vietnam facilities observe the "Law on Chemicals" (2007). Globally, Jarlllytec applies the "Globally Harmonized System (GHS) of Classification and Labelling of Chemicals" for necessary labeling and management. Safety Data Sheets (SDS) are affixed to containers and placed in conspicuous locations to provide on-site personnel with immediate information on emergency response procedures for chemical spills.

Furthermore, all new hires at Jarlllytec receive training on the types of chemicals used by the Company, regardless of whether their duties involve direct chemical handling. This includes necessary safety and health training to familiarize them with company operations. For employees whose work involves handling chemicals, essential emergency response training is conducted every six months. If the work involves special health hazards, necessary special health examinations are performed in accordance with the "Labor Health Protection Rules." Should a worker be diagnosed with a health abnormality, an immediate assessment of their work suitability is conducted. If necessary, the worker's exposure time is reduced, or they are reassigned to other duties, ensuring continuous attention to the health of all employees.

Chemical Spill Emergency Response Training



Preventing and Mitigating Occupational Health and Safety Impacts Linked to Group Business Relationships

For workers not directly employed by Jarlllytec, it's essential to comply with legal requirements and implement necessary management measures to ensure contractors maintain a safe and healthy work environment within the Company's premises. This includes incorporating safety regulations into work permit applications, contractor environmental, safety, and health management acknowledgments, construction personnel undertakings, and pre-entry hazard communication, along with related safety management and training. Furthermore, unscheduled safety inspections of contractors are conducted, and any deficiencies found are immediately communicated to the awarding unit or contractor for prompt improvement and safety review.

Supplier Safety Promotion Across Facilities



Fire Drill and Self-Defense Prevention Organization Plan

To enhance employee awareness of fire risks and response capabilities, Jarllytec conducts drills in accordance with each facility's government regulations, including the "Fire Services Act," the "Ministerial Regulation on Fire Prevention and Suppression Management and Implementation Standards B.E. 2555 (2012)," and "Decree No. 136 / 2020 / ND-CP." These drills are also guided by Jarllytec's "Emergency Response Measures Management Procedure," which covers the management of fire safety and emergency response equipment, as well as the implementation of emergency response drills and testing plans.

For the Taiwan facility's fire regulations, at least one fire prevention manager must be appointed on-site. This manager annually commissions a fire safety technician to complete and submit a fire safety inspection report to the fire department for review. Each departmental unit is responsible for its designated fire safety equipment areas and completes monthly inspection checklists. Additionally, the Labor Safety Office inspects and completes fire equipment checklists for common areas. Information related to fire equipment layout plans and evacuation routes is posted next to elevators on every floor. Furthermore, new employees receive information about Jarllytec's fire drills during their safety and health orientation, including details on the semi-annual fire drill self-organized planning. The implementation of these drills involves explanations, tabletop exercises, unit-specific training, live drills, or practical testing. During hands-on training, both new and existing employees practice using fire extinguishers to ensure they can immediately assess a fire situation, understand how to extinguish it, and safely and quickly evacuate. If smoke detectors detect smoke, the guardhouse is simultaneously notified to quickly assess the situation and alert the fire department.

Fire Drills Across Facilities



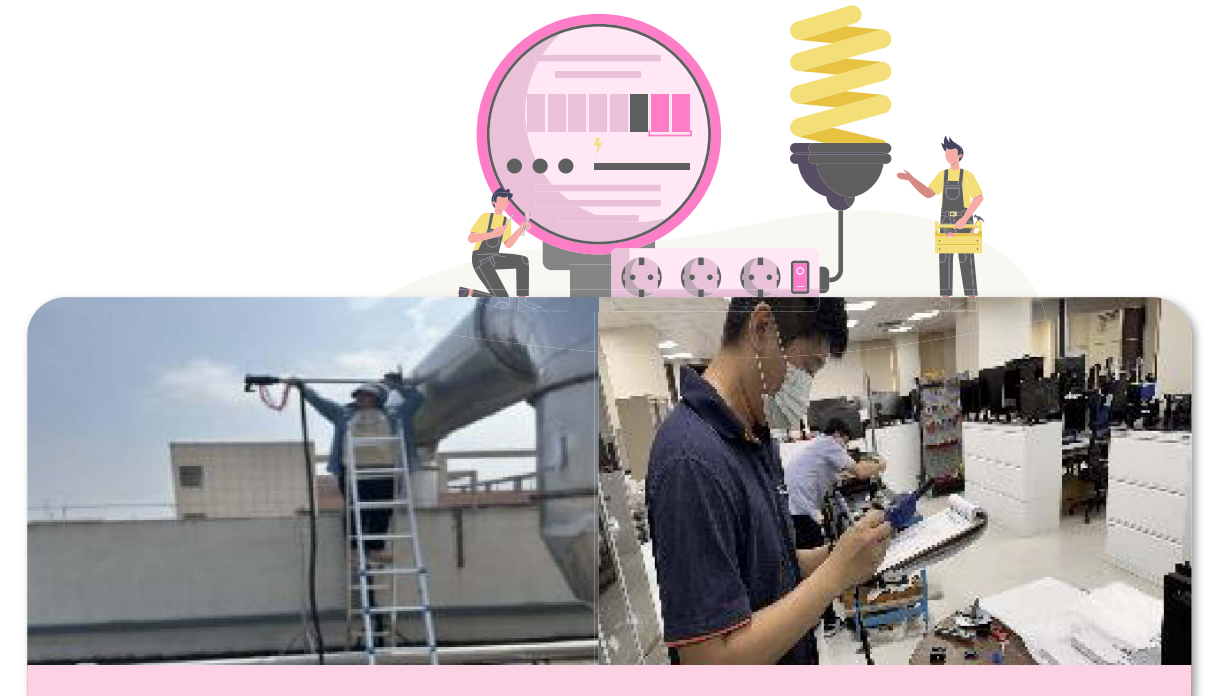
Implementing Workplace Environmental Monitoring to Safeguard Occupational Health

Jarllytec is dedicated to maintaining the physical and mental well-being and operational safety of its employees. To achieve this, the Company's facilities in various locations regularly conduct workplace environmental monitoring in accordance with local occupational safety and health regulations.

The Taiwan facility operates under the "Implementation Regulations for Labor Operation Environment Monitoring" and Jarllytec's own "Operation Environment Control and Measurement Procedures." A professional monitoring unit recognized by the Ministry of Labor performs workplace environmental measurements every six months. The tested items include noise (including boundary noise), CO₂, illumination, respirable dust, total dust, and organic solvents. China facilities conduct annual monitoring, in accordance with the "Occupational Disease Prevention Law" and related regulations. This monitoring covers items such as dust and noise. The Vietnam facility adheres to the "Labor Code" and "Circular 19/2016/TT-BYT," conducting annual measurements for general operations, which include dust, temperature, humidity, and illumination. The Thailand facility performs annual monitoring as per the "Occupational Safety and Health Act," covering items such as noise, illumination, vibration, and organic compounds.

Jarllytec continuously adjusts the monitoring frequency and scope based on the regulations of each facility's local government and operational conditions. Through systematic management and scientific data, the Company ensures that the working environment meets safety standards, thereby fulfilling its responsibility for workplace health.

Workplace Environmental Monitoring Across Facilities



6.1 Fostering a Brighter Future: Jarllytec's Contributions to Children's Welfare and Vocational Empowerment

Jarllytec consistently upholds the core value of social responsibility, striving to contribute to society through tangible actions that support vulnerable groups and promote sustainable development. The Company actively seeks out and collaborates with public welfare organizations in the greater Taipei area and local industrial zones, aiming to create a lasting positive impact on society.

Caring for Children, Safeguarding the Future

In 2024, Jarllytec proudly donated NT\$190,000 to the Taiwan Fund for Children and Families. This contribution supports the provision of a quality educational environment and essential operational resources, aiming to build a solid foundation for the healthy growth and future development of the children residing there.

Supporting Vocational Training for Individuals with Disabilities

Jarllytec actively participated in charitable product subscription campaigns organized by the Syin-Lu Social Welfare Foundation and the Taipei Autism Children Welfare Foundation. The Company purchased NT\$73,059 worth of goods, demonstrating practical support for vocational training and employment opportunities for individuals with disabilities. This initiative helps them realize their potential, enhancing their social integration and self-reliance.

Jarllytec firmly believes that corporate success is inseparable from giving back to society. Therefore, the Company will continue to advance its sustainable development philosophy, actively engage in various public welfare activities, care for vulnerable populations, and uphold its social responsibility as a corporate citizen. Jarllytec is committed to fostering greater positive change and building a brighter future together.

Donating Organization Syin-Lu Social Welfare Foundation Taipei Autism Children Welfare Foundation	Donating Organization Taiwan Fund for Children and Families
Donation Item Charitable Product Purchases	Donation Item Donations
Total Amount (NTD)	Total Amount (NTD)
\$ 73,059	\$ 190,000



6.2 Enhancing Community Resilience: Jarllytec's Collaboration with Andrew Food Bank

Jarllytec's volunteer team recently participated in a packing event at the Andrew Food Bank, focusing on infant and toddler food items. This initiative underscored Jarllytec's commitment to social responsibility and its proactive engagement in community welfare. The Andrew Food Bank primarily serves vulnerable families through its "Food Bank Program," which provides customized food boxes to alleviate hunger, especially for children and the elderly who need nutritional support. Before the event, the association's staff provided a detailed overview, ensuring volunteers fully understood the program's purpose and significance. This preparation enabled the volunteers to efficiently sort and pack various food items according to specific needs lists, helping families facing hardship access essential sustenance.

The Company plans to continue monitoring societal needs and actively engaging in more public welfare activities, contributing meaningfully to the community's well-being. The Andrew Food Bank expressed gratitude for Jarllytec's support and hopes more businesses will join their efforts in the future. Such collaborations raise public awareness of food bank programs and further advance societal welfare.





6.3 International Coastal Cleanup: Protecting Our Oceans

Jarllytec participated in the International Coastal Cleanup (ICC), co-organized by the National Museum of Marine Science and Technology. This hands-on involvement demonstrates the Company's commitment to marine environmental protection and sustainable development. This beach cleanup was part of Jarllytec's environmental protection efforts, aiming to promote source reduction of plastics and waste, thereby fulfilling its corporate environmental responsibility. On the day of the event, volunteers and professionals educated Jarllytec employees on the impact of marine pollution on ecosystems, raising environmental awareness. Employees engaged in waste classification and recycling, ultimately removing 22 categories of marine debris, totaling approximately 46.965 kilograms, across a 100-meter stretch of coastline. This effort significantly reduced coastal pollution.

The event organizers expressed hope that such corporate actions would draw more attention to marine debris issues. Jarllytec will continue to deepen its environmental protection initiatives and encourage employees to integrate sustainable practices into their daily lives, collectively promoting marine conservation and working together to protect the planet.

6.4 Donating Blood: Protecting Lives Through Action

In response to critical shortages of A and O type blood in the northern region, Jarllytec hosted blood drives at its headquarters on June 20 and November 19. These events demonstrated the Company's commitment to supporting blood reserves and helping save valuable lives. On the day of the activity, a professional team from the blood donation center was on-site, ensuring a safe and hygienic environment for all donors. To show appreciation for the enthusiastic participation, Jarllytec provided various gifts and additional e-vouchers, encouraging everyone to contribute to this charitable cause. The events successfully collected 116 and 128 units of whole blood, providing timely assistance to address the blood bank's supply shortage. The blood donation center expressed its gratitude for Jarllytec's efforts and the compassion of each donor, emphasizing that every unit of blood symbolizes hope for patients in urgent need. They also hoped more individuals would participate in public welfare initiatives to contribute to public health.

Jarllytec firmly believes that corporate success should go hand-in-hand with social responsibility. The Company will continue to focus on public health issues, actively participate in and promote various charitable activities, inject more positive energy into society, and work together to build a better future.



6.5 Jarllytec and Children's Home Share Joyful Movie Day

Since 2014, Jarllytec has fostered a long-term partnership with the Taiwan Fund for Children and Families' Datong Children's Home, consistently providing material support and emotional care to ensure the children feel the warmth and companionship of society. Beyond financial aid, companionship and interaction are crucial for a child's development. This year, Jarllytec organized a special Movie Day event, extending a heartfelt invitation to the children from the home to join Jarllytec employees and their families for a delightful time. On the day of the event, the children arrived at the cinema brimming with anticipation and excitement to gather with the Jarllytec family. Throughout the movie, laughter and delighted exclamations filled the air, creating a truly joyful and heartwarming atmosphere. This occasion was more than a simple movie screening; it fostered a genuine exchange of love and care, allowing the children to experience tangible societal support and encouragement through shared moments of happiness.

Jarllytec hopes that such charitable initiatives will allow all participants to experience the profound impact of compassion and generosity. Employees, their families, and the children from the home alike found spiritual warmth and inspiration in the event. Moving forward, Jarllytec remains committed to proactively championing more meaningful charity programs. This commitment extends beyond providing material and financial support to social welfare organizations; it also involves delivering greater positive energy to vulnerable groups through direct engagement and companionship. The overarching aim is to foster a warmer, more compassionate society.



6.6 Jarllytec Partners with Community for Heartwarming Pudu Festival

On the eve of the Lunar Pudu Festival, Jarllytec partnered with the Fuxing Village Office in New Taipei City to understand the needs of local vulnerable families and donate essential living supplies, aiming to provide warmth and support to those in need. This charitable event not only helped families in Fuxing Village by easing their economic burden through material donations, but also offered spiritual comfort through direct interactions, allowing recipient families to feel the deep care and support from society. Jarllytec employees personally participated in distributing the supplies, engaging with the families to better understand their living conditions and challenges. This experience also inspired employees to cherish what they have and deeply appreciate the strength and courage displayed by these families.

Jarllytec firmly believes that corporate success must go hand-in-hand with social responsibility. The Company will continue to focus on vulnerable groups in society, delivering love and warmth to more communities through practical actions and long-term care. Jarllytec hopes that each act of kindness will inject more positive energy into society, working together to create a more harmonious, warm, and hopeful future.



Appendix I : GRI Content Index

Statement of Use		Jarllytec has reported in accordance with the GRI Standards for the period January 1, 2024, to December 31, 2024.		
GRI Standards Version		GRI 1 : Foundation 2021		
GRI Sector Standards		Not applicable		

GRI 2 : General Disclosures 2021					
The organization and its reporting practices			Governance		
Disclosure	Corresponding Section	Page	Disclosure	Corresponding Section	Page
2-1 Organizational details	2.1 About Jarllytec	19	2-19 Remuneration policies	2.2 Corporate Governance	21
2-2 Entities included in the organization's sustainability reporting	About this report	01	2-20 Process to determine remuneration	2.2 Corporate Governance	21
2-3 Reporting period, frequency and contact point	About this report	01	2-21 Annual total compensation ratio	2.2 Corporate Governance	21
2-4 Restatements of information	About this report	01	Strategy, policies and practices		
2-5 External assurance	About this report	01	Disclosure	Corresponding Section	Page
Activities and workers			2-22 Statement on sustainable development strategy	Letter from the Chairperson	02
Disclosure	Corresponding Section	Page	2-23 Policy commitments	1.2 Sustainable Development Committee	06
2-6 Activities, value chain and other business relationships	2.1 About Jarllytec	19	2-24 Embedding policy commitments	1.2 Sustainable Development Committee	06
2-7 Employees	5.1 Talent Development	65	2-25 Processes to remediate negative impacts	2.2 Corporate Governance	21
2-8 Workers who are not employees	5.1 Talent Development	65		2.3 Economic Performance	27
Governance				3.2 Product Quality	39
Disclosure	Corresponding Section	Page		3.4 Sustainable Supply Chain Management	43
2-9 Governance structure and composition	2.2 Corporate Governance	21		4.2 Climate Change Adaptation	49
2-10 Nomination and selection of the highest governance body	2.2 Corporate Governance	21	5.1 Talent Development	65	
2-11 Chair of the highest governance body	2.2 Corporate Governance	21	5.2 Health and Safety	71	
2-12 Role of the highest governance body in overseeing the management of impacts	2.2 Corporate Governance	21	2-26 Mechanisms for seeking advice and raising concerns	2.2 Corporate Governance	21
2-13 Delegation of responsibility for managing impacts	2.2 Corporate Governance	21	2-27 Compliance with laws and regulations	2.2 Corporate Governance	21
2-14 Role of the highest governance body in sustainability reporting	2.2 Corporate Governance	21	2-28 Membership associations	2.2 Corporate Governance	21
2-15 Conflicts of interest	2.2 Corporate Governance	21	Stakeholder engagement		
2-16 Communication of critical concerns	2.2 Corporate Governance	21	Disclosure	Corresponding Section	Page
2-17 Collective knowledge of the highest governance body	2.2 Corporate Governance	21	2-29 Approach to stakeholder engagement	1.4 Stakeholder Engagement	13
2-18 Evaluation of the performance of the highest governance body	2.2 Corporate Governance	21	2-30 Collective bargaining agreements	5.1 Talent Development	65

GRI 3 : Material Topics 2021

Material Topic Disclosure

Disclosure

Corresponding Section

Page

3-1 Process to determine material topics	1.3 Materiality Assessment	09
3-2 List of material topics	1.3 Materiality Assessment	09
3-3 Management of material topics	1.3 Materiality Assessment	09

Material Topics

Economic Performance

Disclosure

Corresponding Section

Page

201-1 Direct economic value generated and distributed	2.3 Economic Performance	27
201-2 Financial implications and other risks and opportunities due to climate change	4.2 Climate Change Adaptation	49
201-3 Defined benefit plan obligations and other retirement plans	2.3 Economic Performance	27
201-4 Financial assistance received from government	2.3 Economic Performance	27

Material Topics

Information Security and Customer Privacy

Disclosure

Corresponding Section

Page

418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.4 Information Security	29
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Material Topics

Product Quality and Safety

Disclosure

Corresponding Section

Page

416-1 Assessment of the health and safety impacts of product and service categories	3.2 Product Quality	39
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	3.2 Product Quality	39
417-1 Requirements for product and service information and labeling	3.2 Product Quality	39
417-2 Incidents of non-compliance concerning product and service information and labeling	3.2 Product Quality	39
417-3 Incidents of non-compliance concerning marketing communications	3.2 Product Quality	39

Material Topics

Supply Chain Management

Disclosure

Corresponding Section

Page

204-1 Proportion of spending on local suppliers	3.4 Sustainable Supply Chain Management	43
308-1 New suppliers that were screened using environmental criteria	3.4 Sustainable Supply Chain Management	43
308-2 Negative environmental impacts in the supply chain and actions taken	3.4 Sustainable Supply Chain Management	43
414-1 New suppliers that were screened using social criteria	3.4 Sustainable Supply Chain Management	43
414-2 Negative social impacts in the supply chain and actions taken	3.4 Sustainable Supply Chain Management	43

Material Topics

Greenhouse Gas Management

Disclosure

Corresponding Section

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305-1 Direct (Scope 1) GHG emissions	4.3 Greenhouse Gas Management	57
305-2 Energy indirect (Scope 2) GHG emissions	4.3 Greenhouse Gas Management	57
305-3 Other indirect (Scope 3) GHG emissions	4.3 Greenhouse Gas Management	57
305-4 GHG emissions intensity	4.3 Greenhouse Gas Management	57
305-5 Reduction of GHG emissions	4.3 Greenhouse Gas Management	57
305-6 Emissions of ozone-depleting substances (ODS)	4.3 Greenhouse Gas Management	57
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	4.3 Greenhouse Gas Management	57

Material Topics

Energy Management

Disclosure

Corresponding Section

Page

302-1 Energy consumption within the organization	4.4 Energy Management	58
302-2 Energy consumption outside of the organization	4.4 Energy Management	58
302-3 Energy intensity	4.4 Energy Management	58
302-4 Reduction of energy consumption	4.4 Energy Management	58

Material Topics

Talent Attraction and Retention

Disclosure

Corresponding Section

Page

401-1 New employee hires and employee turnover	5.1 Talent Development	65
401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees	5.1 Talent Development	65
402-1 Parental leave	5.1 Talent Development	65
401-3 Minimum notice periods regarding operational changes	5.1 Talent Development	65
403-5 Worker training on occupational health and safety	5.1 Talent Development	65
404-3 Percentage of employees receiving regular performance and career development reviews	5.1 Talent Development	65
405-1 Diversity of governance bodies and employees	5.1 Talent Development	65
406-1 Incidents of discrimination and corrective actions taken	5.1 Talent Development	65
408-1 Operations and suppliers at significant risk for incidents of child labor	5.1 Talent Development	65

GRI 3 : Material Topics 2021

Material Topics		Talent Attraction and Retention	
Disclosure		Corresponding Section	Page
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		5.1 Talent Development	65
411-1 Incidents of violations involving rights of indigenous peoples		5.1 Talent Development	65
Voluntary Sustainability Topics		Ethical Business Conduct	
Disclosure		Corresponding Section	Page
205-1 Operations assessed for risks related to corruption		2.2 Corporate Governance	21
205-2 Communication and training about anti-corruption policies and procedures		2.2 Corporate Governance	21
205-3 Confirmed incidents of corruption and actions taken		2.2 Corporate Governance	21
207-1 Approach to tax		2.2 Corporate Governance	21
207-2 Tax governance, control, and risk management		2.2 Corporate Governance	21
207-3 Stakeholder engagement and management of concerns related to tax		2.2 Corporate Governance	21
415-1 Political contributions		2.2 Corporate Governance	21
Voluntary Sustainability Topics		Occupational Health and Safety	
Disclosure		Corresponding Section	Page
403-1 Occupational health and safety management system		5.2 Health and Safety	71
403-2 Hazard identification, risk assessment, and incident investigation		5.2 Health and Safety	71
403-3 Occupational health services		5.2 Health and Safety	71
403-4 Worker participation, consultation, and communication on occupational health and safety		5.2 Health and Safety	71
403-5 Worker training on occupational health and safety		5.2 Health and Safety	71
403-6 Promotion of worker health		5.2 Health and Safety	71
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		5.2 Health and Safety	71
403-8 Workers covered by an occupational health and safety management system		5.2 Health and Safety	71
403-9 Work-related injuries		5.2 Health and Safety	71
403-10 Work-related ill health		5.2 Health and Safety	71

Voluntary Sustainability Topics		Innovation and R&D	
Disclosure		Corresponding Section	Page
301-1 Weight or volume of materials used		3.1 Innovation	38
301-2 Recycled input materials used		3.1 Innovation	38
Voluntary Sustainability Topics		Wastewater and Waste Management	
Disclosure		Corresponding Section	Page
303-1 Interactions with water as a shared resource		4.5 Waste Management	60
303-2 Management of water discharge related impacts		4.5 Waste Management	60
303-3 Water withdrawal		4.5 Waste Management	60
303-4 Water discharge		4.5 Waste Management	60
303-5 Water consumption		4.5 Waste Management	60
306-1 Waste generation and significant waste-related impacts		4.6 Waste Management	60
306-2 Management of significant waste related impacts		4.6 Waste Management	60
306-3 Waste generated		4.6 Waste Management	60
306-4 Waste diverted from disposal		4.6 Waste Management	60
306-5 Waste directed to disposal		4.6 Waste Management	60



Appendix II : SASB Index

Topic	Code	Metric	Category	Corresponding Section
Product Security	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	Discussion and Analysis	3.2 Product Quality
Employee Diversity & 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	Quantitative	5.1 Talent Development
Product Lifecycle Management	TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	As Jarllytec's products are primarily B2B, the IEC 62474 standard is not applicable.
	TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Quantitative	As Jarllytec 's products are primarily B2B, the EPEAT ecolabel is not applicable.
	TC-HW-410a.3	Percentage of eligible products, by revenue, certified to an energy efficiency certification	Quantitative	As Jarllytec 's products are primarily B2B, the ENERGY STAR® standard for products is not applicable.
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered; percentage recycled	Quantitative	Data collection is challenging as Jarllytec 's products are primarily B2B.
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	Quantitative	3.4 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 nonconformances and (b) other nonconformances	Quantitative	3.4 Sustainable Supply Chain Management
Materials Sourcing	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	2.3 Economic Performance

SASB Activity Metrics

Code	Activity Metric	Category	Corresponding Section
TC-HW-000.A	Number of units produced by product category4	Quantitative	-
TC-HW-000.B	Area of manufacturing facilities	Quantitative	2.1 About Jarllytec
TC-HW-000.C	Percentage of production from owned facilities	Quantitative	-



Appendix III : Climate-related Information for TWSE/TPEX Listed Companies

Topic	Execution Status/Implementation Details	Corresponding Section		
1. Description on the Board and Management’s oversight and governance on climate-related risks and opportunities	Jarlllytec identifies climate-related risks and opportunities in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. The Company’s Board of Directors serves as the highest oversight body for climate-related issues, responsible for overseeing the overall climate strategy and monitoring the Sustainable Development Committee ’s execution of climate-related risk management. The Sustainable Development Committee regularly reviews risk assessments across environmental, social, and governance aspects, including but not limited to the ongoing advancement of climate change-related initiatives. This process involves identifying material risks and opportunities and developing corresponding response and adaptation strategies. At least once annually, the Sustainable Development Committee reports to the Board of Directors on the implementation progress and future plans related to corporate sustainability and climate change issues.	4.2 Climate Change Adaptation		
2. Description on how the identified climate risks and opportunities impact the Company’s business, strategies, and finance (short, mid, long-term)	Jarlllytec references the TCFD guidelines and the International Energy Agency’s (IEA) 2°C scenario to simulate and analyze the future impacts of climate change. This process involves a comprehensive analysis of potential risks and their likelihood of occurrence across the Company’s operations. Jarlllytec evaluates various short-, medium-, and long-term risks and opportunities (short-term: 1-3 years; medium-term: 3-5 years; long-term: 5-10 years) based on factors such as asset lifespan, potential risks, and the industrial sectors and regions of operation. The potential threat level these factors pose to the Company’s future operations is publicly disclosed in Jarlllytec’s annual Sustainability Report. Looking ahead, Jarlllytec plans to expand its assessment scope by evaluating the level of risks and opportunities. The Company will use a risk and opportunity matrix, plotting "likelihood of occurrence" against "impact," to categorize results into three risk levels: low, medium, and high. This will help define the priority of risks and opportunities. Risks classified as medium or high will be designated as primary risks, prompting the development of further preventative measures and improvement plans. °			
	Financial Impact Analysis of Climate Change (Risks)			
	Climate Change Risk	Time Horizon	Financial Impact	Response Measures
	Typhoon	Short-term	Typhoons can lead to operational disruptions, impact employees’ daily lives, and cause component supply interruptions from suppliers. The associated recovery costs and product delivery delays will increase management costs and reduce sales.	• Respond to typhoon impacts in accordance with the Company’s emergency response guidelines.
	Rising Average Temperature	Long-term	• Decreased work efficiency and reduced sales due to employee health conditions such as heatstroke. • Persistently high temperatures may increase electricity demand, affecting production efficiency and leading to reduced sales and increased operating costs.	• Conduct ongoing equipment maintenance and electricity usage monitoring to maintain a stable power supply. • Strengthen employee training on emergency response procedures for disasters.
	Greenhouse Gas Emissions Cap, Carbon Tax, and Carbon Fees	Long-term	According to the “Climate Change Response Act” enacted by the Environmental Protection Administration in 2023, a mechanism for levying “carbon fees” will be established. It is expected to be implemented in phases starting in 2025. This may result in new operating costs for the Company.	• Establish carbon reduction targets. • Currently procuring energy-saving products, promoting energy conservation, and using environmentally friendly refrigerants exclusively. • Formulated a target to reduce carbon emissions by at least 1% annually.
	Changes in Customer Behavior	Long-term	In response to global net-zero emission trends, customers are shifting to raw materials and products with lower carbon and environmental impacts, or are requiring more transparent environmental information. If current products and services fail to meet these low-carbon market demands, it could lead to decreased sales and revenue, impacting the Company’s financial planning.	• Utilize more efficient transportation modes. • Implement low-carbon production processes and offer low-impact products and services. • Provide customized services to clients. • Replace old, high-energy-consumption equipment. • Actively seek talent for the low-carbon transition and train existing employees for this new era.
Increasing Stakeholder Scrutiny and Negative Feedback	Long-term	Reputational risk related to climate change: Failure to meet stakeholder expectations regarding climate action and high-carbon products could lead to negative public opinion, reduced customer trust and satisfaction, damage to the corporate reputation, and a loss of customers, resulting in decreased sales.	• Enhance green manufacturing and green innovation to improve the Company’s green image.	

Topic	Execution Status/Implementation Details				Corresponding Section
2. Description on how the identified climate risks and opportunities impact the Company's business, strategies, and finance (short, mid, long-term)	Financial Impact Analysis of Climate Change (Opportunities)				4.2 Climate Change Adaptation
	Climate Change Opportunity	Time Horizon	Financial Impact	Action Plan	
	Efficient Production Management	Long-term	- Lack of strict controls on product packaging can lead to increased costs. - Limited automation in production processes results in higher labor costs.	- Control product packaging to reduce the volume of materials used. - Increase automation in production processes.	
	Develop and/or Increase Low-Carbon Products and Services	Long-term	Failure to design low-energy products and improve processes leads to increased raw material costs and higher electricity expenses.	- Develop green products and initiate a raw material recycling mechanism for materials such as plastic components, castings, and iron parts to reduce costs and produce low-energy-consumption products. - Plan to purchase wastewater recycling equipment to lower water consumption and production costs.	
	ESG Investment to Enhance Company Market Value and Image	Long-term	Influences investor willingness and capital attraction.	- Commit to developing products designed in accordance with environmental regulations, using non-hazardous and recyclable materials, reducing energy demand in processes, and participating in social welfare to achieve sustainable operation and enhance corporate image. - Invest in an ESG sustainability plan and establish a Sustainable Development Committee to oversee its execution, strengthen stakeholder communication, and enhance the Company's risk management and response measures.	
3. Description on the impact extreme climate events and transitional actions have on finance	Jarlllytec assesses the potential financial impacts of extreme weather events and transition atives, as detailed in the "Climate Change Financial Impact Analysis (Risks)" and "Climate Change Financial Impact Analysis (Opportunities)" tables above. Regarding transition atives, Jarlllytec is actively planning to conduct greenhouse gas inventories across its global operations and obtain verification reports from third-party certification bodies. The Company is also developing projects focused on energy conservation and carbon reduction, including the introduction of green electricity, to achieve its low-carbon transition goals.				4.2 Climate Change Adaptation
4. Description on how the climate risk identification, assessment, and management process is integrated in the overall risk management system	Jarlllytec identifies climate-related risks and opportunities in line with the TCFD recommendations. The Company's Board of Directors holds the ultimate responsibility for climate risk management. Annually, the Sustainable Development Committee reports to the Board of Directors on the implementation and results of climate risk management, overseeing its execution. Underneath the Sustainable Development Committee is the Sustainable Development Committee Working Group, comprising managers and representatives from various departments and business units. This working group conducts a comprehensive annual assessment and analysis of various risks and opportunities, including those related to climate. It then develops response and adaptation strategies, producing a corporate risk management report for the Sustainable Development Committee to present, thereby assisting the Board of Directors in reviewing risk management implementation				4.2 Climate Change Adaptation
5. Should scenario analysis is used to assess the Company's resilience in face of climate change risks, explanations on the scenario, parameters, hypothesis, analysis factors and major financial impacts should be provided	Jarlllytec currently does not utilize further scenario analysis to assess climate change risks and quantify their financial impact. However, the Company plans to develop and consider such analyses in the future, contingent on the degree to which climate change impacts its operations.				-
6. Should there be transitional programs in response to managing climate-related risks, please explain the program's content and metrics and targets used to identify and manage physical and transitional risks	Jarlllytec's climate-related transition plans are detailed in the preceding section, specifically under point 3, which outlines the financial impacts of extreme weather events and transition actions.				4.2 Climate Change Adaptation

Topic	Execution Status/Implementation Details	Corresponding Section
7. Should the internal carbon pricing is used as the planning tool, the pricing mechanism should be explained	Jarlllytec currently does not utilize internal carbon pricing as a planning tool. However, the Company will consider its implementation in the future, contingent on the degree to which climate change impacts its operations.	—
8. Should climate-related targets are in place, information such as their scope of action, GHG emissions, planned timeline, and yearly achieved progress should be stated; for targets achieved through carbon offset and RECs, the source of offset amount and number of RECs should be stated	Jarlllytec has set a climate-related goal to reduce carbon emissions by at least 1% annually. In the future, depending on the extent of climate change's impact on its operations, the Company will consider purchasing carbon offsets or Renewable Energy Certificates (RECs) to accelerate its carbon reduction efforts.	4.2 Climate Change Adaptation
9. Carbon inventory and assurance efforts	In 2024, Jarlllytec conducted its greenhouse gas inventory in accordance with ISO 14064-1:2018, which was subsequently verified by a third party.	4.3 Greenhouse Gas Management

Greenhouse Gas Inventory and Verification

Scope 1	Total Emissions (metric tons CO2e)	Intensity (metric tons CO2e/NT\$ Million)	Assurance Provider	Assurance Status Description
Group-wide	919.0536	1.3323	AFNOR International	Conducting Greenhouse Gas Inventory in Accordance with ISO 14064-1
Scope 2	Total Emissions (metric tons CO2e)			
Group-wide	8,632.5767			
Scope 3	Total Emissions (metric tons CO2e)			
Group-wide	3209.4636			
Total	12,761.0939			





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