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JARLLYTEC CO., LTD.
SUSTAINABILITY
REPORT

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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, 2025, to December 31, 2025.

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.

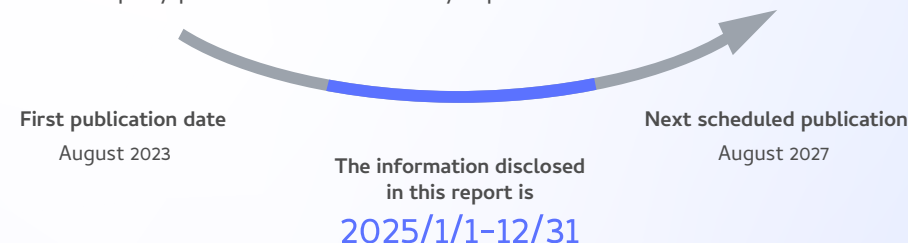
"The data disclosed within this report is derived from the Company's internal statistics and surveys, and is presented using internationally recognized indicators. This report has been prepared in accordance with the GRI Standards, issued in 2021 by the Global Reporting Initiative (GRI). Furthermore, 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, 2025, to December 31, 2025. 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. greenhouse gas emissions data has been independently verified by AFNOR, with a verification statement issued.

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

Centering on "Tech-Driven, Sustainable Progress," the cover features Jarllytec's key hinge product lines—laptops and LCD monitors—as the main visual focus. The clean composition and blue-white palette convey precision, innovation, and stability.

The elliptical arrow encircling "2025" symbolizes continuous innovation, steady growth, and sustainable momentum. The infinity symbols (∞) on both sides represent resource circularity, long-term sustainability, and limitless potential—highlighting Jarllytec's commitment to creating shared value for business, society, and the environment.

Amid global economic volatility, climate change trends, and tightening international supply chain regulations, Jarllytec maintains a prudent and steady business approach to address external shifts. For us, Environmental, Social, and Governance (ESG) principles are the cornerstone of operational stability. Over the past year, we have aligned with regulatory standards and client expectations to optimize internal management, refine our systems, and ensure daily compliance—maintaining our core competitiveness in a changing market.

A solid operational foundation relies on sound governance and proactive risk management. Jarllytec enforces integrity across operations, maintains clear reporting channels, and controls operational risks within reasonable limits through rigorous internal audits and controls, ensuring transparency and order. Additionally, to address digital risks, we regularly review and enhance our cybersecurity defenses, performing risk identification and emergency drills to safeguard the interests of shareholders and stakeholders.

In environmental governance and carbon management, we adopted the GHG Protocol this year to perform group-wide greenhouse gas inventories using international standards, establishing a more precise carbon footprint database. Recognizing the financial impacts of climate change, we also conducted TCFD scenario analyses to scientifically evaluate environmental risks on long-term finances, enabling forward-looking risk management. In alignment with our decarbonization timeline, we gradually increased green power procurement to raise our renewable energy ratio.

As global oversight extends across the value chain, Jarllytec formally launched sustainable supply chain management this year. We initiated systematic supplier due diligence to build strong collaborative partnerships that meet international compliance standards and enhance value chain resilience. Regarding human resources and employee rights, we optimized our human rights risk identification mechanism and updated related management protocols. We also refined internal training programs to provide richer professional development resources, strengthening organizational capability and operational efficiency.

Implementing sustainable management is essential for steady growth and long-term value creation. Looking ahead, Jarllytec will closely follow global market trends and regulatory developments, upgrading our low-carbon operations and risk defense mechanisms. We remain committed to practical compliance measures to deliver solid, stable outcomes for shareholders, clients, and employees.

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

郭声达



Governance

Ranked in the 6%-20%

range in the Corporate
Governance Evaluation

96 points

Customer satisfaction survey score

100%

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

593

effective patents in total

**No customer
complaints**

related to information security



Environment

**Transitioned to
GHG Protocol**

Completed group-wide greenhouse
gas inventory across all facilities

2%

Reduced Group Scope 1
and Scope 2 GHG emissions

100%

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

2,888.57 metric tons

Utilized a total of recycled materials

324,571 kWh

Introduced renewable energy
totaling



Social

95.6 points

Employee satisfaction survey score

Zero

employee grievance cases reported

**Occupational
Health & Safety
Excellence**

Top Honors for 2025

Donated NT\$276,712

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
 2026
|
2028
Medium-term
Goals
 2028
|
2030
Long-term
Goals
 2030
|
2035

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 ESG 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 2% annually.
3. Reduce headquarters' energy intensity by 1% annually.
4. Achieve RE40 for headquarter renewable energy use.
5. Improve CDP rating score to B (Management level)

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: 2025).
3. Reduce group energy intensity by 2.5% annually.
4. Achieve RE40 for group-wide renewable energy use.

1. Reduce group GHG emissions by 4.2% annually (Baseline year: 2025)
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.

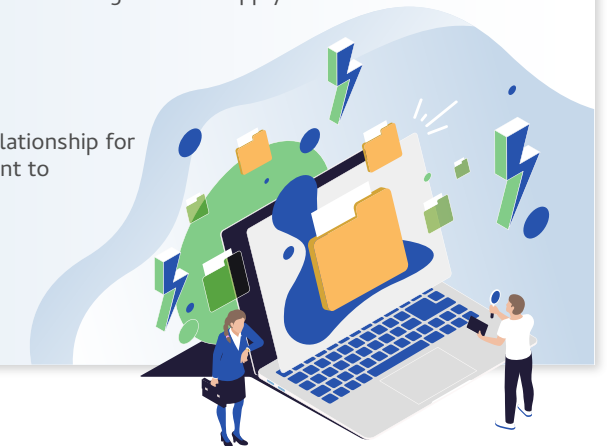


Requires suppliers to understand and jointly adhere to the Company's professional ethics, extending the core value of integrity in operations throughout the supply chain.

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 2025, internal and external educational training related to ethical operations was conducted, including courses on ethical operations, corporate governance, accounting systems, and internal controls, totaling 12,716 participants and 10,850 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

✉ csr@jarlly.com

Investor Complaint Hotline

✉ Investor : investor@jarlly.com

Internal
Channels



Employee General Complaints
and Reporting Hotline

✉ employee@jarlly.com

On-site Employee Suggestion Box
Installed at factory premises



1.3 Materiality Assessment

1.3.1 Materiality Analysis

Identification of Sustainability Topics

To identify key sustainability topics, Jarllytec's Sustainability Committee evaluated 24 issues based on international standards—including GRI, SASB, and TCFD—along with the UN SDGs, peer reports, and industry trends. The company then surveyed stakeholders to assess their level of concern, establishing a basis for the subsequent materiality assessment. In 2025, Jarllytec collected 260 valid stakeholder responses, including 169 from employees, 79 from suppliers, 2 from customers, 3 each from government representatives, and 7 from shareholders.

Impact Assessment

Jarllytec's management team conducted a "Sustainability Impact Assessment Survey" among stakeholders, department heads, and executives. The survey evaluated the probability and scale of real and potential economic, environmental, and social impacts, as well as operational effects, for each sustainability topic.

• Sustainability Impact

Financial, operational, and profitability impacts on the company caused by external sustainability issues and climate risks.

• Operational Impact

Positive or negative impacts of the company's business operations on the external environment and society.

Ranking of Impact Significance

The results of the impact assessment survey were aggregated to determine the total impact score for each topic, combining both Sustainability and Operational impacts. The topics were then ranked based on the significance of their impacts. Jarllytec'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 2025: Product Quality and Safety, Economic Performance, Information Security and Customer Privacy, Corporate Governance and Business Integrity, Talent Attraction and Retention, Greenhouse Gas Management, and Innovation and R&D. 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 Jarllytec'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 Jarllytec's ESG performance.

Double Materiality Impact Assessment



Changes in Material Topics

In 2025, Jarllytec identified seven material topics. Compared to the previous year, the topics that have changed include: Corporate Governance and Business Integrity, Innovation and R&D, Energy Management, Supply Chain Management, and Customer Service. The primary reasons for these changes are outlined as follows:

Changes in Material Topics

Topic
Corporate Governance and Business Integrity /
Innovation and R&D /

Reason for Adjustment :

Based on the results of the impact assessment, alongside considerations of domestic and international policy trends and Jarllytec's current strategic focus areas, "Corporate Governance and Business Integrity" and "Innovation and R&D" have now reached the threshold for materiality based on the 2025 assessment, and have therefore been elevated to material topics for inclusion in Jarllytec's 2025 Sustainability Report.

Voluntary Sustainability Topics

Topic
Occupational Health and Safety /
Energy Management / Supply Chain Management /
Customer Service Management

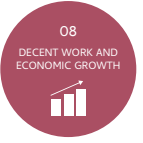
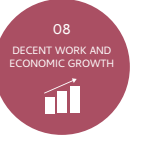
Reason for Adjustment :

According to the 2025 impact assessment results, the 2024 material topics "Energy Management" and "Supply Chain Management" 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 "Occupational Health and Safety" and "Customer Service Management"—will be included as voluntary sustainability topics for 2025, to ensure continued responsiveness to stakeholder concerns.

Table of Material Topics and Value Chain Boundaries

Direct Impact

Indirect Impact

Aspect	G					E		S	
Material Topics	Corporate Governance and Business Integrity					Greenhouse Gas Management		Talent Attraction and Retention	
Value Chain Boundary of Impact	Upstream Jarlytec Downstream					Upstream Jarlytec Downstream		Upstream Jarlytec Downstream	
Key Concerns	Strengthening board operations, business integrity policies, and internal control systems					Managing greenhouse gas emissions to mitigate climate change impact		Maintaining stable labor relations to foster sustainable business development	
Responsible Task Force	Corporate Governance Group					Environmental Sustainability Group		Social Responsibility Group	
Corresponding SDGs	     					 		  	
Response Section	2.2 Corporate Governance 2.3 Economic Performance 2.4 Information Security 3.1 Innovation 3.2 Product Quality					4.2 Climate Change Adaptation 4.3 Greenhouse Gas Management		5.1 Talent Development	

Material Topic Management Approach

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

Topic	Corporate Governance and Business Integrity	Economic Performance	Greenhouse Gas Management	Innovation and R&D	Product Quality and Safety	Information Security and Customer Privacy	Talent Attraction and Retention
Strategy	Establishing rigorous internal governance and whistleblowing systems	Regularly disclose business performance and maintain financial soundness	Conduct GHG inventory and develop reduction plans	Continuously investing in smart tech R&D to drive industrial upgrading	100% compliance with HSF material management	File Protection	Strengthen harmonious labor relations
2025 Goal	Top 20% in Corporate Governance Evaluation	Expand product range and depth to enhance economic performance	Complete group-wide GHG inventory	Continuously developing new technologies and increasing patent numbers	100% compliance with HSF material management	Zero incident reports	Zero employee complaints
2025 Performance	Top 6–20% in Corporate Governance Evaluation	1. Revenue in 2025 reached NT\$9,405 million. 2. EPS in 2025 was NT\$2.23.	Scope 1 : 769.6730 tCO ₂ e Scope 2 : 8,591.5881 tCO ₂ e Scope 3 : 394160.23 tCO ₂ e Reduced Group Scope 1 and Scope 2 GHG emissions by 2%	593 valid patents	100% compliance with HSF material management	Zero incident reports	Zero employee complaints
Status	●	●	●	●	●	●	●
2026 Goal	Top 20% in ESG Evaluation	Continue stable profitability	Complete 2026 group GHG inventory, 2% emissions reduction	Steadily increasing patent numbers	100% compliance with HSF material management	Maintained a record of zero incident reports	Maintain zero complaints
2027 Goal	Top 20% in ESG Evaluation	Continue stable profitability	Complete 2027 group GHG inventory, 2% emissions reduction	Steadily increasing patent numbers	100% compliance with HSF material management	Maintained a record of zero incident reports	Maintain zero complaints
2030 Goal	Top 20% in ESG Evaluation	profitability from plant expansion to recover and grow investment	Achieve 4.2% absolute GHG reduction vs. 2025 baseline	Steadily increasing patent numbers	100% compliance with HSF material management	Maintained a record of zero incident reports	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 2025 was 96. 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

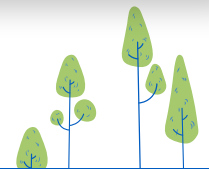


Stakeholder
Employees

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 2025 - 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. - Quarterly reviews of government regulations and stakeholder-related requirements to ensure compliance. - Employee satisfaction survey (2025): Overall satisfaction with management, work environment, leadership, and benefits reached 95% (602 responses from 692 employees; 87% response rate).
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	
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 2025, the Company was invited to and participated in four 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 2025, 15 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 21 new suppliers signed the Supplier Social Responsibility Commitment in 2025. 3. In 2025, 16 new suppliers signed the "Integrity Pledge" with the Company. 4. The 2025 Supplier Conference was convened on March 12, 2025. 5. In 2025, Jarllytec held one online supplier training session covering topics including EEP digitalization, Environmental Quality Assurance, REACH regulations, incoming labeling guidelines, and RBA/ESG briefings. 6. In 2025, a 100% completion rate for supplier evaluations was achieved, which included 5 on-site audits and 4 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 | Corporate Governance and Business Integrity**GRI Standard** | GRI 2**Description
of Impacts**

Companies with strong corporate governance effectively fulfill management responsibilities and drive efficient, impactful decision-making. This enhances operational performance, protects shareholder rights, and yields higher market valuation, thereby boosting confidence among shareholders and investors.

**Policy
and
Commitment**

Jarlllytec is committed to sustainable development through active ESG initiatives. Backed by strong R&D capabilities and recognized excellence in corporate governance, the company advances low-carbon operations by integrating energy conservation, waste reduction, and recycling into its management strategy. Jarlllytec will continue investing in and expanding renewable energy applications across its products, driving business innovation while contributing to societal sustainability.

**Evaluation
Mechanisms**

1. Conduct annual performance evaluations for the Remuneration Committee, Audit Committee, and Board of Directors.
2. Participate annually in the Corporate Governance Evaluation.

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

1. Enhance corporate governance mechanisms and ESG performance to effectively boost company value, operational efficiency, and competitiveness.

Actions to mitigate negative impacts:

1. Increase information disclosure transparency to protect the rights of shareholders and investors, avoiding information asymmetry.

**Stakeholder
Engagement**

Jarlllytec maintains a "Stakeholder Area" on its website (<http://www.jarlly.com>) with dedicated contacts for business management and operations, enabling direct communication with stakeholders, including shareholders, employees, clients, and suppliers. The website also features an "Investor Relations" section that regularly discloses operational, financial, and material information. Supported by an established spokesperson system and regular investor conferences, Jarlllytec enables stakeholders to fully understand the company's financial and business status.

**Performance
2025**

1. Evaluated as "Excellent" for the 2025 performance of the Remuneration Committee, Audit Committee, and Board of Directors.
2. Achieved a top 6%–20% ranking in the Corporate Governance Evaluation.

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

1. Maintain an ESG evaluation ranking within the top 6%–20%.
2. Appoint at least one board member of a different gender.

**Medium-term
3-5 years**

1. Align with regulatory policies to continuously improve the ESG evaluation score.
2. Maintain an ESG evaluation ranking within the top 6%–20%.
3. Maintain at least one board member of a different gender.

**Long-term
5-10 years**

1. Attract potential investors.
2. Maintain an ESG evaluation ranking within the top 6%–20%.
3. Maintain at least one board member of a different gender.



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**

Jarlltyec 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
2025**

1. In 2025, the Company recorded revenue of NT\$9,405 million, representing a **1.81% decrease compared to NT\$9,578 million in 2024.**
2. Earnings per share (EPS) in 2025 was NT\$2.23, decrease **74.46%** from NT\$8.73 in 2024.

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
2025**

1. **Data Protection:** Continuously update file protection and encryption software, and implement Multi-Factor Authentication (MFA) to ensure data security.
2. **Network Infrastructure Optimization:** Replaced legacy equipment to mitigate risks of operational disruptions and security vulnerabilities caused by hardware failure (including Firewall HA, Core Switch HA, Edge Switch, Wi-Fi AP, and NAS).

Enhanced Endpoint Defense: Deployed Endpoint Detection and Response (EDR) to detect unknown threats, record behavioral traces, and execute automated responses to prevent the spread of attacks.

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.
 - Perform business continuity plan (BCP) drills.

**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**

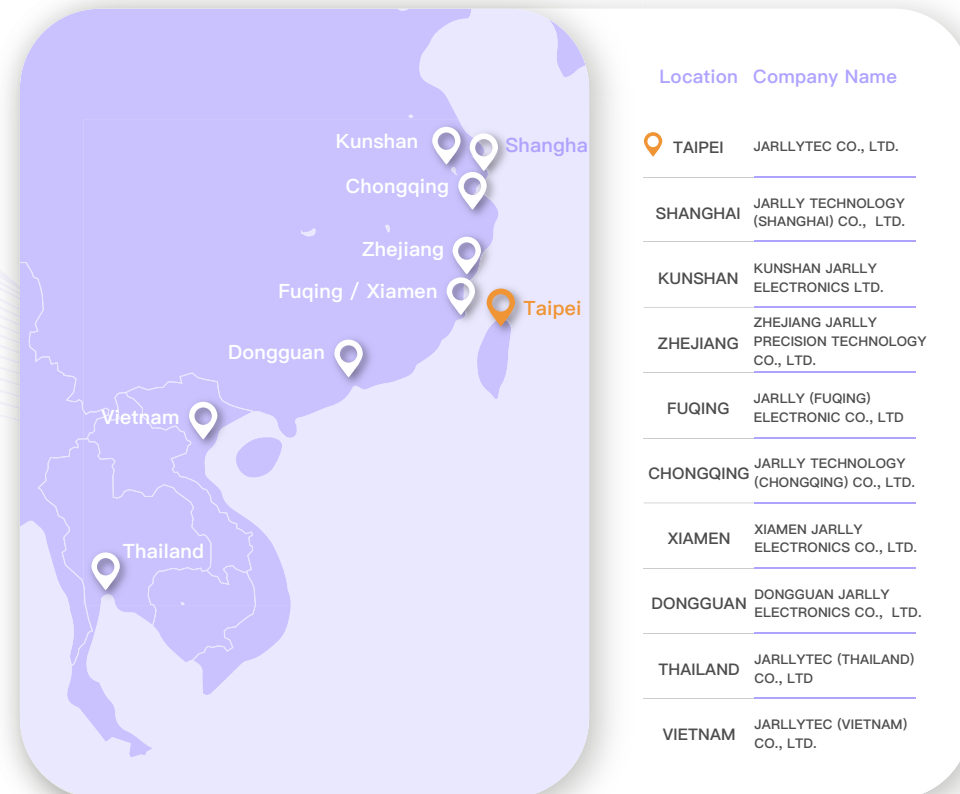
1. Introduce automated and intelligent security systems
 - Leverage big data and AI-based predictive analytics to proactively mitigate security risks and enable more precise risk management.

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.



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



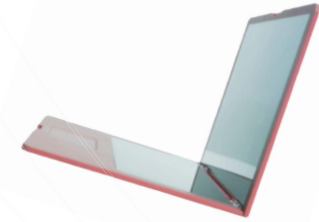
Serving leading international brands and ODM/OEM manufacturers, these hinges are integral to various consumer electronics, including camera screen flip mechanisms, AR/VR device pivots, TWS earphone accessory hinges, smart glasses rotating shafts, webcam stands, and gaming entertainment accessories.

LCD MONITOR STANDS



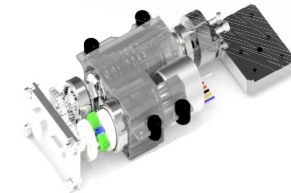
Developing and designing a variety of stands for Liquid Crystal Displays (LCDs), including those for standard LCD monitors, All-In One (AIO) PCs, and ergonomic cantilever arm stands. These are custom-engineered based on screen size and weight to provide optimal support, appropriate actuation torque, 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 2025, the total operating revenue reached NTD 9,405,433 thousand. For more detailed information on financial performance, please refer to the Company's 2024 Financial Report.

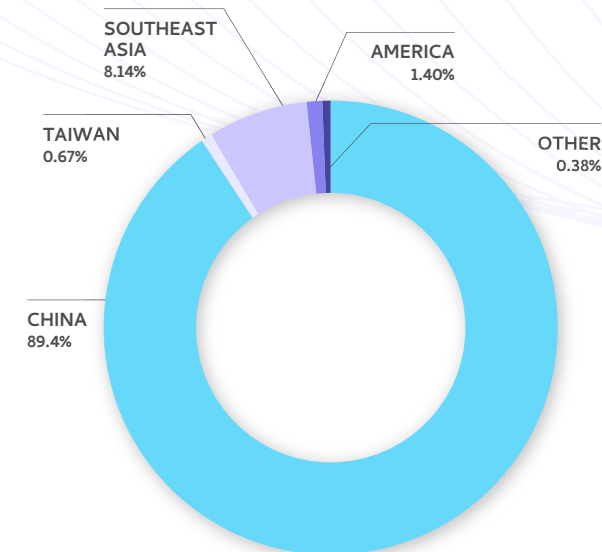
JARLLYTEC'S ECONOMIC PERFORMANCE OVER THE PAST THREE YEARS – BY SALES REGION (UNIT: NTD THOUSAND)

Sales Region	2023 Operating Revenue (NTD)	2024 Operating Revenue (NTD)	2025 Operating Revenue (NTD)
China	7,809,718	9,063,289	8,409,381
Taiwan	79,540	49,707	62,945
Southeast Asia	212,901	322,686	765,889
America	71,245	115,179	131,711
Others	47,260	27,310	35,507
Total	8,220,663	9,578,170	9,405,433

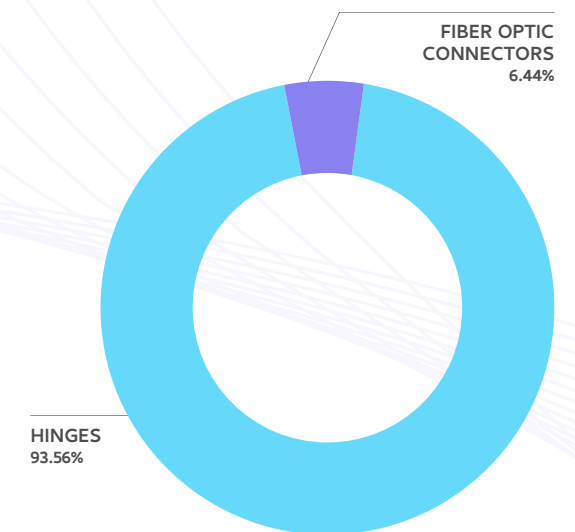
JARLLYTEC'S ECONOMIC PERFORMANCE OVER THE PAST THREE YEARS – BY PRODUCT CATEGORY (UNIT: NTD THOUSAND)

Product / Service	2023 Operating Revenue (NTD)	2024 Operating Revenue (NTD)	2025 Operating Revenue (NTD)
Hinges	8,010,734	9,280,085	8,796,124
Fiber Optic Connectors	209,929	298,086	609,309
Total	8,220,663	9,578,170	9,405,433

2025 Sales by Region



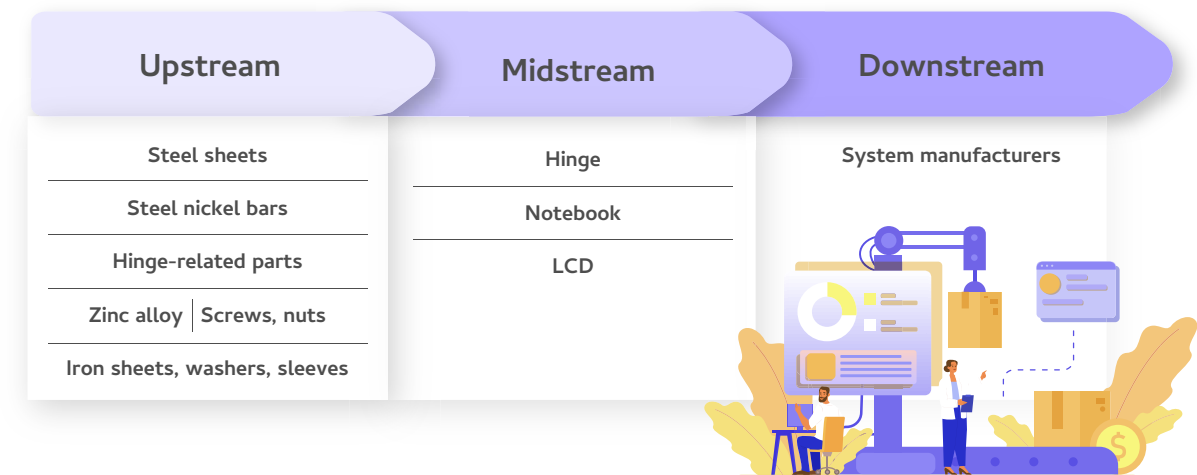
2025 Sales by Product Category



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 Business Administration, EMBA of National Taipei University Chairman of Jarson Precision Technology Co., Ltd.	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	80%
Independent Director	Wu, Sou Shan	Male	"PhD of Department of Finance, Insurance & Real Estate, University of Florida Master's degree of Institute of Management 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 Sate-owned Enterprise Commission, Ministry of Economic Affairs Supervisor of Hua Nan Financial Holding Co. (and permanent in Hua Nan Bank) Chairman of Securities & Futures Institute	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) Vice general manager of Marketing and Purchasing Departments, Chan Mao Optoelectronics Co., Ltd. Taiwan's General manager of LG Display Co., Ltd. General manager of Asian Chemical Group Division	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 2025 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 2025. A total of three meetings were held in 2024.

Committee	Independent Director Ratio	Main Responsibilities	Number of Meetings Held in 2025	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 2025 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 2025 Sustainability Report was approved by the Chairperson and adopted by the Board on August 11, 2026.

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 2025 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, Jarllytec 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	2025/09/09	SFI	Analysis and Case Studies on Breach of Trust and Aggravated Breach of Trust	3
		2025/09/09	SFI	ESG Evaluation Indicators and Practical Response Strategies	3
Vice Chairperson	Liu, Kuang Hua	2025/07/29	TPEx	2025 Insider Shareholding Briefing for Emerging Stock Companies	3
		2025/01/14	TAISE	Director and Supervisor Continuing Education Course by the Taiwan Emerging Companies Association	3
Independent Director	Liu, Bo Liang	2025/11/06	TCGA	Current Global Economic Situation and the Impact of New Trump Policies	3
		2025/06/26	TSA	AML/CFT Regulations and Case Analysis	3
		2025/03/05	TCGA	2025 Global Economic Outlook	3
Independent Director	Wu, Sou Shan	2025/08/12	Chinese Corporate Management and Sustainable Development Association	Executive Awareness of Regulatory Supervision for Listed and Emerging Companies	3
		2025/08/08	TCGA	Comprehensive Intellectual Property Protection Strategies: AI-Assisted IP Layout for Innovation	3
		2025/08/08	TCGA	Trends and Risk Management of Generative AI	3
		2025/06/25	TABF	Seminar for Trust Executives: Property Trusts for the Elderly and Persons with Disabilities	3
		2025/05/23	TAROC	Briefing Series on Anti-Money Laundering and Countering the Financing of Terrorism	3
Independent Director	Yang, Shang Hsien	2025/10/14	Taiwan CPA Associations	Mergers & Acquisitions and Due Diligence	3
		2025/10/03	TABF	Corporate Governance Forum	3
		2025/07/22	TPEx	2025 Insider Shareholding Briefing for Emerging Stock Companies	3
Independent Director	Lee, Chien Ming	2025/08/20	SFI	Taiwanese PMI Manufacturers' H2 Operational Strategies and Outlook Amid the Trump Reciprocal Tariff Storm	3
		2025/04/11	TCGA	Latest Trends in Artificial Intelligence and Practical Exploration of Risk Management Frameworks	3
Independent Director	Lee, Hsin Jin	2025/11/05	SFI	Practical Operations of the Audit Committee	3
		2025/09/25	SFI	Digital Finance Revolution: Principles of Stablecoins and Development Trends in Blockchain Virtual Assets	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 30, 2026, the performance evaluations for the 2025 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. Key performance indicators (KPIs) are weighted 60% toward financial metrics (e.g., revenue, operating profit, net income, asset turnover, ROA, ROIC, and profitability targets) and 40% toward strategic development initiatives (e.g., strategy formulation, ESG development, new business initiatives, organizational management, and talent cultivation).

Information on the compensation—including salaries, bonuses, special expenses, retirement benefits, and employee remuneration—of the Board and senior management is detailed in the 2025 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 2025 remuneration proposal was approved at the shareholders' meeting held on June 16, 2026.

For further details on the decision-making process and operations of the Remuneration Committee, please refer to the 2025 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

Institutiona
Basis

Resolution and
approval

Annual Total Compensation Ratio

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

In 2025, the median annual total compensation for other employees within the group was NT\$511,000, while the average was NT\$604,000. The ratio of the General Manager's annual total compensation to the median compensation of other employees was 6.73:1. The ratio to the average compensation of other employees was 5.69:1.

Changes in compensation for 2025 are as follows:

1. The General Manager's annual total compensation decreased  22.49% from the previous year.
2. The median annual total compensation for other employees decreased by 7.59% from the previous year, and the average decreased  12.63%.
3. The ratio of the percentage decrease in the highest individual compensation to the percentage decrease in the median employee compensation was 2.96:1.

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

Legal Compliance



01.

In 2025, 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 2025. 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 2025, 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

1. 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.

2. A Remuneration Committee has been established.
3. The Company has implemented a Code of Ethical Conduct and a Guideline for Ethical Business Practices.

4. Internal control policies and operational procedures are in place, including management policies, authorization systems, and functional segregation.

5. The Integrity Commitment Statement explicitly prohibits personnel from accepting improper benefits.

02. Audit Mechanisms

1. Anti-corruption is designated as a mandatory item within the internal audit system.

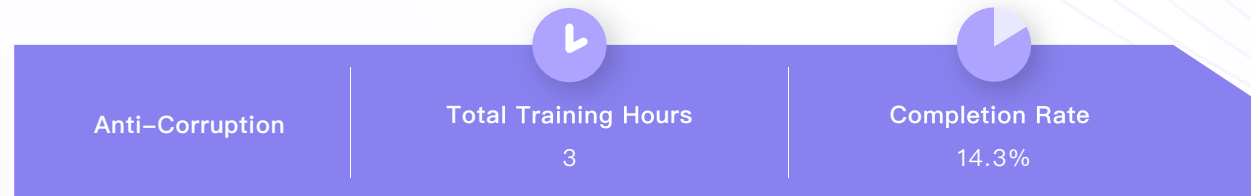
2. If any potential violations of ethical conduct by suppliers or contractors (including agents and traders) are detected, the Company will proactively investigate.



Anti-Corruption Training (GRI 205-2)

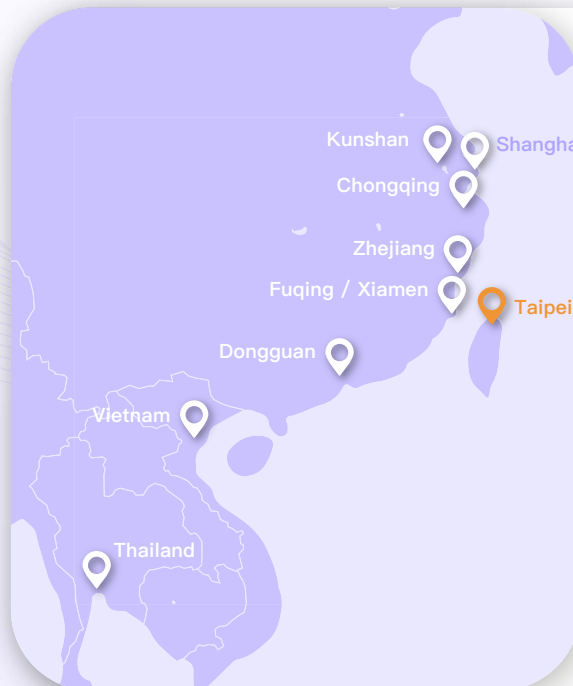
Anti-Corruption Training for Governance Bodies.

In 2025, Jarllytec actively participated in external ESG sustainability courses, with one director completing the anti-corruption module. This represented 14.3% of the total Board of Directors.



Note Completion Rate = Number of Board Members Completing Courses / Total Board Members

Employee Anti-Corruption Training



Location	Total Training Hours	Number of Employees Completed Training	Completion Rate
TAIPEI	4,294.5	621	89%
SHANGHAI	3,158	533	97%
KUNSHAN	3,267	117	51%
KUNSHAN	583	144	58%
CHONGQING	639.5	350	98%
XIAMEN	155	78	90%
ZHEJIANG	40.5	60	73%

Note Completion Rate = Number of Active Employees as of End of December Who Completed Relevant Courses / Total Active Employees in the Region as of End of December

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 2025.



2.3 Economic Performance

2.3.1 Financial Performance

In 2025, Jarllytec's consolidated revenue reached NT\$9,405,433 thousand, with a net profit after tax of NT\$150,740 thousand, and earnings per share of NT\$2.23. For detailed operational performance and financial information, please refer to the 2025 Annual Financial Report.



\$

Economic Performance Information

Unit : NTD thousand

	2023	2024	2025
Direct Economic Value Generated: Revenue	\$ 8,220,663	\$ 9,578,170	\$ 9,405,433

\$

Direct Economic Value Spent - Economic Value Distributed

Operating Costs (Note 1)	\$ 6,737,414	\$ 7,992,045	\$ 8,281,263
Employee Wages and Benefits (Note 2)	\$ 474,816	\$ 534,394	\$ 472,018
Payments to Capital Providers	\$ 180,364	\$ 297,411	\$ 132,184
Payments to Governments by Country	\$ 204,101	\$ 267,946	\$ 217,085

\$

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

Economic Value Retained	\$ 623,968	\$ 486,374	\$ 302,883
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Note 1. "Employee Wages and Benefits" included in operating costs amounted to NT\$975,326 thousand in 2023, NT\$1,165,509 thousand in 2024, and NT\$1,238,041 thousand in 2025.
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 2025, 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\$1,386,576 in 2025.

Under the new scheme, the Company contributes 6% of monthly salaries to individual pension accounts managed by the Bureau of Labor Insurance, totaling NT\$14,522,610 in 2025. Employees may voluntarily contribute an additional 0–6% of their monthly salary to their pension accounts.

Financial Assistance Received from the Government

In 2025, 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\$1,755 thousand.

Political Contributions

Jarlllytec maintains a stance of political neutrality and refrains from involvement in political parties or lobbying activities. In 2025, 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 2024 to 2025, 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

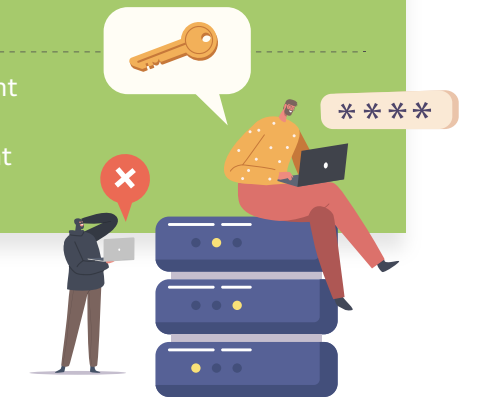
Encryption controls for R&D files using DLP, accessible only by authorized internal personnel.

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

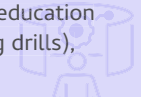
Hardware: Firewall



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



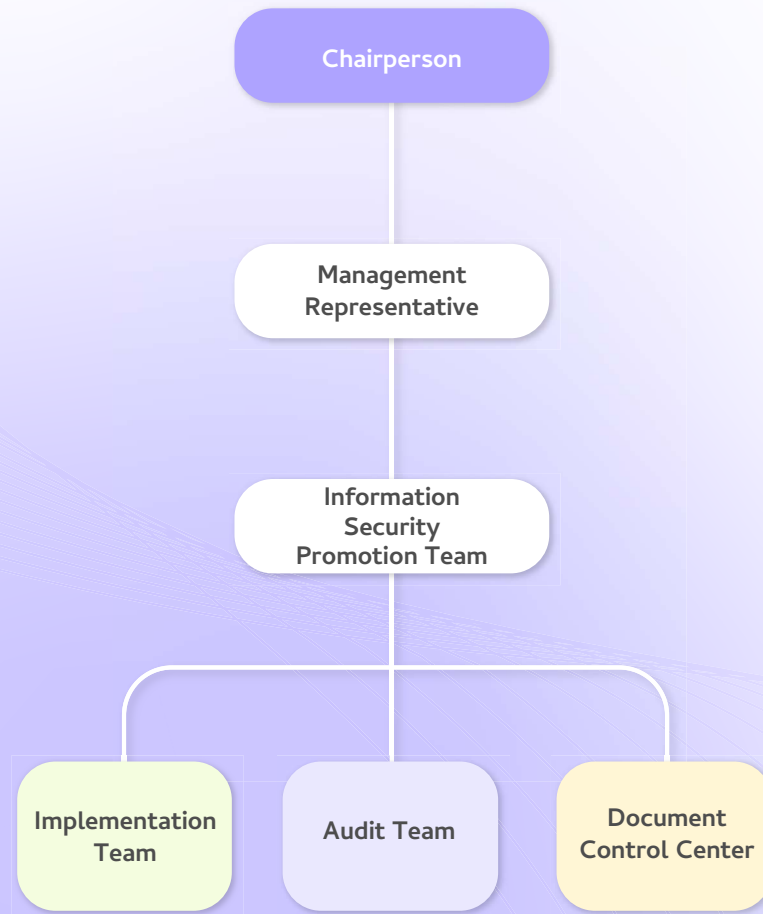
SIEM (Security Information and
Event Management) Platform



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.



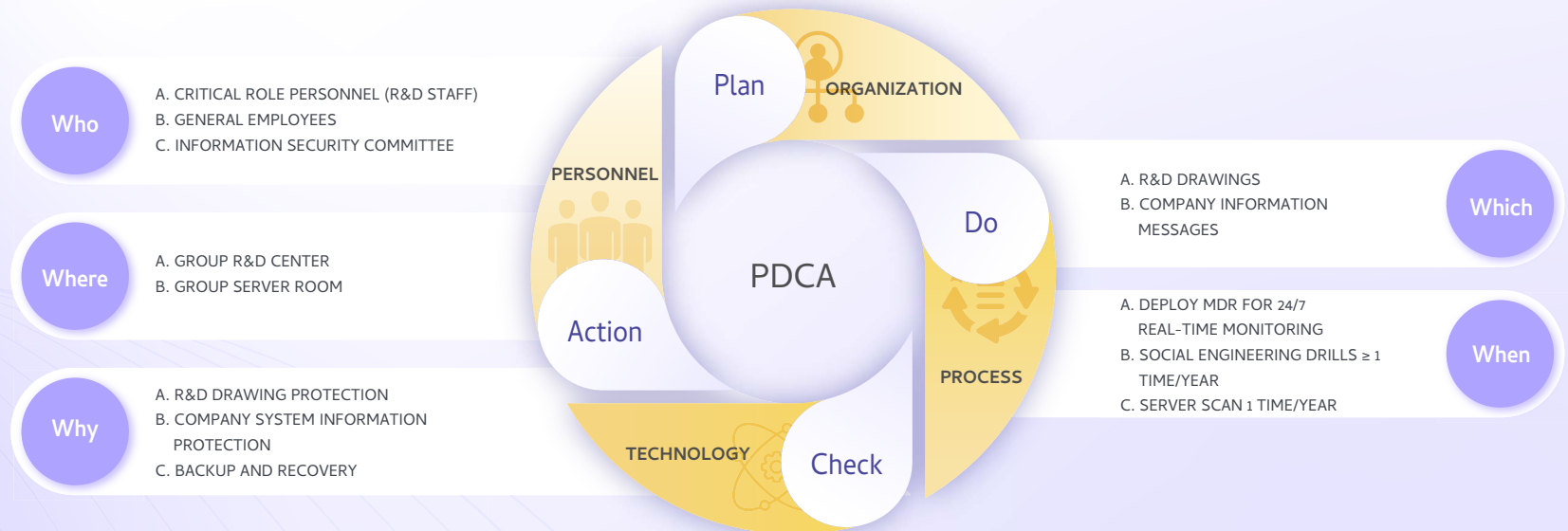
Execution and Management of Information Security Objectives

Performance 2025

1. Installed file protection software for R&D personnel, requiring company computers to open R&D design files to prevent unauthorized leaks; achieved **100%** completion rate.
2. Installed file protection and tracking software for non-R&D personnel; achieved **95%** completion rate.
3. Conducted 1 group-wide social engineering drill and 1 vulnerability scan for Taiwan facilities; achieved **100%** completion rate.
4. Conducted 1 Business Continuity Plan (BCP) drill as planned; achieved **100%** completion rate.

Targets 2026

1. Achieve **100%** installation rate of file protection software for non-R&D personnel.
2. Plan **2** group-wide social engineering drills, **1** vulnerability scan for Taiwan facilities, and **1** penetration test for Taiwan facilities.
3. Plan 1 Business Continuity Plan (BCP) drill.



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 2025, installation was 100% completed for R&D personnel and 95% 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 2025, a drill was conducted targeting 910 users, each receiving two simulated phishing emails (total: 1,820). In the initial round, 0.7% failed. After additional training and a second drill, 4.8% failed.

03.



External Email Warning

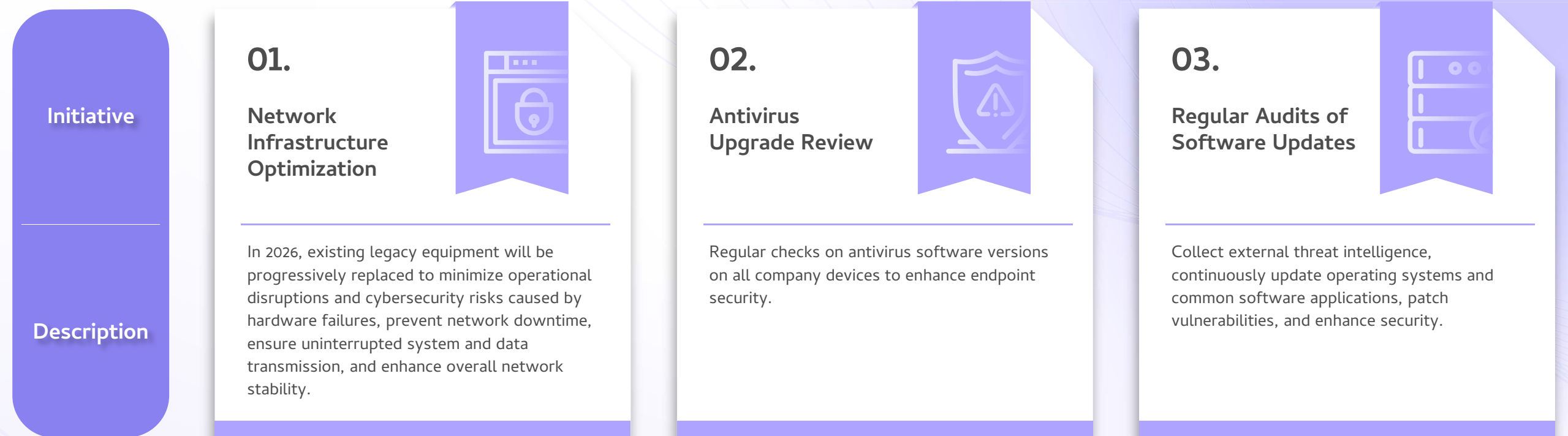
Since March 2023, all external emails have included a warning label in both Chinese and English: “Caution: This is an external email. Please verify the sender before opening links or attachments.”

Training Outcomes	2024	2025
Enhanced Security Training New Employee / Training Hours	90 45	97 97
ISO Procedure Orientation Participants / Training Hours	270 810	303 909
Social Engineering Drill Initial Pass Rate / Retest Pass Rate	96.92% / 89.66%	99.3% / 95.2%

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 2 policy documents revised to meet ISO 27001 requirements.	03. Violation Incidents	Zero information security violations reported in 2025.
04. Training & Awareness	97 new hires received 97 hours of training; 303 participants attended departmental sessions totaling 909 hours.	05. Security Audits	Completed both internal and external audits in 2024, covering IT, InfoSec management, and R&D.
06. Defense Performance	Average monthly: 29,179external attack attempts blocked; 963 suspicious internal/external threat behaviors intercepted; 17,800 spam/malicious emails filtered.		
07. Threat Monitoring	24/7 MDR services active; average of 6 IIH threats per quarter; zero security or malware incidents in 2025.		
08. Vulnerability Remediation	Initial server vulnerability scan in Jun 2025; retested in August. OS and database systems upgraded to reduce vulnerabilities.		
09. Social Engineering Drill	One company-wide drill in 2025: 1,820 emails sent to 910 users. Initial fail rate: 0.7%; retest fail rate: 4.8%.		
10. Security Testing	BCP drills conducted on 11 critical systems in 2025; all achieved expected results.		

Future Plans



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 2025, there were no incidents involving customer privacy breaches or data loss.

Material Topic | Innovation R&D

GRI Standard | -

Description
of Impacts

Jarlllytec aligns its R&D strategy with client sustainability and innovation needs. Through co-development, the company integrates recycled materials and low-carbon designs to become a core green supply chain partner. Concurrently, Jarlllytec strengthens its IP and patent portfolio to protect core technologies, sustain market competitiveness, and deepen client trust.

Policy
and
Commitment

Guided by its core principle of "Sustainable Design," Jarlllytec commits steady R&D resources annually to integrate environmental sustainability and social responsibility into the product lifecycle. Fully compliant with international environmental and cybersecurity regulations, Jarlllytec pursues technological breakthroughs and intellectual property protection to build a low-carbon, secure, and inclusive sustainable future through innovative technology.

Evaluation
Mechanisms

1. Regular Performance Reviews: Conduct regular R&D management meetings to track annual domestic and international patent applications and approvals.
2. Client Feedback Integration: Regularly collect core client feedback on collaborative R&D, customized technical responsiveness, and green material compliance to guide internal R&D process optimization and risk mitigation.

Management
Approach

Actions to enhance positive impacts:

1. Strengthening IP Portfolio: Establish a patent incentive system to encourage internal innovation and actively apply for domestic and international patents on core technologies to build technical assets.

Actions to mitigate negative impacts:

1. Mitigating R&D Specification Risks: Establish rigorous stage-gate reviews and prototyping test procedures to ensure R&D outcomes fully align with client specifications, preventing resource waste caused by misaligned requirements.

Stakeholder
Engagement

1. Client Collaboration & Engagement: Utilize regular business visits, technical exchanges, and joint development projects to obtain real-time client feedback on innovation specifications and designated recycled materials, ensuring R&D outcomes precisely match client expectations.
2. R&D Team Alignment: Maintain two-way communication with R&D personnel through patent award review meetings and internal innovation proposal channels, driving innovative momentum while instilling a shared commitment to intellectual property protection.

Performance
2025

In 2025, the Group held a total of 593 valid patent certificates.

Goals

Short-term
1-3 years

1. Maintain stable growth of active patents through patent proposals and internal incentive programs.
2. Develop modular products, quick-disassembly mechanisms, and natural wood applications to meet client demands for green design.

Medium-term
3-5 years

1. Host quarterly innovation showcases and establish industry-academia partnerships to offer systematic training and ongoing professional development for R&D staff.
2. Continuously integrate green design principles to lower energy consumption and environmental impact across all product lifecycle stages by simplifying structures and extending product lifespan.

Long-term
5-10 years

1. Build a robust global IP and patent portfolio to protect co-developed technologies with clients and maintain core market competitiveness.
2. Advance modular design and full-scale recycled material integration to support brand clients' decarbonization roadmaps, balancing product value with environmental sustainability.



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
2025**

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 2025, there were 117 improvements in group supplier management audits, achieving a **100%** improvement rate.

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

1. Global Management System Standardization: Deploy MES, WMS, and QMS across key global production sites in alignment with the digital transformation roadmap. Deeply integrate these systems with core ERP to standardize quality assurance worldwide.
2. Real-Time Quality Analytics & SPC: Implement quality dashboards for real-time IQC visibility and deploy Statistical Process Control (SPC) with automated anomaly alerts, shifting from reactive manual tasks to proactive management.

**Medium-term
3-5 years**

3. Lab Equipment Networking & Dashboards: Network reliability lab equipment and introduce electronic dashboards for real-time tracking of test data and machine status, utilizing data to optimize equipment performance and utilization.
1. Deepen the integration of MES and Business Intelligence (BI) to link data from incoming inspection and production history to reliability testing and final shipment, enabling one-click full-process traceability to enhance customer audit responsiveness and operational transparency.
2. Enhance the hazardous substance and material compliance platform to dynamically track, request, and flag supplier material certifications and environmental test reports, ensuring 100% compliance with green sustainability and international regulations.
3. Optimize the customer complaint dashboard using big data analytics on global trends, defect patterns, and root causes, while establishing early warning alerts for recurring issues to feed customer feedback directly back into design and process improvements.

**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.

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 2025, Jarllytec holds a total of 593 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 1135. Beyond core hinge technology, the R&D team has expanded into electrified mechanisms and control systems. Design optimizations boost efficiency and reduce waste, while electronic patent submissions advance paperless ESG practices. Moving forward, Jarllytec continues steady R&D and patent investments to reinforce its market edge.

Valid Certificates	Subtotal	NB	Stand	3C	Automation	Other
Taiwan Utility Model / Invention / Design	271	105	106	54	3	3
China Utility Model / Invention / Design	258	101	103	51	2	1
United States Invention / Design	64	21	24	18	1	0
Subtotal	593	227	233	123	6	4
Total	593					

Pending Applications	Subtotal	NB	3C	3C	Stand	Other
Taiwan Utility Model / Invention / Design	8	1	1	4	1	1
China Utility Model / Invention / Design	18	3	3	7	2	3
United States Invention / Design	0	0	0	0	0	0
Subtotal	26	4	4	11	3	4
Total	26					

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 2025, the recycled content ratio for plastics with recycled components reached 69% (1,061,059 kg utilized). Die-cast metals with recycled components recorded a 98% recycled content ratio (1,655,382 kg utilized). Stamped iron components with recycled content, the ratio was 11% (7,280 kg utilized). Metal powder components with recycled content, the ratio was 91% (7,280 kg utilized).

Category	Material	Recycled Content Weight (kg)	Total Material Weight with Recycled Content (kg)	Recycled Ratio
 Plastic	ABS	1,061,059	1,533,804	69%
	ADC12	1,579,445	1,595,008	99%
 Die-Cast Metals	AL6063	75,938	101,250	75%
	SGCC/SPCC	164,845	1,513,304	11%
 Stamped Iron				
 Metal Powder	17-4PH	7,280	8,000	91%

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 system was officially implemented in 2025.

3.2 Product Quality

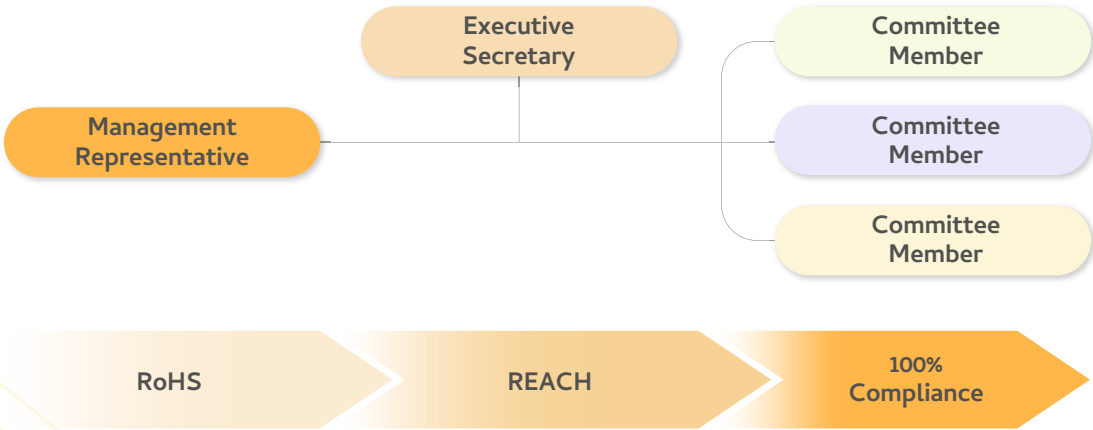
3.2.1 Product Quality

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 2025, 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

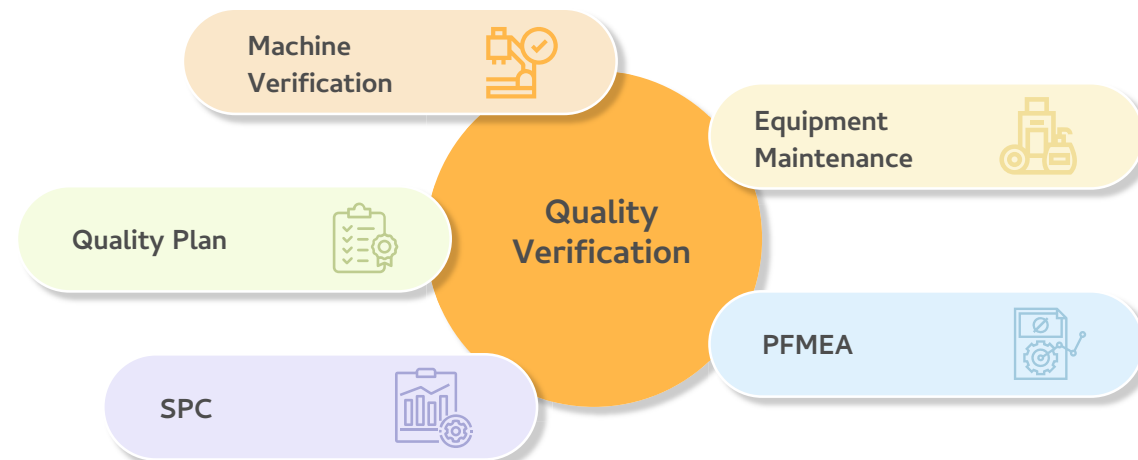
Jarlllytec has established a "Quality and Hazardous Substance Management Team." A management representative is appointed by the Chairperson, with various departments serving as implementation members. This structure ensures that quality and hazardous substance management requirements are effectively 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.

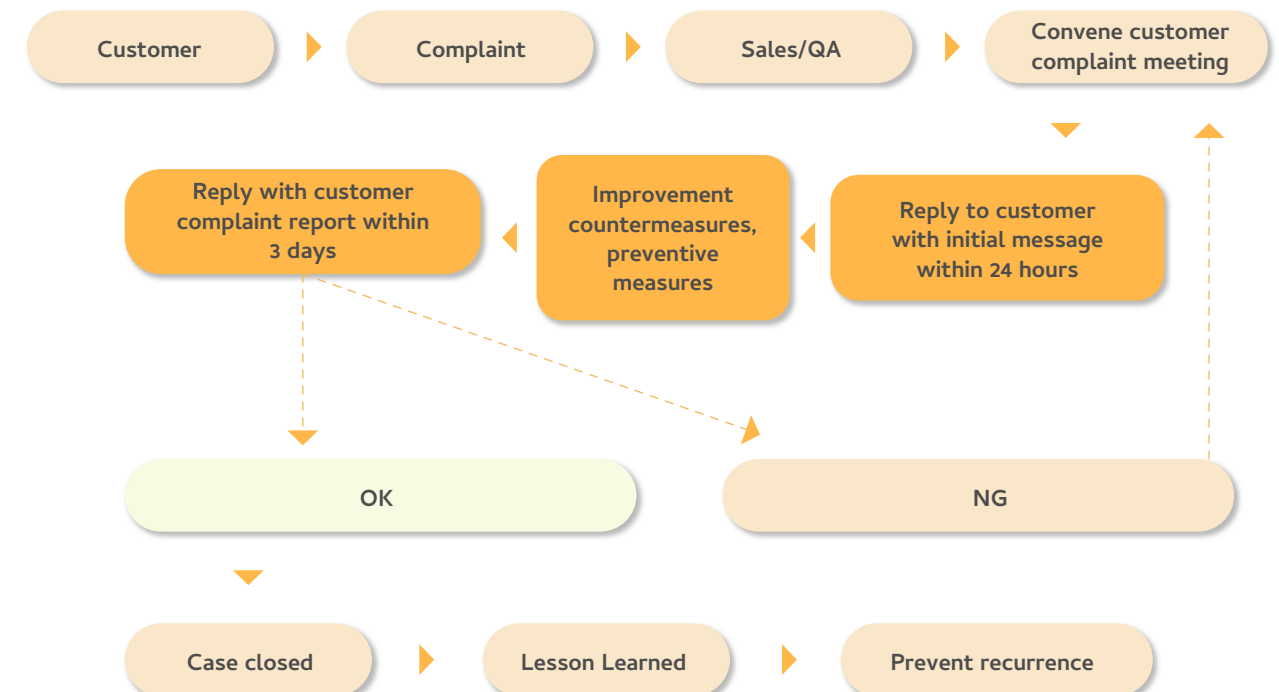


Quality Complaint Management Process

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 2025, 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 16,269 items were inspected, with 16,269 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 Imp acting 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 2025, 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 2025, the Company did not violate any relevant regulations or voluntary codes.

Incidents of Non-compliance Concerning Marketing Communications

In 2025, Jarllytec did not incur any incidents of non-compliance with regulations concerning marketing communications that resulted in fines or other adverse penalties.



In 2025, 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.

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. Effective communication is key to delivering exceptional customer service. In line with internal management policies, Jarllytec established customer communication, satisfaction survey, and complaint control procedures. These measures emphasize active listening, clear language, tailored communication, and regular updates to protect customer rights regarding quality, safety, and labeling.

3.3.1 Customer Satisfaction

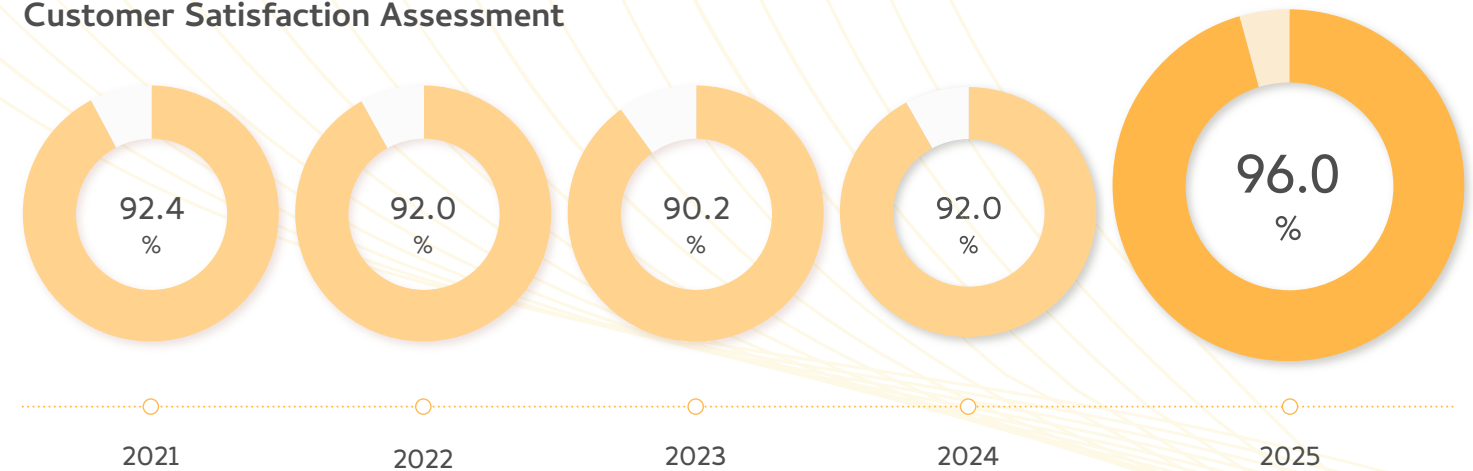
To more comprehensively understand customer needs for its products and to enhance service quality, Jarllytec conducts annual customer satisfaction surveys. The survey questionnaire assesses six aspects: handling timeliness, message feedback, personnel attitude, cooperativeness, professional competence, 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 2025, the average customer satisfaction score for Jarllytec was 96 points, demonstrating that the Company's performance in customer service and satisfaction has earned significant trust and affirmation from its clients.

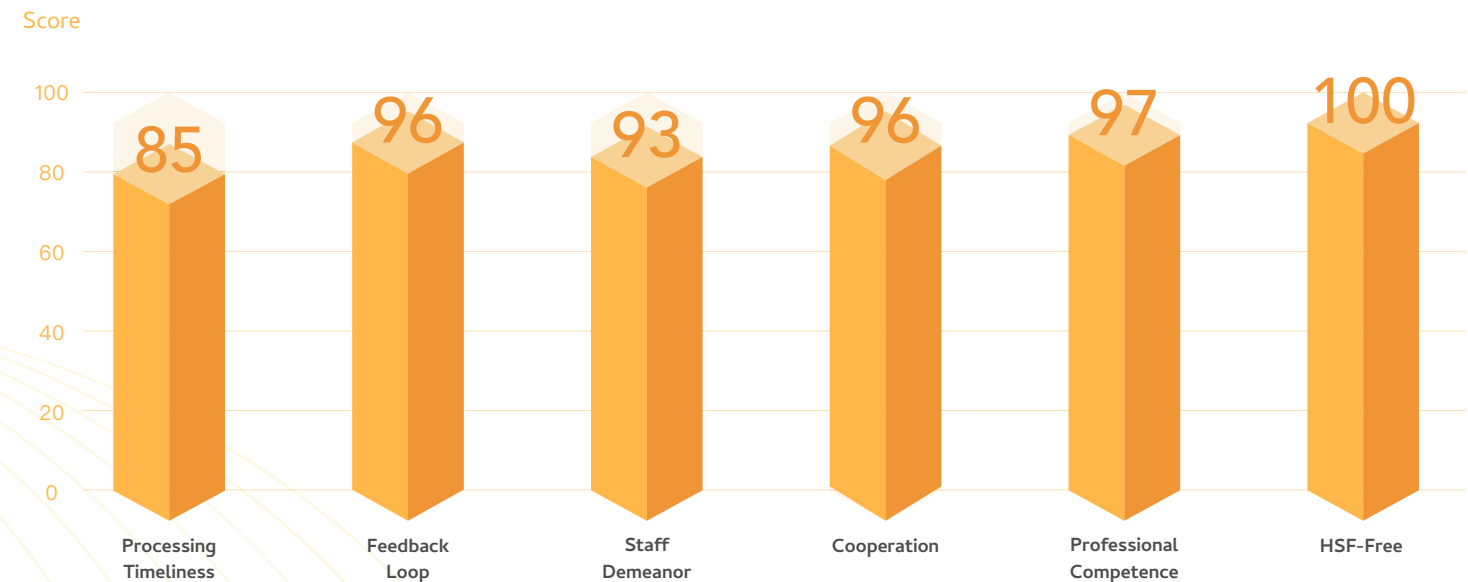
Obtaining customer feedback through these surveys also helps the Company identify opportunities for innovation and improvement. This process allows Jarllytec to further understand potential shortcomings in its products or services, enabling it to take measures that better address customer needs and expectations.



Customer Satisfaction Assessment



2025 Customer Satisfaction Survey



3.4 Sustainable Supply Chain Management

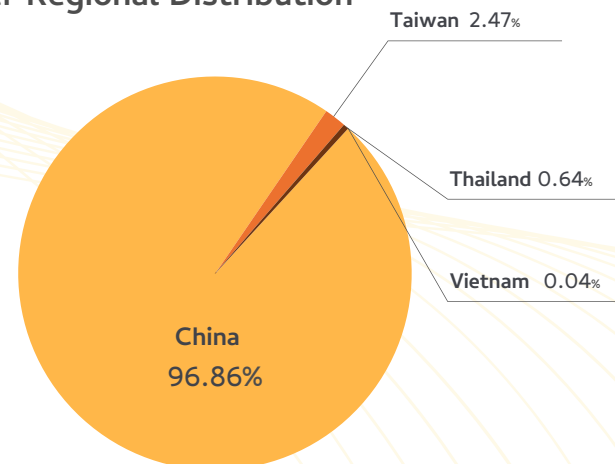
Jarlllytec's trusted products are built upon the foundation of high-quality and stable raw materials, components, consumables, and related services provided by its suppliers—who are regarded as key partners in the Company's operations. To ensure product quality and implement its business policies, Jarlllytec 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 2025 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.



2025

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 10.46%.



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

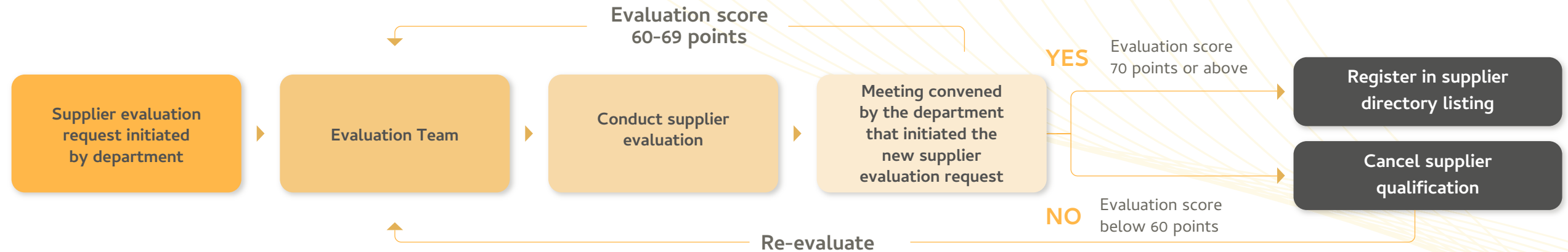
Basis for Orders and Collaboration

- 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

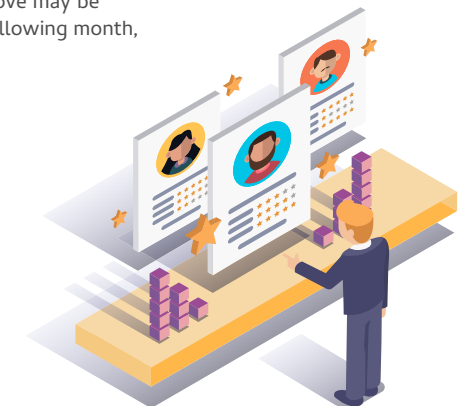
Key suppliers undergo annual risk classification management. Key suppliers are defined as those with annual purchase values exceeding NT\$2 million in the previous year, excluding customer-designated vendors. Adhering to the RBA (Responsible Business Alliance) Code of Conduct, Jarllytec has established 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 better manage supplier risks and opportunities, Jarllytec introduced a supplier sustainability risk survey mechanism in 2025, launching a pilot at its Taipei plant that collected 39 responses. Based on RBA's five pillars and referencing ISO 20400 and PAS 7000 standards, the survey incorporates carbon management and sustainable business strategy. Using these responses, Jarllytec categorizes supplier risk levels to implement tailored management and improvement plans, helping partners enhance sustainability and build a resilient supply chain ecosystem. The survey scope will expand to all Group locations in 2026.

Phase 3 :Performance Evaluation

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 2025, a total of 21 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:



2025 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 2025, Jarlllytec conducted environmental and social impact assessments for 39 existing suppliers, along with 21 newly approved suppliers, totaling 60 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	60 suppliers	60 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

In 2025, Jarlllytec held an online supplier conference to communicate its sustainability policies, covering the Responsible Business Alliance (RBA) Code of Conduct, ESG management, the EEP electronic system, environmental quality assurance, and the REACH 247 SVHC update.



Supplier Education and Training on Conflict Minerals Surveys

To practice responsible mineral sourcing, Jarlllytec launched a comprehensive survey based on the latest 2025 CMRT 6.5 and EMRT 2.0 templates. Through systematic supplier due diligence, the company ensures product compliance with ethical standards and holds online training to help suppliers understand updated mineral traceability requirements, jointly mitigating human rights and environmental risks associated with mining.



Supply Chain Carbon Inventory Promotion

In response to the Industrial Development Administration's 2025 "Manufacturing Industry Transformation Project," Jarlllytec partnered with two key suppliers and National Taipei University of Business. Guided by ITRI, the collaboration applied professional accounting auditing standards to precisely execute carbon footprinting value-added applications. The team completed the 2024 Greenhouse Gas Inventory Report, strengthening supply chain green resilience and laying a solid data foundation for future decarbonization pathways.



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 e-system in Q1 2025. This is estimated to reduce paper usage by at least 2,500 sheets annually. Subsequently, in Q2 2025, the program was 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. Established the Sustainability Committee as the highest ESG governance and decision-making body, chaired by the Chairman to review annual carbon reduction targets and major strategies.
2. Formed the Sustainability Development Department to oversee carbon management execution—including inventory progress, reduction performance, and green power adoption—and coordinate carbon reduction strategies.
3. carbon reduction strategies.

Requires the Sustainability Development Department to report carbon management outcomes and strategy progress quarterly to the Sustainability Committee, ensuring leadership maintains real-time oversight of climate-related performance.

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

1. Deploy a digital carbon management platform to efficiently aggregate carbon emission data across global group sites, enhancing data management efficiency and transparency.
2. Progressively increase the proportion of renewable energy use and actively plan science-based targets in accordance with the SBTi methodology to drive a quantifiable decarbonization pathway.

Actions to mitigate negative impacts:

1. Rapidly complete greenhouse gas inventories across all Group locations and carry out full Scope 3 identification in accordance with the regulatory timeline of the "Sustainable Development Roadmap for TWSE/TPEX Listed Companies."
2. Actively procure green power and Renewable Energy Certificates (RECs) to drive power decarbonization, while continuously expanding renewable energy coverage across plants to lower Scope 2 purchased electricity emissions.
3. Gradually evaluate and install self-consumption solar PV systems across facilities to cut purchased electricity carbon emissions at the source and enhance plant energy resilience.
4. Promote GHG disclosures among core suppliers and engage key partners on major procurement carbon hotspots (Category 1: Purchased Goods and Services) to reduce the largest source of Scope 3 emissions.

**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.

Jarlllytec plans to develop a supplier greenhouse gas management audit procedure to implement tiered management for suppliers.



**Performance
2025**

First completed the alignment with the boundary of the consolidated financial report, officially incorporating the Singapore and Dongguan offices into the inventory scope; and fully expanded across 15 Scope 3 categories (C1–C15) in accordance with the GHG Protocol and ISO 14064-1, completing a comprehensive value-chain carbon footprint identification.

【Official 2025 Verified Data】

(Verification Agency: AFNOR ASIA; Standard: ISO 14064-1:2018; Assurance Level: Reasonable Assurance)

- Scope 1 (Direct Emissions): 769.6730 tCO₂e (a decrease of approx. 16.3% from 919.0536 tCO₂e in 2024)

- Scope 2 (Indirect Emissions from Purchased Electricity): 8,591.5881 tCO₂e (a decrease of approx. 0.47% from 8632.5767 tCO₂e in 2024)

- Scope 3 (Total of 15 Categories, C1–C15): 393,640.2301 tCO₂e

- Total Group Emissions: 403,155.0672 tCO₂e

Jarlllytec actively implements low-carbon factory transformations by progressively introducing renewable energy across its sites (initiating green power wheeling for its headquarters in 2025) to effectively reduce Scope 2 purchased electricity emissions. Moving forward, the company will continuously expand its proportion of green power usage, demonstrating concrete results in corporate energy transition.

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

1. Completed a GHG inventory aligned with the Group's consolidated financial reporting boundary, incorporating the Singapore and Dongguan offices into the inventory scope for the first time (Achieved in 2025).
2. Fully identified and quantified indirect emissions across all 15 Scope 3 categories (C1–C15) in accordance with the GHG Protocol and ISO 14064-1 (Achieved in 2025).
3. Actively procured green power and Renewable Energy Certificates (RECs) to reduce Scope 2 purchased electricity emissions, demonstrating carbon reduction benefits from energy transition (Taipei headquarters initiated power wheeling in 2025).
4. Participated in the CDP Climate Change Questionnaire to enhance carbon disclosure transparency (Achieved in 2023).
5. Targeting a 2% annual absolute reduction in Group Scope 1 and Scope 2 emissions, using the fully audited value-chain baseline year.

**Medium-term
3-5 years**

1. Formally submit a commitment letter to the SBTi, aiming for a 4.2% annual average absolute reduction in Scope 1 and Scope 2 emissions under a 1.5°C trajectory based on the approved baseline year, aligning Group reduction timelines with international standards.
2. Achieve over 30% renewable energy use across select operational sites through Power Purchase Agreements (PPAs) and diversified renewable energy adoption.
3. Launch core supplier engagement initiatives targeting the largest Scope 3 hotspot (C1 Purchased Goods and Services), requiring key partners to complete carbon inventories to drive supply chain impact.

**Long-term
5-10 years**

1. Follow the SBTi reduction pathway to consistently hit annual targets, committing to a 1.5°C trajectory to achieve net-zero carbon emissions 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

Following the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD), Jarllytec analyzes potential risks and their probabilities based on asset service life, risk factors, operating sectors, and regions across short-term (1–3 years), medium-term (3–5 years), and long-term (5–10 years) horizons. Through materiality analysis, key physical and transition risks are selected for scenario analysis to quantify potential financial impacts on future operations. Moving forward, the company plans to expand its evaluation framework by assessing risk and opportunity levels using a matrix of probability and impact. Potential outcomes will be categorized into low, medium, and high priority levels, with medium and high-level risks designated as primary risks requiring targeted preventive measures and improvement plans.

Physical Risks

The Group conducts climate change physical risk assessments across its global operational sites. To ensure analytical rigor and alignment with international trends, we utilize the Shared Socioeconomic Pathways (SSP-RCP) combined scenarios from the IPCC Sixth Assessment Report (AR6). These models simulate potential financial impacts on Group operating costs up to 2050 under various social development models and temperature rise pathways.

1.Global Scenario Baseline: Standardized based on the global average temperature rise projections from the IPCC Sixth Assessment Report (AR6).

2.Energy Sensitivity Assumption: Considering the operational needs of process cooling and HVAC systems across facilities, a baseline assumption is set where "each 1°C increase in temperature drives a 3% growth in annual electricity demand." This figure represents a conservative sensitivity estimate based on the correlation between industrial electricity loads and ambient temperature, serving as a Group-level stress test

ClimateScenario	Projected Global Warming	Electricity Demand Increase (%)	Financial Impact: Annual Electricity Cost Increase (NTD)
SSP1 - 2.6	📈 +1.7 °C	⚡ 5.1%	💰 ⁺ 3,788,603
SSP2 - 4.5	📈 +2.0 °C	⚡ 6.0%	💰 ⁺ 4,457,176
SSP5 - 8.5	📈 +2.4 °C	⚡ 7.2%	💰 ⁺ 5,348,612

Transition Risks

In evaluating transition risks, the Group aligns with the energy scenarios published by the International Energy Agency (IEA) to assess the potential financial impacts of global energy transition trends on operating costs. We analyze renewable energy (RE) procurement costs under varying decarbonization intensities, covering existing policy mandates, corporate green power commitments to clients, and aggressive transition pathways toward net-zero emissions.

Transition Scenario	Scenario Description	Financial Impact: Annual RE Procurement Cost Increase (NTD)
STEPS	Meets RE100 demand for Taipei site; maintains existing power mix for other regions.	💰 ⁺ 3,788,603
APS	Targets RE75 group-wide by 2030–2050, based on customer commitments and national net-zero pledges.	💰 ⁺ 15,062,228
SDS	Simulates an extreme stress test of achieving group-wide RE100 by 2050 to limit global warming to 1.5°C.	💰 ⁺ 15,279,899



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 2025.

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						
	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 2025, 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.



Information Gathering

Collecting information on risks and opportunities from benchmark companies and filtering those relevant to Jarlllytec.

Identification of Material Risks and Opportunities

Internal departments discuss and determine Jarlllytec's material risks and opportunities.

Response Strategies and Financial Impact

Outlining response measures for each risk and opportunity, and conducting financial impact assessments for material risks and opportunities.

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

Jarlllytec continues to respond to the CDP Climate Change Questionnaire, maintaining a "C" rating this year to reflect stable transparency in environmental disclosure.

By aligning inventory boundaries with consolidated financial reports and expanding Scope 3 quantification under the GHG Protocol, the company is refining its climate strategy. Jarlllytec will deepen supplier engagement and target a "B" rating in 2026 to reinforce its commitment to low-carbon transformation.

4.3 Greenhouse Gas Management

4.3.1 Greenhouse Gas Inventory

2022 Jarlllytec launched its GHG inventory in 2022 at headquarters.

2023 Expanded to three Taipei plants in 2023.

2024 Covered all global sites in 2024 with AFNOR ASIA third-party verification (Reasonable Assurance for Scope 1 & 2) under ISO 14064-1:2018 (IPCC AR6 GWP).

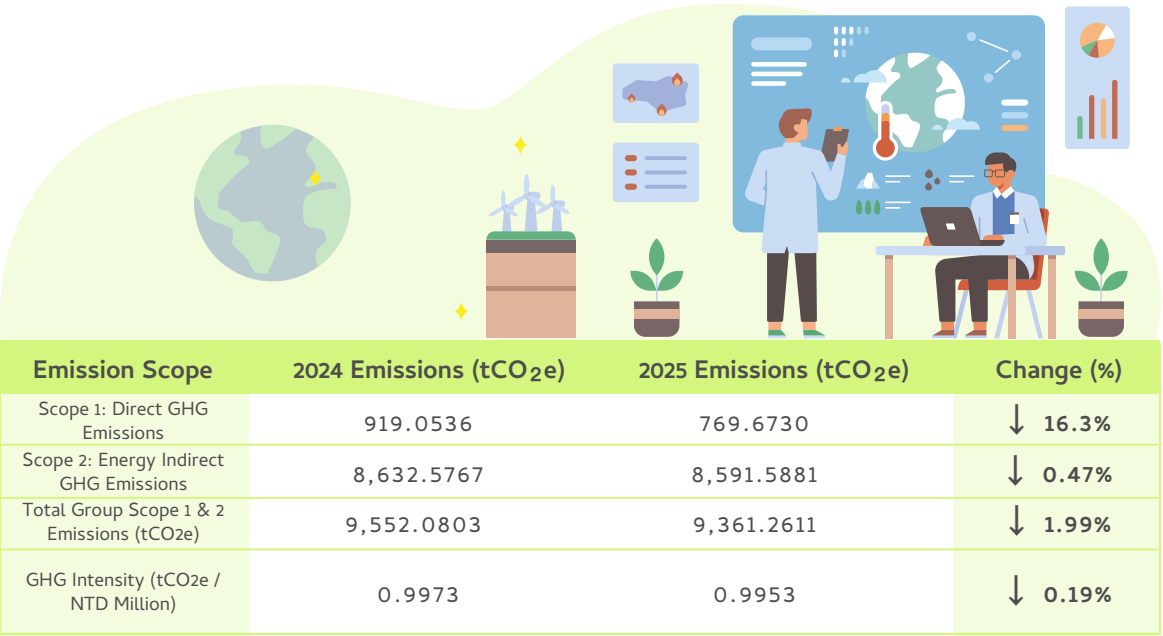
2025 This year, the company aligned its inventory boundary with its consolidated financial reporting under the GHG Protocol and GRI 305, incorporating the Singapore and Dongguan offices to establish a comprehensive baseline and enhance disclosure transparency.



Scope 1 & Scope 2 Emissions

According to the latest inventory, total Scope 1 and Scope 2 emissions for 2025 were 9,361.2611 tCO₂e, representing an absolute reduction of 190.8192 tCO₂e (~2%) compared to 2024 and successfully achieving the set reduction target.

- ①Scope 1 (Direct GHG Emissions): 769.6730 tCO₂e in 2025, down 16.3% from 2024 (919.5036 tCO₂e), driven by equipment optimization, fuel substitution, and utility energy efficiency improvements.
- ②Scope 2 (Energy Indirect GHG Emissions): 8,591.5881 tCO₂e in 2025, down 0.47% from 2024 (8,632.5767 tCO₂e) as select sites initiated renewable energy procurement. Accounting for over 91% of combined Scope 1 & 2 emissions, purchased electricity remains the top priority for future energy savings and expanded renewable power adoption.
- ③Carbon Intensity: Decreased to 0.9953 tCO₂e / NTD million in 2025 (down 0.19% from 0.9973 in 2024), achieving the goal of decoupling business growth from carbon emissions.



Note

1. Verification Body: AFNOR ASIA; Verification Standard: ISO 14064-1:2018; Level of Assurance: Reasonable Assurance for Scope 1 and Scope 2.

2. Organizational Boundary: Operational Control Approach; GWP Values: IPCC AR6 (2021).

3. Scope 2 Electricity Grid Emission Factors:

Taiwan: 2024 electricity grid factor published by the Energy Administration, MOEA on April 14, 2025.

China: 2023 electricity CO₂ emission factor officially released by the Ministry of Ecology and Environment (MEE) on December 31, 2025.

Vietnam: 2023 grid emission factor officially released on December 3, 2024.

Thailand: CO₂ emission factor referenced from the CO₂ Emission Statistics published by the Energy Policy and Planning Office (EPPO), Ministry of Energy.

Scope 3 Emissions

Jarllotec systematically completed the identification, materiality assessment, and quantification of Scope 3 emissions (C1–C15), with total Scope 3 emissions reaching 393,640.2301 tCO₂e. Among these, C1 (Purchased Goods and Services) serves as the primary carbon hotspot at 380,049.5439 tCO₂e, accounting for approximately 96.5% of total Scope 3 emissions. This is followed by C12 (End-of-Life Treatment of Sold Products) at 4,831.5009 tCO₂e and C4 (Upstream Transportation and Distribution) at 2,195.2999 tCO₂e. These results demonstrate that supply chain procurement is the Group's main source of indirect emissions, establishing a clear priority for collaborative supply chain decarbonization moving forward.

GHG Protocol Category/Emission Item Description	2024 Emissions (tCO ₂ e)	2025 Emissions (tCO ₂ e)
C1 Purchased Goods and Services	-	380,049.5439
C2 Capital Goods	-	2,586.8434
C3 Fuel- and Energy-Related Activities	1,128.9987	1,839.0905
C4 Upstream Transportation and Distribution	745.1761	2,195.2999
C5 Waste Generated in Operations	327.9619	520.1701
C6 Business Travel	302.5160	475.6515
C7 Employee Commuting	345.3349	420.6835
C8 Upstream Leased Assets	-	4.3172
C9 Downstream Transportation and Distribution	363.4997	732.6693
C10 Processing of Sold Products	(Not Applicable)	(Not Applicable)
C11 Use of Sold Products	(Not Applicable)	(Not Applicable)
C12 End-of-Life Treatment of Sold Products	-	4,831.5009
C13 Downstream Leased Assets	(Not Applicable)	(Not Applicable)
C14 Franchises	(Not Applicable)	(Not Applicable)
C15 Investments	-	504.4600
Total Value Chain Indirect Emissions	3,213.4873	394,160.23

Note

1. Categories marked as Not Applicable indicate that no operational sites within the Group engage in activities corresponding to those emission categories.

2. Calculations for Scope 3 emissions (Categories 1–15) utilize estimated data. Secondary data sources include:

Product Carbon Footprint Information Platform (Ministry of Environment, Taiwan)

China Products Carbon Footprint Factors Database (2022)

Thailand Greenhouse Gas Management Organization (TGO)

SimaPro Database

International Civil Aviation Organization (ICAO) Carbon Emissions Calculator

2023 Taipei Rapid Transit Corporation Sustainability Report

4.3.2 Greenhouse Gas Reduction Planning

I. Scope 1 & 2 Reduction: Deepening Energy Efficiency and Energy Transition

JarllYTEC is committed to achieving continuous annual absolute reductions in Scope 1 and Scope 2 emissions. In 2025, our decarbonization efforts focused primarily on replacing aging equipment to improve energy efficiency and introducing green power wheeling at our Taipei headquarters for the first time. Although the initial power volume was limited, it established a operational foundation for the Group’s renewable energy deployment.To proactively respond to international clients’ stringent green energy requirements for supply chains, the company will continue to increase renewable energy coverage across all operational sites. By planning Renewable Power Purchase Agreements (PPAs) and acquiring Renewable Energy Certificates (RECs), we aim to effectively reduce Scope 2 indirect emissions from purchased electricity, expand global renewable energy adoption, and demonstrate authentic progress in power decarbonization.

II. Scope 3 Value Chain Decarbonization: Focusing on Core Hotspots and Supplier Engagement

The Scope 3 inventory results clearly identify Category 1 (Purchased Goods and Services) as the Group’s largest carbon hotspot, emitting 380,049.5439 tCO₂e and accounting for over 90% of total group emissions.To systematically mitigate value chain environmental impacts, the company launched a supplier sustainability risk survey in 2025 (see Supply Chain Management chapter) to gain preliminary insights into supply chain decarbonization readiness. Moving forward, we will strengthen supplier management and engagement by prioritizing GHG disclosures for core suppliers, assessing the implementation of Supplier Carbon Intensity KPIs, and designing a tiered supplier management framework to drive low-carbon transformation across the supply chain.

III. Four Core Decarbonization Strategies: Practical and Pragmatic Implementation

To fulfill our Scope 1, 2, and 3 reduction commitments within resource constraints, JarllYTEC focuses on four strategic pillars to maximize decarbonization efficiency across global operational sites:

1. Energy Efficiency Improvement (Scope 2 Focus): Promote energy-efficient equipment upgrades and smart energy management to lower energy consumption per unit of output.
2. Renewable Energy Adoption (Scope 2 Focus): Gradually increase the share of PPAs, RECs, and self-consumption solar PV systems to meet client expectations and decarbonize electricity supply.
3. Process Improvement and Low-Carbon Technology Application (Scope 1 & 2 Focus): Optimize process parameters, reduce fugitive emissions, and evaluate low-carbon raw materials and circular economy solutions.
4. Supply Chain Collaboration and Scope 3 Decarbonization (Scope 3 Focus): Target the primary carbon hotspot, Category 1 (Purchased Goods and Services), by driving sustainability risk management, engaging core suppliers, and evaluating carbon intensity KPIs.

IV. Science Based Targets initiative (SBTi) Alignment: Path toward a 1.5°C Net-Zero Future

To establish an internationally recognized reduction pathway, JarllYTEC aligns with the Science Based Targets initiative (SBTi) methodology, aiming for the 1.5°C warming trajectory and progressing toward value-chain net-zero. The company is currently in the commitment preparation phase, actively evaluating the submission of an official SBTi commitment letter in the medium term to replace qualitative commitments with science-based quantitative targets, ensuring measurable and internationally comparable decarbonization actions.Additionally, JarllYTEC will evaluate annual reduction performance using emission intensity baselines, ensuring effective decoupling of carbon intensity from ongoing business growth to fulfill our commitment to environmental sustainability.

4.4 Energy Management

JarllYTEC actively drives energy efficiency in lighting and HVAC. Recent upgrades include replacing old air compressors, saving 650,000 kWh annually.

At headquarters, the company deployed a digital energy management system to monitor energy use and identify high-consumption equipment. In 2025, JarllYTEC procured 324,571 kWh of green power. Future plans include installing smart meters across facilities to continuously refine energy efficiency.

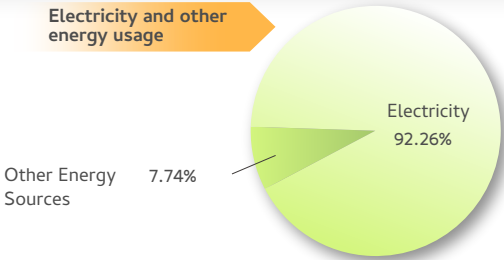
4.4.1 Energy Consumption and Intensity

Energy Type	2024		2025	
	Annual Consumption	Energy Consumption (GJ)	Annual Consumption	Energy Consumption (GJ)
Electricity - Purchased Non-Renewable	17,293,405(kWh)	62256.26	16,629,130(kWh)	59,864.87
Electricity - Renewable Energy	74,000 (kWh)	266.4	324,571(kWh)	1,168.46
Gasoline	40,899.75(L)	1,335.73	30,645(L)	1,000.77
Diesel	6,165.23(L)	216.84	6,890(L)	242.32
Natural Gas	104,178(m ³)	3,925.74	102,871(m ³)	3,876.30
Total Energy Consumption (GJ)	68,000.97		66,152.71	
Energy Intensity (GJ/NT\$ Million)	7.1		7.03	

Note

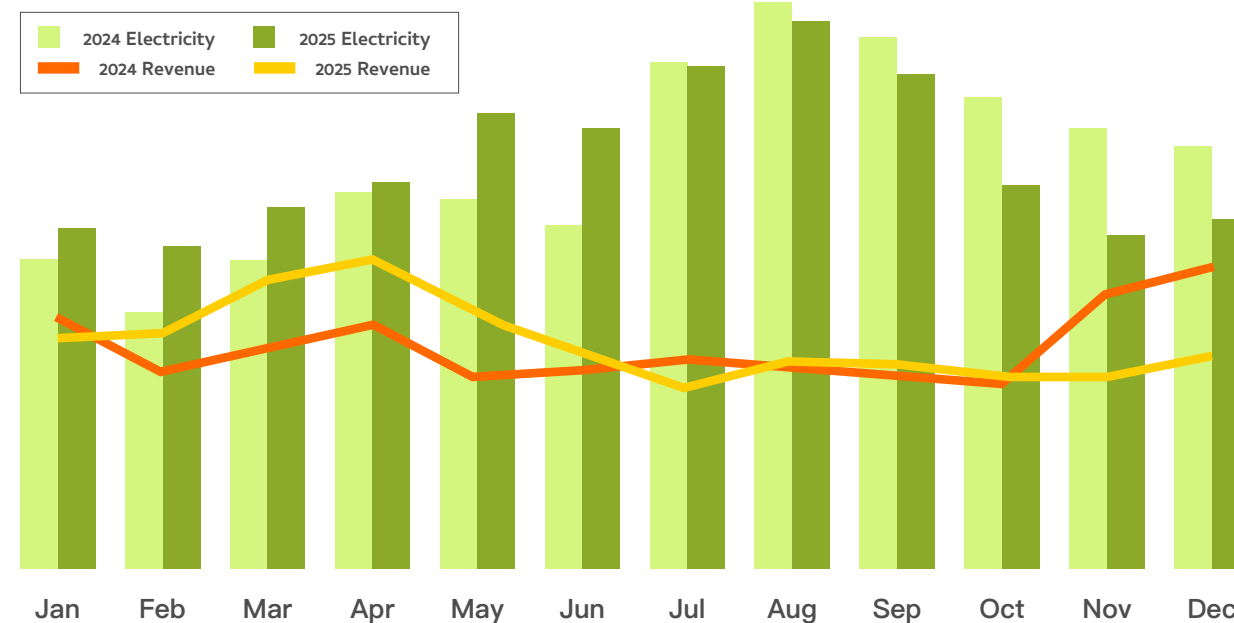
1. Energy consumption scope: All Group-wide facilities.
2. Energy types covered: fuel and electricity.
3. This ratio uses the organization's internal energy consumption.
4. Energy calorific values are cited from the Ministry of Economic Affairs' Energy Statistical Handbook:
Electricity: 860 kcal/kWh, Natural gas: 9,000 kcal/M3, Gasoline: 7,800 kcal/L, Diesel: 8,400 kcal/L

Electricity and other energy usage



4.4.2 Group Electricity Consumption

In 2025, Jarllytec's revenue and total electricity consumption remained flat compared to 2024, reflecting sustained energy demand from production activities. To optimize energy efficiency, the company continues to implement energy-saving measures—focusing on adopting high-efficiency equipment, optimizing production processes, and reducing electricity intensity to cut costs, minimize environmental impact, and drive sustainable operations.

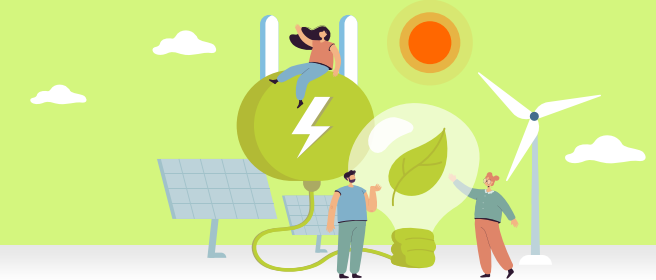


4.4.3 Energy Saving Initiatives

To proactively align with global energy transition trends and fulfill its corporate decarbonization commitment, Jarllytec has comprehensively planned and executed targeted energy-saving initiatives since 2023. On the infrastructure and system front, the company has progressively deployed a digital Energy Management System (EMS) at its headquarters.

Headquarters Energy Management System Implementation

Leveraging smart distribution boards and real-time monitoring, the EMS enables precise tracking of equipment energy consumption to eliminate abnormal waste. Concurrently, the company has replaced aging, high-consumption equipment, including adopting variable-frequency, parallel-operating high-efficiency air compressor systems, as well as upgrading HVAC systems and lighting fixtures.



Air Compression System Replacement and Upgrade

With the completion of major equipment upgrades and EMS implementation, Jarllytec has established a robust foundation for energy dispatching. Currently, these energy-saving measures have transitioned into routine operational management, continuously delivering stable carbon reduction benefits (e.g., the air compressor system upgrade at the Taipei plant is expected to save 650,000 kWh of electricity annually).

Moving forward, the company will further deepen EMS applications and plans to expand this digital management framework to domestic and overseas operating sites, optimizing overall energy efficiency across the Group through integrated data management to achieve its sustainable energy transition goals.

4.4.4 Renewable Energy

To effectively minimize the environmental impact of operations, respond to client requirements, and achieve corporate decarbonization goals to fulfill its sustainability vision, Jarllytec is dedicated to advancing sustainable energy management strategies. The company officially began adopting renewable energy in 2024 with plans to progressively increase its share. In 2025, Jarllytec scaled its green power procurement to 320,000 kWh, enabling its headquarters to achieve the milestone of RE20+, which demonstrates the Group's firm commitment and concrete actions toward environmental sustainability. Concurrently, the company is actively evaluating the feasibility of installing self-consumption solar PV equipment at existing facilities to further drive energy transition toward a sustainable future.



4.4.5 Air Pollution Control

At Jarllytec's Taiwan facility, a hood collection system is installed in the pickling area (which utilizes nitric acid as a raw material) to effectively capture and route waste gas for treatment. In the sintering area, waste gas is collected through closed piping and combusted in a waste gas incinerator prior to discharge. Clean natural gas is used exclusively as fuel for the aforementioned processes. Testing is conducted in accordance with standard methods announced by the Ministry of Environment. Actual test results indicate nitrogen oxides (NOx) at 30 ppm, while sulfur dioxide (SOx) and particulate matter (PM) were both non-detectable (ND). Testing frequency strictly complies with regulatory requirements during permit renewals, covering particulate matter, sulfur oxides, nitrogen oxides, and volatile organic compounds (VOCs)—all meeting the emission standards of the Air Pollution Control Act. To ensure equipment accuracy, monitoring instruments are calibrated annually to maintain data reliability. Emergency generators are operated only under emergency conditions and constitute non-routine emissions; thus, they are excluded from primary emission sources.

Management Targets, Action Plans, and Achievements

The company has established "100% compliance of air emissions with regulatory standards" as its core management target. Regarding implementation measures, the company enforces a "daily autonomous monitoring mechanism," where designated personnel verify monitoring instrument values daily to ensure waste gas treatment facilities remain in normal operation, supplemented by annual professional instrument calibrations to enhance data precision. Furthermore, testing frequency strictly adheres to regulatory requirements, with actual measurements for various pollutants conducted during permit renewal periods. In terms of achievements, all spot-check data in 2025 comfortably outperformed regulatory limits, and through daily monitoring, no abnormal emission incidents or environmental non-compliance records occurred during the year.

Air Pollutant Emissions

Emission Category

Nitrogen Oxides (NOx)

2024	2025
118.96kg	139.27kg

Note

1. eporting Scope: The statistical scope covers the entire Group.
2. Rounding Rule: All data are rounded to the nearest integer.
3. Emission Factor Source: Emission factors are sourced from the Air Pollution Fee and Emission Reporting Integrated Management System published by the Climate Change Agency, Ministry of Environment.
4. Hazardous Air Pollutants (HAPs): Hazardous Air Pollutants (HAPs) are compiled based on the reported emission volumes for individual chemical species subject to surcharges under the Ministry of Environment's Regulations for the Collection of Air Pollution Control Fees.
5. Data Restatement: NOx emissions for 2024 have been restated in the current reporting year. Reason for Restatement: To enhance data accuracy, the reporting methodology was aligned to systematically adopt official output values generated by the Ministry of Environment's Air Pollution Fee and Emission Reporting Integrated Management System, replacing previous self-estimated figures to ensure cross-year comparability and consistency.

4.5 Water Resource Management

4.5.1 Water Resource Risk Assessment

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

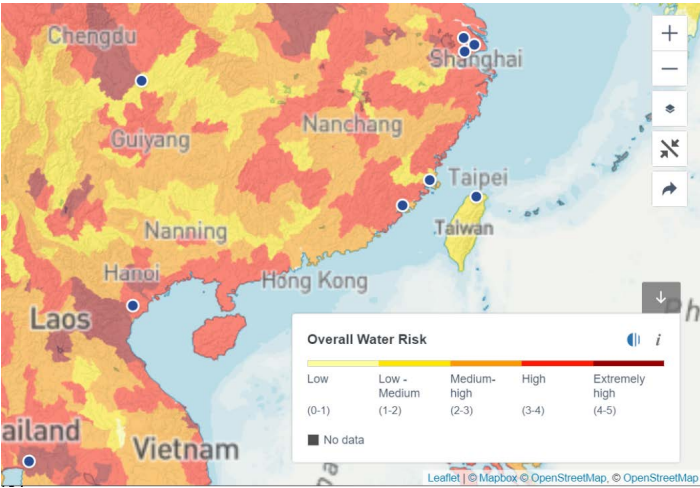
The Taiwan plant experiences low stress, while the Chongqing plant is in a medium-low stress region. Facilities in Fuqing and Xiamen are categorized as medium-high stress. A higher level of concern is noted for the Shanghai, Kunshan, Zhejiang, and Vietnam plants, which are all in high-stress areas. The 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 Jarllytec'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.



Introduction			Sustainable Development			Corporate Governance		Product Innovation		
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
Wate 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

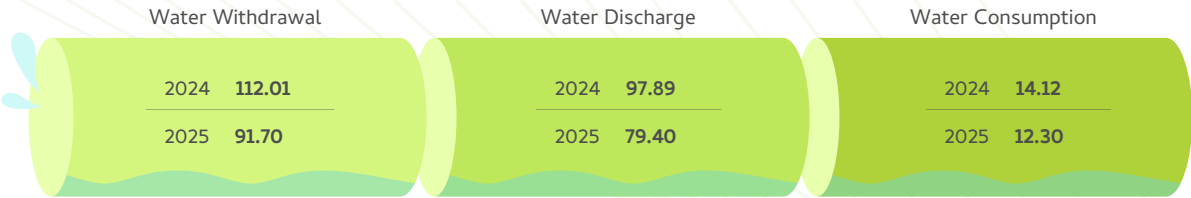
All primary water sources for the Jarllytec Group are supplied by municipal water utility companies at each plant location, with water resources mainly utilized for administrative offices and production raw materials. Regarding wastewater treatment, wastewater from the Taiwan plant undergoes preliminary on-site treatment before being discharged into the New Taipei Industrial Park Wastewater Treatment Plant for advanced processing. Wastewater from plants in China and Southeast Asia is discharged into local industrial park wastewater facilities in compliance with regional regulations, with all locations holding official government discharge permits. The company continues to promote water conservation measures by fully adopting certified water-saving equipment and strengthening daily management to achieve green operations

Management Targets, Action Plans, and Achievements

To realize environmental sustainability, the company has set a long-term management target of a "1% annual reduction in total water consumption." Based on this baseline, the target water consumption for 2025 was set at 110.89 million liters. Regarding implementation measures, a comprehensive program to replace aging equipment has been actively carried out since 2022, achieving a replacement rate of 98%. Facilities prioritize water-saving fixtures (such as faucets and toilets) certified with the Taiwan Water Label, China Water Efficiency Label, Thailand Green Label, and Vietnam Water Efficiency Label to conserve water without altering user habits. In terms of achievements, driven by equipment upgrades and conservation initiatives, total group water withdrawal in 2025 was approximately 91.70 million liters. This actual performance outperformed the target by 17.3%, demonstrating significant overachievement of the annual water resource management plan.

Overall Water Consumption in 2023 and 2024

(Unit: Million Liters)



Note The 2023 statistical scope includes only the Taiwan and China facilities, while the Southeast Asia facility was added in 2024.

2025 Water Consumption by Water Stress Region

(Unit: Million Liters)



Note 1. Freshwater refers to water with ≤ 1,000 mg/L total dissolved solids; Other water refers to water with > 1,000 mg/L total dissolved solids.
2. Data sources for Jarllytec's Taiwan plant are based on water consumption readings from Taiwan Water Corporation and wastewater volume in metric tons from the New Taipei Industrial Park Wastewater Treatment Plant. Data for China facilities and Southeast Asia facilities are derived from water utility bills and wastewater treatment fee statements (in volume units).
3. Conversion Factor: 1 unit of water (degree) = 1,000 liters = 0.001 million liters.

4.5.3 Water Conservation Management

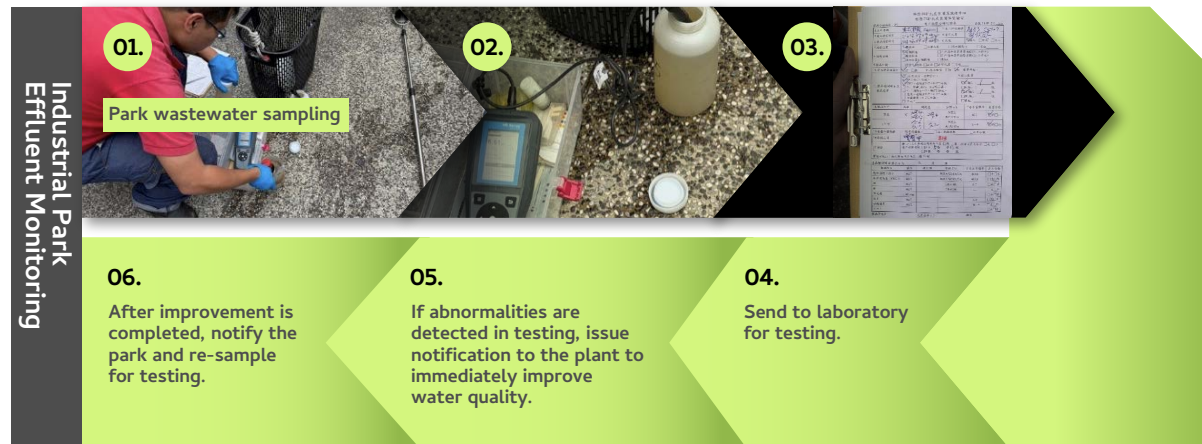
arllytec actively complies with relevant government regulations by implementing water recycling initiatives at its Taiwan and China facilities. These efforts include using mop water for toilet flushing and collecting rainwater for plant irrigation to promote growth. Moving forward, the Company will continue 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 2025, the entire Jarllytec group achieved its goals of zero wastewater discharge leaks and zero environmental complaints.



If abnormalities are detected in testing, issue notification to the plant to immediately improve water quality. After improvement is completed, notify the park and re-sample for testing. 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 is dedicated to diversifying its water resource utilization. Both the Taiwan and Fuqing facilities are equipped with rainwater harvesting and reuse systems, utilizing collected rainwater for landscape irrigation and toilet flushing. Management at the Taiwan facility refers to the Recommended Water Quality Values for Rainwater Harvesting in Buildings issued by the Water Resources Agency, MOEA, and complies with the Green Building Chapter of the Building Technical Regulations. To ensure hygienic safety, the Taiwan facility conducts biannual water quality testing (every January and July), covering parameters such as pH value, Chemical Oxygen Demand (COD), oil and grease, and true color, with all historical testing results consistently meeting regulatory standards. Concurrently, the Fuqing plant enforces a rainwater monitoring mechanism with an annual testing frequency to ensure water quality strictly complies with internal environmental maintenance standards.

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.

Management Targets, Action Plans, and Achievements

The company has established a long-term management target of a "1% annual reduction in total waste," striving to implement resource recycling and circularity. Regarding implementation measures, the company actively minimizes the environmental impact of its operations through precise waste sorting, source reduction engineering, and enhanced resource recycling efficiency. In terms of achievements, non-hazardous industrial waste generation in 2025 increased compared to the previous year. This was primarily driven by higher annual production capacity, expanded production schedules, and temporary scrap generated during process optimization, resulting in the non-fulfillment of the 1% annual reduction target. The company will continue to optimize production processes and waste management mechanisms to refine reduction performance alongside capacity growth, fulfilling its commitment to sustainable operations.

4.6.2 Waste Disposal

In 2025, Jarllytec's waste generation consisted entirely of non-hazardous waste, totaling 272.26 metric tons. This total includes 58.72 metric tons from the Taiwan plant, 142.15 metric tons from China facilities, and 71.39 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				2024			2025			
Waste Categories (Unit: Metric Tons)				Taiwan Plant	China Plants	Southeast Asia Plants	Taiwan Plant	China Plants	Southeast Asia Plants	
Non-Hazardous Waste	Off-site	Disposal Transfer	Preparation for Reuse	-	26.00	-	-	26.00	-	
			Composting	-	-	-	-	-	-	
			Recycling	7.50	62.94	35.12	7.50	79.24	51.13	
		Direct Disposal	Incineration	25.84	179.48	6.53	57.92	142.15	8.99	
			Landfilling	-	-	-	-	-	62.40	
			Physical Treatment	0.34	0.25	-	0.80	-	-	
			Thermal Treatment	-	-	-	-	-	-	
		Subtotal			33.68	268.67	41.65	66.22	247.39	122.51

- Note
1. Statistical scope: All Group-wide 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.



4.6.3 Waste Reduction and Recycling

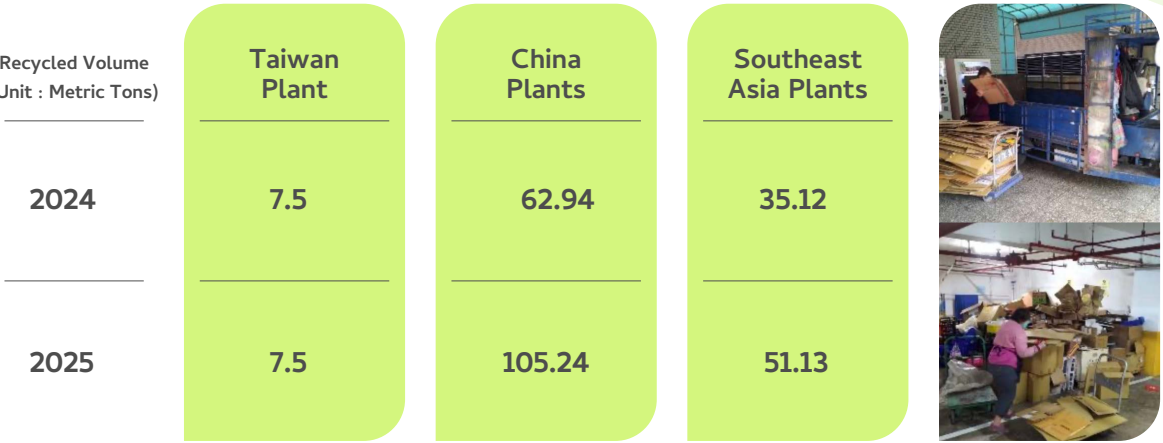
Jarllytec is dedicated to reducing waste at its source and actively promoting on-site waste recycling and reuse. The Company aims to minimize waste generation and lessen the environmental impact of its production processes. This commitment includes continuing environmental recycling projects and fully 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.

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 2025, the total volume of resource recycling and reuse across the Jarllytec Group reached approximately 163.87 metric tons. The company actively drives the circular economy, with the recycled and reused volume increasing to 163.87 metric tons in 2025—reflecting a significant year-on-year growth of 24.56%. To fulfill our environmental sustainability commitment, the company will continue to advance resource recycling, waste-to-energy initiatives, and reuse activities to ensure steady progress toward our long-term annual reduction targets.

Waste Recycling Performance Management

Resource recycling and reuse scope: Group-wide.



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.

Material Topic | Talent Attraction and Retention**GRI Standard** | GRI 401, GRI 402, GRI 404, GRI 405-1, GRI 406-1, GRI 411-1, GRI 403-5, GRI 408-1, GRI 409**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**

1. Enhance Talent Development and Compensation/Benefits Policies: Establish systematic functional training and performance evaluation mechanisms while providing competitive compensation and benefits packages to support employees' long-term career growth and quality of life.
2. Foster a Safe, Equal, and Inclusive Workplace: Ensure the working environment strictly adheres to occupational health and safety (OHS) standards, provide comprehensive training, and enforce non-discrimination and anti-harassment policies to fully safeguard employee physical and mental health as well as workplace dignity.
3. Uphold Labor Human Rights and Supply Chain Compliance: Strictly eradicate child labor and forced labor, guarantee employees' rights to free labor, and ensure both operations and supply chains strictly comply with international labor standards and fair compensation regulations.

**Evaluation
Mechanisms**

1. Annual Employee Satisfaction Survey: Collect employee feedback on corporate policies, management, and working conditions annually to serve as a key basis for evaluating labor relations and refining organizational systems.
2. Onboarding and Exit Interviews: Grasp employee status and root causes of turnover through new-hire care and exit interviews, allowing early resolution of potential management issues.
3. Training Needs Survey and Feedback: Identify competency gaps and evaluate course practicality through needs assessment interviews and post-training surveys, ensuring precise allocation of learning resources.
4. Diversified Employee Grievance Channels: Provide secure and confidential communication avenues to ensure employee opinions and suggestions are promptly heard and appropriately handled.

Dedicated Committees and Institutionalized Consultation: Convene regular Labor-Management Committee meetings to maintain a two-way dialogue platform, and establish a Gender Equality Committee to ensure workplace safety and equal rights.

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

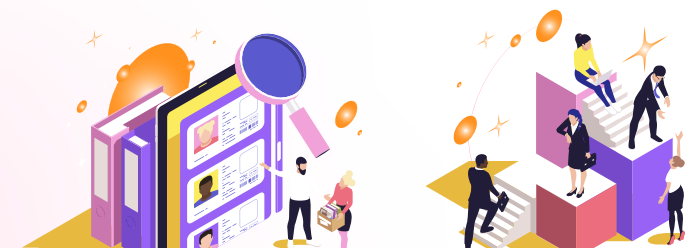
1. Establish Diversified Labor-Management Communication Channels: Establish smooth, bottom-up feedback channels through regular interviews, meetings, and annual satisfaction surveys, encouraging employees to actively participate in corporate management and decision-making.
2. Optimize Performance-Driven Compensation Systems: Establish a robust performance evaluation policy that explicitly links appraisal results to compensation, bonuses, and promotion mechanisms, thereby enhancing employee satisfaction and retention rates.

Actions to mitigate negative impacts:

1. OHS and Human Rights Awareness Training: Incorporate Occupational Health and Safety, Responsible Business Alliance (RBA) human rights, and anti-discrimination standards into annual mandatory training programs for new hires and all staff. Through regular educational sessions and periodic awareness campaigns, the company aims to deepen managers' and employees' understanding of safety protection, personal rights, and workplace equality.

**Stakeholder
Engagement**

1. Senior Management
 - 1.1 Participate in formulating core management policies for "Talent Attraction and Retention," and establish short-, medium-, and long-term operational goals.
 - 1.2 Review labor relations evaluation results and interview reports to serve as a decision-making basis for organizational strategies and resource allocation.
2. Managers at All Levels
 - 2.1 Participate in management training to deepen leadership capabilities and strengthen awareness regarding safety protection and labor rights.
 - 2.2 Conduct daily care and communication interviews with subordinates to identify and resolve management blind spots and employee adaptation issues early.
 - 2.3 Execute regular performance evaluations for subordinates and provide constructive career development and training guidance.
3. All Employees
 - 3.1 Participate in training programs to enhance general literacy and core professional competencies, providing feedback on course satisfaction and future learning needs.
 - 3.2 Participate in care interviews across various career stages, sharing genuine workplace experiences and offering recommendations for organizational improvement.
 - 3.3 Complete the annual employee satisfaction survey and actively submit workplace suggestions and feedback through diversified grievance channels.
4. Human Resources Unit
 - 4.1 Coordinate and formulate talent development policies, including recruitment, training, compensation and benefits, and performance management.
 - 4.2 Conduct onboarding care and exit interviews, compile genuine employee feedback for management reports, and drive continuous optimization of internal management systems.
 - 4.3 Spearhead the annual employee satisfaction survey and serve as the secretarial and executive body for Labor-Management Committee meetings.
5. Dedicated Representatives
 - 5.1 Labor Representatives: Convene regular Labor-Management Committee meetings to represent employees in labor-management negotiations and dispute mediation, facilitating two-way communication.



Performance
2025

1. **Employee Satisfaction:** The 2025 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 2025.
3. **Employee Grievances:** There were **zero** employee grievance cases in 2025.
4. **Sexual Harassment Complaints:** There were **zero** sexual harassment complaint cases in 2025.
5. **Performance Appraisal Participation:** The participation rate for regular employee performance appraisals in 2025 was **100%**.

Goals

Short-term
1-3 years

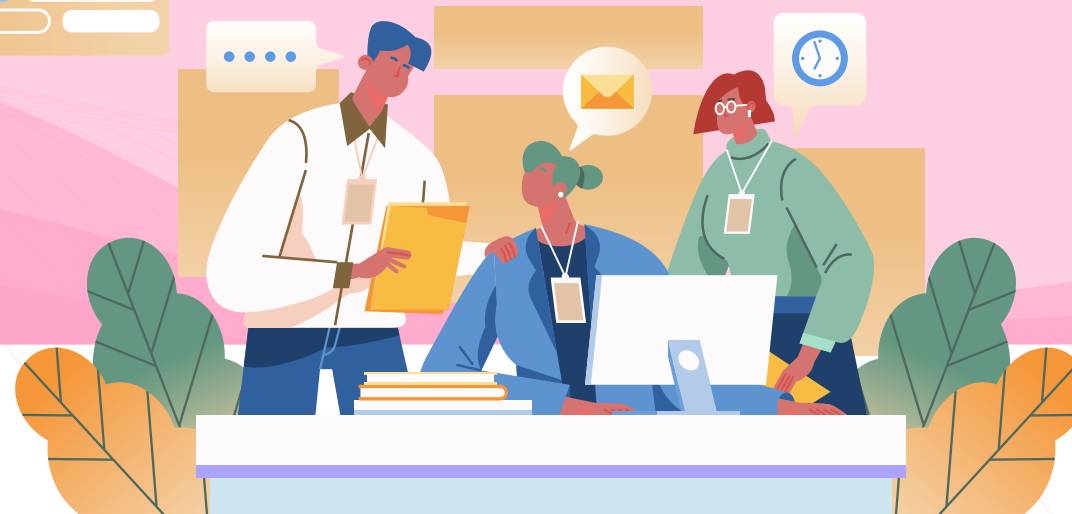
1. Maintain zero employee grievances.
2. The average training hours per employee reached 12 hours.
3. Continuously strengthen communication with employee representative bodies to resolve existing labor-management conflicts and disputes, fostering harmonious and stable labor relations.

Medium-term
3-5 years

1. Maintain zero employee grievances.
2. The average training hours per employee reached 15 hours.
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. The average training hours per employee reached 18 hours.
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 2,526 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.

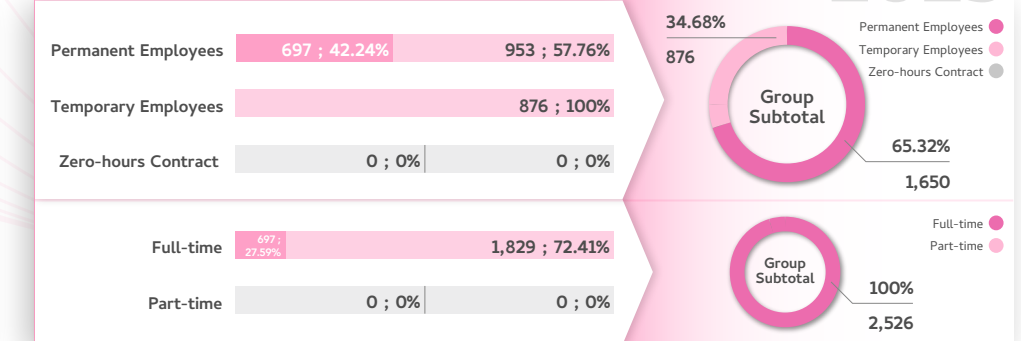
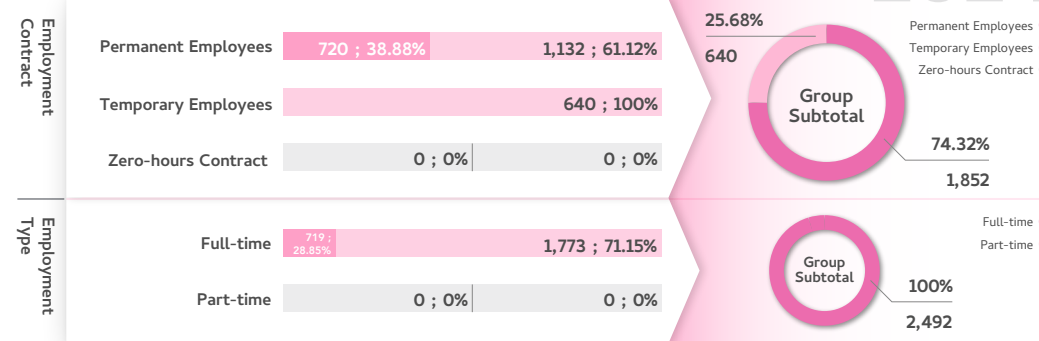
Regarding workforce distribution, 27.59% of employees are located at Jarlllytec's primary operational base in Taiwan, while the remaining 72.41% are distributed across China and Southeast Asia.

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.

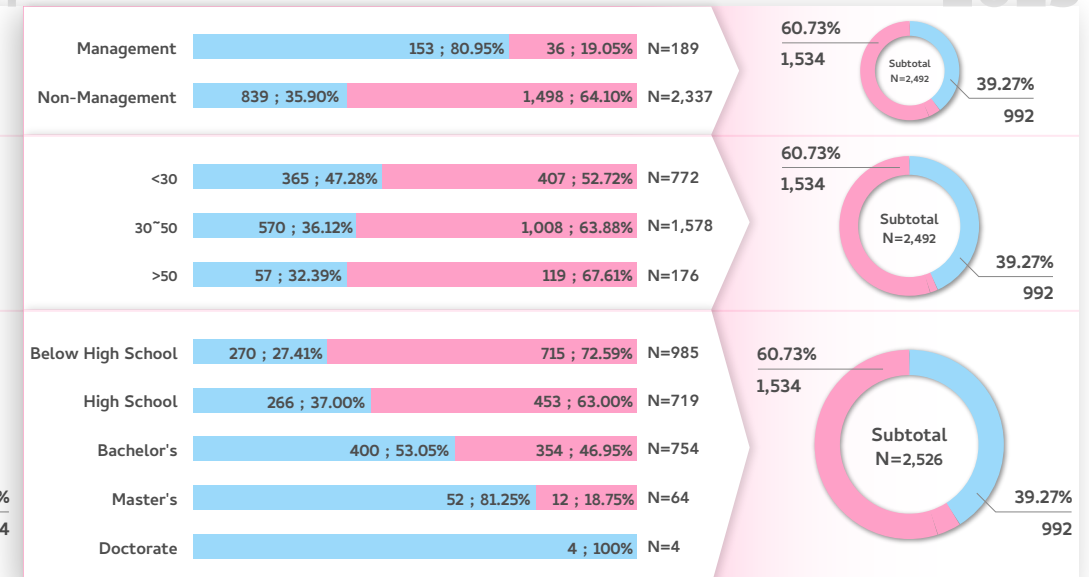
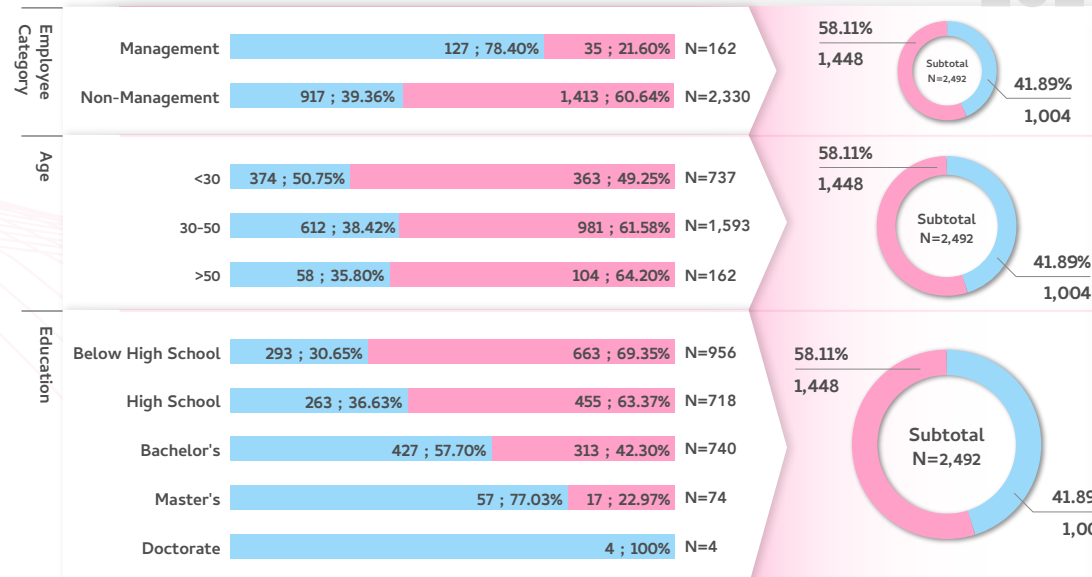
There were no significant fluctuations in the total number of employees during the reporting period or when compared to the previous period. As of December 31, 2024, in addition to its 2,492 employees, Jarlllytec also had 65 non-employee workers performing duties (e.g., on-site contractors, security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

Workforce Structure

● Male ● Female

Unit | Employees ; %

N | Employees Subtotal

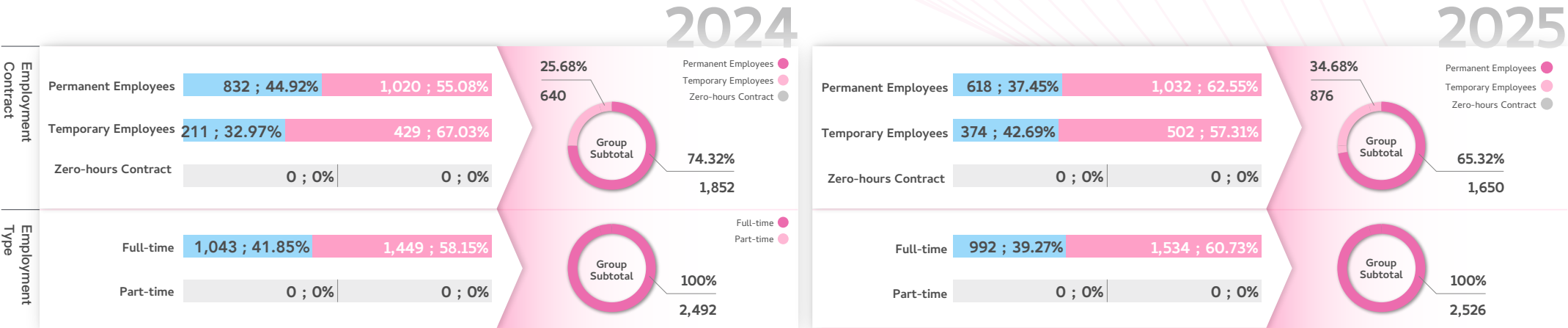


Categorized by Gender

Categorized by gender

Male Female
Unit | Employees ; %

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



Employee Diversity and Inclusion

			2023		2024		2025	
			Employees	Percentage	Employees	Percentage	Employees	Percentage
Indigenous People	Male	<30 years old	79	3.42%	38	1.50%	47	1.86%
		30-50 years old	71	3.07%	13	0.50%	47	1.86%
		>50 years old	2	0.09%	0	0.00%	1	0.04%
	Female	<30 years old	71	3.07%	59	2.40%	25	0.99%
		30-50 years old	150	6.49%	32	1.30%	51	2.02%
		>50 years old	8	0.35%	2	0.10%	6	0.24%
People with Disabilities	Male	<30 years old	10	0.43%	6	0.20%	3	0.12%
		30-50 years old	12	0.52%	6	0.20%	16	0.63%
		>50 years old	2	0.09%	0	0.00%	0	0.00%
	Female	<30 years old	1	0.04%	1	0.00%	5	0.20%
		30-50 years old	11	0.48%	5	0.20%	15	0.59%
		>50 years old	0	0.00%	0	0.00%	0	0.00%
Subtotal			417	18.05%	162	6.50%	216	8.55%

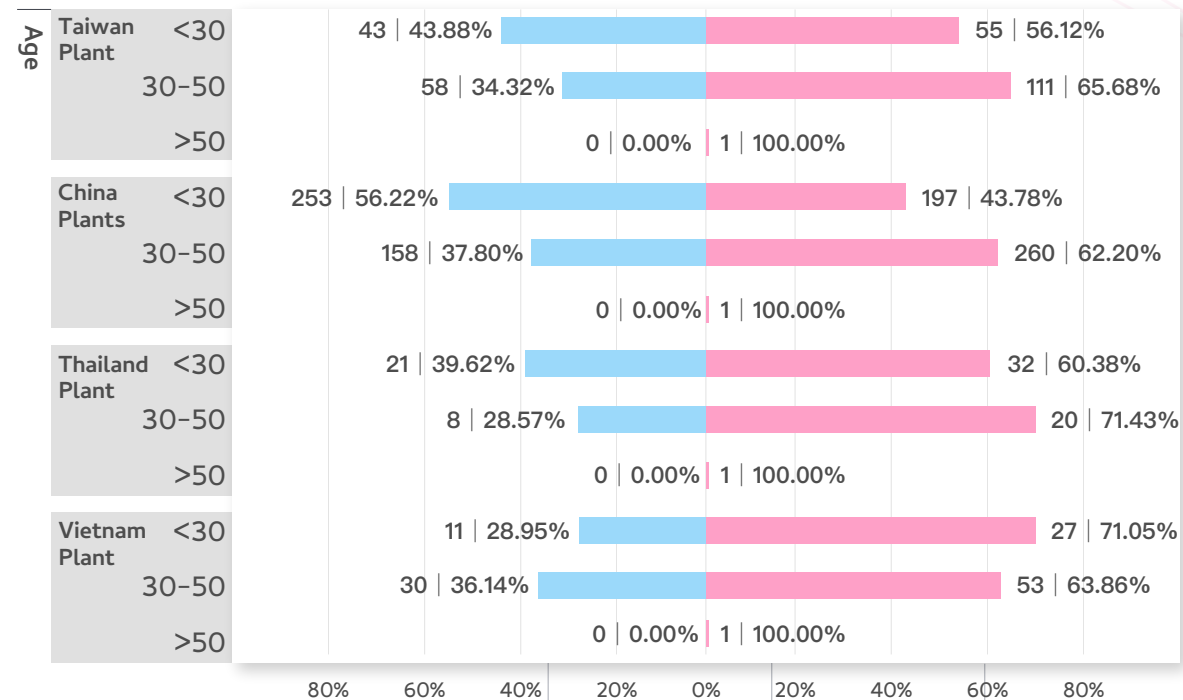
Note 1. Percentages are rounded to two decimal places.
2. The statistical scope covers the total number of employees across Jarlytec's Taiwan, China, and Southeast Asia facilities.

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.

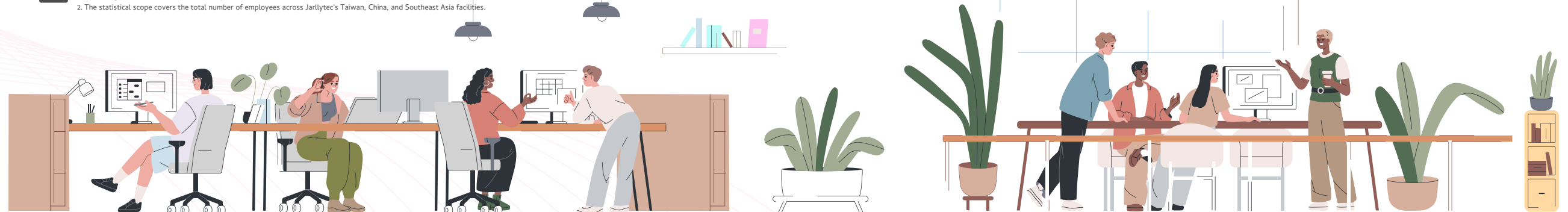
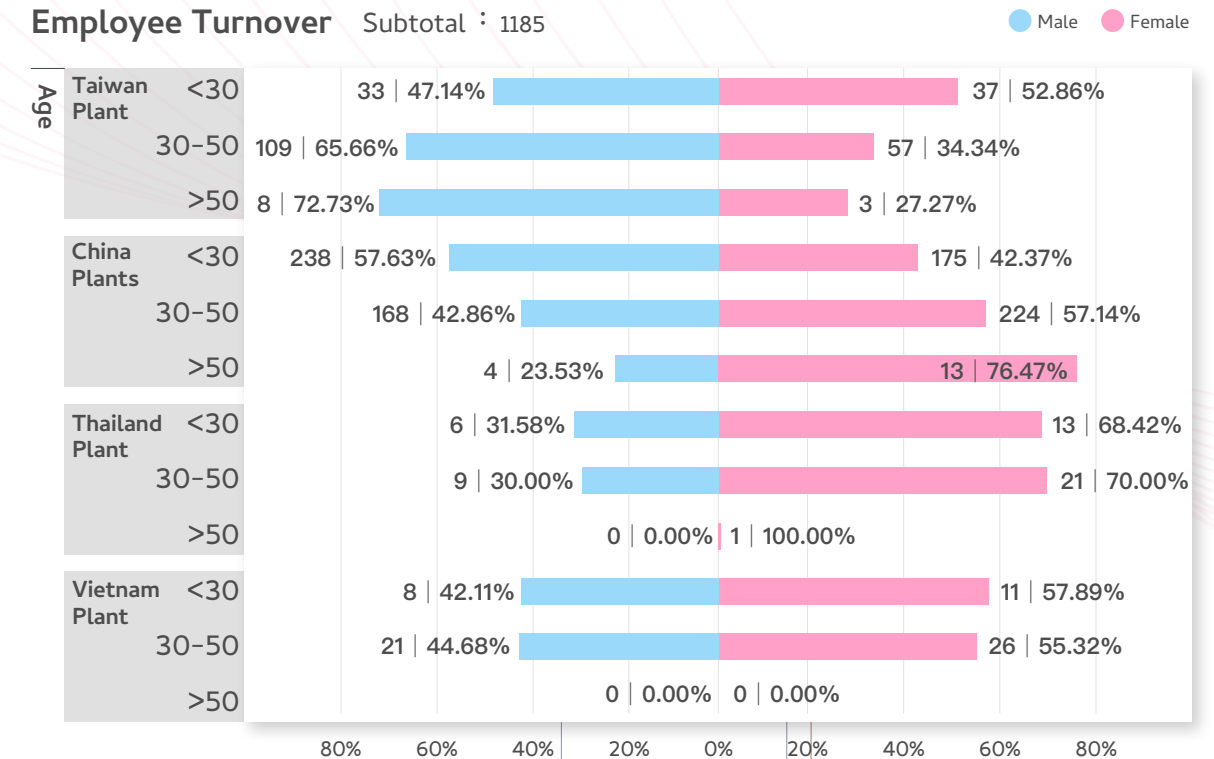
New Hires Subtotal : 1341



Note

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

Employee Turnover Subtotal : 1185



5.1.2 Talent Management

Employee Training and Development Plan

In alignment with its operational strategies and talent sustainability goals, Jarllytec formulates an annual "Employee Training and Development Plan." Centered on enhancing employee career capabilities and overall organizational competitiveness, the company has constructed a diversified, systematic training framework based on corporate governance, professional competency, and sustainable development needs.

The training plan encompasses eight major categories—including Quality Management, Business Ethics, Data Privacy and Human Rights, Information Security, ESG Sustainability, Leadership Development, Product Safety, and General Education—tailored to different job levels and professional attributes, as detailed in the table below:

Training Category	Description	
 Quality Management and Continuous Improvement	Target	Strengthen quality control capabilities and process optimization to enhance operational stability and efficiency.
	Audience	Engineering, manufacturing, and quality assurance personnel.
	Focus Areas	Quality processes, improvement tools, testing methodologies, and process control.
 Business Ethics and Integrity Management	Target	Build a corporate culture of integrity and compliance awareness to mitigate governance risks.
	Audience	All employees and management.
	Focus Areas	Corporate governance, anti-corruption, internal control systems, and regulatory compliance.
 Data Privacy and Human Rights Protection	Target	Safeguard employee rights and personal data security while implementing human rights policies.
	Audience	Engineering, manufacturing, and quality assurance personnel.
	Focus Areas	Quality processes, improvement tools, testing methodologies, and process control.
 Information Security and Security Governance	Target	Enhance information security protection capabilities and organizational risk resilience.
	Audience	All employees, IT personnel, and designated responsible personnel.
	Focus Areas	Information security policies, access control, system protection, and risk management.
 ESG & Sustainable Development	Target	Deepen sustainability awareness and promote corporate responsibility and low-carbon transition.
	Audience	All employees and designated sustainability personnel.
	Focus Areas	Environmental management, carbon footprint accounting, energy conservation and carbon reduction, and supply chain responsibility.
 Leadership Capabilities and Talent Development	Target	Build a solid management pipeline and talent succession system.
	Audience	Managers at all levels and management trainees.
	Focus Areas	Leadership and management, team management, performance development, and recruitment and talent cultivation.
 Product Safety and Technical Knowledge Transfer	Target	Ensure product quality and safety while maintaining core technical competitiveness.
	Audience	R&D, engineering, and technical personnel.
	Focus Areas	Design technology, process engineering, equipment operation, and core engineering capabilities.
 On-the-Job Continuing Education and General Knowledge	Target	Promote cross-functional learning and organizational collaboration capabilities.
	Audience	All employees.
	Focus Areas	Policy orientation, general skills, cross-departmental knowledge, and workplace literacy.

Quantitative Investments and Implementation Status of Training Plans

2025 Overall Training Investment & Results:
Total Training Attendance: 34,853 participant-times / Total Training Hours: 33,174.5 hours

Through systematic training classification and quantitative performance management, the company continuously strengthens employees' professional capabilities, governance literacy, and momentum for sustainable development, serving as an important foundation for talent development strategies and the continuous optimization of training programs.

Training Category	Job Position	 Total Training Attendance	 Total Training Hours
 Quality Management and Continuous Improvement	Management	376	580.5
	Non-management	7,479	6,786
 Business Ethics and Integrity Management	Management	173	185
	Non-management	1,407	2,084.5
 Data Privacy and Human Rights Protection	Management	331	305
	Non-management	9,428	6,730
 Information Security and Security Governance	Management	85	111.5
	Non-management	1,292	1,434
 ESG & Sustainable Development	Management	244	252.5
	Non-management	8,704	6,276.5
 Leadership Capabilities and Talent Development	Management	32	75.5
	Non-management	320	346.5
 Product Safety and Technical Knowledge Transfer	Management	413	740.5
	Non-management	2,093	2,349.5
 On-the-Job Continuing Education and General Knowledge	Management	33	199
	Non-management	2,443	4,718
Total		34,853	33,174.5

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 2025, 2,526 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 2025, aiming to help employees and managers align on work objectives and key results, thereby improving corporate competitiveness.

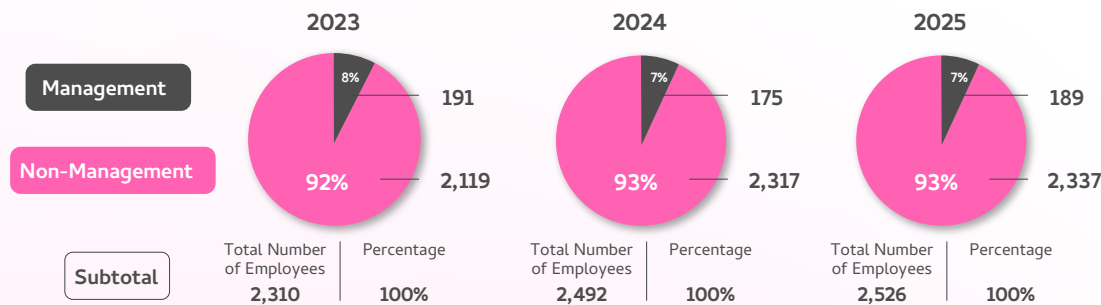
Employee Satisfaction

Jarlllytec recognizes that employee feedback drives continuous progress. We foster a transparent, two-way communication culture through annual employee satisfaction surveys, using the results to optimize labor relations, working conditions, and management practices.

Spearheaded by Corporate HR, the annual survey covers all regular staff—both local and foreign. It evaluates seven core areas: business ethics, workplace environment, human rights protection, leadership, career development, performance & rewards, and sustainable development.

In November 2025, the survey achieved an 87% response rate and an overall satisfaction score of 95 out of 100, demonstrating strong employee recognition of our workplace culture and talent strategies. The highest-rated areas were Human Rights & Sustainability Policies, Career Development & Empowerment, and Two-Way Management Communication, highlighting solid organizational trust.

To drive continuous improvement, HR is prioritizing the refinement of the performance evaluation system. Key actions include tightening the alignment between performance results, compensation, and promotions, alongside mandatory performance interview training for managers to ensure objective evaluations and fair system execution company-wide.



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.

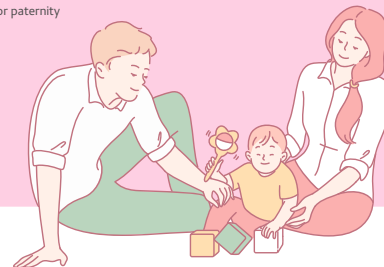
In 2025, the application rate for parental leave among eligible employees was 92%, and the return-to-work rate was 67%. Furthermore, the retention rate for employees who returned from parental leave and remained with the Company for at least one year in 2025 was 88%. These figures demonstrate Jarlllytec's commitment to supporting employee families and fostering a positive, family-friendly work environment.

2025 Parental Leave Statistics Table

Categories	Female	Male	Subtotal
Number of Eligible Applicants in 2025	8	17	25
Number of Actual Applicants in 2025	6	17	23
Parental Leave Application Rate in 2025	75%	100%	92%
Number of Employees Awaiting Reinstatement in 2025	1	8	9
Number of Reinstated Employees in 2025	1	5	6
Reinstatement Rate in 2024	100%	63%	67%
Number of Reinstated Employees in 2024	2	6	8
Number of Employees Reinstated for a Full Year by 2025	2	5	7
Parental Leave Retention Rate in 2025	100%	83%	88%

Note

- "Eligible applicants in 2025" refers to the total count of male and female employees who applied for maternity or paternity leave in 2024.
- 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

Guided by corporate social responsibility and sustainable business principles, the company is committed to respecting and safeguarding human rights, avoiding human rights infringements, and mitigating adverse impacts on stakeholders resulting from operational activities. The Human Rights Policy is formulated with reference to international standards, including the UN Universal Declaration of Human Rights (UDHR), UN Guiding Principles on Business and Human Rights (UNGPs), ILO Core Conventions, and the Responsible Business Alliance (RBA) Code of Conduct. It applies to all employees across the company and its subsidiaries, while requiring suppliers to adhere to equivalent standards.Approved by the Board of Directors, the policy is coordinated and implemented by the ESG Sustainability Committee, with progress reported regularly to the Board.

Human Rights Due Diligence Mechanism

The company has established a five-step human rights due diligence mechanism to regularly identify, assess, and manage human rights risks:



2025 Material Human Rights Issues and Management Actions

Through assessment, the material human rights issues for 2025 include Occupational Safety and Health, Working Hours and Overtime Management, Resource Recycling and Waste Reduction, Business Ethics Education, and Supply Chain Human Rights Management. Key management measures include:

Specific Actions :

1. Occupational Safety and Health: Established an OHS management system, conducted quarterly safety briefings and training, and continuously reviewed occupational accident risks and improvement outcomes.
2. Working Hours and Overtime Management: Implemented working hour controls and overtime approval processes in compliance with labor laws to prevent excessive overtime.
3. Resource Recycling and Waste Reduction: Promoted quarterly recycling events and environmental education to enhance employee environmental awareness.
4. Business Ethics Education: Conducted annual integrity and ethics training to strengthen legal compliance and corporate ethics.
5. Supply Chain Human Rights Management: Audited major suppliers annually to ensure compliance with human rights and labor standards, tracking improvement progress.

These issues have been integrated into the company's risk management framework and are reported regularly to the Board of Directors to ensure effective implementation.

Grievance and Remediation Mechanism

The company has established internal and external stakeholder grievance channels (including employee grievance hotlines and email inboxes) to ensure that cases are handled confidentially, objectively, and promptly.

If an investigation confirms a human rights violation, corrective and remedial actions will be taken according to company regulations. These measures include improving working conditions, providing necessary support, or applying disciplinary actions, with follow-up tracking to ensure resolution.

Linkage to Operational Risks

Human rights issues are integrated into the overall risk management structure and operational risk management systems. Material human rights risks are reported regularly to the Board of Directors, ensuring that management measures align with long-term operational strategies and sustainable development goals.

Jarlllytec rigorously enforces supplier management. In 2025, no instances of child labor occurred. Suppliers are required to comply with or exceed local labor regulations, establish safe and healthy working environments, refrain from employing child labor, ensure compensation complies with all applicable wage laws, and maintain open recruitment and hiring to guarantee equal opportunities for promotion and training for all employees.

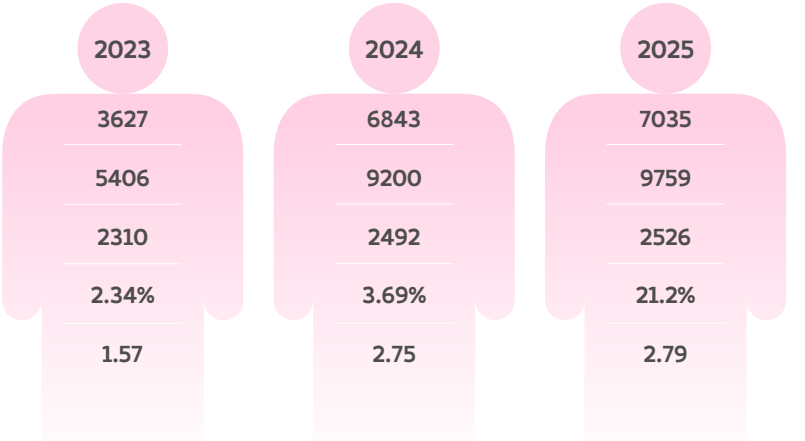
Jarlllytec adheres to human rights management standards, including the prohibition of forced labor. In 2025, no operational sites or suppliers were identified as having significant risks of forced or compulsory labor events, and no incidents involving the violation of Indigenous rights occurred. For full details of the Human Rights Policy, please visit the "ESG Sustainability Section" on the company website.

In 2025, Jarlllytec conducted human rights protection-related training for its employees, totaling 7,035 hours, with 9,757 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.



5.2 Health and Safety

5.2.1 Safe Workplace
Occupational Health and Safety Management System

Jarlllytec regards employee safety and health as the primary responsibility of corporate operations. Beyond pursuing zero accidents, the company is committed to cultivating a culture of proactive safety prevention.

The company strictly complies with ISO 45001:2018 international standards and local Occupational Health and Safety Management Regulations across all sites, establishing a group-wide OHS management system. Through the PDCA (Plan-Do-Check-Act) cycle, risk control is integrated into daily operations.

Certification Scope: 100% of all group manufacturing sites (including Taiwan, China [Shanghai, Kunshan, Fuqing, Chongqing, Xiamen, Zhejiang], and Southeast Asia [Vietnam, Thailand plants]) have obtained ISO 45001 certification.

Coverage: Beyond all regular employees, contractors and subcontractors are integrated into the joint management framework, ensuring that all workers entering company premises receive safety protections under the same high standards.

Statistics on OHS Management System Coverage	2024	2025
Number of Company Employees	2,272	2,528
Number of Workers (Non-Company Employees)	104	291
Number of Employees and Workers Covered by the OHS Management System	2,298	2,802
Percentage of Employees and Workers Covered by the OHS Management System	96.7%	99.4%
Number of Employees and Workers Audited Internally	2,176	2,593
Percentage of Employees and Workers Audited Internally	94.7%	92.5%
Number of Employees and Workers Audited by External Organizations	1,984	2,341
Percentage of Employees and Workers Audited by External Organizations	86.3%	83.5%



Worker Participation and Safety Decision-Making Mechanism

Jarlllytec firmly believes that “full worker participation” is the key to successful occupational health and safety (OHS). Each operating site has established an independent Occupational Health and Safety Committee in accordance with local regulations, serving as the core platform for labor-management communication and safety decision-making.

Leadership Guidance and Worker Participation (Group-wide Overview)

Jarlllytec demonstrates top management’s commitment to occupational safety. All operating sites across the group have established Occupational Health and Safety Committees led directly by the highest executive at each site. To ensure full worker participation, the company guarantees that worker representatives possess substantive oversight and participation rights within the OHS Committee.

Operating Site	Year Established	OHS Committee Members	Worker Representative Ratio	Meeting Frequency
Taiwan Site (Parent Company)	1992	24	54.1%	Quarterly
Shanghai Plant	2002	26	57.7%	Quarterly
Chongqing Plant	2012	10	50.0%	Quarterly
Kunshan Plant	2017	8	50.0%	Quarterly
Zhejiang Plant	2023	11	45.4%	Quarterly
Fuqing Plant	2004	11	45.4%	Quarterly
Xiamen Plant	2010	7	42.8%	Quarterly
Vietnam Plant	2021	21	52.4%	Quarterly
Thailand Plant	2024	7	42.8%	Quarterly

Diversified Communication and Grievance Channels

Immediate and transparent response mechanisms are established to ensure that safety concerns are resolved promptly :

Committee Proposals	Employees can raise concerns or suggestions through elected worker representatives, which are formally reviewed and coordinated during quarterly meetings.
Communication Contacts	Dedicated email addresses and consultation hotlines are available for employees (including contractors) to report potential safety hazards at any time.
Handling Mechanism	Upon receiving an issue, an immediate investigation and response are initiated. Key matters are integrated into committee tracking to complete the closure loop, driving continuous improvement through the PDCA cycle.

5.2.2 Hazard Identification, Risk Assessment, and Incident Investigation

Upholding the principle that prevention is better than cure, Jarllytec has established a systematic risk prevention framework in accordance with the Hazard Identification and Risk Assessment Control Procedure. Through semi-quantitative evaluations, the company ensures that potential threats across all operational activities are effectively controlled.

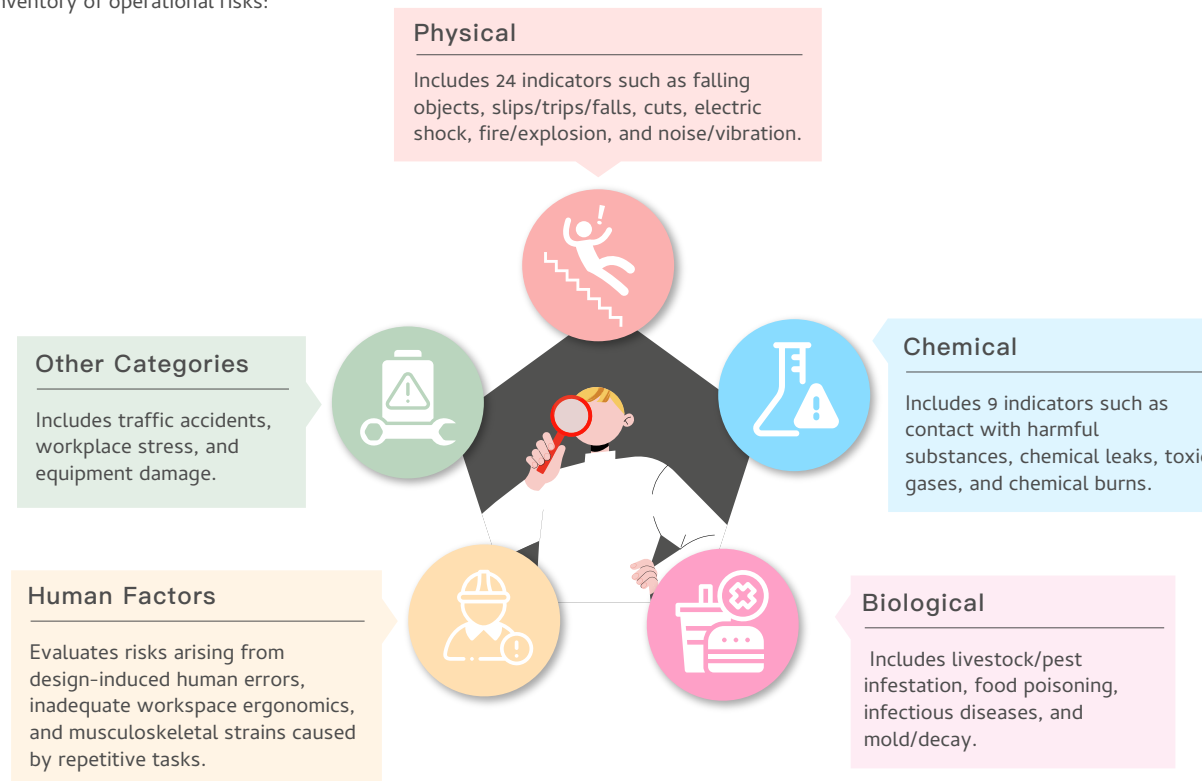


Risk Identification Policy and Scope

The company conducts comprehensive annual hazard identifications, with ad-hoc re-evaluations triggered during process changes, the introduction of new equipment, or the occurrence of industrial accidents. The scope covers routine operations, non-routine activities, and all individuals entering company premises (including suppliers, contractors, and visitors).

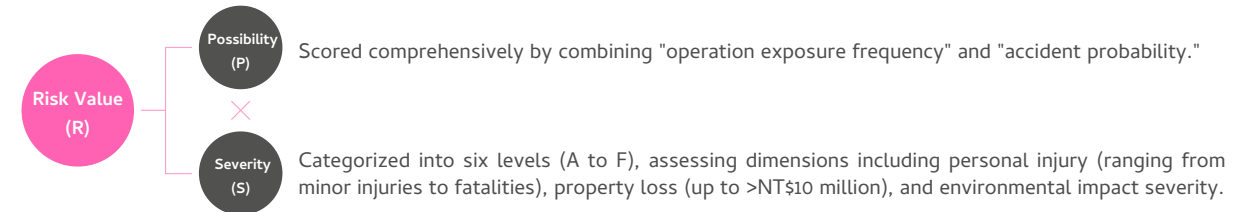
Hazard Identification Classification Framework:

Referencing the internal "Accident Code Table," potential hazards are categorized into five primary classes to ensure an exhaustive inventory of operational risks:



Risk Assessment Logic: Risk Matrix Method

The company employs a risk matrix for quantitative evaluation, defining risk as the product of "Possibility" and "Severity." The evaluation metrics and decision criteria are as follows:



Risk Level Determination and Control Principles:

Risk Level	Severity Degree	Management & Control Principles
1 – 2	Unacceptable Risk	Classified as a major risk. Reviewed by the EHS Executive Committee, with budget prioritized to implement improvement "Management Plans."
3 – 4	Medium-High / Medium Risk	Classified as a temporarily acceptable risk. Existing controls must be maintained, and unit managers are required to include these areas in key inspection routines.
5 – 6	Low Risk	Classified as an acceptable risk. Existing protective measures are maintained and integrated into daily operational management.

Major Risk Mitigation and Hierarchy of Controls Principles

Through the aforementioned screening procedure, Jarllytec currently identifies fire safety and chemical hazards as the group-wide major risks. For all unacceptable risks, the company strictly follows the priority order of the Hierarchy of Controls to execute risk mitigation:

Elimination, Substitution, Engineering Controls, Administrative Controls, and Personal Protective Equipment (PPE)

Major Risk	Core Preventive Measures and Drills	Legal Basis and Frequency
Fire Safety	Inspection of fire protection facilities, along with regular emergency evacuation drills and first-aid education and training.	Group-wide: Fire drills executed semi-annually.
Chemical Hazards	SDS inventory, equip anti-spill pallets and PPE, and conduct hands-on emergency response drills for chemical leaks.	Taiwan / Thailand: Drills executed semi-annually; China / Vietnam: Drills executed annually, ensuring employees possess the right to refuse hazardous work and the capability to assess risks.



5.2.3 Accident investigation, notification, and protection of employee rights

The company has established a transparent and non-disciplinary communication mechanism to encourage colleagues to proactively report potential hazards. When an incident occurs, we employ a systematic investigation procedure, not only to clarify responsibility but also to prevent recurrence and implement the PDCA (Plan-Do-Check-Act) principle for continuous improvement.

Standard Operating Procedure for Occupational Accident Investigation

In accordance with the company's Accident Investigation Control Procedure, all occupational accidents must strictly adhere to the following seven standardized steps:



Employee Communication, Participation, and Rights Protection

Jarlllytec deeply believes that active employee participation is key to risk prevention. Therefore, our institutional framework explicitly guarantees the following protective mechanisms to ensure every colleague receives due protection:

- 1.Non-Retaliation Commitment:** In accordance with the company's Accident Investigation Control Procedure, when an employee proactively reports hazards, unsafe environments, or dangerous conditions to worker representatives, the employer, or regulatory authorities, the company commits to not imposing dismissal, reassignment, or any other unfavorable treatment.
- 2.Right to Refuse Hazardous Work (Right of Retreat):** In accordance with the Emergency Response Control Procedure, when workers face unsafe environments or behaviors and judge that immediate danger exists, they possess the right to leave the site immediately and report to the responsible unit. Following the incident, the company will convene a meeting to review and implement improvements, without subjecting employees who exercise this right of retreat to any punishment.
- 3.Diversified Grievance Channels:** In accordance with the Communication Management Procedure, colleagues may submit OHS-related suggestions or grievances at any time via the dedicated OSH email address or consultation hotline. Relevant topics will be reviewed and tracked through the quarterly Occupational Health and Safety Committee meetings to ensure employee feedback receives substantive responses.

Employee Health and Medical Care

Jarlllytec deeply understands that employee health is the cornerstone of corporate sustainability. Moving beyond simple compliance with statutory health checkups, the company establishes a comprehensive health protection network through on-site service by professional medical personnel and personal data protection mechanisms.

1. Health Checkup Program

Jarlllytec has established the Health Checkup Management Procedure, aiming to prevent occupational diseases and reduce labor disputes. All health checkup expenses are fully covered by the company (including pre-employment physical exams and regular periodic health checkups for existing employees), ensuring colleagues can understand their health status without any financial burden.

General health checkup frequencies are implemented regularly for active employees in accordance with Article 17 of the Regulations on Labor Health Protection, as follows

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

Special Health Checkups (Operations Involving Special Hazards)

In accordance with the Occupational Safety and Health Act and its relevant enforcement rules, personnel engaged in operations involving special health hazards—such as operating ionizing radiation equipment (XRF)—undergo special health checkups once a year.

Taiwan Plants

The company applies annually for occupational disease prevention health checkup subsidies from the Bureau of Labor Insurance, while all costs for initial checkups for new hires or job transfers are fully borne by the company.

Overseas Plants

Plants in China, Vietnam, and Thailand strictly comply with local regulations, conducting annual special health checkups for employees in designated positions exposed to noise, dust, or chemicals.

2. Medical Resources and On-Site Services

Jarlllytec strictly complies with the requirements of Taiwan's Regulations on Labor Health Protection, implementing on-site healthcare services across Taiwan plants to effectively turn health checkup data into actionable health management measures:

Regulatory Compliance in Staffing

In accordance with legal regulations, dedicated occupational health nurses are hired, and external occupational health physicians and occupational medicine specialists are appointed to conduct regular monthly on-site services.

Health Tier Management

Nursing staff review health checkup reports in accordance with regulations and implement tiered management for abnormal indicators. Physicians conduct interviews and health guidance for high-risk individuals, evaluating and recommending adjustments to work content when necessary to ensure employee health is not impaired by work.

Targeted Care for Specific Groups

For middle-aged and older employees or those performing specific tasks, health checkups are conducted based on designated items announced by the Ministry of Labor to enhance the depth of preventive medicine.

3. Retention of Health Records and Privacy Protection

Jarlllytec strictly protects employees' personal medical information. Health checkup records at Taiwan plants are stored in the medical room and protected under the Medical Care Act and the Personal Data Protection Act, ensuring they are never used for performance appraisals or any action unfavorable to employees. Record retention periods strictly comply with the highest standards of Taiwanese regulations:

General Health Checkup Records	Special Hazard Health Checkup Records	Specific Items (e.g., Ionizing Radiation Operations)
Retained for 7 years.	Retained for 10 years.	Permanently retained or kept for at least 30 years in accordance with regulations.

Occupational Health and Safety Worker Training

Jarlllytec deeply believes that employee safety awareness is the primary defense in corporate safety management. In accordance with the Education and Training Control Procedure, we have established a training system led by headquarters and collaborated with overseas plants, ensuring that every worker possesses the capability to identify hazards and respond to emergency situations.

Comprehensive Health and Safety Training System01	Jarlllytec initiates complete safety and health education for workers across all global sites right from onboarding. The training content not only complies with local regulations but also integrates practical operations: • New Employee Training: Taiwan Plants: Provides 6 hours of complete training as required by law, covering working environment overviews, descriptions of job duties, OHS rights and obligations, and emergency response procedures. Overseas Sites: Plants in China, Thailand, and Vietnam implement new-hire education in compliance with local laws, with training hours ranging from 2 to 8 hours, ensuring colleagues possess basic protection awareness prior to taking up their posts. • In-Service Training: Regular professional skill, equipment operation, and safety awareness programs are planned by each department. Through periodic evaluations, employees are ensured to effectively judge and correctly handle emergency situations when they arise.
Group-Wide Governance: Headquarters Cross-Plant Supervisory Training02	To ensure consistency in OHS management standards across all global locations, Taiwan headquarters regularly conducts cross-regional competency enhancement for overseas plants: • Quarterly Specialized Training: The headquarters' professional EHS team conducts quarterly remote training sessions for overseas plants. Content includes the latest OHS trends, promotion of group safety policies, and analysis of major incident case studies, realizing parent company safety governance and technical support for subsidiaries.
Specialized Training for Core Management Functions03	To deepen the implementation of the ISO 45001 management system, we provide advanced training specifically targeting key roles: • Internal Auditor Training: In-depth training covering ISO 45001 clauses and auditing techniques. Trainees must complete over 6 hours of internal training and pass the assessment before being authorized to execute cross-audits.
External Training Subsidies and Knowledge Transfer04	Jarlllytec encourages employees to pursue professional growth, offering a complete subsidy system for professional certifications or external courses required for their roles. Employees who complete training are required to share their professional knowledge with fellow workers, translating individual learning into organizational assets.

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

The Shanghai and Chongqing plants actively promote employee welfare by regularly organizing a wide range of teambuilding activities, including outdoor outings, sports competitions, and festive gatherings. By fostering cross-departmental social interaction, these initiatives establish a positive peer support system that effectively relieves workplace stress and strengthens team cohesion. Furthermore, by integrating regular exercise and healthy lifestyle habits into leisure time, Jarlllytec aims to enhance employees' career happiness and overall work performance.



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.



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.



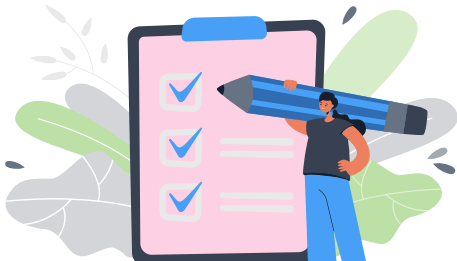
Top Honors for 2025 Occupational Health & Safety Excellence

Jarlllytec has been recognized by the Occupational Safety and Health Administration (OSHA) for its outstanding disclosure of occupational health and safety performance within its Sustainability Report. In the category for companies with a capital of under NT\$2 billion, Jarlllytec was ranked among the top 10% leading enterprises and was duly presented with an award certificate by the OSHA.



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.

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

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
2025	Number of Occupational Injury Cases		
	Male 0	Female 1	Subtotal 1
Total Hours Worked			
	Male 1,813,804	Female 2,474,400	Subtotal 2,474,400
Total Days Lost Due to Injury	Female 32		Subtotal 32
Lost Time Injury Frequency Rate (LTIFR)	Female 0.40		Subtotal 0.23
Lost Time Injury Severity Rate (LTISR) (%)	Female 12.93		Subtotal 7.46
Number of Recordable Occupational Injuries	Female 1		Subtotal 1
Recordable Occupational Injury Rate	Female 0.40		Subtotal 0.23

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 Casesx106)/(Total Hours Worked.) Rounded to two decimal places. LTISR (excluding fatalities) = (Total Days Lost Due to Occupational Injuryx 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.

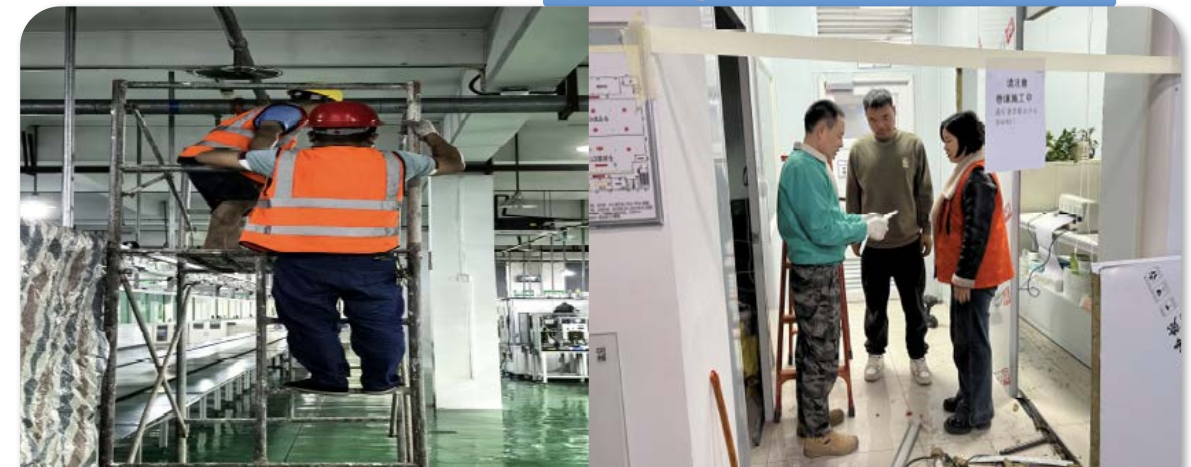
Chemical Spill Emergency Response Training



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 Jarllytec Purchases Sheltered Workshop Goods to Spread Warmth Across Society

Jarllytec has always upheld the core value of corporate social responsibility, committing itself to contributing to society through concrete actions that care for vulnerable groups and promote sustainable development. The company actively seeks out and collaborates with charitable organizations in the Greater Taipei area and local industrial parks, aiming to create a long-term positive impact on society.

Supporting Self-Reliance, Lighting Up Hope

In 2025, Jarllytec was honored to donate NT\$190,000 to the Sunshine Social Welfare Foundation to support physical and psychological rehabilitation services for facial injury and burn survivors. Through this support, we hope to accompany survivors on their journey to regain confidence, laying a solid foundation for their rehabilitation and reintegration into society.

Promoting Vocational Empowerment, Assisting Career Development

Jarllytec actively responded to charity product purchasing initiatives, taking concrete steps to support vocational training and employment opportunities for individuals with disabilities, with total procurement reaching NT\$86,712. Partners for this initiative included the Down Syndrome Foundation ROC (ABRAZO Sheltered Workshop) and the Autistic Children Social Welfare Foundation (LOHAS Workshop). By purchasing high-quality sheltered products, we aim to help these special friends realize their potential and enhance their capacity for social self-reliance, ensuring that every purchase is transformed into a force supporting their stable employment.

Jarllytec deeply believes that corporate success is inextricably linked to giving back to society. Moving forward, Jarllytec will continue to drive sustainable development principles, actively participate in various public welfare activities, care for vulnerable groups, and fulfill its responsibilities as a corporate citizen. We believe that through continuous effort and care, we can bring greater change to society and join hands to create a better future.

Donating Organization
Down Syndrome Foundation
ROC – ABRAZO
Sheltered Workshop
Taipei Autism Children
Welfare Foundation

Donation Item
Charitable Product Purchases

Total Amount (NTD)

\$ 86,712

Donating Organization
Sunshune Social
Welfare Foundation

Donation Item
Donations

Total Amount (NTD)

\$ 190,000



6.2 Jarllytec Partners with the Andrew Food Bank to Spread Positive Energy in Society

In 2025, Jarllytec's volunteer team actively responded to the Andrew Food Bank's "Food Bank Program" by participating in the packing of infant and toddler supply boxes, translating corporate commitment into concrete actions that support United Nations Sustainable Development Goals SDG 2 (Zero Hunger) and SDG 10 (Reduced Inequalities).

Through hands-on experience and precise sorting, employees accurately delivered essential supplies tailored to the nutritional needs of vulnerable families, growing children, and elderly individuals. This effort not only effectively alleviated resource scarcity among vulnerable groups but also transformed corporate social responsibility into voluntary employee action, deepening internal civic awareness and a sense of social mission. Looking forward, Jarllytec will continue to strengthen strategic partnerships with charitable organizations, invest resources to optimize social resource distribution mechanisms, and leverage corporate influence to contribute long-term effort toward building a warm, inclusive, and sustainable society.





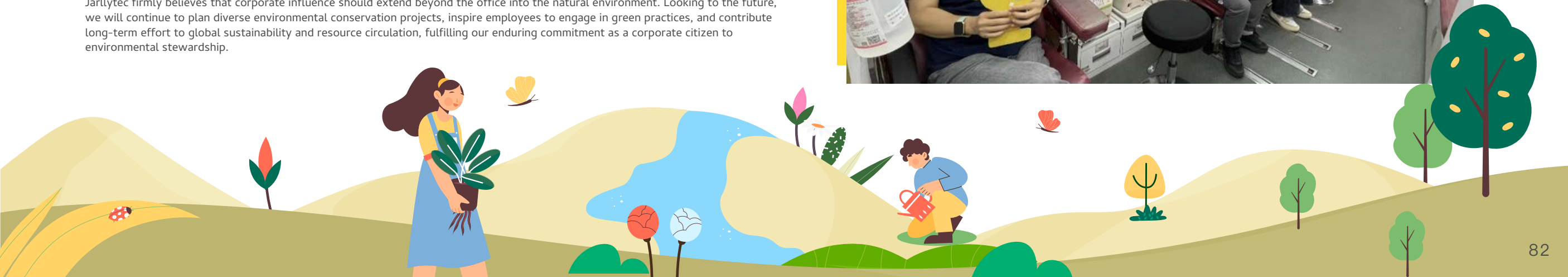
6.3 Partnering to Safeguard Forests: Implementing Ecological Conservation Actions

Jarllytec has always viewed environmental stewardship as a core pillar of corporate sustainability. On May 15, 2025, Jarllytec partnered with the North Coast and Guanyin Mountain National Scenic Area Administration under the Tourism Administration, Ministry of Transportation and Communications, to organize a "Mountain Clean-up Volunteer Activity." Through this initiative, the company rallied environmentally passionate employees to venture deep into the mountains and clean up man-made waste along the trails, taking concrete action to protect natural habitats, preserve biodiversity, and directly respond to United Nations Sustainable Development Goal SDG 15 (Life on Land). During the professional guided tour and clean-up process, the 16 participating employees not only connected with nature through their senses but also gained a deep understanding of the impact of human development on ecosystems through their labor, thereby strengthening internal environmental protection awareness and sustainability values. Jarllytec firmly believes that corporate influence should extend beyond the office into the natural environment. Looking to the future, we will continue to plan diverse environmental conservation projects, inspire employees to engage in green practices, and contribute long-term effort to global sustainability and resource circulation, fulfilling our enduring commitment as a corporate citizen to environmental stewardship.

6.4 Blood Donation: Jarllytec Safeguards Lives with Action

In 2025, upholding a deep sense of mission toward public health, Jarllytec initiated two rounds of "Spreading Love Through Blood Donation" events at its corporate headquarters on June 24 and November 26 in response to urgent blood bank shortages. This initiative served as a concrete response to United Nations Sustainable Development Goal SDG 3 (Good Health and Well-Being).

During the events, professional medical teams ensured a safe and hygienic blood collection environment, while digital gift vouchers were issued to reward participating employees, successfully aligning the initiative with "digitalized" and "paperless" sustainability principles. Thanks to enthusiastic employee participation, the company successfully collected a cumulative total of 233 bags of high-quality whole blood for the year, providing vital support to the local healthcare system. Jarllytec firmly believes that corporate success and social responsibility must complement each other. Moving forward, the company will continue to deepen its culture of giving back through regular community service and donations, injecting steady support into the public health system and partnering with employees to co-create a warm and resilient society.



6.5 Local Co-Prosperity: Thailand Plant Launches Resilient Procurement to Protect Flood-Affected Agricultural Communities

In 2025, severe flooding struck northern Thailand, significantly impacting the agricultural communities neighboring Jarllytec's Thailand plant and leaving large quantities of agricultural produce unsold. Upholding a spirit of local care, Jarllytec actively launched an emergency procurement mechanism, purchasing a batch of high-quality watermelons directly from affected farmers and incorporating them into employee lunches at the plant. This initiative not only effectively mitigated the economic losses of local farmers but also served as a concrete response to United Nations Sustainable Development Goals SDG 2 (Zero Hunger) and SDG 11 (Sustainable Cities and Communities), establishing a circular system of mutual support and co-prosperity between the company and the local community. Through these actions, Jarllytec successfully transformed corporate social responsibility into tangible care on its employees' dining tables, deepening staff alignment with core CSR values and demonstrating a long-term commitment to coexisting and thriving alongside the local community.



6.7 Festive Care: Spreading Warmth to Local Seniors

Jarllytec has long paid close attention to the issues of an aging society, committing itself to providing tangible support and warmth to community elders. During the 2025 Dragon Boat Festival, the company launched the "Rice Dumpling Expressing Care" donation campaign, donating a total of 204 rice dumplings to the Huashan Social Welfare Foundation.

Through collaboration with the Huashan Foundation, these seasonal gifts were accurately delivered to elderly individuals in neighboring communities who are living alone, disabled, or suffering from dementia, ensuring they could feel the warmth and care of society during the festive season. This initiative serves as a concrete practice of United Nations Sustainable Development Goals SDG 3 (Good Health and Well-Being) and SDG 11 (Sustainable Cities and Communities). Jarllytec deeply believes that corporate growth is closely linked to local community welfare. Moving forward, we will continue to extend warmth to every corner of society through diverse public welfare initiatives, fulfilling our corporate citizenship responsibility to protect seniors and care for local communities.

6.6 Health and Charity: Supporting Children in Children's Homes to Pursue Their Dreams

On November 1, 2025, Jarllytec responded to the call of the "Miners' Son Education Foundation"—established for 22 years—by rallying employees to gather at Machangding Memorial Park to participate in the first-ever "Never Abandoning Orphans" Charity Run. Jarllytec has long focused on educational equity for disadvantaged children and youth, and a total of 61 employees enthusiastically joined this event, directly supporting the foundation in raising scholarship funds for youth in children's homes and displaced children across Taiwan. This initiative deeply integrated "employee health promotion" with "social resource mobilization." Through the concrete actions of the 61 participants, every step and drop of sweat was transformed into a driving force to help these youth pursue their dreams, directly realizing United Nations Sustainable Development Goals SDG 3 (Good Health and Well-Being) and SDG 4 (Quality Education). Jarllytec is dedicated to bridging the educational divide for disadvantaged students. Moving forward, the company will continue to engage in diverse charitable activities, leading all employees to protect marginalized corners of society, create a more equal learning environment for displaced children, and fulfill its commitment to co-prosperity between enterprise and society.



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		
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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
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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
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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. °	4.2 Climate Change Adaptation																								
	Financial Impact Analysis of Climate Change (Risks)																									
	<table><tr><th>Climate Change Risk</th><th>Time Horizon</th><th>Financial Impact</th><th>Response Measures</th></tr><tr><td>Typhoon</td><td>Short-term</td><td>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.</td><td> - Respond to typhoon impacts in accordance with the Company's emergency response guidelines. </td></tr><tr><td>Rising Average Temperature</td><td>Long-term</td><td> - 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. </td><td> - Conduct ongoing equipment maintenance and electricity usage monitoring to maintain a stable power supply. - Strengthen employee training on emergency response procedures for disasters. </td></tr><tr><td>Greenhouse Gas Emissions Cap, Carbon Tax, and Carbon Fees</td><td>Long-term</td><td>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.</td><td> - 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. </td></tr><tr><td>Changes in Customer Behavior</td><td>Long-term</td><td>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.</td><td> - 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. </td></tr><tr><td>Increasing Stakeholder Scrutiny and Negative Feedback</td><td>Long-term</td><td>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.</td><td> - Enhance green manufacturing and green innovation to improve the Company's green image. </td></tr></table>		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.
	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 quantifies the financial impacts of physical and transition risks from climate change based on the Shared Socioeconomic Pathways (SSP-RCP) scenarios in the IPCC Sixth Assessment Report (AR6).				-
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

Introduction	Sustainable Development	Corporate Governance	Product Innovation	Environmental Sustainability	Inclusive Workplace	Social Engagement	Appendix
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	Jarllytec 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	Jarllytec has set a climate-related goal to reduce carbon emissions by at least 2% 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 2025, Jarllytec conducted its greenhouse gas inventory in accordance with GHG Protocol, 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	769.6730	42.9030	AFNOR International	Conducting Greenhouse Gas Inventory in Accordance with GHG Protocol
Scope 2	Total Emissions (metric tons CO2e)			
Group-wide	8,591.5881			
Scope 3	Total Emissions (metric tons CO2e)			
Group-wide	394,160.23			
Total	403,521.4911			





兆利科技工業股份有限公司
JARLLYTEC CO., LTD.