ARBOR



CHAIR	MAN'S WORDS	3
ABOUT	THIS REPORT	5
9 0 D	REPORTING SCOPE AND DISCLOSURE BOUNDARIES	-
	REPORT WRITING AND REFERENCE GUIDELINES	
	SSUANCE	
	REPORT VERIFICATION AND DATA QUALITY MANAGEMENT	
	REPORT FEEDBACK	
	INABLE PERFORMANCE	
I.	SUSTAINABLE MANAGEMENT	
1.1	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	
1.2		
1.3		
1.4		
1.5	•	
	REGARDING ARBOR	
2.1		
2.2	,	
2.3	1	
2.3	•	
2.4	,	
2.5		
III.	INTEGRITY GOVERNANCE	
3.1		
3.2	G	
3.3	8	
3.4		
3.5		
3.6		
IV. 4.1	PRODUCT SERVICE	
4.1		
	Green Sustainability	
v. 5.1		
5.2		
5.3		
5.4	-	
5.5	***	

6.1 6.2 6.3	Human Rights Protection
6.3	Talant Attraction and Davelonment
	Tutem Auruction una Development
6.4	Occupational Safety and Health Management System
6.5	Community Care and Public Participation13
	X
` /	APPENDIX 2, SASB PREPARATION STANDARDS - TC-HW HARDWARE
(III)	APPENDIX 3: STANDARDS FOR DISCLOSURE OF SUSTAINABILITY INDICATORS
(IV)	APPENDIX 4, CLIMATE-RELATED INFORMATION OF LISTED AND OTC COMPANIES14

Chairman's Words

Under the "the flying-geese model, geese alliance" strategy, Arbor Group has joined forces with IC design leader MediaTek Inc. and industrial computer (IPC) giant Ennoconn Corporation to form a powerful industry alliance. Through resource sharing and technological integration, both parties have engaged in in-depth cooperation in key areas such as production and operations, global market expansion, edge AI, ESG practices, and cloud-edge integration, focusing on market pain points to provide differentiated solutions and expand their global business footprint. By establishing a dedicated team for edge AI development, expanding brand-marketing reach, participating in international exhibitions, optimizing quality management and certification mechanisms, the company strengthens its organizational structure and comprehensively enhances its core competitiveness. Deeply embedding ESG principles into corporate governance and business strategy, we are committed to becoming an enterprise that combines growth momentum with social responsibility.

Corporate Governance and Friendly Workplace: Mutually Reinforcing

The company provides health check-ups, family days, and children's scholarships, supports health seminars, sports clubs, hiking, and other activities to help employees balance work and life, and has established an art corridor integrating sustainability concepts to create a space for physical and mental relaxation.

In addition, systematic training is planned to enhance the team's professionalism and cohesion. In addition, to enhance board diversity and professionalism, we will recruit directors with ESG experience and female directors; promote gender equality and Diversity, Equity, and Inclusion (DEI), integrating DEI principles into recruitment, promotion, and compensation systems, and effectively building an excellent team through the implementation of culture and policies.

** Cybersecurity and Occupational Safety Go Hand in Hand: Building Dual Protection **

We continue to implement the ISO 45001 Occupational Health and Safety Management System, demonstrating a long-term commitment to establishing and maintaining a safe workplace environment. Obtained ISO 27001 Information Security Management certification again in 2024, further strengthening internal data protection and client trust, ensuring operational stability and security.

By integrating cybersecurity and occupational safety, a comprehensive risk management mechanism is established, strategically integrating the two major systems into operational processes to optimize overall management efficiency.

** Green Supply Chain and Smart Manufacturing Aid Environmental Sustainability **

Since 2023, the ISO 14064-1 standard has been adopted to implement and verify carbon inventories. We are committed to developing localized supply chains and promoting sustainable supply chain management. In addition to requiring suppliers to comply with management system standards, we also emphasize responsibility in various aspects such as human rights protection, labor safety, environmental protection, and ethical conduct. Through multi-faceted cooperation and requirements, we aim to enhance the sustainability of the supply chain.

Arbor Technology accelerates its green transformation by reducing power consumption through technological innovation and fully adopting recyclable packaging materials. Further, invest in the integration of smart water and electricity equipment, establish a carbon management and energy-saving system, and set up a new energy IoT department, focusing on microgrids and energy storage, to expand new business opportunities in green energy applications.

** Innovation-Driven: Building a Smart Industrial Ecosystem **

Facing rapid industry changes, Arbor Technology uses the "5 New Cycle Theory" as an innovation engine, flexibly responding to market demands through a positive cycle of new technologies, new products, new applications, new markets, and new customers. Collaborating with industry partners to integrate hardware and software resources, we continue to deepen our expertise in energy management, environmental monitoring, smart manufacturing, and fleet and logistics management, creating high-performance, sustainable mobile and embedded computing solutions, and working with global partners to build a smart future.





About This Report

This is the 15th sustainability report of Arbor Technology Corp. (hereinafter referred to as "Arbor"). Since the publication of its first Corporate Social Responsibility Report in 2011, Arbor has continued to disclose its efforts on significant sustainability issues that are of concern to stakeholders in every sustainability report. This year's report further discloses Arbor's response to the Task Force on Climate-related Financial Disclosures (TCFD), as well as industry risks and opportunities based on the Sustainability Accounting Standards Board (SASB) standards. Starting in 2023, an English version of the sustainability reports has been published to enhance effective communication with overseas stakeholders.

X Reporting Scope and Disclosure Boundaries



This report covers the sustainability efforts and operational performance of Taiwan Arbor Technology from January 1 to December 31, 2024, which is not entirely the same as the scope of the financial annual report.

The financial data disclosed in the report is based on the Parent Company Only Financial Statement and does not include relevant information from its subsidiaries. Greenhouse gas inventory data only covers the Company's headquarters and Jiankang Plant. The scope of disclosure for other sustainability indicators will be detailed in the report.

Report Writing and Reference Guidelines



This report is prepared following the "GRI Universal Standards 2021 (GRI 2021)" issued by the Global Sustainability Standards Board (GSSB) in October 2021, and the "Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies". Additionally, this report incorporates accounting metrics of the "Technology & Communications: Hardware" industry based on the SASB standards, and aligns with the TCFD standards.

ARBOR



Arbor annually publishes its sustainability report in both Chinese and English versions, which are available for download on the Company's website.

Release date: August 2025

Last release date: August 2024

Next release date: August 2026

X Report Verification and Data Quality Management

- ➤ This report is prepared by Arbor and has not been verified by a third-party organization.
- Financial data: Sourced from the annual financial statements certified by Deloitte & Touche.
- > ISO Certification Status

ISO STANDARD	CERTIFICATIO N BODY	VALIDITY PERIOD	SCOPE
QUALITY MANAGEMENT (ISO 9001:2015)	UCS UCS SGS	2022.10.26~2025.10.26 2024.04.23~2027.04.02 2023.01.03~2026.01.02	Arbor Amobile International Arbor Technology, Arbor China
QUALITY MANAGEMENT (ISO 13485:2016)	SGS	2022.10.21~2025.10.21	Arbor
ENVIRONMENTAL MANAGEMENT (ISO 14001:2018)	UCS	2022.11.27~2025.11.27	Arbor
OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT (ISO 45001:2018)	UCS	2022.11.30~2025.11.29	Arbor
ORGANIZATIONAL GHG INVENTORY (ISO 14064-1:2018)	ARES	2024	Arbor
INFORMATION SECURITY MANAGEMENT (ISO 27001:2022)	SGS	2024.11.06~2027.11.06	Arbor

Note 1: Financial statement subsidiaries _ Amobile International Co., Ltd. (Amobile); Arbor China Technology Co., Ltd. (Arbor China); Arbor Technology (Shenzhen) Co., Ltd. (Arbor Technology).

Note 2: Universal Certification Service (UCS); SGS Taiwan Ltd. (SGS); ARES International Certification (ARES)



Arbor Technology Corp. Sustainable Development Committee

Tel: 02-82269396 ext. 218

Address: 10th Floor, No. 700, Zhongzheng Road, Zhonghe District, New Taipei City 235

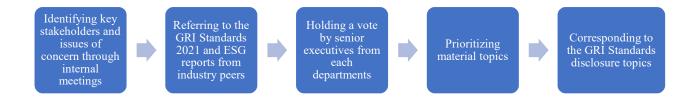
Email: esg@arbor.com.tw

Company website: www.arbor-technology.com

Sustainable Performance

I. Sustainable Management

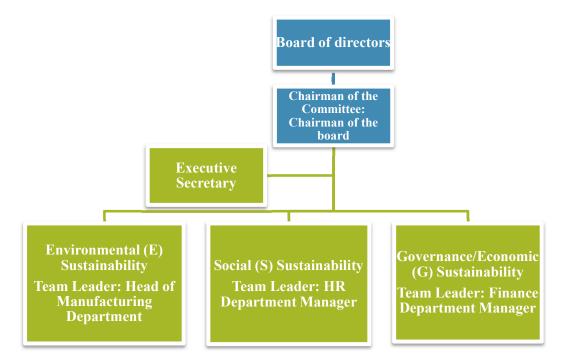
✗ Identification Process of Stakeholders and Material Topics



1.1 Sustainable Development Council

1.1.1 Organization

Arbor established the "Sustainable Development Committee" in accordance with the "Sustainable Development Best-Practice Principles" approved by the Board of Directors. The chairman of the board is authorized to serve as the committee chairman, and a task-oriented structure is adopted to establish three groups: "Environmental (E) Sustainability", "Social (S) Sustainability", and "Governance/Economic (G) Sustainability", led respectively by the heads of the manufacturing department, human resources department, and finance department.



1.1.2 Take responsibility

"Sustainable Development Committee" responsibilities include: proposing, executing, and reviewing corporate social responsibility policies, systems, or related management guidelines, and specific promotion plans, and reporting the annual execution plans and results to the Board of Directors.

1.1.3 Operation Overview

The Board of Directors approved the establishment of a part-time "Sustainable Development Committee."

The chairman of the board serves as the chief commissioner of the "Sustainable Development Committee", with functional groups led by department managers.

Determining material topics
Functional group leaders compile feedback and suggestions from stakeholders and evaluate the impact of each topic. The resolution will then be approved by the chairman as the material topic of the year.

Confirming report content Functional group leaders jointly confirm that the ESG report of the year has covers all material topics and execution results.

An "Annual Sustainability (ESG) Report" is submitted to the Board of Directors.
The board provides relevant feedback or suggestions on the ESG report.

1.2 Confirm stakeholders

X Confirm Main Stakeholders

Reaching out to stakeholders through routine business operations Held internal discussions and refered to peer industry practices

Identified key stakeholders

Stakeholders are groups that influence or are influenced by Arbor Technology. They are initially screened by various departments based on routine business contacts. Then, the major stakeholders that are important to Arbor Technology were selected based on the frequency of interactions, the degree of mutual influence, and the degree of significance of each stakeholder to Arbor Technology, through internal meetings and reference to the peer group, including employees, customers, shareholders/investors, suppliers,

government agencies and competent authorities, media, and non-profit organizations/communities.

1.3 Communication Channels and Focus Issues

The issues of concern to Arbor Technology vary among stakeholders due to their different identities. These issues cover economic, environmental, and social (including human rights) dimensions. In order to understand and respond to stakeholders' needs and expectations, the Company proactively establishes communication channels with stakeholders through various means during routine business operations to identify the concerned issues and their opinions. In addition, an external communication mailbox is available on its official website, and is managed by dedicated personnel, including proactively and appropriately responding and reviewing for improvement. At least once a year, the two-way communication between key stakeholders and the Company is also reported to the Board of Directors.

X The Stakeholder Engagement Activities, Key Areas of Concern, and Corresponding Disclosures in the 2024 Report Are Summarized as Follows:

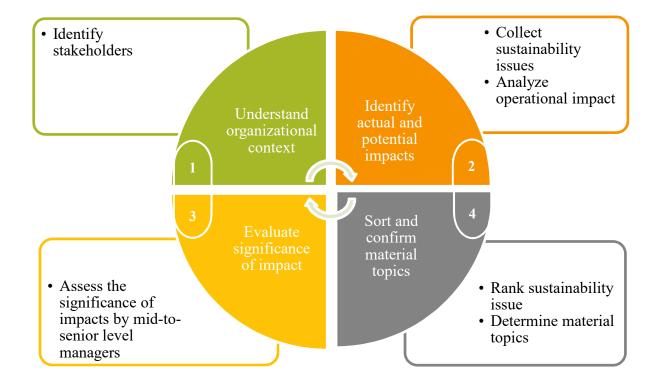
Stakeholders	Concerned issue	Contact information	Communication and response channels	Communication frequency	Communication situation in 2024 Board of Directors Report: March 14, 2025
Shareholders Investors	Corporate governance and	Ms. Kuo, Finance	Shareholders' meeting	Every year	Once a year.
	risk management	Department Email:	Financial statements	Every season	Four times a year.
	Operating	investor@ar	Annual report	Every year	Once a year.
	performance Business integrity	bor.com.tw	Official website information revealed	Updated as needed	Announced relevant information.
	Innovation and R&D		Investor conference	Irregular	Held a briefing on December 4, 2024, with a live broadcast available on the Company's official website.
			Press conference/ Press release	Irregular	Announced company industry information through a press release.
			Market Observation Post System	Updated as needed	Announced relevant information.
			Responding to investor inquiries via phone and email	Irregular	Responded by the spokesperson.
Government agencies and regulatory	Energy and greenhouse gas management	Ms. Kuo, Finance Department	Correspondence	Irregular	Replied within the specified date and listed the control of document reception.
authorities	Corporate governance and risk management	Email: investor@ar bor.com.tw	Market Observation Post System	Irregular	Reported regularly according to the law.
	Business integrity Regulatory compliance Cybersecurity and data protection Employee rights,		Regulatory compliance and amendment briefings	Immediate	Disseminated the amendments to the law by the regulatory compliance unit. Revised the compliance manual by the legal unit for the reference of the entire company.
	diversity and		Information	Every year	Passed ISO 27001:2022

Stakeholders	Concerned issue	Contact information	Communication and response channels	Communication frequency	Communication situation in 2024 Board of Directors Report: March 14, 2025
	inclusion Occupational health and safety Community engagement and philanthropy		security audits		Occupational Safety and Health Management System. (Valid from November 06, 2024 to November 06, 2027)
Non-profit organization/ Local communities	Energy and greenhouse gas management Waste management Community engagement and philanthropy	Ms. Chen, HR Department Email: Cindy@arbo r.com.tw	ESG report	Every year	Published the 2023 ESG report on the Company website on August 30, 2024 and uploaded it to the Market Observation Post System.
Customers	Innovation and R&D Supply chain management	Online customer service via the	Customer audits Customer satisfaction	Irregular Every year	Tracked the deficiencies and continuously improved. Collected customer feedback surveys and conducted statistical
	Product and service quality	Company website	Corporate website	At any time	analysis. Provided services by online customer service according to the type of issue (sales, technical service, repair, etc.).
			Customer- specified restricted substances and regulatory requirements	According to customer requirements	Addressed customer specifications, incorporated into management, and executed according to regulations.
Suppliers Outsourcing	Procurement management Supply chain	Mr. Cheng, Manufacturin g &	Regular evaluation On-site audits	Twice a year Irregular	Implemented regular supplier evaluations according to the plan Executed supplier audits
	management		Raw material quality inspections	Each delivery	according to the plan Executed sampling and quality inspection according to this inspection standard as the basis for acceptance.
Employees	Talent attraction and retention Employee rights, diversity and inclusion	Ms. Chen, HR Department Email: Cindy@arbo	Labor- management meetings	Every season	Composed a labor-management meeting of employees from various units, allowing employee opinions to be heard and responded to.
	Employee training and development Occupational health and	Employee r.com.tw raining and levelopment Occupational	Employee welfare committee	At least every season	Jointly discussed and executed the planning of welfare activities and budget review by the welfare selected committee members from each unit.
	safety		Annual employee training	Multiple times a year	Proposed training plan for the coming year at the end of the year, with HR unit coordinating and tracking the execution status according to the annual education training plan. Reached 87.5% of the education training execution

Stakeholders	Concerned issue	Contact information	Communication and response	Communication frequency	Communication situation in 2024 Board of Directors Report: March
			channels		14, 2025
					rate in 2024.
			Onboarding and orientation for	Every season	Introducing the Company's organization and environment by
			new employee		the HR department on the
					onboarding day, allowing
					employees to become familiar
					with the Company more quickly.
					Arranged online courses and
					orientation within 3 months for
					new employees and observed the
					situation of new employees to provide timely assistance.
			Performance	Every half year	Conducted performance
			evaluation	Every hair year	evaluation in the mid- and at the
			communication		end of 2024.
					Held performance evaluation
					meetings with supervisors and
					subordinates, allowing them to
					understand the status of
					performance achievements and
			F 1	Г	directions for improvement.
			Employee health and	Every year	Arranged annual health checks for all employees and hired
			wellness		contracted medical staff as
			programs		required by occupational safety
			programs		regulations to handle health
					management, occupational
					disease prevention, and health
					promotion for labor protection.
					Completed the health check for
					2024 in November.
			Occupational	At any time	Established a Department of
			safety measures		Occupational Safety and Health
					directly under the Chairman, with dedicated personnel promoting
					the maintenance and management
					model of occupational safety and
					health.
					Passed the ISO 45001:2018
					Occupational Health and Safety
					Management System (Valid from
					November 30, 2022 to November
					29, 2025) and ISO 14001:2015
					Environmental Management
					System (Valid from November 27, 2022 to November 27, 2025)
]		27, 2022 to November 27, 2025).

Material Topics Assessment Process

Through multiple channels, we collect sustainability issues of concern to stakeholders, and regarding Arbor's perspective on sustainable operation and risk management, we follow the GRI Universal Standards 2021 edition, check the impact of stakeholder concerns, and assess the significance of major issues in environmental (E), social (S), governance/economic (G) impacts. In addition, every year through the "ESG Sustainability Implementation Team," we continuously review and adjust according to the material topic identification process to plan short-, medium-, and long-term sustainability development strategies.



Materiality Matrix

2

•Each department collects information through various communication channels established with stakeholders to understand the issues of stakeholder concern. A total of 16 sustainability topics were identified based on the framework of GRI 2021, with reference to the practices of benchmark enterprises and client supply chain policy requirements.

2

•Mid-to-senior level managers conducted a survey to assess the impact of the 16 identified sustainability topics on Arbor Technology's business operations, external economy, environment, and people (including human rights), and thelevel of stakeholders' concern, based on the "Double Materiality Principle_impact And Financial Materiality Principle".

•The "ESG Task Force" prioritized each topic based on the significance of its impact and identified eight material topics of 2024. Although corporate governance, risk management, and business integrity are not listed among the material topics this year, they are mandatory disclosure required by the GRI 2021 Standards and are therefore disclosed in this report.

★Environmental (E) Issues ▼Social (S) Issues ●Governance/Economic (G) Issues

★ Energy and ★ Green products and Operational greenhouse gas procurement performance management Product and service High quality Cybersecurity Innovation and research ▼ Employee rights and Integrity Sustainable supply diversity and management chain management equality Corporate Compliance with laws Level of governance and risk stakeholder ▼ Employee training and Middle management concern development ▼ Occupational health and safety Talent attraction and retention ★ Waste management ▼ Public welfare and Low community engagement Middle Low High

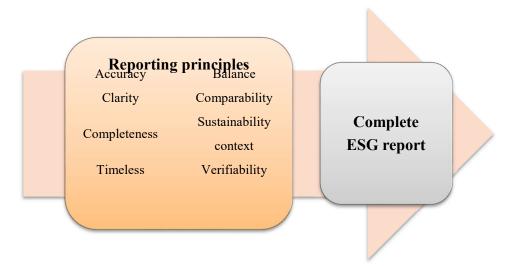
Internal and external impact on Arbor Technology

Material Topics Adjustment

In response to the growing global attention to environmental issues and the increasing severity of cybersecurity threats, the Company added "green products and services" as a new material topic and elevated the impact level of "Information and Personal Data Security."

Ranking	Material topics in 2023	Material topics in 2024	Changes in material topics
1	Operating performance	Operating performance	Same ranking
2	Customer service	Product and service quality	Same ranking, included product quality
3	Information security	Innovation and R&D	Ranking rose
4	Talent attraction and retention	Compliance with laws and regulations	Newly added
5	Sustainable supply chain management	Sustainable supply chain management	Same ranking
6	Innovation and R&D	Talent attraction and development	Ranking dropped, included employee training
7	Energy conservation and carbon reduction	Information security	Ranking dropped
8	Occupational safety	Green products and procurement	Renaming, ranking rose
9	Green products and services		

Principles of Writing Reports



Arbor Technology Follows the Reporting Principles Outlined in the GRI Standards to Compile Its ESG Report.

- X According to the principle of sustainability: Transparently disclose how the Company takes measures to improve or mitigate negative impacts on the economy, environment, and people (including human rights) in the local area and surrounding regions where it operates;
- X According to the principle of completeness: The information disclosed in the report should adequately reflect the Company's significant impacts on the economy, environment, and people (including human rights);
- X According to the principle of accuracy: The information in the report should be sufficiently accurate and detailed, providing stakeholders with the means to assess the Company's ESG performance;
- According to the principle of balance: The information in the report should fairly reflect both positive and negative performance, allowing stakeholders to make a reasonable assessment of Arbor Technology's ESG performance;
- **According to the principle of clarity: The information in the report should be presented in a way that stakeholders can easily understand and access;
- According to the principle of comparability: The ESG information in the report aligns with internationally accepted standards, while the method of information disclosure allows stakeholders to analyze the Company's long-term performance;
- **According to the principle of timeliness: The Company regularly issues ESG reports, providing ESG information for stakeholders to make decisions;
- According to the principle of verifiability: The report is internally reviewed to ensure the accuracy, reliability, and consistency of the disclosed information.

Material Topics, Boundaries, and Impacts

			Positive/Negative		Value chain impacts ● Direct ○ Indirect		GRI 2021	Disclosure
Aspect	Material topics	The importance to the Company	impacts			Downstream	general disclosures / topic standards	sections in the report
	Operating performance	Accurate market positioning helps improve company performance. Good operational performance is the foundation for the sustainable growth of an enterprise and the key to sustainable operation that can increase employee cohesion and investors' willingness to invest.	⊕Enhance competitiveness ΘForeign exchange losses/investment failures ΘInsufficient productivity leading to increased costs and decreased revenue		•		GRI 201	3.4 Operational Performance
Governance/ Economy (G)	Product and service quality	Maintaining strong customer relationships and timely addressing "Customer" needs helps enhance customer loyalty and can attract new customers.	⊕ Increase customer loyalty ⊖ Impact on service quality ⊖ Pose environmental risks by using noncompliant raw materials		•	•	Custom topics	4.2 Customer Relationship
	Innovation and R&D	Continuously innovating and identifying the potential and critical needs of 'customers' brings development directions of new products or market that drives growth and sustainable operation of the Company.	 Drive innovation to reduce costs and generate revenue OFail to meet market demand, increasing operational risk 	•	•	•	Custom topics	4.1 Innovation and Research

Aspect	Material topics	The importance to the	Positive/Negative impacts	Value chain impacts ● Direct ○ Indirect			GRI_2021 general disclosures	Disclosure
Aspect	Wraterial topics	Company	Correspondence	Upstream	Arbor	Downstream	/ topic standards	
	Compliance with laws and regulations	Ensuring compliance with relevant laws, internal procedures, and corporate policies strengthens the Company's overall image of compliance and mitigates the risks of illegal operation and liabilities, thereby achieving the goal of sustainable operation and enhancing market competitiveness.	⊕ Strengthen corporate image ○Regulatory violations resulting in Arbor's reputational and financial losses ○Regulatory penalties impacting business operations		•	0	GRI 2 2-27 GRI 419-1	3.3 Compliance with Regulations
Governance/ Economy (G)	Sustainable supply chain management	In terms of supply chain management, to respond to the globalization of market competition, we establish the Arbor supply ecosystem based on the strategy in the "Supplier Management Procedure" to reasonably and effectively select suitable suppliers as long-term partners, which creates a complete, modern, localized supply chain that reduces production cost waste, effectively improves decision-making efficiency, and decreases carbon emissions to achieve ESG environmental sustainability.	⊕ Strengthen supply chain resilience, improve stability, and enhance overall efficiency ⊙Material shortages ⊙Lack of timely supply chain adjustments may lead to impacts from tariffs and carbon taxes	•	•	0	GRI 204-1 GRI 308-1 GRI 414-1	5.4 Sustainable Supply Chain

			Positive/Negative			impacts	GRI 2021	Disclosure
Aspect	Material topics	The importance to the Company	impacts Correspondence	● Direct ○ Ir Upstream Arbor			general disclosures / topic standards	sections in the report
	Cybersecurity	Customer: Safeguard customer data and transaction security, strengthen trust relationships, and enhance customer satisfaction and willingness for long-term cooperation. Image: Establish a cybersecurity-focused image, demonstrate corporate responsibility and professionalism, and enhance brand reputation and external evaluation. Data: Protect internal and external data security, ensure data accuracy and availability, and support operational and strategic decision-making. Product: Incorporate cybersecurity controls into product design to ensure safe usage and meet market and customer cybersecurity requirements. Talent is a key driver of	⊕ Ensure information security and strengthen customer trust ⊖Leakage of operational data or customer privacy, leading to compliance risks and potential harm to the Company's interests and reputation		•	•	Custom topics GRI 418-1	3.5 Cybersecurity Protection
Society (S)	Talent attraction and development	corporate growth. In the industrial computer sector, Arbor is committed to providing comprehensive solutions across	⊕Offer competitive compensation and benefits to attract top		•		Management Relations GRI 404 Training and Education GRI 405	6.3 Talent Attraction and Development

A 000 0 04	Material topics	The importance to the	Positive/Negative impacts		e chain i	impacts Indirect	GRI_2021	Disclosure sections in the
Aspect	Material topics	Company		Upstream	Arbor	Downstream	general disclosures / topic standards	report
		a wide range of industries. Operating under an integrated service model, the Company faces increasingly diversified talent needs across functions, including R&D, validation, engineering, manufacturing, sales, customer service, and administration. By establishing a competitive compensation and benefits framework and offering tailored development programs for high-potential talent, the Company aims to achieve mutual growth and shared success between the Company and its employees. In addition to complying with applicable human rights laws and protecting employees' fundamental rights, the Company offers compensation and benefits packages that exceed regulatory requirements. Furthermore, it continuously enhances opportunities for individual development and career advancement to attract top-tier talent, strengthen team cohesion, and reduce employee turnover.	talent and enhance competitiveness OLabor shortages increasing operational risks OInsufficient talent training at all organizational levels				Employee Diversity and Equal Opportunity GRI 406-408 Human Rights	

		The importance to the	Positive/Negative	Value chain impacts ● Direct ○ Indirect			GRI_2021	Disclosure sections in the
Aspect	Material topics	Company	impacts Correspondence	Upstream	Arbor	Downstream	general disclosures / topic standards	report
Environment (E)	Green products	Beginning at the design stage, the Company adopts eco- friendly packaging materials and continuously improves	⊕Develop low-carbon products to reduce environmental impact and enhance competitiveness ΘNon-compliance with international regulations such as EU RoHS and REACH	•	•		Custom topics GRI 301-3	5.5 Green Products/Services

Arbor Technology's departments regularly and irregularly interact with stakeholders through routine communication channels. When a stakeholder or sustainability issue could have a significant negative impact on the Company's operations, the responsible departments conduct due diligence in financial performance, corporate management, compliance records, labor rights, and occupational health and safety. With the findings reported to the president and the chairman, the Chairman evaluates whether the results have a significant impact on the Company's overall operations. If there is a critical material event, the Chairman explains it to the Board of Directors. After the resolution of the due diligence report is passed, it will be handed over to the Company's responsible department for execution.

In 2024, no potential significant negative impact events were identified between Arbor Technology and its stakeholders; therefore, no reports were submitted to the Board of Directors. This process has strengthened Arbor Technology's due diligence practices toward stakeholders and clarified the Board of Directors' role in addressing potential significant negative impacts.

1.5 Sustainable Development Goals

Released by the United Nations in 2015 with 17 primary goals and 169 specific targets, the United Nations Sustainable Development Goals (SDGs) are a guiding principle for member states and global enterprises to achieve sustainable development by 2030.

Arbor Technology integrates the SDGs into its business strategy by expanding its previous focus on economic performance to encompass environmental protection, regulatory compliance, employee benefits improvement to retain talent, elimination of workplace inequalities, decrease of greenhouse gas emissions, and collaboration with suppliers to improve the environment and better workplace conditions. Looking ahead, Arbor Technology aims to continue contributing more to sustainable development goals and fulfilling its corporate social responsibility.

SDGs	Target	Arbor Technology's response
1 NO POVERTY	1.4 Ensure that all men and women, in particular the poor and the vulnerable, have equal rights and access to economic resources.	 Provide salary conditions that are superior to legal requirements and market-competitive, along with comprehensive welfare measures, to enable employees to work with dignity and improve their personal and family economic living standards. Adjust employee salaries based on the Company's profitability to strengthen employee cohesion.
4 QUALITY EDUCATION	4.5 Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples, and children in vulnerable situations. 4.7 Promote education for sustainable development, sustainable lifestyles, human rights, gender equality, and a culture of peace and non-violence.	 Arrange job skills training for employees with different business attributes to ensure that every colleague has the opportunity to receive vocational training. Design courses on sustainable development, workplace gender equality, and labor human rights, and encourage employees to participate.
5 GENDER EQUALITY	5.1 End all forms of discrimination against all women and girls everywhere.5.4 Recognize and value unpaid care and domestic work through social protection policies.	 Exclude gender as a factor in recruitment, evaluation, or promotion decisions. Provide the right to apply for parental leave for all employees, regardless of gender.
8 DECENT WORK AND ECONOMIC GROWTH	8.4 Improve energy use and production efficiency. 8.5 Achieve full and productive employment and decent work for all women and men, including for young people and persons with	 Improve energy efficiency. (Refer to Section 5.1: Energy Saving and Carbon Reduction.) Exclude gender as a factor in recruitment, evaluation, or promotion decisions. Adjust employee salaries in line with

SDGs	Target	Arbor Technology's response
	disabilities, and equal pay for work of equal value. 8.7 Eliminate child labor and forced labor. 8.8 Protect labor rights and promote safe working environments, in particular for women and those in precarious employment.	 company profitability to strengthen employees' loyalty to the Company. Respect labor rights, including prohibiting child labor and any form of workplace discrimination. Adjust job duties of pregnant employees under the law to reduce workload and ensure substantial protection for pregnant employees. Implement an occupational health and safety management system to effectively improve workplace safety.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9.5 Encourage innovation and increase the number of R&D workers and development spending.	• Increase the number of R&D team members annually and maintain R&D expenditure at 5% and 7% of annual revenue. (Refer to Section 4.1: Innovation and Research.)
10 REDUCED INEQUALITIES	10.2 Promote the social, economic, and political inclusion, irrespective of age, sex, disability, religion, economic or other status. 10.3 Ensure equal opportunity and reduce inequalities by eliminating discriminatory practices.	 Exclude employees' physiological or psychological differences as criteria in the Company's mechanisms of recruitment, assessment, and promotion. Establish an employee reporting channel and a robust whistleblower system to protect whistleblowers.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.5 Substantially reduce waste generation through prevention, reduction, recycling, and reuse.	 Continuously improve production processes to reduce waste generation. Reducing environmental impact by enhancing recycling and reuse through green product design and management.
PEACE, JUSTICE AND STRONG INSTITUTIONS	16.6 Develop effective, accountable, and transparent institutions at all levels. 16.7 Ensure responsive, inclusive, participatory, and representative decision-making at all levels	 Strengthen corporate governance by enforcing internal control systems to ensure employee compliance with company regulations, and establish independent whistleblowing channels with comprehensive procedures. Understand stakeholders' expectations and requirements, and regularly report to the Board of Directors.

II. Regarding Arbor

2.1 Company Profile

with its name symbolizing a commitment to becoming the "Bedrock of The Industrial Control And Measurement Industry." It was listed on the Emerging Stock Board in December 2007 and officially listed on the Taipei Exchange in May 2013. Initially focused on industrial control applications, it later extended into system integration and handheld device fields, fulfilling customer needs across diverse environments and application domains.

K General Information

Company name: Arbor Technology Corp.

Stock code: 3594

Headquarters: 10th Floor, No. 700, Zhongzheng

Road, Zhonghe District, New Taipei City, Taiwan

Paid-in capital (as of December 31, 2024):

NT\$956.974 thousand

Number of employees (as of December 31, 2024):

482 people

% Corporate Core Values

Excellence-oriented

- ♦ Continuous development
- ♦ Strategic alliance

Accountable

- ♦ Agile and responsive
- ♦ Proactive contribution

ARBOR

Insightful

- ♦ Continuous renewal and adaptability
- ♦ Embracing cutting-edge technology and trends

Trustworthy

- ♦ Reliable
- ♦ Durable

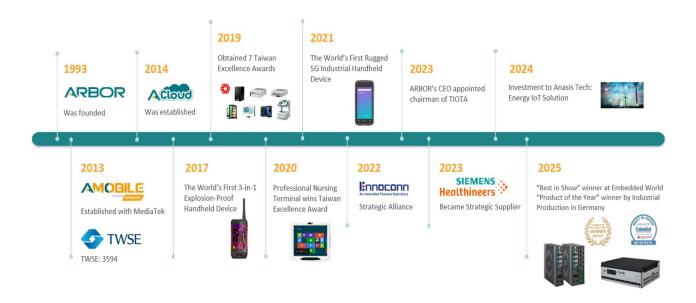
X Arbor Global Operations

Arbor is a Taiwan-based international enterprise with a global outlook, with R&D centers and manufacturing plants located in Taiwan and Shenzhen. The Company has a worldwide sales network, combined with cutting-edge embedded design technology, rigorous testing and validation experience, and deep market insight, to provide professional consultation and services to our global agents, distributors, and partners.

ARBOR is a global provider of Edge AI HPC, industrial IoT computing and mobility solutions



X Arbor Group Milestones



2.2 Product Development and Competitive Landscape



Main Products and Applications

With the strategic guidance of Chairman Li, "United in Formation, Advancing Together," and support of allies including MediaTek and Ennoconn Corporate, Arbor has collaborated in various fields such as production, communication, overseas markets, edge AI, Google, ESG, and cloud-edge integration and obtained increasing benefits of the alliance. Today, Arbor's product portfolio includes embedded industrial motherboards, medical computers, portable tablet computers, and embedded intelligent systems. Integrating hardware and software and leveraging innovative applications of artificial intelligence (AI) and the Internet of Things (IoT), the Company and its partners develop comprehensive solutions tailored to a wide range of industries and applications, including energy management, environmental monitoring, smart manufacturing, fleet management, and smart logistics.

AloT One-Stop Solutions



X Competitive Advantage

R&D

Over 31 years of experience in industrial PC controllers and wireless

communication solutions.

Technology & Alliance

- Design for wide temperature tolerance, IP-rated protection, and explosion-proof environments
- Strategic alliance with MediaTek, Wistron, and Ennoconn
- Official partner of Intel and Microsoft Azure
- Member of SGeT, PICMG industry standards organizations



- Certification for specialized applications including medical products, industrial use, and transportation systems

- A modernized MES system integrated by Arbor to enable smart factory



Production

An extensive global sales network in Taiwan, Mainland China, the United States, the United Kingdom, France, Italy, and South Korea, with support to global distributors and other partner networks.







WattSaver

ARBOR delivers optimal performance solutions through BIOS/Firmware development technology.

BIOS Damage Prevention Technology

If the system BIOS flash memory fails, the MCU external flash memory can automatically restore the system.

Comprehensive Certifications

Certified with EN-50155, E13/E24 Mark, and MIL-STD-810 standards, our product can quickly meet market customer needs.

Customization

Featuring modular design, high customization, easy upgrade, and excellent price-performance ratio, our product can meet various projects.



Advantages and Strengths of Smart Factories



2.3 Value Chain and Other Business Relationships

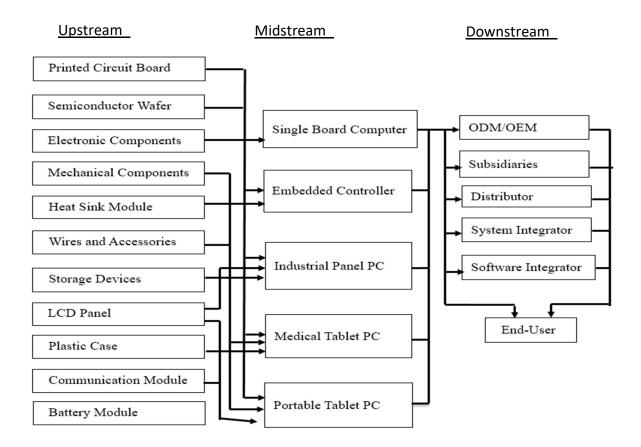
X United in Formation, Advancing Together

Arbor's product lines cover embedded industrial motherboards, medical computers, portable tablet PCs, and embedded intelligent systems, with applications spanning industrial automation, intelligent transportation, intelligent logistics, industrial safety, smart retail, and smart healthcare.

Under the leadership of Chairman Li, Arbor successfully established a strategic partnership with MediaTek, a leading IC design manufacturer, and achieved complementary collaboration with Ennoconn. The partnership not only demonstrated industry synergy but also injected new momentum into the Company's operations. With the strategic cooperation with MediaTek, both parties are jointly committed to the development of AIoT applications, particularly in machine vision and edge computing. Through its joint venture with MediaTek, Amobile International, Arbor has further strengthened its presence in the fields of industrial Internet of Things and robotics. Leveraging MediaTek's chip technology and Arbor's expertise in industrial computing, the two companies expand their market together. Collaborating with Ennoconn in production optimization and resource integration, Arbor reduces production costs with Ennoconn's production lines, creates more opportunities, and enhances market competitiveness through cost optimization, overseas channel cooperation, and joint development of differentiated industrial IoT products.

X Industry Value Chain

<u>Positioned mainly in the midstream of the industrial chain</u>, Arbor focuses its product development on equipment manufacturing and system management, including embedded industrial motherboards, medical computers, portable tablet computers, and embedded intelligent systems. Industrial computers involve many vertically integrated components and highly customized processes, offering a higher degree of functional integration and a wide range of product applications, with potential customers across various industries. Therefore, most industrial computers are sold to end-users worldwide through distributors, system integrators, and software developers with engineering backgrounds.

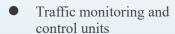


***** Business Activities

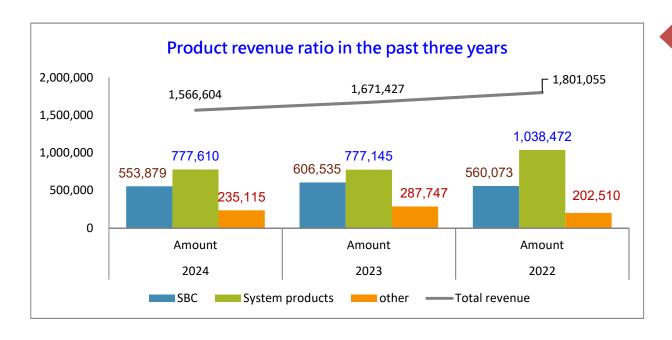
Current Products and Services

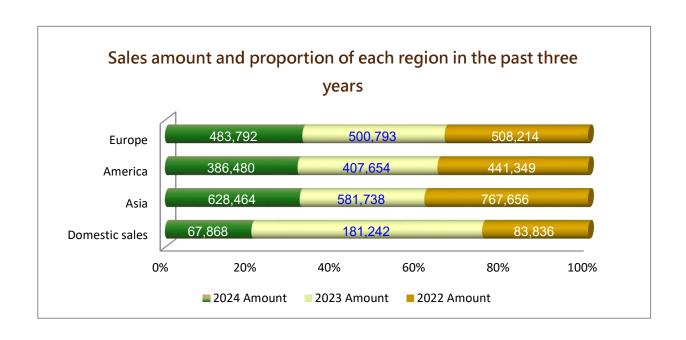
- Industrial computer products
- Network security solutions
- Automotive electronics mobile surveillance systems
- Medical electronics
- Human-Machine Interface tablet PC
- Fanless industrial control systems
- Gaming machine systems
- Customized products and related application software
- Wide-temperature product series
- Modular computer
- Rugged industrial tablet PCs
- In-vehicle computing systems
- Factory automation solutions
- Solutions for railway systems, power plant automation, and smart grid applications
- Industrial safety and thermal imaging applications
- IoT solutions for smart cities

Planned Development of New Products and Services



- Multi-interface communication gateways for power industry applications
- High-performance motherboards for image acquisition and communication systems
- Portable tablet computers for warehouse and logistics management
- Medical LCD panel PCs for use in surgery procedures, diagnostics, and medication dispensing
- IoT solutions for railway transportation systems
- Integrated temperature and mask detection solutions for pandemic prevention technologies
- Industrial safety and thermal imaging applications





2.4 Industry Partners and External Organization Participation

In addition to enhancing its product competitiveness, Arbor Technology actively communicates with various stakeholders. Participating in industry-related associations, the Company maintains good relationships with association members, learns the latest industry development trends, and develops industrial automation and smart cities.





















2.5 Awards and Industry Recognition

Arbor focuses on industrial IoT computing and mobile solutions. We work closely with our partners to develop comprehensive solutions for a wide range of applications across various industries. The innovative products of Arbor have been recognized with multiple international awards.

Our mission is to make work and life smarter by providing intelligent mobile devices and embedded computer products, thereby realizing the vision of an intelligent planet.

































III. Integrity Governance

With a well-structured Board of Directors, a strict internal control system, and stable financial management, sound corporate governance not only reduces the Company's operational risks but also enhances its competitiveness and builds brand value. To realize honest operations, the Company establishes a corporate culture of integrity and responsibility and ensures compliance with laws. At the same time, a well-functioning corporate governance framework can ensure the healthy development of the Company's operations and protect the rights and interests of investors and other stakeholders.

Arbor Technology establishes a corporate governance system following the Securities and Exchange Act of Taiwan and other related regulations. To enhance the protection of shareholders' rights and interests, strengthen the functions of the Board of Directors, respect the rights and interests of stakeholders, and increase the transparency of information, the Board of Directors adopts the "Corporate Governance Best Practice Principles", based on fair, just, and open director election procedures, and implements measures such as appointing independent directors to strengthen the management and supervisory functions of the Board of Directors. The board also passed the "Procedures for Handling Material Insider Information" and "Management Procedures for Preventing Insider Trading" to prohibit insiders, including directors, managerial officers, and employees, from using non-public information to profit. In addition, Arbor Technology adheres to the principles of accuracy, timeliness, and fairness in disclosure and establishes a comprehensive information disclosure system, providing information such as operations, finance, the Board of Directors, and shareholders' meetings on the Company's website and public information reporting system to ensure that shareholders can obtain the latest information related to the Company.

Arbor Technology has also established a diverse complaint mechanism by setting up different contact windows and channels for different categories of stakeholders. Through two-way communication, the Company understands the demands and expectations of stakeholders and strives to meet their expectations.

Corporate

Governance Best

Practice Principles

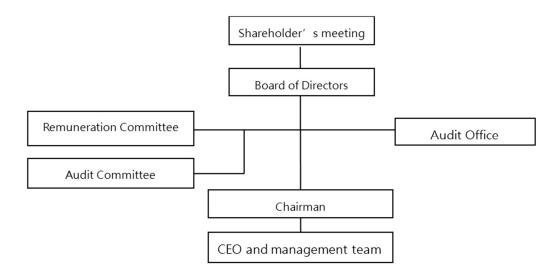


Stakeholder Section



3.1 Governance Practices

3.1.1 Corporate Governance Framework and Governance Unit Setup



As the highest decision-making and governance body of the Company, the Board of Directors ensures that all its members fulfill their duties with the utmost care and diligence. The general manager assists the chairman in planning the Company's business policies and formulating sustainable development strategies. The Board of Directors reviews financial performance and sustainability strategies and ensures that the Company's operations comply with various laws and regulations. To improve corporate governance operations and enhance the Company's competitiveness, the Board of Directors has established an audit committee and a compensation committee to ensure the proper functioning of the Board.

Arbor Technology values corporate governance and pursues sustainable growth and integrity in operations, continuously strengthening its corporate governance framework by upholding information transparency and safeguarding the rights and interests of stakeholders with an effective internal control system. Following the "Rules for Handling the Establishment of Internal Control Systems by Public Offering Company", Arbor Technology designed and implemented its internal control mechanisms based on the overall scope of its operations. The system is periodically reviewed and refined to adapt to internal and external environmental changes, ensuring its ongoing effectiveness. Through this robust governance and management framework, the Company strives to improve operational performance and achieve its long-term goal of sustainable development.

Corporate Governance Achievements

- Ranked within the top 6%−20% among OTC companies in the 11th
 Corporate Governance Evaluation in 2024
- Merformance evaluation scores of the Board of Directors and functional committees are marked above 4.8 (out of 5)
- ★ Independent directors account for more than 50% of the Board

To strengthen support for directors in fulfilling their duties and the effectiveness of the Board of Directors, the Board passed a resolution in March 2023 and appointed the Assistant Vice President of the Finance Department as the corporate governance officer. The responsibilities of this role include assisting directors in the execution of their duties, providing necessary information, organizing training activities, and handling matters related to meetings of the Board and the shareholders under legal requirements. The corporate governance officer is also responsible for ensuring compliance with resolutions of the board and shareholders' meetings, as well as maintaining investor relations. Following relevant regulations, the corporate governance officer completed 12 hours of professional continuing education in corporate governance in 2024.

In the 11th Corporate Governance Evaluation in 2024, Arbor Technology was ranked 6% to 20% among OTC-listed companies, demonstrating effective and well-functioning corporate governance under the leadership of the corporate governance officer. The Company will continue to enhance overall governance effectiveness and further strengthen stakeholder confidence in Arbor Technology.

Additionally, the Company's financial statements are regularly audited and certified by an accounting firm. All information disclosure required by law is accurately and promptly completed, with responsible personnel handling the external disclosure of company information. A spokesperson system has also been established to ensure timely and appropriate disclosure of significant information, providing shareholders and stakeholders with relevant financial and business information.

Looking ahead, Arbor Technology is committed to strengthening the operation of the Board of Directors, enhancing information transparency, and gradually integrating sustainable governance strategies into the corporate governance framework.

3.1.2 Board of Directors

Board Meeting Regulations and Board | Board Operations |
Performance Evaluation Method | (on Official Website)





Board Management and Performance Evaluation

To establish a good board operation system, improve the supervision function, and ensure the independence of the Directors in the execution of business, Arbor Technology's Board of Directors passed the "Board Meeting Regulations" to clearly define the scope of responsibilities for independent directors for compliance. The directors also uphold a high degree of self-discipline in implementing conflict of interest avoidance. For matters discussed in Board meetings where directors or the legal entities they represent have a vested interest, they must disclose the key details of their interest during the meeting. If there is a potential conflict with the Company's interests, they must not participate in the discussion and voting. Furthermore, they should avoid the discussion and voting and are not allowed to act as proxies for other directors to exercise their voting rights.

In addition, the Board of Directors formulates the Company's business strategy and is responsible to shareholders and other stakeholders. Directors faithfully execute their duties and fulfill the duty of care as prudent managers. Except for matters that require resolutions by the General Meeting of Shareholders as stipulated by law or the Company' s articles of association, all decisions regarding the execution of company business and the operation and arrangement of various governance systems should be made by the Board of Directors' resolution. Arbor Technology defines management objectives as follows to implement corporate governance and enhance the function of the Board of Directors:

Specific management objectives	Achievement status (Term: 2024.06.27~2027.06.26)
At least 1 female director serves on the board.	Achieved (a total of 1 female director elected)
The actual attendance rate of the Board of	The actual attendance rate of all
Directors for the entire year averaged above	directors in 2024 was 96.61%.
85%.	
The professional background of board members	Independent Director Ming De, Wang is
should cover fields such as business	skilled in business management and
management, industry knowledge, and	financial expertise
accounting, with at least 1 member in each field.	
And among them, at least 1 independent director	
should have expertise in accounting or finance.	
Complete the performance evaluation of the	March 14, 2025 Board of Directors
Board of Directors (including functional	Report_2024 Annual Internal
committees) before the end of the first quarter of	Performance Evaluation of the Board of
the next year	Directors and Functional Committees.

To enhance the quality of the Board's decision-making, the Board adopted the "Board Performance Evaluation Method" to conduct an annual internal evaluation of the performance of the Board, individual board members, and functional committees. The results are recorded and compiled by the Board's secretariat and submitted to the Board for review and improvement before the end of the first quarter of the following year. The results of the Board performance evaluation can serve as a reference for future selection or nomination of directors; the results of individual director performance evaluations can also serve as a reference for determining their salaries and compensation.

Performance Evaluation Mechanism

•Annual selfassessment questionnaire

2023 Annual Performance Self-Assessment Results

- •(full score: 5 points)
- •The average score of the Board of Directors is 4.8 points.
- •The average score of the board members is 4.91 points.
- •The Audit Committee achieved an average score of 4.95 points.
- •The Remuneration Committee achieved an average score of 4.89 points.

Enhancement Plan

- Coordinate to improve the directors' attendance rate
- Arrange professional training courses
- •Strengthening effective communication between independent directors, internal audit supervisors, and accountants
- Increase the degree of directors' participation in the company's operations

Board Members' Diverse Policies and Succession Planning

Arbor Technology's Articles of Incorporation specify that the election of directors adopts a candidate nomination system through regular re-elections. According to the Corporate Governance Best Practice Principles, the number of directors who concurrently serve as company managers should not exceed one-third of the board seats. To strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, the Company also advocates a policy of board diversity, believing that a diversity policy helps enhance the overall performance of the Company. The selection of board members is based on the principle of employing talents, ensuring a diverse and complementary range of skills across various industries, including age, gender, and nationality. Board members also possess industry experience (such as law, accounting, industry, finance, marketing, and technology) and professional skills (such as law, finance, and risk management). To strengthen the functions of the Board of Directors and achieve the ideal goal of corporate governance. To strengthen the functions of the Board of Directors and achieve the ideal goals of corporate governance, Article 20 of Arbor Technology's "Corporate Governance Code" specifies that the overall capabilities of the Board of Directors should include business judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market perspective, leadership, and decision-making abilities. Arbor Technology's directors possess both professional industry expertise and extensive practical experience, making them well-versed in the industry's development trends.

The Board of Directors currently has 7 directors (including 4 independent directors) with a term of 3 years. The chairman and general manager are not the same person. The Board of Directors is legally required to hold at least one meeting per quarter. In 2024, a total of 8 board meetings were held, with an average attendance rate of 96.61%

Note: For the main academic and professional backgrounds of the Arbor Technology board members, their concurrent positions, and the list of major shareholders, please refer to the Company's official website.

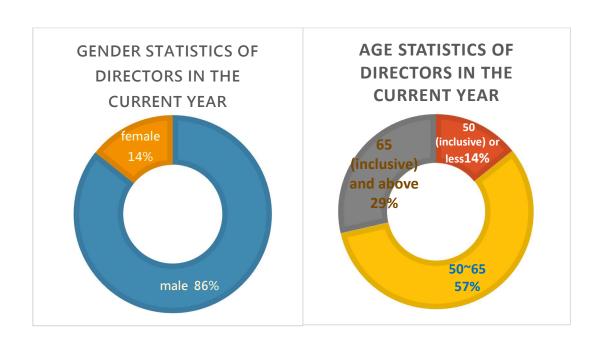
Board diversity statistics		2021.12.31		2022.	.12.31	2023.12.31	
		Number of directors	Percentage	Number of directors	Percentage	Number of directors	Percentage
	Man	6	85.71%	7	87.50%	6	85.71%
Gender	Female	1	14.29%	1	12.50%	1	14.29%
Age	50 (inclusive) and below	2	28.57%	1	12.50%	1	14.29%
	51 ~ 65	4	57.14%	5	62.50%	4	57.14%
	Above 65 (exclusive)	1	14.29%	2	25.00%	2	28.57%
	Doctor	2	28.57%	3	37.50%	3	42.86%
Educational background	Graduate school	5	71.43%	5	62.50%	4	57.14%
	Tertiary education	0	0.00%	0	0.00%	0	0.00%
	Other	0	0.00%	0	0.00%	0	0.00%

Note:

The percentage of female directors = (Number of female directors at the end of the year / Number of directors at the end of the year) * 100%.

The percentage of male directors = (Number of male directors at year-end / Number of directors at year-end) * 100%.

The percentage of female directors plus the percentage of male directors should be 100%.



Regarding the succession planning of the Board of Directors, currently, several senior Managerial officers within the group possess the managerial and professional capabilities required to serve as directors. At the same time, the Company will also seek professional talent externally to make relevant preparations for the succession planning of directors. The plan is as follows (for details, please refer to the Company's official website):

The structure of the Board of Directors is determined based on the Company's scale of business development, the shareholding status of major shareholders, and practical operational requirements.

*According to the Articles of Incorporation, a candidate nomination system is adopted, and candidates consider the diversity of the Board of Directors' composition in accordance with Article 20 of the "Corporate Governance Code."

Provide ongoing professional development for directors, requiring each board member to complete a minimum of 6 to 12 hours of training annually to ensure they possess adequate professional expertise and stay informed of the latest developments.

Board of Directors

Continuously implement the director succession plan and maintain a database of potential director candidates.

In accordance with the "Board Performance Evaluation Method," an annual evaluation of directors is conducted to confirm the effectiveness of the Board's operations and to assess the performance of individual directors, serving as a reference for future director selection and the determination of their individual salaries and compensation.

Arbor Technology's continuing education content for technology directors covers professional capabilities and financial topics related to corporate governance, risk management, business, commerce, legal affairs, accounting, sustainable development, internal control systems, and other ESG courses. It is believed that under the leadership of a Board of Directors with integrity in governance and abundant industry experience, the Company's operations will become more prosperous and continue to make great strides on the path of sustainable management. The total training hours for all directors in 2024 amounted to 42 hours.

Collective knowledge of the highest governing body				
Total training hours of the entire Board of Directors	42			
Total hours related to ESG courses	42			
Director ESG-related course weighting	100.00%			

The Board of Directors has established the audit committee and the compensation committee to enhance supervisory functions and strengthen management capabilities. The Functional Committee shall be accountable to the Board of Directors, except for those who are required by law to exercise their functions independently, and shall submit its proposals to the Board of Directors for resolution.

Audit Committee

The Audit Committee assists the Board of Directors in supervising the quality of the Company's performance of accounting, auditing, financial reporting processes, and financial controls, and submits the evaluation results to the Board of Directors for discussion. Arbor Technology passed the "Audit Committee Charter" and established an Audit Committee composed of 4 independent directors, one of whom serves as the convener. At least one member possesses expertise in accounting or finance. The committee meets at least once per quarter. In 2023, a total of seven meetings were held, with an average attendance rate of 96.43%.



X Communication Policy Between Independent Directors, Internal Audit Supervisors, and External Auditors:

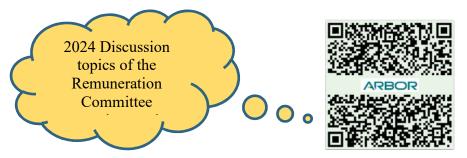
- Independent directors and accountants hold at least one meeting each year. The accountants report to the independent directors on the Company's financial status, the financial and overall operational status of domestic and overseas subsidiaries, and the internal control audit status. They also communicate on whether the financial report and the Independent Auditors' Review Report, or legal amendments, have any impact on the accounting records.
- Meetings can be convened at any time in case of major issues. The internal audit sends the completed "Audit Report" to each independent director and supervisor via email every month. If there are any questions or instructions, they can be inquired or informed to the audit supervisor via email or phone. Additionally, the internal audit supervisor holds a communication meeting with the independent directors at least once a year to explain the execution status of the Company's internal audit and the operation of internal controls. In case of significant abnormal matters, the independent directors can be informed at any time.

For the communication between independent directors, internal audit supervisors, and accountants in 2024, please refer to the company's official website.



Remuneration Committee

To establish a sound remuneration system for directors and managers, Arbor Technology evaluates the operational performance of directors and managerial officers and whether the remuneration they receive is fair and reasonable. Thus, the Board of Directors passed the "Remuneration Committee Charter" and established a remuneration committee within the Board of Directors. The committee consists of 3 independent directors, and the convener is elected by all members. In 2023, a total of 3 meetings were held, with an overall attendance rate of 100%.



With the Recommendations Submitted to the Board of Directors for Discussion Afterward, the Main Responsibilities of the Remuneration Committee Are as Follows:

- Establish and regularly review the policies, systems, standards, and structures for performance evaluation and compensation of directors, supervisors, and managerial officers.
- Regularly evaluate and set the salary and compensation for directors, supervisors, and managerial officers.

The principles the Remuneration Committee Should Consider When Conducting <u>Evaluations Are as Follows:</u>

- The Company's salary and compensation comply with laws and are competitive enough to attract top talent;
- The performance evaluation and salary remuneration of directors and managers should refer to the industry standards and consider the amount of time invested by the individual, their responsibilities, the achievement of personal goals, the performance in other positions, the salary remuneration offered to individuals in comparable positions by the Company in recent years, and the achievement of the Company's short-term and long-term business goals, the Company's financial status, etc., to evaluate the reasonableness of the correlation between individual performance and the Company's operational performance and future risks;
- ➤ Remuneration policies should not encourage directors and managers to engage in activities that may pose an overwhelming risk to the Company in pursuit of compensation;
- > The proportion of remuneration to be paid to directors and senior managers for short-term performance and the timing of payment of part of the variable remuneration should be determined in consideration of the characteristics of the industry and the nature of the Company's business.

X Link Between the Performance Evaluation and Remuneration of Directors and Managers

As global awareness of sustainable development continues to rise, an increasing number of investors and stakeholders place significant emphasis on companies' ESG performance. Arbor Technology recognizes that incorporating ESG metrics into the remuneration system not only enhances senior executives' attention to relevant issues but also motivates them to actively pursue sustainability goals and embed these values into day-to-day decision-making. This approach supports continuous improvement across environmental, social, and corporate governance dimensions, aligns with international trends, and further strengthens Arbor Technology's appeal to stakeholders.

- According to Article 19 of the Articles of Incorporation, if the Company generates profits in the fiscal year (defined as pre-tax profits before the distribution of employee and director/supervisor remuneration), up to 5% of such profits may be allocated as director/supervisor compensation. Additionally, Article 16 authorizes the Board of Directors to determine directors' remuneration based on their level of participation in company operations and the value of their contributions, with reference to prevailing industry standards.
- ➤ Remuneration for managerial officers includes salary and bonuses. Salary is determined with reference to industry benchmarks, job title, position level, academic and professional background, expertise, and responsibilities. Bonuses are closely linked to the achievement of the Company's ESG-related performance targets, such as revenue and the achievement of pre-tax and after-tax net profit. Individual performance evaluations also incorporate criteria such as sustainable procurement and occupational health and safety. Bonus distribution follows the principles recommended by the Remuneration Committee and is subject to final approval by the Board of Directors.

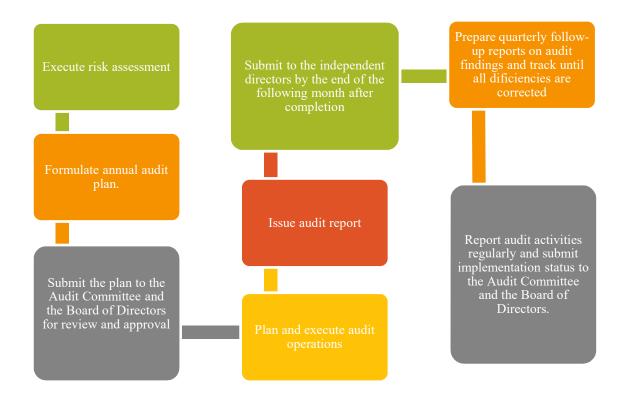
3.1.4 Internal Audit

X Internal Control System and Internal Audit

The internal audit department of Arbor Technology is an independent unit that reports directly to the Board of Directors. Following the "Regulations Governing the Establishment of Internal Control Systems by Public Companies," the internal audit system is developed based on the overall operational activities of the Company and its subsidiaries, and is designed in alignment with the internal control mechanisms established by each responsible unit. The internal audit function assists the Board of Directors and management in examining and reviewing deficiencies in the internal control system, assessing the effectiveness and efficiency of operations, and providing timely recommendations for improvement. Based on the results of annual audits and self-assessments, risk levels across various operational cycles are identified, and the audit plan for the next year is formulated and executed upon approval by the Board of Directors.

The head of internal audit is required to attend board meetings to report on audit operations and attend Audit Committee meetings at least once per quarter to present the status of internal audit execution and the operation of internal control systems to independent directors. Through continuous oversight by audit personnel, the Company ensures effective implementation of operational systems, establishes sound governance practices and risk control mechanisms, and fosters a sustainable operating environment. In 2024, a total of 45

audit projects were executed by the audit office, with a 100% compliance rate and no material findings of non-compliance.



% Internal Audit Staff

According to Arbor Technology's "Audit Committee Charter", the appointment and dismissal of the chief auditor must be approved by the Audit Committee and resolved by the Board of Directors, while the appointment, performance evaluation, and compensation of internal audit personnel are submitted by the chief auditor and approved by the chairperson of the board.

To strengthen the professional competencies of audit personnel, the Company arranges continuous training and participation in internal audit programs organized by designated institutions of the competent authorities, improving and maintaining audit quality and execution effectiveness. In the current year, 2 audit staff members completed a total of 24 hours of training.

X Internal Control Self-Assessment Procedure

Arbor Technology conducts an annual self-assessment of its internal control system during the first quarter. The self-assessments are performed by designated personnel from each unit (supervisors at the department level or above), and the results are reviewed and consolidated by the audit office. The compiled internal control self-assessment reports from all units and subsidiaries are used to evaluate the overall effectiveness of the Company's internal control system.

X Internal Control Statement

The audit office reviews the self-assessment reports submitted by each unit, together with the improvement status of internal control deficiencies and anomalies identified by the audit unit. The consolidated results are reported to the Board of

Directors and senior management to evaluate the overall effectiveness of the internal control system and to issue an internal control system statement.

3.1.5 Ethics and Integrity

Results

- Integrity and Honesty Commitment Letter
 In 2024, all 61 new employees have completed the signing of the "Employment Contract Fiduciary Duty and Integrity Principles".
- Integrity and Ethics Training Course
 In 2024, 169 employees participated in the "Insider Trading Prevention and Integrity Management Promotion" course, with a total training time of 84.5 hours
- No records of any violations of ethics and integrity were received during the year.

X Integrity Management Policy and Plan

- ➤ The Company approved the "Integrity Management Operating Procedures" at the shareholders' meeting on June 24, 2013, last amended by the Board of Directors on February 1, 2021.
- ➤ The Company engages in business activities based on the principles of fairness, honesty, trustworthiness, and transparency. To enforce its integrity management policy and prevent dishonest conduct, the Company established the "Integrity Management Operating Procedures," the "Code of Ethical Conduct for Directors and Managerial Officers," and the "Code of Ethical Conduct for Employees," which are disclosed on the Market Observation Post System and the Company's official website. These policies apply to all directors, managers, employees, and individuals with substantial control. The Human Resources Department is designated as the responsible unit, overseeing implementation and reporting regularly to the Board of Directors. The 2024 integrity management implementation status was reported to the Board on March 14, 2025.

"Integrity Management Operating Procedures," "Code of Ethical Conduct for Directors and Managerial Officers," "Code of Ethical Conduct for Employees"



X Anti-Corruption Measures and Plan

- ➤ The Company conducts an annual assessment of corruption risks in the first quarter, together with the internal control self-assessment. Supervisors of each unit evaluate business activities with a high risk of corruption within their business scope, evaluate the appropriateness and effectiveness of their preventive measures, and revise the anti-corruption measures and plans.
- The "Integrity Management Operating Procedures" define the scope of anticorruption measures, including prohibition on bribery and the acceptance of bribes, illegal political contributions; improper charitable donations or sponsorships; the offering or receipt of inappropriate gifts; entertainment or other undue benefits; infringement of trade secrets, trademarks rights, patents, copyrights, and other intellectual property rights; unfair competition; and products and services that directly or indirectly harm the rights, health, or safety of consumers or other stakeholders during the research, procurement, production, provision, or sale.
- ➤ The "Integrity Management Operating Procedures" define the types of benefits and dishonest conduct, stipulate guidelines for giving and receiving benefits and avoiding conflicts of interest, and establish a reward and complaint system, outlining the procedures for handling dishonest behaviors. When company personnel are involved in dishonest behavior, the dedicated unit should report the dishonest behavior, its Handling Method, and subsequent review and improvement measures to the Board of Directors. In 2024, there were no incidents of dishonest behavior involving company personnel.

X Implementation of the Integrity Management Policy in 2024 Is as Follows:

▶ Legal Compliance Promotion and Training

- Company policies related to integrity management are disclosed on the Company website.
- New employees are required to sign the "Employment Contract" on their first day of work. The contract includes provisions related to the protection of intellectual property rights, the prohibition of pirated software usage, and the confidentiality of trade secrets. In 2024, all 83 new employees completed the signing of the "Employment Contract_Duty of Loyalty, Principle of Integrity, and Confidentiality Agreement."
- Arbor employees are required to complete the online internal training course titled "Prevention of Insider Trading and Integrity Management Promotion" by the end of March <u>each year</u>. The course covers topics such as the causes and identification process of insider trading, its penalties and cases, and explanations of dishonest behavior patterns. The course materials, including presentations and video files, are available in the internal employee training system for reference. In 2024, 169 employees completed the course and passed the assessment (with each participant receiving at least 30 minutes of training).

Establishment of Supervision Mechanisms

The Company has established the "Integrity Management Operating Procedures" and the "Code of Ethical Conduct for Directors and Managerial officers" to regulate the obligations of directors, supervisors, managers, and employees with regard to their duties to the Company, engagement in external business activities, financial transactions, avoidance of conflicts of interest, and confidential information management. An accounting system and internal control system are established to ensure the effectiveness of financial reporting processes and internal controls.

According to the "2024 Internal Control System Statement" issued by the audit office and the "2024 Internal Control System Report" issued by the external auditor, the design and implementation of the internal control system in 2024 were assessed as effective.

Establishment of Reporting Mechanisms

The Company has clearly stipulated its "Integrity Management Operating Procedures" and "Integrity Management Operating Procedures," which are disclosed on the Market Observation Post System and the Company's website. With the establishment of confidential and accessible reporting channels, there were no internal or external whistleblowing cases at Arbor Technology in 2004.

- The Company has implemented a confidentiality mechanism for the reporting process that strictly prohibits retaliation against whistleblowers who act in good faith. Reports may be submitted to the "Personnel Evaluation Committee" in writing via the "Complaint Mailbox" or "Email" (inform@Arbor.com.tw). After the "Personnel Evaluation Committee" investigates, a resolution document will be issued. If a serious violation is identified or a potential significant loss to the group is discovered, a written report must be submitted immediately to the independent directors.
- To encourage both internal and external individuals to report dishonest or improper conduct, a whistleblower reward is offered. If the reported misconduct is verified, 1% of the reported monetary value will be granted as a bonus, with the maximum reward capped at NT\$50,000.

3.2 Risk Management

3.2.1 Policies and Organizational Structure

To strengthen corporate governance and establish an effective risk management system for stable operation and sustainable development, Arbor Technology's Board of Directors approved the "Risk Management Policy" on August 12, 2013. The policy was renamed as the "Risk Management Policy and Procedures" on March 15, 2024, with the review of the audit committee and the approval of the Board, and disclosed on the Company website, establishing a sound risk management mechanism.

Arbor Technology's risk management organizational structure comprises four levels. The Board of Directors serves as the highest decision-making authority for risk management, responsible for approving the overall risk management policy. A Risk Management Team, composed of the most senior executives of each functional unit and chaired by the chairman, is responsible for driving and implementing risk management efforts. The team reviews risk management issues raised by operational units and reports to the Board of Directors at least once a year.



3.2.2 Risk Management Operations

Arbor Technology's Sustainable Development Committee identifies material topics related to the Company's operations across the areas of Environment (E), Social and Human Rights (S), and Governance and Economic (G) dimensions, following ESG materiality principles. For each identified material topic, the committee proposes response strategies to address potential negative impacts on Arbor Technology. The Company's risk management framework centers on various responsible departments to carry out subsequent risk control operations, allowing the corporate governance unit to further supervise the effectiveness of the Company's internal control system and monitor the management of actual or potential risks.

In 2024, the Risk Management Policy and Procedures formulated for ESG risk assessment were reported to the Board of Directors on May 13, 2024.

Aspect	Material topics	Negative impact	Risk management strategies/response measures
	Operating performance	Foreign exchange losses/Invest ment losses	 Interest rate: The Company closely monitors fluctuations in market interest rates and adjusts fund utilization accordingly Exchange rate: The Company achieves a natural hedging effect by invoicing in foreign currency; mitigates exchange rate risks through currency exchange or forward contracts regarding market information and future trends; monitors changes in the foreign exchange market for relevant supervisors to timely adjust exchange rate fluctuations, and for the Company's business units to adjust product prices; and, depending on the price of foreign currency, conducts foreign exchange hedging if necessary, following the "Acquisition or Disposal assets Handling Procedures." The Company avoids high-leverage investments and establishes systems, including the "Procedures for Loans to Other Parties", "Procedures for Endorsements and Guarantees," and "Procedures for Acquisition or Disposal of Assets," to handle financial-related operations.
Governance/ Economy (G)	Customer service	Affecting service quality	 Set quantitative targets in alignment with the Company's quality management policies, applicable regulatory requirements, and service quality expectations. Implement systematic quality control by annually reviewing and monitoring the management of hazardous substances under international environmental regulations, customer requirements, and environmental trends, including the execution of a prohibited substances control plan. Report to management and conduct product return or exchange following instructions and protocols when any hazardous substances are identified as abnormal and potentially harmful.
	Information and personal data security	Loss of customer trust in the Company	 Establish the Information Office, with the General Manager serving as the supervisor and the Information Security Center executing related directives, and hold quarterly meetings to review the current status of the Company's information security protection. Plan the implementation of the ISO 27001 Information Security Management System and obtain the certification. Conduct annual information security risk assessment and implement risk mitigation plans for high-risk information security items. Conduct annual information security incident reporting and response drills.
	Innovation and R&D	Failure to meet customer needs	 Alignment with market trends: The Company monthly reviews global business conditions to understand customer demands in new products or technologies, and provides solutions to ensure new products are aligned with future market demands. Customer satisfaction: The Company conducts customer satisfaction surveys to ensure needs and satisfaction are met, enhancing the Company's ESG strategies of key markets. Establish strategic outcomes and set business performance goals, with monthly, quarterly, and annual reviews to facilitate timely adjustments or decision-making for subsequent planning, aiming to increase market share in key markets.

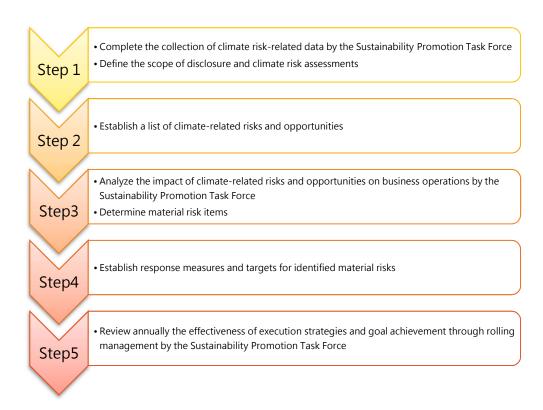
Aspect	Material topics	Negative impact	Risk management strategies/response measures
Governance/ Economy (G)	Customer service		 Set quantitative targets in alignment with the Company's quality management policies, applicable regulatory requirements, and service quality expectations. Implement systematic quality control by annually reviewing and monitoring the management of hazardous substances under international environmental regulations, customer requirements, and environmental trends, including the execution of a prohibited substances control plan. Report to management and conduct product return or exchange following instructions and protocols when any hazardous substances are identified as abnormal and potentially harmful.
Society (S)	Talent attraction and retention	Talent loss	 Provide fair and competitive compensation and benefits, and implement performance management and training development policies. Annually review whether employee salaries meet the job market standards, and provide feedback based on the Company's operational performance to maintain salary competitiveness. For individuals with relevant professional and work experience, compensation is determined based on the hired applicant's academic background, experience, expertise, and certifications, without differentiation based on gender or ethnicity. Various bonuses, dividends, and stock option schemes are also in place to incentivize outstanding employees. Establish an "Employee Welfare Committee," with members appointed by both labor and management representatives, to arrange various activities quarterly and diverse welfare measures such as employee health checks. Conduct regular anti-discrimination and anti-harassment training and communications, and provide multiple complaint and whistleblowing channels for employees. If employees experience discrimination and harassment, they can respond and file complaints through the dedicated channel. Organize a management consensus camp to foster leadership thinking and capabilities through brainstorming and group discussion sessions. Provide external training opportunities for high-potential employees to support their professional development, with an on-the-job training subsidy program available to encourage lifelong learning. Establish the "Outstanding Talent Referral Program" to incentivize employees to refer qualified external candidates, with referral bonuses awarded for successful hires. Enhance company visibility and attract talent by participating in talent bank activities (e.g., 104 Manpower Bank Employer Brand Awards) or obtaining awards (e.g., 1111 Manpower Bank Happy Enterprise Award).

Aspect	Material topics	Negative impact	Risk management strategies/response measures
	Occupational health and safety management	Operational and productivity disruptions	 Provide a workplace environment with health care and safety superior to legal requirements (obtained ISO 14001:2015 certification, valid from 27.11.2022 to 27.11.2025), (obtained ISO 45001:2018 certification, valid from 30.11.2022 to 29.11.2025) to ensure employees can fully commit to their work. Establish an Occupational Safety and Health Department in compliance with the "Occupational Safety and Health Act," holding quarterly meetings with top management and labor representatives to discuss safety and health matters.
Environment	Energy conservation and carbon reduction (Including climate change and greenhouse gas emission management)	Failure to meet policy and customer needs	 Incorporate climate change risks into the overall risk management system and propose effective response strategies to mitigate potential impact. Establish a Greenhouse Gas Inventory Committee for quantification, monitoring, reporting, and verification of greenhouse gas inventory and verification activities under Taiwan's Climate Change Response Act and ISO 14064-1 standards, and plan talent training, strategic objectives, control mechanisms, internal and external verification, with gas inventory by 2026 and external verification by 2028 expected to be completed. Implement energy-saving and carbon-reduction projects to enhance energy efficiency and reduce energy consumption (e.g., full replacement of lighting with LED fixtures). Promote digital energy monitoring initiatives (e.g., Ennowell, installation of digital electricity meters to strengthen power usage control). Communicate information related to greenhouse gas reduction and emissions mitigation, and share disclosure results with suppliers.
(E)	Sustainable supply chain management	Material shortage	 Conduct early assessments of production status and closely monitor transportation progress. Establish a substitution mechanism and stay updated with the news. In case of uncontrollable factors, immediately activate the supplier BCP investigation mechanism and prepare for substitute supply in advance. Stay updated with the trends in delivery times and inventory changes, predict, and respond to potential material shortage risks. Adopt a safe stock mechanism and promote a diversified procurement strategy to reduce reliance on a single supplier, comprehensively enhancing the flexibility and stability of the supply chain.
	Green products and services	Violation of regulations	 Strengthen the management of hazardous substances through the adoption material management system platform, to ensure that the original Supplies and products comply with regulatory requirements, and strictly adhere to international regulations such as RoHS, REACH, TSCA, and CP65. Promote packaging optimization, source reduction, easy disassembly, and recycling principles while complying with international and environmental regulations to enhance overall competitiveness.

3.3 Climate Change Governance

To promote climate change management, Arbor Technology actively assesses the potential impact of climate change on its operations, upstream suppliers, and downstream customers. Following the framework of the Task Force on Climate-related Financial Disclosures (TCFD), climate-related issues are divided into governance, strategy, risk management, metrics, and targets. Management identifies climate-related risks and opportunities and formulates corresponding response strategies, thereby strengthening the Company's resilience to climate-related risks.

TCFD Risk Management Process



Climate Change Management Framework

	To fulfill its corporate social responsibility, the Company established a Sustainability Development Task Force for corporate governance,
Governance	environmental protection, climate change, and labor-related issues. During the regular meetings on environmental, social, and governance topics, the leaders of sustainability development groups report the performance and suggestions to senior management, with an annual report submitted to the Board of Directors. The chairman of the Board serves as the chair of the Committee and leads the "Sustainability Development Task Force" in conducting risk identification, formulating strategies, and risk management processes at different levels, and evaluating performance indicators and targets.
Strategy	Climate-related risks and opportunities are integrated into the Company's overall strategies and plans. Arbor refers to the scenario analysis framework of the Task Force on Climate-related Financial Disclosures (TCFD) and conducts both quantitative and qualitative assessments to take corresponding measures. The Company discusses short-, medium-, and long-term definitions based on the 2°C Scenario (2DS) in the Sustainability Development Committee, with the setting of the short-term as "1 to 3 years", the medium-term as "3 to 5 years", and the long-term as "6 to 10 years", and conducted Climate risk and opportunities assessments. Climate risks are categorized into transition risks and physical risks that are further classified into policy & legal, market, reputation, and acute & chronic. Identified climate-related opportunities are categorized under areas such as resource efficiency, products, and services.
Risk management	 Arbor completed risk identification through the Sustainable Development Promotion Team during the Task Force on Climate-related Financial Disclosures (TCFD) discussion meeting, based on the potential operational transformation and physical risks and opportunities caused by climate change factors provided by each unit. Five potential operational transitions and physical risks, and 2 potential opportunities were identified regarding climate change factors.
Metrics and targets	 To reduce the impact of operational processes on the surrounding environment, we focus on all environmental indicators, such as energy saving and carbon reduction, water resource efficiency, pollution prevention, and hazardous substance management, to achieve sustainable development. An "ISO14064-1:2018 Arbor Group Implementation Team" was established to conduct a greenhouse gas inventory. We choose suppliers with social and environmental responsibility.

Climate risk identification

Туре	Issue	Climate- related risks	Potential financial risk	Risk mitigation	Metrics and targets actions / Management (2024 implementation situation)
	Policies and regulations	 Impose carbon fees and carbon taxes Add new relevant regulations 	 Increased operating costs (including compliance costs and increased premiums) Increased cost due to fines or judgments 	• Implement ISO14064_1 and conduct annual inventories for Arbor Group and verification for Arbor Technology.	Arbor Technology's Scope 1 and Scope 2 greenhouse gas emissions for 2024 are 278.4566 metric tons CO2e. While carbon fees are not expected to be levied in the short to medium term, the Company continues to implement energy-saving and carbon-reduction measures and monitors emissions data to align with the government's 2050 netzero emissions policy.
Transition risks	Market	 Increased consumer demand for environmental ly friendly products Supply chain disruptions or shortages 	Increased operational costs and reduced profits	● Implement green design and responsible procurement principles ● Strengthen supply chain resilience ▶ Reduce regional and customs risks, and increase the proportion of local supplier procurement to 75% ▶ Establish an out-of-production reporting mechanism	 As of 2024, all 521 global suppliers have achieved the target of 100% compliance for raw materials with international environmental regulations. The proportion of domestic supplier procurement reached 75%. In 2024, a total of 44 part numbers were replaced via ECR due to the EOL of components.
	Reputation	 Inadequate response to climate change Failure to meet stakeholder expectations 	 Decline in brand value, affecting market competitiveness Financing difficulties 	Commit to effective strategic transformation, and align with the "Climate Change Response Act" to achieve net-zero greenhouse gas emissions by 2050	Due to the effectiveness of energy-efficient equipment, electricity consumption in 2024 decreased by 9% compared to 2023.

Туре	Issue	Climate- related risks	Potential financial risk	Risk mitigation	Metrics and targets actions / Management (2024 implementation situation)
Physical risks	Short-term	Increased severity of extreme weather events such as typhoons and floods	 Physical asset damage Operational disruptions, such as production halts, transportation challenges, and supply chain interruptions Challenges in workforce management and planning, including health, safety, and absenteeism 	 Conduct risk assessments in advance Increase the proportion of local supplier procurement (by supplier count) Establish comprehensive contingency plans 	 Conduct a climate change scenario analysis The local supplier procurement ratio (by supplier count) reached 75%. The "Occupational Health and Safety Department" established an emergency response plan, and no workplace accidents occurred during the year.
	Long-term	 Higher frequency of extreme climate events Rising average temperatures 	 Increased operating costs due to higher asset premiums Increased consumption of electricity and water 	 Evaluate annually the scope, types, and coverage amount of asset insurance by the Administration Division Set carbon reduction targets Install uninterruptible power supply (UPS) systems in server rooms 	 Insure cargo transportation. Install energy-efficient equipment and monitor energy consumption in real-time.
		Adoption of high-efficiency transportation methods		 Increase the proportion of local supplier procurement 	The local supplier procurement ratio (by supplier count) reached 75%
	Resource efficiency	Implementation of more efficient production and distribution processes	 Reduction in operating costs Increased production capacity and revenue 	 Conduct production process optimization by the IE team Establish an energy management system Replace outdated equipment with energy-efficient alternatives 	 Install energy-efficient equipment and monitor energy consumption in real-time. Electricity consumption in 2024 decreased by 9% compared to 2023.
		Utilization of new technologies		Develop innovative products and services	Combining smart water meters and distribution panels, water resource management and industrial safety were integrated into carbon management and carbon inventory to green transition opportunities.
	Product and services	• Shifts in consumer preferences	Decrease in demand for	• Use 100% recyclable	A product line for continuous generational development was selected to

Туре	Issue	Climate- related risks	Potential financial risk	Risk mitigation	Metrics and targets actions / Management (2024 implementation situation)
		toward	products and	packaging	adopt 100% recyclable
		sustainable products	services	materials	packaging materials.
		• Carbon reduction			
		benefits of products,			
		enhancing			
		corporate image			

Climate Change Scenario Analysis

Arbor, in accordance with the recommended guidelines of the TCFD, incorporates the analysis results of the worst-case scenario analysis for transitional and physical risk types into strategic resilience assessments.

Transformation risk refers to the 2016 World Energy Outlook 450 Scenario (IEA WEO 450 Scenario, 2016) published by the International Energy Agency and the Nationally Determined Contribution (NDC) targets set by the locations of each manufacturing site. Taiwan targeted a reduction of greenhouse gas emissions by 46% from the Business as Usual (BAU) scenario by 2030 in its Intended Nationally Determined Contribution (INDC) report.

Transition risks

- ◆ IEA WEO 450 Scenario
- ◆ Intended Nationally Determined Contribution (INDC)

Greenhouse gas emissions in 2030 target a reduction by 46% based on the Business as Usual (BAU) scenario.

Physical risks refer to the National Science and Technology Center for Disaster Reduction (NCDR) and the U.S. research organization Climate Central, which estimate temperature increases, precipitation, flooding, and sea level rise for 2020-2060 under scenarios such as RCP8.5.

Physical risks

- ◆ U.S. research organization "Climate Central"
- National Science and Technology
 Center for Disaster Reduction (NCDR)

Sea level rise from 2020 to 2060, areas below the tidal line, areas below the 2050 flood level, temperature increase, rainfall change rates, maximum consecutive rainfall days, and total rainfall are estimated.

Scenario Analysis Results

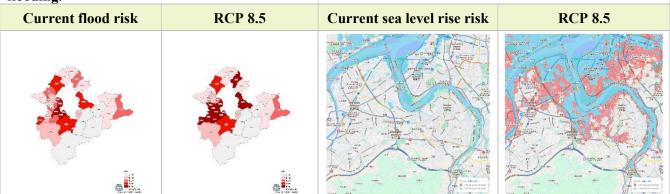
Risk type	Scenario	Parameters	Risk type	Scenario	Parameters
		Very high emission scenario			Very high emission scenario:
Physical		sechario	Physical		sectiano.
risk	RCP 8.5	by 2060	risk	RCP 8.5	by 2060
Flooding		Average temperature increase is high	Sea level		Average temperature increase is high
		1.9°C to 3.0°C			1.9°C to 3.0°C

Flood risk assessment and classification:

Sea level rise risk assessment and classification:

According to the simulation map provided by the National Science and Technology Center for Disaster Reduction, with the period from 1976 to 2000 as the baseline, the trend of flooding due to heavy rainfall caused by warming scenarios in the middle of the century is estimated, with a 24-hour cumulative rainfall reaching 600 millimeters. Arbor Technology, with its main base in Zhonghe District, New Taipei City, faces a Level 5 (highest) risk of physical impact from flooding.

Arbor Technology has assessed the sea level rise risk at its main site in Zhonghe District, New Taipei City, and identified it as high risk. Due to no specific management measures planned at this stage, existing response strategies for flood risk will be referred to in the short term



Physical risk is the primary impact due to flood risk caused by climate change:

Impact: Flooding near Arbor Technology's Zhonghe District Jiankang plant can cause traffic and power outages and disrupt employees' commutes.

Countermeasures:

- The Company regularly conducts training and drills for employees related to natural disaster prevention.
- If an actual disaster occurs, the Occupational Safety Team will be convened immediately to carry out 3 recovery actions:
 - ➤ Deploy sandbags by the Building Management Committee to prevent flooding from spreading to upper floors.
 - Evacuate employees.
 - Arrange remote or off-site work by the management team to prevent business interruption, and assess disaster recovery costs.

3.4 Compliance with Regulations

Arbor Technology is committed to conducting its business with integrity and honesty, in full compliance with all applicable laws and regulations. All employees, supervisors, and members of the Board of Directors in Arbor Technology must not engage in any illegal or unethical behavior. In 2024, the Company has not been penalized for violating laws and regulations, nor have any incidents of corruption, market monopolization, or unfair competition occurred. To comply with regulatory requirements, we will closely monitor any activities that may adversely affect us.

Policy/ Commitment		The Company is committed to operating with integrity as its core principle, strictly adhering to economic, social, and environmental laws and regulations, establishing and continuously strengthening its compliance and internal control systems to ensure that business operations meet regulatory requirements, reduce compliance risks, and fulfill corporate social responsibility.
Goal	Short-term	 Ensure there are no violations such as administrative or judicial sanctions and fines. Implement procedures for compliance identification and regulatory change response. Establish a violation reporting mechanism
	Mid- to long-term	 Maintain a record free of administrative or judicial sanctions and violations, such as fines. Continuous education and training, and cultural internalization. Strengthen communication with stakeholders.
Responsible Complaint N	department/ /lechanism	Contact unit: HR Department cindy@arbor.com.tw
Effectiveness Tracking mechanism		 Number of violations (including administrative or judicial sanctions and fines): 0 The completion rate for legal and regulatory identification across all units is 100%; the annual Compliance Manual has been updated. Internal reporting mechanism has been activated.
Resources invested in 2024		 Legal advisory fees were paid to "J-Li Law Firm." Establish dedicated legal personnel responsible for handling legal matters related to the Company's operations. Regulatory compliance identification and relevant personnel training were conducted by the responsible departments. The audit office conducts compliance audits and continuous improvement tracking.
Execution performance in 2024		 Number of violations (including administrative or judicial sanctions and fines): 0 Number of complaint or reporting requests: 0

Compliance Policy and Core Spirit

The Company is committed to integrity as a core value of its business operations that no employee, supervisor, or board member shall engage in acts that violate laws or ethical norms. The compliance system is not only the basis of legal liability, but also an important pillar of the "Corporate Governance" aspect of the ESG sustainability strategy promoted by the Company.

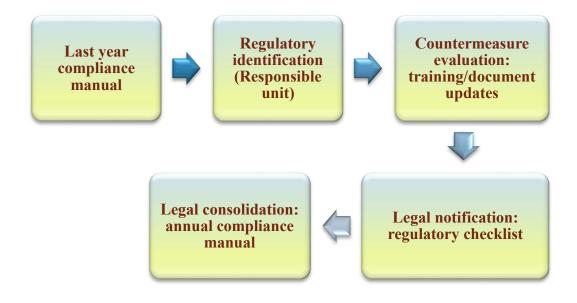
the Company establishes a compliance policy based on relevant economic, social, and environmental regulations, clearly stating as follows:

All business activities must comply with legal and regulatory requirements. Prevent and eliminate corruption, monopolistic practices, conflicts of interest, and unfair competition.

Strengthen companywide compliance awareness through systematic reviews and ongoing education.

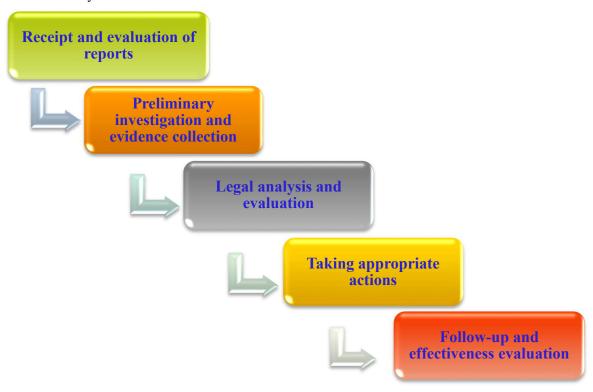
Proactively disclose, address, and improve in response to stakeholders' concerns.

Systematic Inventory, Promoting A Culture of Compliance



Illegal Incident Reporting and Investigation

Illegal reporting incidents are handled by dedicated legal personnel under strict confidentiality protocols, ensuring the protection of individuals' privacy and the security of all related data.



3.5 Operating Performance

Policy/ Commitment	 Continuously creating innovative value in industrial communication and the industrialization of communication, the Company aims to build a comprehensive IoT ecosystem and enable Industrial Computers with connectivity (IPC with connectivity). By integrating internet technology, communications, software, optoelectronics, and cloud computing with big data, the industrial computer applications that were originally inclined towards factory automation have been expanded to various aspects of smart living, forming a truly intelligent industry.
Short-term	 Actively expanding overseas markets and achieving continuous revenue growth, the Company targets its overall revenue growth for 2025 to 2027 by 10-20%, with an aim to increase the overall gross profit margin by 5%. The company has business and production sites in South Korea, the United States, the United Kingdom, France, and Mainland China, allowing it to develop and support local markets effectively. In recent years, the Company has deepened its presence in Mainland China, Southeast Asia, Europe, and the United States by strengthening its distribution network to expand sales markets.
Goal Mid-to long-term	 Promoting the "United in Formation" concept and cross-disciplinarily collaborating with competitive strategic partners in different fields, the Company not only complements benefits with its allies but also creates more opportunities than before in various application fields. Collaborating with Wistron, MediaTek, Ennoconn, other industry peers, and domestic and international companies, the Company creates greater value for shareholders by increasing product value and reducing production cost through the R&D and production at the front end and product outlets by brand channel partners at the downstream.
Responsible department/ Complaint mechanism	Contact unit: investor@arbor.com.tw
Effectiveness Tracking mechanism	 We optimized our overseas presence and successfully developed new overseas distributors and ODM projects. From 2025 to 2027, we aim to achieve overall

	revenue growth of 10-20% and increase the gross profit margin by 5%.	
Resources invested in 2024	 Strengthen competitiveness, expand customer base, integrate upstream and downstream resources, enhance global supply chain capabilities, and develop VIP clients. Continue to invest in expanding the R&D team and accelerating new product development. We improve profitability by leveraging the cost advantages of third-party vendors. 	
Execution performance in 2024	 We optimized our overseas footprint by successfully developing 12 new overseas distributors and 4 ODM projects. In 2024, 2 new business units joined our strategic alliance platform, enhancing resource integration and collaborative development. We increased our shareholding in our affiliate, Arbor Technology, to support revenue and profit optimization. 	

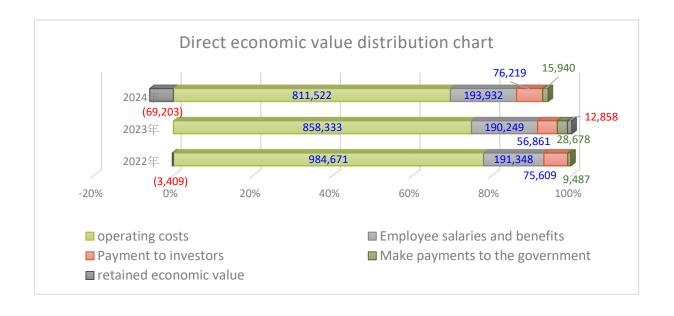
Arbor is committed to meeting customer expectations for product design and quality. With a comprehensive global sales network and engineering support team, we provide prompt, localized solutions and respond to evolving technical specifications, positioning ourselves as a trusted partner to customers worldwide. Arbor continuously delivers high-quality products and strives to create strong business performance that rewards our shareholders.

Economic Performance

Item	Basic elements	2022	2023	2024
Direct economic value generated (A)	Revenue (Note 1)	1,257,706	1,146,979	1,028,498
Economic value distributed (B)	Operating costs (B1_Note 2)	984,671	858,333	811,522
	Employee salaries and benefits (B2_Note 3)	191,348	190,249	193,932
	Payments to providers of capital (B3_Note 4)	75,609	56,861	76,219
	Payments to the government (B4_Note 5)	9,487	28,678	15,940
	Community investment (B4_Note 6)	0	0	0
Retained economic value (C)=A-B		-3,409	12,858	-69,203

Disclosure based on the parent company only financial statements Unit: NTD thousand

- Note 1: statement of comprehensive income-operating revenue.
- Note 2: statement of comprehensive income-operating costs.
- Note 3: Includes total salary (including employee salary and payment to the government on behalf of employees) plus total benefits (excluding education training, protective equipment costs, or other costs directly related to employee job duties)
- Note 4: Includes dividends paid to all shareholders, plus interest paid to lenders.
- Note 5: Includes all taxes and fines paid by the organization according to international, national, and local standards. Tax payments may include business tax, income tax, and property tax.
- Note 6: Includes voluntary donations to the community and financial support for community facilities and activities.



3.6 Cybersecurity Protection

Policy/ Commitm	A thorough implementation of more stringent information security controls demonstrates Arbor Technology's his regard for information security and its policy and commitment to protecting customer information.		
Short-term		 Implement product development cybersecurity design process (IEC 62443) Establish effective safety measures to enhance customer trust and satisfaction. Collaborate with other relevant industries to share best practices and safety information, jointly improving the overall safety level of the industry. Conduct security vulnerability scanning and penetration testing of the core system at least once a year, and an internal information security audit once a year. 	
<i>4</i>	Mid-to long- term	 Monitor and block external network attacks, and control and defend against the spread of internal computer viruses. Block continuous internal transmission and infiltration. Effectively prevent external hackers from accessing internal sensitive data, and block ransomware and other hacker attacks to ensure uninterrupted business operations. Application, review, and management of access rights, as well as application, acquisition, and archiving management of internal technical documents. Protect important internal enterprise data from leakage. Each employee should receive 3 hours of cybersecurity training per year; disaster drills are conducted annually to assess the occurrence of information security incidents. 	
Responsible depa Complaint mecha		e-mail: esg@arbor.com.tw / Information Department	
Effectiveness Tracking mechanism		 Conduct safety inspections, information security health checks, social security, and information security incident drills every year. Enhance employees' awareness of information security crises and improve the response capabiliti of information security personnel, aiming to preve incidents in advance and detect and contain threats promptly. Perform vulnerability scanning, penetration testing social engineering drills, and one emergency incideresponse exercise. 	

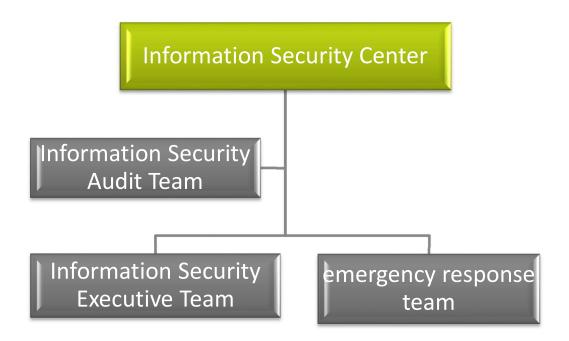
Effectiveness Tracking mechanism	 The Company regularly announces and promotes information security policies and cultivates employees with relevant information security certifications. Provide information security education and training to all staff, with each person receiving at least 3 hours per year. Report to the Board of Directors at least once a year, summarizing the status of annual information security risk management. There were no cybersecurity incidents during the year that impacted company operations or infringed on customer privacy.
Resources invested in 2024	 The information department is comprised of 6 members, with an investment of NTD\$3,875,550 in 2024 to establish server virtualization for the computer room, adopting the Nutanix hyper-converged infrastructure. Upgrade both server and employee operating systems to strengthen information security at the server and endpoint levels. Complete the inventory of existing assets, including
	hardware and software systems such as computers, networks, system permissions, and databases, as a baseline for continuous improvement in 2025. Implement access controls for the approval and document management systems to prevent confidential information leakage, with file backup and offsite storage mechanisms aligned with ISO 27001 standards.
	 Complete the inventory and backup of the database, and restore the ERP database to the test area at least every 6 months to ensure the feasibility of disaster recovery. Conduct vulnerability scans, penetration tests, social engineering drills, and emergency incident response.
Execution performance in 2024	All evaluation mechanism items set for the current year have been completed.

In the digital era, information security is a critical concern for Arbor's business continuity. Ensuring secure information and business processes, protecting sensitive corporate data from leakage, and maintaining a safe and high-quality cybersecurity environment have always been core values of Arbor Technology, supporting our goal of being a trusted partner for clients.

Arbor Technology values information security and establishes a comprehensive cybersecurity and data protection framework to mitigate risks such as the leakage of confidential data or information damage. Internally, we have implemented robust information security control mechanisms, applied advanced technologies, and adopted data security standards. A backup mechanism has been established for critical systems, and unscheduled restoration tests are conducted annually to ensure system recoverability. These efforts help reduce the risk of disruptions caused by unforeseen natural disasters or human error and ensure that recovery targets are met.

The current cybersecurity measures at Arbor are implemented in accordance with the group's cybersecurity policy. The group holds regular online cybersecurity control meetings, with participation from designated personnel across subsidiaries. Each session focuses on a specific cybersecurity topic, and subsidiaries are required to submit relevant documentation and deliver updates. By integrating into the group-wide information security management system, Arbor Technology strengthens its cybersecurity capabilities and safeguards the confidentiality, integrity, and availability of corporate data. These measures help prevent unauthorized use, leakage, tampering, damage, or loss of information assets resulting from human error, intentional acts, or natural disasters, thereby avoiding operational disruptions and protecting corporate interests. No cybersecurity incidents occurred during the year.

3.5.1 Information and Communication Security Risk Management Framework



Cybersecurity Center

On November 13, 2023, Arbor Technology's Board of Directors approved the establishment of the "Information Security Center" and appointed the Associate Vice President of the Cybersecurity Center as the Chief Information Security Officer. Committee members include vice presidents and the Director of the Information Division. Regular meetings are held to review critical information security policies, risk assessments, enhancement plans, security performance indicators, as well as global cybersecurity trends and threats, ensuring alignment with Arbor Technology's information security policy and management objectives.

Information Security Task Force

Arbor Technology has established the "Information Security Team", comprising members from the HR Department, Administration Department, Facility Department, Information Center, and Document Control Center. The task force holds regular meetings to review and implement key information security and protection policies and plans, ensuring the achievement of Arbor Technology's information security policy objectives.

3.5.2 Information Security Policy

Item	Board report date	Company website
2024 Information Security Policy and Specific Management Measures	2024.03.15	
2024 Annual Performance Report	2025.03.14	ARBOR

3.5.3 Information Security Management and Execution Focus

Management approach	Key actions
To prevent and reduce external cybersecurity risks, rigorous information security measures implemented and continuously updated by Arbor Technology are as follows:	The key points of cybersecurity implementation that continue every year are as follows:
 Establish advanced virus scanning tools to prevent the information systems used by the Company from being infected by viruses; 	 Information security (policy) (organization) management Human resources security management
 Strengthen network firewalls and network control to prevent computer viruses from spreading across plant areas; 	Information asset managementAccess control management
 Implement antivirus measures and advanced malware detection solutions on company computers; 	Password managementPhysical and environmental security management

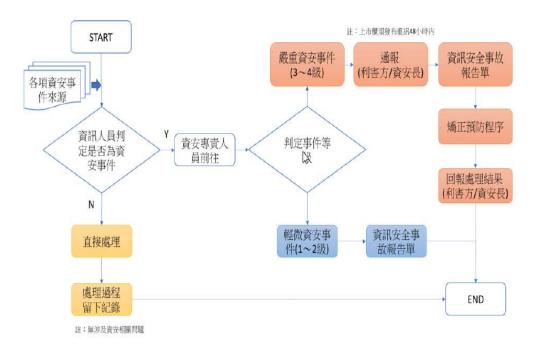
Management approach **Key actions** • Accelerate information security deployment to enhance data center protection, and regularly review cybersecurity performance indicators; Introduce new technology to enhance data protection; strengthen phishing email detection, and conduct regular employee awareness tests:

- Establish an integrated automated cybersecurity maintenance and operation platform, and enhance the automation of cybersecurity incident detection and handling;
- Continuously practice the procedures for handling cybersecurity attacks;
- Engage external experts to conduct cybersecurity assessments and related evaluations.

- Operational security management
- Communication security management
- Information system acquisition, development, and maintenance management
- Supplier relationship management
- Information security incident management
- Business continuity management
- Compliance management
- Data security management
- Change and configuration management
- Cloud service management

3.5.4 Incident Handling and Reporting

Arbor Technology has established an information security center and an information security incident management procedure, clearly defining related processes and measures, including the information security incident reporting procedure, assigning responsible personnel to handle major information security incidents, assessing the losses incurred and further necessary response measures, evaluating the potential impact of information security risks on the Company's finances and operations, and their response measures.



3.5.5 Cybersecurity Awareness

X Shared on the Company's Intranet to Enable All Employees to Quickly Acquire Cybersecurity Skills

X Regularly Conduct Training Sessions to Raise Awareness of Cybersecurity Concepts

Course name: Computer skills/Information security		
Training date	Information security training hours	Number of participants
2024.05.31 ~ 06.13	3	168

3.5.6 Product Information Security TC-HW-230a.1

Arbor Technology has established a comprehensive identification and processing mechanism for data security risks faced by industrial computers and embedded system products. The Company implements the "Secure by Design" principle, evaluating potential cybersecurity threats from the initial stages of product development. It also incorporates mechanisms such as TPM modules at the hardware level and supports BIOS password protection and Secure Boot, ensuring secure system startup and data storage.

On the software front, Arbor has implemented firmware and operating system vulnerability scanning tools and adopted the Secure Development Lifecycle (SDL) in accordance with IEC 62443-4-1 standards, ensuring risk control mechanisms are in place from design and development to deployment. In addition, for equipment deployed in critical areas (such as smart healthcare, smart transportation, and factory automation), network access control, communication encryption, and remote operation access permission management are strengthened.

Comply with ARBOR's product applications (medical, transportation, manufacturing, and other fields)

Implement functions such as Secure Boot, TPM, and BIOS protection.

Secure development process based on IEC 62443-4-1

Establish a cybersecurity incident response and customer notification mechanism

Strengthen supply chain information security management and education training

IV. Product Service

Arbor Technology maintains a smooth communication channel with customers and upholds stable and long-term cooperative relationships. Customer feedback is promptly relayed by the Arbor Technology marketing team to the R&D and quality assurance departments for follow-up improvements, to earn customer trust through high-quality service.

4.1 Innovation and Research

Policy/ Commitment		New products are introduced annually to support the latest process-node CPUs, with ongoing development focused on Computer-on-Module (COM) solutions.	
Short- term		 The main Computer-on-Module (COM) product line is updated concurrently with CPU launches, with a 100% implementation rate. 	
Goal Mid- to long-term		• Product development performance is expected to increase per capita productivity by 30% within 3 years and further enhance the market share of new products. New product sales are projected to account for over 30% of total company revenue.	
Responsible department/ Complaint Mechanism		 Online customer service e-mail: esg@arbor.com.tw / Technical Services Department 	
Effectiveness Tracking mechanism		Total number of valid patents granted: 3.Sales of new products as a percentage of company revenue.	
Resources invested in 2024		 The R&D center consists of 186 employee, with 27.42% holding a postgraduate degree. The research and development expenditure for the year accounted for 5.57% of the Company's revenue. 	
Execution performance in 2024		 Application for a utility model patent and an invention patent were submitted for review. The sales of new products account for approximately 12% of the Company's revenue. 	

4.1.1 New Product Development

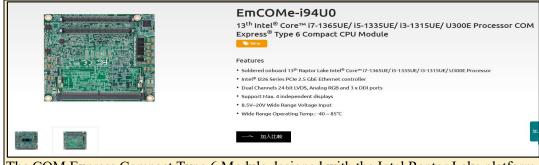
Arbor Technology continues to invest in the research and development of AIoT (Artificial Intelligence of Things) technologies, with multiple new products launches annually, and focuses on improving products' Performance-to-Energy Consumption Ratio to achieve product design goals that combine high performance with low power consumption. Through a Modular Design Architecture, not only are product development cycles accelerated and product line flexibility expanded, but designs also become more scalable and reusable, enhancing R&D efficiency.

This design thinking also empowers customers, assisting them in developing customized and market-agile AIoT application products based on the same modular architecture, achieving Co-innovation and Value Chain Synergy, and further promoting the sustainable growth of the AIoT ecosystem.

Products/Technologies Successfully Developed from 2022 to 2024



The COM Express Basic Type 6 Module designed with the Intel Meteor/Raptor Lake platform is used for customers' needs in industrial control application.



The COM Express Compact Type 6 Module designed with the Intel Raptor Lake platform is used to upgrade customers' needs in wide-temperature application.



MediaTek MediaTek Genio 1200 SoC is suitable for Internet of Things (IoT) and Artificial Intelligence (AI) related industrial applications.



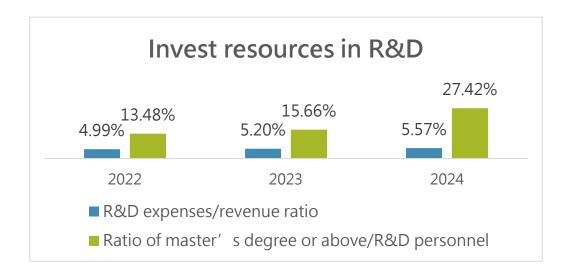
NVIDIA® Jetson AGX Orin™ is for artificial intelligence (AI) edge computing system applications

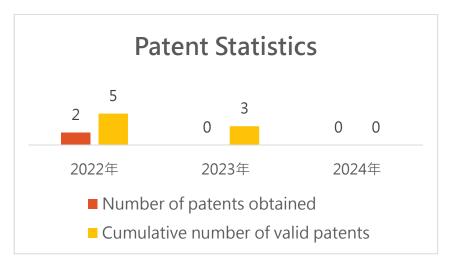


BOX integrates the use of the Intel 11th Generation CPU platform, and the miniaturized design meets customer applications in large indoor high-resolution digital playback systems.

4.1.2 Research and Development Investment Situation

Note: Source_Annual Report; Amobile International, Amobile Solutions (Xiamen), EFA Technology were added as new subsidiaries in 2024.





4.2 Customer Relationship

Arbor Technology provides professional advice and solutions, actively communicates with clients to understand their needs, and delivers tailored technologies and solutions to fulfill them.

Policy/
Commitment

Arbor upholds the values of "Customer First," "Accountability,"
"Visionary Insight," and "Pursuit of Excellence" to meet customer needs and enhance product quality and service.

In collaboration with customers and partners, Arbor leverages smart strategies to enhance "Customer Satisfaction", strengthen client relationships, optimize online technical services, and improve service efficiency.

	Goal	 Customer satisfaction is measured quarterly in "Product Launch Timing", "Quality", "Delivery", and "Technical Support and Service", aiming to build trust with customers and partners, maintain satisfaction scores above 80, and promptly propose corrections and improvements. Based on current supplier surveys, the Company conducts self-declarations on whether materials used are environmentally friendly.
Goal	Mid- to long- term	 Analyze the collected data and actively respond to customer expectations and pain points to enhance customer satisfaction and loyalty, thereby maintaining long-term customer relationships. The supply chain collaborates with green environmental protection, and the supplier selection item includes relevant procedures, requiring suppliers to self-declare their commitment to reducing environmental pollution.
Responsible department/ Complaint mechanism		 esg@arbor.com.tw / Quality Assurance Department Customer Complaint Platform
Effectiveness Tracking mechanism		 The average customer satisfaction survey score over the past 3 years exceeded 80 points. New supplier evaluation declarations and green product surveys were conducted.
Resources invested in 2024		 A total of 15 customer satisfaction surveys were issued during the year. A total of 248 POPs declarations were issued during the year.
Execution performance in 2024		 The return rate of customer satisfaction surveys reached 80%, with an overall average satisfaction score of 82.7 points. The completion rate of supplier declarations reached 73%, with surveys still in progress.

4.2.1 Quality Management

In the highly competitive technology industry, Arbor Technology firmly believes that excellent quality is the core of business success. Our quality strategy spans every aspect from product design and manufacturing to customer service, ensuring that each product exceeds customer expectations. All of these efforts are closely aligned with our quality policy: "Technology-Oriented," "Customer Needs," "Quality Commitment," and "Regulatory Compliance." We aim for "Zero Defects" by enhancing overall quality awareness through stringent quality standards, advanced testing technologies, and comprehensive employee training.

Arbor Technology has obtained multiple international quality management system certifications, including ISO 9001:2015 (Quality Management), ISO 13485:2016 (Medical Devices), ISO 14001:2015 (Environmental Management), ISO 14064-1 (Organizational Carbon Footprint), ISO 45001:2018 (Occupational Health

and Safety), and ISO 27001:2022 (Information Security). These certifications not only demonstrate our commitment to quality but also serve as a solid foundation for continuous improvement and value creation for our customers. We regard customer feedback as a valuable resource and continuously optimize our products and services to ensure the quality management system remains up-to-date and effective.



Practice of Total Quality Management and Continuous Improvement

Arbor Technology adheres to the concept of **Total Quality Management (TQM)**, embedding quality responsibility in every aspect of its corporate culture. We understand that quality is not only the responsibility of the quality assurance department but also the result of the collective efforts of all employees. To this end, we actively promote cross-departmental cooperation, encourage employees to participate in quality improvement proposals, and establish transparent communication channels to ensure that all quality-related information can be conveyed promptly. Through regular quality meetings, results sharing sessions, and internal audits, we continuously evaluate the effectiveness of existing processes, make data-driven decisions, systematically solve problems, and constantly optimize production processes. Continuous improvement lies at the core of Arbor Technology's quality strategy. We believe that excellence is a continuous pursuit. By implementing the PDCA (Plan-Do-Check-Act) cycle, we are establishing a quality-driven improvement loop to enhance product performance, reliability, and customer satisfaction, and ensuring that Arbor Technology maintains a leading position in the market.

4.2.2 Customer Service

Arbor Technology provides comprehensive customer service, including technical support, maintenance services, and product warranties, establishes detailed service guidelines to ensure the highest level of support for its clients.

In addition, regular customer satisfaction surveys are conducted to continuously enhance service quality and maintain strong customer relationships.



Customer

Clarify the problem

Troubleshooting

Proposing erro prevention and improvement policies

2024 Customer service satisfaction analysis





V. Green Sustainability

5.1 Energy Saving and Carbon Reduction

Arbor Technology has planned to implement a series of energy-saving and carbon-reduction measures, including enhancements in energy efficiency and reductions in waste. Improving energy efficiency is one of the most direct and effective approaches to reducing energy consumption and carbon emissions. We remain committed to continuously exploring and adopting more advanced energy-saving methods.

The significance to the Company		Climate change and global warming continue to impact our environment and daily lives. In response to the EU Carbon Border Adjustment Mechanism and the growing trend of carbon reduction across supply chains, Arbor Technology aims to strengthen Arbor's market competitiveness through planned carbon reduction initiatives that lower energy consumption.				
Policy/ Commitment		Continuously promoting the 14064-1 management strategy, the Company not only procures eco-labeled products but also considers the potential environmental impacts across all stages, including raw material production, transportation, usage, and end-of-life disposal.				
Short-term		• The Company follows the absolute emission reduction approach under the Science Based Targets initiative (SBTi), aligned with the 1.5°C decarbonization pathway. Using 2024 as the base year, the Company aims to reduce Scope 1 and Scope 2 emissions by 8.4022% by 2026.				
Goal		 Conduct a carbon inventory based on ISO 14064-1 standards, and develop reduction plans for high-emission sources. 				
	Mid- to long-term	 By 2030, reduce Scope 1 and Scope 2 emissions by 25.2065% compared to the 2024 baseline year. In line with the "Climate Change Response Act," the plan aims to achieve net-zero greenhouse gas emissions by the year 2050. Employees are encouraged to participate in carbon reduction initiatives to internalize the concept of sustainability. 				
Responsible department / Complaint mechanism		esg@arbor.com.tw / Quality Assurance Department				
Effectiveness Tracking mechanism		Carbon emission reduction target				
Resources invested in 2024		 Improve the operating efficiency of air conditioning equipment and reduce carbon emissions. The maintenance cost for the year 2024 is NTD 102,165, and the air conditioning temperature is set at 26 degrees Celsius. Enhance employees' energy-saving awareness Organize carbon reduction activities such as step count competitions and meatless days to encourage full participation. E-management: continue promoting electronic document processing 				

	and e-signature systems.
Execution	In 2024, the carbon inventory was organized according to ISO 14064-1 standards:
performance in 2024	Scope 1 Emissions: 20.5337 (metric tons CO ₂ e)
2024	Scope 2 Emissions: 257.9229 (metric tons CO ₂ e)

5.1.1 Energy Management

Energy management is a major challenge that enterprises currently face, and it is also an important issue that Arbor Technology must address. With the rapid development of the economy, energy demand continues to rise, increasing the pressure on energy resources. The core of energy management lies in improving energy efficiency and reducing energy waste. We have formulated an "Energy Management Plan" as well as policies on "Energy Conservation and Carbon Reduction, Reduction of Greenhouse Gas Emissions, and Minimization of Water Usage and Other Waste" to better manage energy consumption. We have also introduced an energy monitoring system to enable more efficient energy usage through strategic energy planning. In addition, we disclose relevant information on the Company website to support our commitment to sustainable development.

X Energy-Saving Measures:

The Company introduced the "Inwellcom Technology_ Saving Equipment" and installed 2 "Digital Meters" in the generator room of the Jiankang plant, labeled "East Side" and "West Side" respectively, to monitor energy consumption in real-time, make informed adjustments to electricity usage, and enhance overall energy efficiency.





- T5 energy-saving lighting fixtures are used, the air conditioning is set to remain above 26 degrees Celsius, lights are turned off during lunch breaks and after work hours, and an inspection mechanism has been established.
- Paperless measures such as electronic document exchange and e-signature systems help reduce the use of paper and toner, thereby lowering electricity consumption and CO₂ emissions.

Arbor Technology' s manufacturing process primarily involves assembly and has low water demand, with most of the water used for domestic purposes. Water resource management is carried out through "Daily Conservation Practices", such as installing water-saving devices and posting reminders to encourage employees to reduce water usage. Additionally, the Company's water source is tap water, which does not have a significant impact on water resources or the ecological environment of the water source area.

X Internal and External Energy Consumption and Intensity

Arbor Technology specializes in office-based marketing, research and development, and factory assembly, and does not belong to the category of high-energy-consuming industry. Due to the nature of the industry, the overall energy usage structure mainly involves air conditioning, lighting, and electricity for production equipment. The Company evaluates energy intensity using a specific measurement standard, which is defined as the annual operating revenue (in millions of NTD) as the calculation base. Based on the Company's annual energy consumption data, the electricity energy intensity is calculated to understand the Company's energy usage efficiency and support future energy management planning.

Source: The data is based on the parent company's purchased electricity (excluding shared public power usage in the industrial park), gasoline used by leased vehicles, and the Parent Company Only Financial Statements.

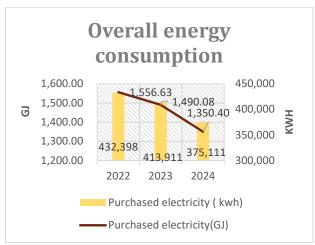
Year	2022	2023	2024
Purchased electricity (kWh) Note 1	432,398.00	413,911.00	Note 4 375,111.00
(A) Purchased electricity in gigajoules (GJ)	1,556.63	1,490.08	1,350.40
Leased vehicle gasoline (L)	Not yet inventoried	1,144.39	1,112.72
(B) Leased vehicle gasoline in gigajoules (GJ)	Not yet inventoried	36.34	37.37
(C)=(A)+(B) Total energy consumption (GJ)	1,556.63	1,526.42	1,387.77
(D) Revenue (in millions of NTD)	1,258	1,147	1,029
Energy intensity (C)/(D)	1.237	1.331	1.349

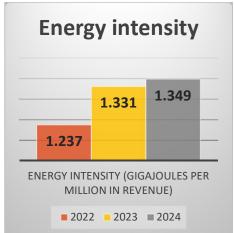
Note 1: External energy consumption derived from the purchase of electricity from Taipower

Note 2: 1 kWh equals 3.6 million joules, 1 GJ = $1*10^9$ joules

Note 3: Standards, methodologies, assumptions, and/or calculation tools used: all energy consumption data are based on measured values from billing receipts.

Note 4: The total electricity consumption used as the calculation basis for Scope 2 emissions in the 2024 carbon inventory was 522,111 kWh. After deducting 147,000 kWh of public electricity use within the industrial park, the net electricity consumption for 2024 was 375,111 kWh.





In 2024, electricity consumption was 375,111 kWh, reduced by 38,799 kWh compared to 413,911 kWh in 2023. Strengthened administrative controls, along with continued promotion of power and air conditioning shutdowns during off-hours, contributed to the effectiveness of energy-saving and carbon reduction initiatives, resulting in a slight decrease in electricity usage.

5.1.2 Greenhouse Gas Emissions Management

The global climate and environment are undergoing drastic changes due to the increase in greenhouse gases. The Company has established an internal inventory mechanism in accordance with the ISO14064-1:2018 verification standard since 2023, actively conducting voluntary greenhouse gas emission inventories to accurately grasp the status of greenhouse gas emissions. The Company also continues to research and propose feasible emission reduction plans and effectively implement reduction measures to achieve the goal of sustainable development. However, since the total emissions in 2024 (1,369.672 metric tons CO₂e) increased by more than 24.22% compared to the total emissions in 2023 (1,102.578 metric tons CO₂e), the base year has been adjusted to 2024 according to the base year emissions recalculation mechanism.

X Greenhouse Gas Emissions (Metric Tons CO2e/Year) and Emission Intensity (Metric Tons CO2e/Million Revenue)

Classification	ISO 14064-1:2018	2023	2024
Emissions_Scope 1	Direct emissions	35.5165	20.5337
Emissions_Scope 2	Indirect emissions	204.4717	257.9229
	3.1 Upstream transportation of raw material	0.4635	0.7421
Emissions_Scope 3	4.1 Purchased goods and services	46.8198	64.2221
	5.1 Use-phase emissions of sold products	815.3063	1026.2508
Tota	1,102.5778	1,369.6716	
Revenue (1,147.0000	1,029.0000	
Emiss	0.9613	1.3311	

	Greenhouse gas emission scope			
		Stationary combustion: emergency generator		
	Direct emissions (Scope 1)	Mobile combustion: company vehicles		
		Fugitive emissions: septic tank, temperature and humidity machines, refrigerators, fire extinguishers, dehumidifiers, vehicle refrigerants, water dispensers		
ISO 14064-1	Indirect emissions (Scope 2)	Energy indirect emissions: purchased electricity		
2018		3.1 Upstream transportation of raw materials: The air and land transportation emissions for the top 10 purchased material numbers are calculated in the respective reporting years.		
	Indirect emissions (Scope 3)	4.1 Procurement goods: The transportation emissions for the top 5 purchased material numbers by value, from the largest packaging material supplier in the reporting years.		
		5.1 Phase emission of product use: Emissions are calculated based on the top 2 production item codes by sales amount in the reporting year.		

X Energy Saving and Carbon Reduction Effectiveness (Only Includes Scope 1 and Scope 2)

Explanation	Emissions equivalent (tons CO2e/year)					
	Scope 1	Scope 2	total			
2023	35.5165	204.4717	239.9882			
2024	20.5337	257.9229	278.4566			
Difference	- 42.19%	+ 26.14%	+ 16.03%			
Reason	In 2024, the septic tank was replaced by a community wastewater treatment system.	In 2023, electricity used in public areas of the building was not included in the calculation.	The base year has been adjusted to 2024.			

5.2 Water Resources Management

In recent years, the development and distribution of water resources have become important issues for countries around the world due to the impact of global climate change. The variation in rainfall between seasons in Taiwan is becoming increasingly extreme, with higher risks of water shortages and floods. The water source of Arbor Technology's Zhonghe headquarters is 100% from the local water supply plant. The Company does not directly draw groundwater and river water to supply the office. Domestic sewage generated is treated by the park's underground sewage treatment system and then discharged into the urban public sanitary sewer, with no significant environmental pollution impact.

According to the Water Risk Atlas developed by the World Resources Institute (WRI), all of our operational sites are located in areas that are not classified as high water stress regions.

Locations	Address	Water resource stress level
Headquarter	10th Floor, No. 700, Zhongzheng Road, Zhonghe District, New Taipei City 7th Floor, No. 119, Jiankang Road, Zhonghe District, New Taipei City	Low-medium



5.2.1 Water Conservation Plan

Water Reduction Management Policy and Promotion Measures

Although Arbor Technology does not consume water in its manufacturing process, the Company has long been dedicated to water conservation and environmental sustainability. The water conservation plan begins by fully implementing water-saving practices in daily life to maximize resource efficiency. Many measures have been adopted, including: installing water-saving devices to reduce water usage and posting water-saving slogans to remind colleagues to save water.

W Water Reduction Targets and Achievements in the Past Two Years

The main production item of Arbor Technology is industrial computer assembly, and its overall business activities fall under general domestic water usage; thus, there is no need to apply for a separate commercial water meter. The Company's water consumption statistics only include the Zhongzheng Road headquarters and the Jiankang Road plant. Water consumption for these two locations is proportionally allocated by the management committees of Far East Century Plaza and Hualong Times Square, based on the Company's occupied floor area within the buildings, and is included in the building management fees. Therefore, no reduction targets can be set.

According to the Ministry of Economic Affairs Water Resources Agency's "New Taipei City_Per Capita Daily Tap Water Consumption" (306 liters in 2023) (307 liters in 2024), the water consumption at Arbor's Zhongzheng headquarters and Jiankang Road plant is as follows: in 2024, due to an increase in personnel, consumption rose by 3,869 liters, approximately 6.83%.

2024: 60,479 liters (197 employees as of December 31, 2024)

2023: 56,610 liters (185 employees as of December 31, 2023)

5.2.2 Business Combination

With the development of Smart Water Meter combined with NB-IoT, Arbor Group not only reduces the time and labor of manual meter reading but also collects and integrates water usage data into a cloud-based platform. By utilizing AI-based machine vision and distributed data processing, the system monitors water consumption and analyzes usage patterns to identify anomalies in real-time to achieve immediate alerts, and locates abnormal water usage to facilitate examination and repairs, preventing unnecessary waste of water resources. Furthermore, by combining smart water meters with distribution board systems, Arbor integrates water resource management and industrial safety into carbon management, carbon inventory processes, and broader green energy transition opportunities.



5.3 Waste Disposal

Arbor Technology is an innovator in industrial computer manufacturing and industrial IoT solutions and is committed to minimizing the environmental impact of waste. In line with the principles of resource regeneration and compliance with ISO 45001:2018 and ISO 14001:2015 occupational health, safety, and environmental management standards, the Company has established a "Waste Management Procedure." The procedure formulates 4 key strategies: target inspection, on-site diversion, recycling, and proper disposal, and is gradually implementing these strategies across operations.

X Arbor Technology Waste Management Policy

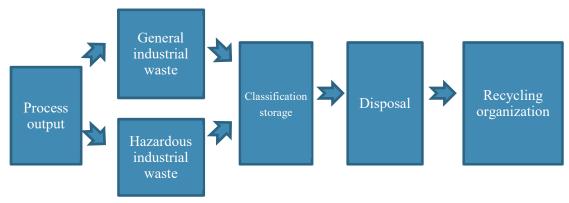


5.3.1 Waste Disposal Process

The Company's waste mainly consists of industrial waste, including discarded electrical wires and cables, waste photovoltaic components, scrap materials, defective components, and a small amount of hazardous waste from maintenance. Additionally, employee household waste and non-process generated waste wood (packaging materials), waste plastics, and other waste are all entrusted to qualified disposal companies for off-site processing to ensure the legality and safety of final disposal.

Our company follows relevant environmental regulations for waste disposal, with hazardous waste being weighed by designated personnel every month and classified separately from general business waste, then stored in the designated location.

In addition to the basic classification and recycling of general business waste, the hazardous industrial waste generated by the Company is entrusted to legally certified domestic Grade A waste disposal companies for recycling, dismantling, and classification. They are required to produce a "Waste Disposal and Transportation Report" detailing the waste flow and disposal quantity. Furthermore, the Plant (General) Affairs and Occupational Safety and Health Department will conduct random inspections, follow-up visits, and on-site investigations to audit whether the contractor's waste disposal methods comply with regulatory requirements. The evaluation results will determine whether to continue cooperation in the following year, aiming for effective hazardous waste management through legal and professional procedures.



X Factory Area Waste Disposal Planning Zone



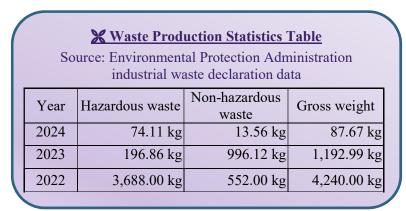
5.3.2 Current Status of Waste Removal Target Achievement

Waste Reduction Targets and Implementation

Arbor Technology reduces waste disposal volume through a multi-faceted approach, including source reduction, recycling and reuse, and proper treatment, including using eco-friendly packaging, setting up recycling areas for paper, and entrusting qualified contractors for waste removal, to achieve a 3% annual reduction in waste disposal volume.

In 2024, Arbor Technology commissioned qualified contractors to conduct waste removal and prepare a "Waste Disposal Report." A total of 87.672 kg of industrial waste was removed, primarily consisting of waste photovoltaic components, scrap materials and defective products, scrap iron, and scrap aluminum. Due to the implementation of multiple resource reuse initiatives,

including enhanced recycling practices, promotion of reusable items, and improved waste segregation accuracy, combined with the absence of warehouse waste clearance in 2024, the total waste volume of the year was significantly reduced by 1,105.328 kg, approximately 92.65%.







5.3.3 Compliance with Environmental Regulations

Arbor Technology follows multiple international environmental protection standards, such as RoHS, WEEE, and PPWD, to reduce the presence and use of hazardous chemicals in the Company's manufacturing processes, and strictly complies with all environmental regulations promulgated by government authorities. In 2024, no penalties for violations of environmental standards or government laws and regulations were imposed.

5.4 Sustainable Supply Chain

'##/##/##/##/##/##/##/##				
The significance to the Company		With the globalization of market competition, we establish Arbor's supply ecosystem based on the strategy of the "Supplier Management Procedure" in supply chain management, reasonably and effectively selecting suitable suppliers as long-term partners. This not only ensures that all workers in the supply chain are respected and protected but also strives to create a localized supply chain to reduce production costs and waste, decrease carbon emissions, and effectively improve decision-making efficiency, thereby achieving ESG sustainable development.		
Policy/ Commitment		Our company has established a supplier management procedure to ensure not only the quality, delivery time, price, and service capability of suppliers, but also that suppliers comply with relevant regulations on safety, environmental protection, and human rights. We are committed to enhancing corporate social responsibility and building a partnership for sustainable development. New suppliers are evaluated on quality, price, human rights, occupational safety, and environmental protection. Only suppliers who pass the evaluation can become qualified suppliers. Our company requires that the products provided by suppliers comply with all relevant government regulations and do not pose any risk to consumer health, safety, and the environment. The company requires suppliers to adhere to the principles of honesty and integrity when fulfilling contracts, and not to violate relevant government regulations or public order and morals. If the supplier violates company agreements or government regulations, the company may require the supplier to make immediate improvements, terminate the contract, or compensate our company for damages		
Goal Short-term		 Increase the proportion of local suppliers' procurement to 75%. Arbor requires all qualified suppliers to sign the "Supplier Sustainability Commitment," with a target signing rate of 50% by 2025. 		
Goal Mid- to long-term		 The supplier's "Site Evaluation" incorporates relevant assessment content on environmental and human rights requirements, aiming to enhance local manufacturers' compliance with sustainability principles. It is expected that all manufacturers will be fully guided to qualification by 2028. Increase the proportion of local suppliers' procurement to 85%. Arbor requires all qualified suppliers to sign the "Supplier Sustainability Commitment," with a target signing rate of 85%. 		
Responsible department/ Complaint mechanism		Manufacturing Operations, Mr. Cheng Email: Jesselai@arbor.com.tw		

Internal audits did not identify any major deficiencies. Supplier management: **Effectiveness** The signing rate of the "Supplier Sustainability Commitment" among qualified suppliers reached 85%. **Tracking** mechanism 100% of new suppliers signed the "Integrity Pledge". The proportion of procurement from local suppliers reached 75%. 55 suppliers signed the "Supplier Sustainability Commitment." **Resources invested** in 2024 5 new suppliers signed the "Integrity Pledge." The "Supplier Management Operations Manual" includes human rights and environmental compliance criteria in the evaluation of "New Suppliers". Partner suppliers are encouraged to work together in creating a safe and well-regulated workplace, and are required to **Execution** comply with environmental regulations during production and service performance in 2024 delivery. 100% of new suppliers signed the "Integrity Pledge." The procurement proportion from local suppliers reached 75%.

5.4.1 Original Supplies Supply Status

Main Raw Material Supply Status

Raw materials	Supplier	
Central processing unit	Yosun Industrial, Sertek Inc., Synnex Technology, Arrow Electronics, Foxwell Power, WT Microelectronics, World Peace Industrial	
Chipset	Yosun Industrial `Sertek Inc. `Fae Electronics `Synnex Technology `MediaTek `WPG Group `Foxwell Power `Macnica Galaxy `WT Microelectronics	
Printed circuit board	Everlast Win Electronics \ HannStar Board \ Song Shang	
Memory module	Innodisk ` Transcend ` ADATA ` Apacer ` Phison ` Jager ` Team	
Panel components	Acmepoint, Sanshin, 3AScreen, Emerging Display, Bunio Electronic Co., Cuantai	
Mechanical components	Han Chang, Ufon Nano-Chemical, Jhan Yu, Ching Hsin, Jointas, Good Mold, Wang Pai Precision	

The main suppliers are well-known and have a good reputation within the industry, with a stable and positive cooperative relationship with our company and a stable and sufficient supply of raw materials.

Main Supply Chain (Suppliers with More Than 10 Percent of Total Purchases) Change Description

	Turbindes Charge 2 documents								
		2024				2023			
Item	Name	Amount	Percentage of total annual net purchases [%]	Relationship with the issuer	Name	Amount	Percentage of total annual net purchases [%]	Relationship with the issue	
1	Hong Kong Amobile	241,102	23.21	Affiliated enterprises	Hong Kong Amobile	192,099	21.41	Affiliated enterprises	
2	Sertek Inc.	147,146	14.17	None	Sertek Inc.	92,284	10.29	None	
3	Other	650,466	62.62	-	Other	612,685	68.30	-	
	Net purchase amount	1,038,714	100.00		Net purchase amount	897,068	100.00		

Change description: The purchase ratio from any single supplier of the Company did not exceed 30%, indicating no risk of procurement concentration or supply instability.

5.4.2 Supplier Management

Arbor Technology has established a supplier evaluation system through appropriate supplier selection and management procedures to pre-screen suppliers that meet the Company's requirements in areas such as process, quality, technology, supply capability, environmental protection, human rights protection, and occupational safety, ensuring product quality standards and environmental management requirements.

- ★ The technical management unit (represented as RD) and quality control unit, and
 procurement unit jointly select suppliers with price advantages, superior quality, and strong
 delivery performance from the list of qualified suppliers to be included in the PSL (Preferred
 Supplier List). When the RD and PM teams introduce new models, they are expected to give
 priority to selecting suppliers from the PSL.
- **The evaluation of new suppliers and the content of "Supplier Sustainability Commitment" have been expanded to include human rights and environmental regulatory compliance. All qualified suppliers are gradually being required to sign the "Supplier Sustainability Commitment."

A. Qualified Supplier Selection

X Evaluation Method

Sample evaluation	For the development of new products, R&D personnel submit test results and an approval sheet to the purchasing unit. Upon approval of the stated documents, along with the "Basic Information Sheet of Vendors," by the procurement supervisor, the supplier will be included in the "Qualified Supplier List".			
On-site evaluation	 The procurement and production management units investigate professional manufacturers' General Information, equipment scale, and manufacturing capabilities for purchased materials or processed products. If a supplier provides important raw materiand is a local manufacturer or processor, it will be thoroughly evaluated, following the "Supplier Evaluation Report" or the "Outsourcing Evaluation Report", by an evaluation team led by the procurement/production management unit, along with relevants. The evaluation report covers the supplier's technical competence quality control systems, equipment, and compliance with regulations about environmental protection, occupational health and safety, and human rights. 			
Exempt from on- site evaluation	 Suppliers designated by customers or those without independent R&D or production capabilities (e.g., agents). Suppliers with an established reputation, such as those certified by national or international quality standards. Suppliers of production equipment, consumables, or instruments. 			

X Assessment Results and Handling

Grade	Assessment results	Supplier (Raw material)	Supplier (Outsourced Processing)		
<u>A</u>	Qualified	Above 80 points	Above 75 points		
В	Observation period	60~79 points	60~74 points		
C	Not applicable	Below 59 points	Below 59 points		

B. Qualified Supplier Periodic Assessment

- ➤ Field audit: The quality assurance unit formulates an annual audit plan at the beginning of each year according to the "Quality Control Procedure" and executes the plan upon approval by the quality assurance supervisor.
- Document-based audit: Procurement and production control personnel assess suppliers every six months and outsourced processing plants every year in their quality, delivery time, and compatibility. Before the assessment, the quality control unit must provide relevant data on quality and delivery to the procurement and production control personnel, and the personnel will assess their compatibility based on the provided data and record the results in the "Outsourcing/Supplier Regular Evaluation Form."

X Evaluation Standards

Quality 40%	 Score by tier based on this rejection rate Rejection rate = Annual total rejected quantity / Annual total incoming quantity.
Delivery date 30%	 Score by number of overdue deliveries Delivery score = (1 - number of overdue items / total number of items received) * 30
Compatibility 30%	Procurement is evaluated based on the service and willingness to cooperate of the supplier

X Assessment Results and Handling

Grade	Score	Reward and punishment system
A	Above 80 points	Increase procurement
В	65~79 points	Normal procurement
С	64~55 points	Reduce procurement
D	Below 55 points	Listed for observation Disqualification: a formal written notice will be issued by the procurement or production control personnel, requiring the supplier to make improvements within a specified period. If no improvement is observed after counseling during the specified period, disqualification will be recommended.

X Implementation Situation

Manu	facturer category	Supplier			
A	udit method	2022	2023	2024	
On-site	Planned number of on- site audits	7	14	12	
assessment and evaluation	Actual number of onsite audits	7	14	12	
Evaluation	Achievement rate %	100%	100%	100%	

Manufact	urer category		Supplier						
Audit method		First half of 2022	Second half of 2022	First half of 2023	Second half of 2023	First half of 2024	Second half of 2024		
	Planned number of documentation audits	222	286	276	274	270	272		
Document- based evaluation	Actual number of audits completed	222	286	276	274	270	272		
	A	147	186	203	224	203	205		
	В	65	68	64	38	60	61		
	С	10	32	6	5	6	5		
	D	0	0	2	7	1	1		

C. Implementation of A Green Supply Chain

★ For the selection of new suppliers, in addition to requiring ISO 9001 certification to ensure the supplier has a robust quality management system, those with ISO 14001 environmental certification, OHSAS 18001 occupational health and safety certifications, or proof of green supply chain practices will be given priority. A Preferred Supplier List (PSL) is established jointly by the Procurement Department and relevant departments to identify high-performing suppliers. When introducing new materials, priority is given to suppliers on the PSL, and collaboration with outstanding suppliers is further strengthened. Additionally, when new materials are introduced, suppliers are required to provide supporting documentation to confirm that their materials comply with RoHS and REACH regulations.

▼ Environmental Requirements and Management of

Environment-Related Substances

The management of environmental-related substances (i.e., restricted hazardous substances) is one of the key responsibilities of the procurement department. We have consistently promoted compliance with EU green material standards and worked collaboratively with the quality assurance and production teams to address related issues. These efforts include establishing a comprehensive management system and control procedures, as well as reviewing the material approval process to ensure suppliers have clear guidelines to follow and that Arbor products comply with applicable regulations.

To ensure compliance with environmentally regulated substance standards, Arbor Technology communicates its requirements to suppliers. Suppliers are prohibited from introducing materials that violate these standards directly or indirectly through third parties. In addition to issuing formal notifications, the Company requests that suppliers sign a commitment letter to certify that their products are in full compliance. Any violations will result in full liability and the initiation of a supplier phase-out mechanism, with non-

▼ Conflict-Free Minerals Policy

Countries around the world are placing increasing emphasis on conflict minerals. On August 22, 2012, the U.S. Securities and Exchange Commission (SEC) officially published regulations related to conflict minerals. As a leading industrial computer manufacturer, Arbor Technology is committed to addressing this issue with a high level of responsibility and engagement. Strictly prohibiting the use of conflict minerals in its products, the Company declares not to accept metals and minerals illegally sourced from conflict-affected regions and requires its suppliers to follow.

X Local Procurement

In addition to reducing carbon emissions throughout the product lifecycle, localized supply chains can create local employment opportunities and promote socioeconomic development.

In 2024, Arbor Technology's domestic procurement accounted for 75% of total suppliers. The remaining procurement was subject to risk assessments based on overall supply conditions. Suppliers from different regions were used to diversify material risks and allow flexible adjust materials, ensuring the stability of raw material supply.

	2022	2023	2024
The proportion of local suppliers.	77.00%	70.00%	75.00%

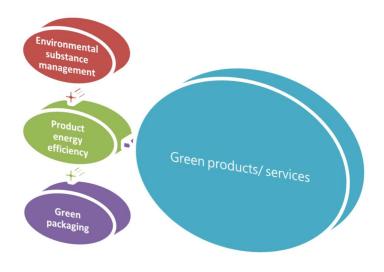
Note: Recognize the local area based on the location of each operation site.

Note: The procurement categories include labor services, equipment, and Raw materials among other item; the Company purchases overseas Supplies from the Taiwan agent, which is not considered local procurement.

5.5 Green Products/Services

Arbor Technology is

setting goals and introducing various standards for raw materials, product design, and manufacturing to fulfill its commitment to a sustainable environment. Our green product design and management efforts focus on 3 main aspects: the management of environmentally related substances, energy efficiency in products, and the use of green packaging, thereby effectively addressing sustainability issues.

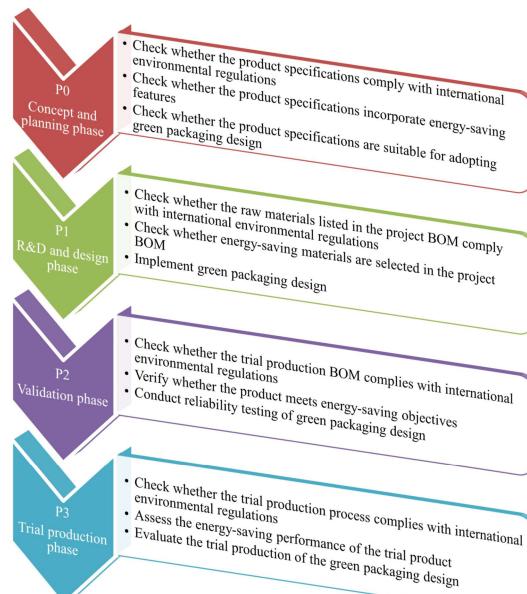


The signi to the Co		Arbor Technology enhances recycling and reuse through green product design and management to reduce environmental impact. From the design stage, green packaging materials are selected, and through the improvement of packaging materials, environmental benefits are enhanced to meet international trends. Considering product materials during the product design phase, Arbor completes substantive actions in response to sustainability issues.
Polic Commi		To fulfill the commitment to a sustainable environment and respond to SDGs, Arbor has set targets and implemented standards from raw materials, and product design, to manufacturing.
Goal	Short- term	 Cooperate with raw material suppliers to comply with international mandatory regulations such as RoHS and REACH requirements, and introduce additional relevant regulations such as TSCA and CP65, to implement the goals of environmental protection and green design. Choose a product line with ongoing generational development, introduce relevant energy-saving design methods to implement energy-saving issues for the product. Use 100% recyclable packaging materials in the product to implement the green packaging design concept.

Goal Mid- to long- term		 Continuously ensure that all suppliers' raw materials comply 100% with international mandatory regulations. Continuously implement energy-saving technologies in all other company products. Continuously implement green packaging design in all other company products.
Respon departn Compl mechai	nent/ aint	E-mail:esg@arbor.com.tw / Technical Services Office
Effectiv Track mechai	ing	 100% comply with international mandatory regulations, achieving the implementation of environmental-related substance management. The product incorporates green energy-saving design. At least one project annually will 100% adopt recyclable packaging materials.
Resour invested i		 Environmental substance management: 2 parts engineers and 2 procurement specialists from the Technical Service Office are responsible for managing this task. Product energy saving: 2 electronic engineers, 2 mechanical engineers, 1 BIOS engineer, 2 verification engineers, and 1 product specialist are allocated to green product energy-saving design projects. Equipment investment includes precision power measurement devices, constant temperature and humidity chambers, power supplies, and multimeters, among other design and development tools. Green packaging: 1 ID engineer, 1 mechanical engineer, and 1 product specialist from the Technical Service Office are assigned to this project. Design and development costs are approximately NTD\$100,000 for packaging molds and samples production. Equipment investment includes Pro/E Creo design software, drop test machines, vibration test machines, and related tools.
Execut performa 202	nce in	 Raw material suppliers comply 100% with international mandatory regulations, achieving the implementation of environmental-related substance management. Achieved 57% in green product energy-saving design. IEC-3702 project 100% adopted recyclable packaging materials.

5.5.1 The Company's Efforts and Achievements in Investing in Green Products/Services

Arbor Technology's business groups fully implement green design management principles from the initial stage of product development, embedding Eco-Design, Resource Efficiency, and Design for Recycling into the core of the R&D process. In diverse vertical application markets such as industrial automation, embedded computers, industrial mobile devices, medical information equipment, and AI edge computing devices, Arbor continues to follow 3 major green product design and service strategies to enhance the environmental sustainability and lifecycle value of its products. This reflects the Company's commitment to a sustainable product development blueprint that reduces environmental impact from the design source.



X The Implementation Status o Environmental-Related Substance Management Is as Follows:

Since 2013, Arbor Technology has referenced and introduced multiple internationally recognized environmental and chemical regulations and standards, including the "Restriction of Hazardous Substances Directive" (RoHS), the "Registration, Evaluation, Authorization and Restriction of Chemicals" (REACH), the "Toxic Substances Control Act" (TSCA), and "California Proposition 65" (Prop 65), to establish the Company's restricted substances management system. The system is part of Arbor's environmental risk management and supply chain responsibility management strategy, controlling all product components, raw materials, and

	Declaration Investigation _ ARBOR 2024												
RoHS	REACH	Prop 65	TSCA	POPs	Conflict minerals	PFAS (PFOS)	WEEE	PPWD	Halogen Free	China VOC	Japan CSCL	Montreal Protocol	Red phosphorus
V	V	V	V	V	V	V	V	O	O	O	O	О	O

chemicals used in manufacturing processes at the source through institutionalized procedures, and incorporating a life cycle management perspective to enhance compliance and environmental friendliness during the product design phase.

At the same time, Arbor requires suppliers and subcontractors to fully comply with the Company's "Restricted and Prohibited Substances Management Regulations," including signing commitment letters, providing third-party test reports (such as those from SGS, TÜV, and other certification bodies), and completing Material Declaration forms, to ensure supply chain transparency and traceability, thereby enhancing the resilience of overall ESG governance.

V: Controlled and provided declaration to customers

O: Controlled and confirmed conformity for individual models upon customer request

As of 2024, Arbor has successfully implented this system across 521 global suppliers, achieving the goal of 100% raw material compliance with international environmental regulations, demonstrating the Company's high ESG maturity level in environmental compliance in supply chain management. This initiative not only provides a concrete basis for corporate risk management but also reflects Arbor's commitment to "preventive management" in implementing Eco-design and Responsible Sourcing principles, moving towards the corporate transformation goal of product sustainability and low environmental impact.



X Product Energy Efficiency:

In green product design, Arbor Technology prioritizes components with high energy conversion efficiency and low power consumption, and widely applies energy-saving design principles to diverse product lines such as industrial automation, embedded computers, industrial mobile devices, and medical computers, to enhance the overall energy performance and environmental friendliness of products.

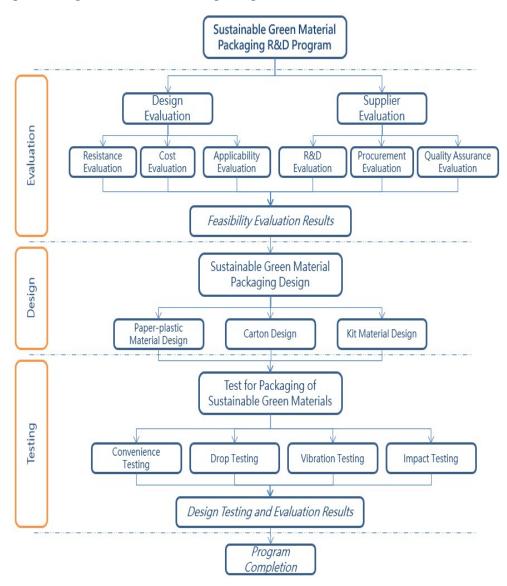
Taking the digital signage system series products as an example, this demonstrates Arbor Technology's substantial contribution to environmental improvement under its product energy-saving strategy. Since 2015, the Company has adopted a two-pronged approach in component selection and R&D design, continuously optimizing its system architecture and energy management mechanisms. This has successfully reduced the unit power consumption of products in this application field from 15 watts to 6.5 watts, achieving a nearly 57% reduction in energy consumption. This 10% improvement not only enhanced the product's Energy Efficiency Index but also helped customers effectively reduce their Carbon Footprint while adopting new-generation technologies, reflecting Arbor's R&D capabilities and commitment to energy saving, carbon reduction, and green transformation.

Ene	Energy-efficient design trends in the digital signage system series						
Product	Product appearance	Design highlights	Power consumption				
First generation	FEE COR	Design a system for industrial control-specific circuit boards	15 Watts				
Second generation		Introduce Arbor integrated design technology to achieve energy savings and reduce energy consumption	12 Watts				
Third generation	OZOZOZOZO	Select green energy-saving materials and supplement with performance-adjusted software	6.5 Watts				

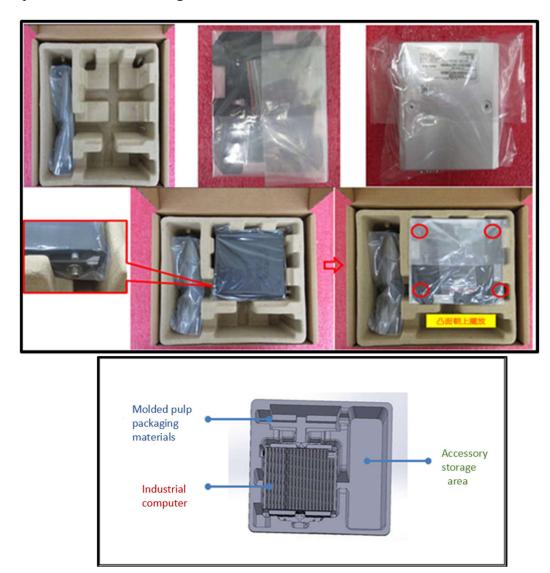
X Green Packaging:

Arbor Technology is actively engaged in the design and research and development of sustainable green packaging materials, committed to replacing traditional petrochemical-based packaging solutions with a circular economy mindset. Green energy environmental packaging materials adopt Pulp Molding Technology, utilizing recycled waste paper to produce packaging materials with cushioning effects, which can not only effectively absorb impact and prevent product damage during transportation, but also achieve multiple functions such as packaging, anti-collision, and anti-drop.

Pulp molded materials have the advantages of 100% recyclability, non-toxicity, harmlessness, stable raw materials supply, good moldability, and cost competitiveness, aligning with the development trend of sustainable materials. Arbor's newly developed green packaging technology utilizes recycled pulp through compression molding to create a cushioning structure with elasticity and toughness, specifically designed to protect high-end industrial computer products.



This technology not only needs to maintain the reliability standards of the old material within a limited cushioning space, but also emphasizes the modular design of the product and accessory packaging structure. Through highly customized molding design, the main unit, accessories, and attachments are integrated into a single pulp packaging unit, achieving packaging volume optimization (Space Optimization) and cost control, further reducing material consumption and logistics carbon emissions, demonstrating Arbor's innovative practices in green supply chain management and product sustainable design.



In the meticulous green packaging design process, Arbor Technology has fully adopted 100% recyclable and reusable eco-friendly packaging materials, and through structural optimization and modular design, has significantly improved packaging efficiency, successfully reducing storage space requirements by approximately 53%. This move not only effectively reduces carbon emissions from logistics and warehousing but also aligns with the core requirements of green product design for environmental, social, and corporate governance (ESG) sustainable operations, demonstrating Arbor's innovative practices and corporate responsibility in promoting circular economy and resource optimization.

VI. Social Care

Arbor Technology actively fulfills its social responsibilities in environmental and governance aspects, and also places great emphasis on social care. We offer employees a variety of physical and mental wellness activities and clubs, including monthly professional on-site nursing staff, various sports competitions, stress-relief courses, and other diverse benefits and competitive salary levels, dedicated to creating a happy working environment. In terms of social welfare, we have continuously supported vulnerable groups over the years by participating in beach cleanups, collecting second-hand books, the old shoe rescue plan, donating invoices, purchasing products from sheltered workshops, and arranging blind massages. While committed to employee well-being, we also give back to society through diverse charitable actions and fulfill corporate social responsibility.

6.1 Human Rights Protection

Arbor Technology values employee rights and is committed to creating a friendly environment that protects human rights. The Company formulated Arbor's human rights policy by referencing the principles outlined in human rights conventions such as the "UN Universal Declaration of Human Rights", the "UN Global Compact", the "United Nations Guiding Principles on Business and Human Rights", and the "International Labor Organization's Declaration on Fundamental Principles and Rights at Work". The policy provides for the adoption of internationally recognized fundamental human rights, including but not limited to respecting employees' freedom of association, prohibiting child labor, banning forced labor, eliminating all forms of discrimination, eradicating any human rights violations, ensuring substantive gender equality, and treating all employees fairly.

6.1.1 ARBOR Human Rights Policy

A. Purpose of Establishment

Arbor Technology complies with the "UN Universal Declaration of Human Rights", "UN Global Compact", and the "International Labor Organization Declaration on Fundamental Principles and Rights at Work", as well as the local laws and regulations of the locations where its global operations are based, and references these to formulate the Company's human rights policy.

B. Scope of Application

The human rights policy of Arbor Technology Corp. applies to all employees of the Arbor group (Arbor group refers to the subsidiaries of Arbor Technology Corp., foundations with direct or indirect investment exceeding 50%, and other entities or organizations with substantial control).

C. Human Rights Management

In terms of human rights, Arbor prohibits any form of discrimination, forced labor, and child labor, does not hinder employees 'freedom of association, and provides equal, fair, and reasonable salaries and working conditions. Through the implementation of human rights policies, all employees, suppliers, contractors, and partners can reduce human rights risks in their operations and establish a safe, healthy, and legal working environment.

In the environmental section, the Company is committed to providing

employees with a safe and healthy working environment, continuously improving workplace safety and hygiene in accordance with relevant regulations, preventing accidents, reducing the risk of occupational hazards, ensuring employee safety, and promoting physical and mental health.

(A) Human Rights Protection Training

Range	Content			
New employees' training Promotion of relevant regulations	 Prohibit forced labor, prohibit child labor Prevent Workplace Bullying and Sexual Harassment: concepts and prevention advocacy, and explanation of complaint channels 			
Occupational safety training	Firefighting training, emergency response course, first aid personnel training, general safety and health education training, and safety training for newly promoted supervisors.			
Establish and announce operational management procedure	 "Recruitment and Employment Management Measures", "Employee Health Protection Management Measures", "Workplace Sexual Harassment Prevention Measures, Complaint and Disciplinary Management Measures", etc. Planning to increase the human rights item in the annual supplier evaluation 			

2024 Human rights training									
Category	Category Total number of people Number of trainees proportion Training proportion hours								
Existing employees	197	197	100%	197					
New employees	61	61	100%	61					

(B) Assessment and Mitigation Measures

Management principles	Assessment tool	Mitigation measures	2024 Execution status
Avoid harsh and inhumane treatment of employees, maintain a work environment free of violence, sexual harassment, intimidation, abuse, and corporal punishment, and respect the privacy and dignity of employees.	Government agency labor dispute corresponden ce	 Timely adjust and modify relevant management systems in response to laws and regulations to reduce the occurrence of labor disputes. Regularly hold labormanagement meetings, establish communication channels. 	No disputes occurred
Provide reasonable salary and labor benefits	Government agency labor dispute corresponden ce	 According to the Labor Standards Act and related laws. Establish the Employee benefits/welfare committee. 	No disputes occurred
Prohibit forced labor	Attendance system	Execute according to the Labor Standards Act.	No forced labor
Prohibit any form of discrimination	Complaint case	According to the "Promotion and Salary Adjustment Management Method", respect professionalism, emphasize equal pay for equal work, and ensure equal promotion opportunities.	No appeal cases
No child labor	Identity proof	"Recruitment and Employment Methods" clearly stipulate that employees under 18 years old cannot be recruited.	No employees under 18 years old are hired
Respect the freedom of assembly and association for employees	Club Application	Handle according to the "Guidelines for Club Activity Management", and encourage the establishment of legitimate leisure activity clubs.	Provide funding for community organizations
Provide a safe, hygienic, and healthy working environment	Health check and human factors engineering inspection data	 Arrange annual health checks for all employees. Conduct investigations on maternal health, high-risk health checkups, human factors engineering, and abnormal workload. 	In addition to completing the health check and human factors engineering inspection, arrange for an explanation and consultation of the medical examination report.

Management principles	Assessment tool	Mitigation measures	2024 Execution status
Personal data protection	Personal data inventory information	Handle according to the "Personal Data Protection Management Measures".	Complete the personal data inventory

6.1.2 Labor-Management Communication

Smooth communication between labor and management helps promote labor-management cooperation, allowing employees to understand the Company's production plans, business overview, and market conditions, while also enabling the Company's management to understand the employees' working conditions and construct a better, friendlier workplace based on employees' needs. Arbor Technology strictly abides by laws and regulations. Internal personnel and administrative management comply with local labor laws at each operational site. According to the law, a labor-management meeting should be held at least once every 3 months, chaired by the General Manager. The highest level of employer representatives present is the General Manager. Through regular communication between both parties, labor-management cooperation is promoted, employees' opinions are conveyed, and labor conditions are improved, thereby effectively enhancing labor rights.

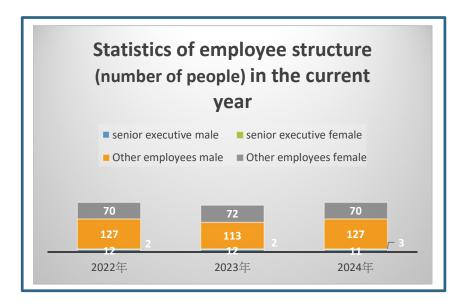
At the same time, Arbor Technology also has multiple communication channels. Through two-way communication, employees can fully express their opinions, and the Company can respond promptly and turn suggestions into practice. In recent years, Arbor Technology has maintained harmonious labor relations, with no labor disputes occurring. In the event of significant changes in the Company's operations affecting employees' employment rights and various labor conditions, the Company will comply with the minimum notice period for termination of labor contracts as stipulated in the "Labor Standards Act".

6.2 Gender Equality and Diversity

The Company's specific practices in pursuing gender equality and diversity include ensuring no gender discrimination in recruitment, promotion, and remuneration, providing equal career development opportunities, and ensuring that male and female employees receive equal pay for the same positions and similar job content, to eliminate the gender pay gap.

Regarding employee work-life balance, appropriate and flexible work arrangements are provided under the Labor Standards Act, and measures such as parental leave for male and female employees, maternity leave for female employees, and menstrual leave are granted. Additionally, measures for the prevention of sexual harassment and a complaint mechanism in the Human Resources Department have been established to ensure the safety and dignity of all employees in the workplace. Promote gender equality through these specific measures, and also enhance the diversity and inclusiveness of the work environment.

Arbor Technology prioritizes professional ability in recruitment, eliminates gender discrimination, and is committed to a workplace culture of gender equality.



Diversity statistics/Year		2022		2023		2024			
	Diversity statistics/ i car		Headcount	Percentage	Headcount	Percentage	Headcount	Percentage	
	G	C 1	Male	26	13.20%	7	3.78%	10	5.08%
		Gender	Female	22	11.17%	18	9.73%	14	7.11%
			Under 30	10	5.08%	7	3.78%	5	2.54%
		Age	30-49	36	18.27%	16	8.65%	17	8.63%
	Direct employees		50 and above	2	1.02%	2	1.08%	2	1.02%
	Employe ba	Educational background	Graduate degree	0	0.00%	0	0.00%	0	0.00%
н			Tertiary education	28	14.21%	5	2.70%	6	3.05%
mpl			Other	20	10.15%	20	10.81%	18	9.14%
oye		Gender -	Male	101	51.27%	106	57.30%	117	59.39%
(0			Female	48	24.37%	54	29.19%	56	28.43%
		Age	Under 30	5	2.54%	6	3.24%	11	5.58%
			30-49	122	61.93%	127	68.65%	125	63.45%
			50 and above	22	11.17%	27	14.59%	37	18.78%
		Educational	Graduate degree	29	14.72%	29	15.68%	30	15.23%
			Tertiary education	116	58.88%	122	65.95%	134	68.02%
			Other	4	2.03%	9	4.86%	9	4.57%

Note: Percentage of specific age range = (Total number of direct personnel in specific age range / Total number of employees in the year) * 100%.

Note: Education percentage = (Total number of direct personnel with specific education in the given year / Total number of employees in the given year) * 100%.

Diverse statistics/Year		20	2022		2023		
SASB _ TC-HV		Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
Management level	Male	12	6.03%	12	5.69%	11	78.57%
Associate Vice President or equivalent	Female	2	1.01%	2	0.95%	3	21.43%
Technical	Male	59	13.41%	54	11.76%	62	82.67%
(R&D) personnel	Female	11	2.50%	11	2.40%	13	17.33%
Other	Male	56	18.79%	47	15.51%	54	50.00%
employees	Female	57	19.13%	59	19.47%	54	50.00%
All	Male	127	64.47%	113	61.08%	127	64.47%
employees	Female	70	35.53%	72	38.92%	70	35.53%

X Statistics of the Number of Employees at the Taiwan Headquarters

Statistics/Year		2022		2023		2024	
	umber of es (Note 1)	197		185		197	
	ent contract Note 2)	Non-per	rmanent	Non-permanent		Non-permanent	
Gender	Male	12	27	113		127	
Gender	Female	7	0	7	72	70	
	ment type ote 3)	Full- time	Part- time	Full- Part- time time		Full- time	Part- time
Gender	Male	127	0	113	0	127	0
Gender	Female	70	0	72	0	70	0

Note 1: Based on the total number of employees as of year-end (December 31).

Note 2: Employees under open-ended (non-fixed term) contracts are classified as regular staff.

Note 3: Employment types are categorized into full-time employees (whose weekly working hours meet the statutory maximum) and part-time employees (whose weekly working hours fall below the statutory threshold, including student workers and hourly staff).

X Statistics of Non-Employee Numbers at Taiwan Headquarters

Statis	tics/Year	2022	2022	2023	
Total number of workers (Note 1)		4	0	0	
Conti	ract type	Dispatched employees	Dispatched employees	Dispatched employees	
Gender	Male	2	0	0	
Gender	Female	2	0	0	
Work type		Operator	Operator	Operator	
Candan	Male	2	0	0	
Gender	Female	2	0	0	
Note 1: Based on the total number of workers as of December 31 of the year					

Note 1: Based on the total number of workers as of December 31 of the year.

6.3 Talent Attraction and Development

Talent attraction and development are key to an enterprise's sustainable operation, encompassing attracting outstanding talent and enhancing their capabilities to adapt to a rapidly changing market environment. Arbor Technology effectively attracts and retains outstanding talent by offering competitive compensation benefits and professional career training. At the same time, through a fair and objective performance appraisal system and diversified bonus schemes, we continuously incentivize employee performance and regularly promote outstanding employees, injecting new momentum into the enterprise.

In addition, the quarterly welfare committee and club activities not only promote emotional exchange across departments but also foster a sense of unity among employees, helping them achieve work-life balance. Under the mechanisms of gender equality and encouraging employee participation in improving company operations, the enterprise is committed to cultivating diverse talents to create a unique corporate culture and shared values.

To comprehensively enhance employee capabilities, the Company has designed diversified training courses, including product training, presentation skills, knowledge mapping, and professional certification courses. These systematic trainings not only enhance employees' professional qualities and practical skills, but also lay a solid foundation for their career development. Arbor believes that only by continuously investing in talent growth can enterprises promote sustainable development and achieve long-term goals.

Employees are the core assets for an enterprise's sustainable operation. Arbor offers an all-in-one service model, focusing on providing comprehensive solutions for various industries. The demand for talent is increasingly diverse. In The significance addition to offering competitive compensation and benefits that exceed regulatory requirements, we attract employees and enhance their loyalty through to the Company systematic training and talent development, thereby reducing talent turnover. This approach aims to improve overall organizational efficiency, innovation capabilities, and competitiveness, ensuring sustainable corporate growth. Commit to continuously integrating the Company's development direction Policy/ with resources from various industry partners (e.g., sales channels, R&D **Commitment** technology, core products, various associations) to build a united team (strategic alliance operation) and by leveraging abundant industry resources

		 and an open authorization culture to attract more outstanding talents to join. Commit to building a learning organization, providing diverse, inclusive, and forward-looking education and training resources, and formulating a competency development blueprint based on job roles and levels, ensuring the synchronized development of employees' professional capabilities and careers.
Goal	Short- term	 Continuously optimize employee benefits and review whether the salaries of new and existing colleagues meet market standards. Encourage employees to proactively discover their potential and create an environment for self-directed continuous learning, in addition to physical training programs such as management training courses for supervisors, labor safety regulations courses, and technical product training, and set the education training achievement rate target at above 85%.
	Mid- to long- term	 We hope to unite employees' loyalty through a good system of selection, utilization, training, and retention to build the Company's competitiveness and let employees enjoy their work and life. Based on the current situation, the annual training coverage rate aims to continuously increase employee participation and the total training hours year by year, serving as a mid-to-long-term development direction.
depa Con	onsible rtment/ nplaint nanism	E-mail:cindy@arbor.com.tw/HR Department
Tra	tiveness cking nanism	 The recruitment achievement rate > 80% Newcomer turnover rate < 20% Training completion rate > 80%
	es invested 2024	 The Board of Directors approved: on July 8, the record date for the Company to issue new shares upon the exercise of employee stock options; on August 14, the Company's repurchase of the Company's shares for transfer to employees, attracting current talent to work hard with the Company through additional rewards. A total of 30 people participated in the management consensus camp, enhancing interaction and camaraderie through cross-departmental group discussions and brainstorming on the topic. The HR department integrates existing resources and assigns dedicated personnel to plan courses. The courses cover internal instructors, self-compiled teaching materials, and external consultant collaborations. In 2024, a total of 708 participants completed education and training, with a total of 264 hours; the Company subsidized external training for a total of 13 employees, and a total of 4 employees obtained professional work certifications.
perfor	cution mance in 024	 The recruitment achievement rate: 84% New hire turnover rate: 13.75% Training execution rate: 87.5%

6.3.1 New and Departing Staff at Taiwan Headquarters

	ALALALALALALALALALALALALALALALALALALAL	<u> </u>	
New employee	2022	2023	2024

statistics/Year		Total	Proportion (Note)	Total	Proportion (Note)	Total	Proportion (Note)
	Under 30	7	8.43%	6	15.38%	9	14.75%
Age	30-49	72	86.75%	31	79.49%	44	72.13%
	50 and above	4	4.82%	2	5.13%	8	13.11%
Gender	Male	39	46.99%	20	51.28%	41	67.21%
Gender	Female	44	53.01%	19	48.72%	20	32.79%
	Master's degree	8	9.64%	6	15.38%	12	19.67%
Educational background	Tertiary education	64	77.11%	22	56.41%	43	70.49%
	Other	11	13.25%	11	28.21%	6	9.84%
District	Taiwan	83	100.00%	39	100.00%	61	100.00%
District	Other	0	0.00%	0	0.00%	0	0.00%

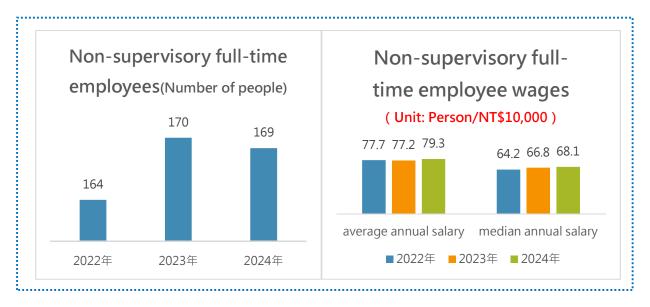
Note: New hire rate = (Number of new hires in the specific category during the year / Total number of employees in the same category at year-end) *100%.

Employee turnover statistics/Year		(2012/12/12/12/12/12/12/12/12/12/12/12/12/1	2022	2023		2024	
		Total	Proportion (Note)	Total	Proportion (Note)	Total	Proportion (Note)
	Under 30	9	10.23%	5	9.62%	5	10.00%
Age	30-49	73	82.95%	40	76.92%	36	72.00%
	50 and above	6	6.82%	7	13.46%	9	18.00%
Gender	Man	47	53.41%	33	63.46%	28	56.00%
Gender	Female	41	46.59%	19	36.54%	22	44.00%
	Master's degree	6	6.82%	6	11.54%	11	22.00%
Educational background	Tertiary education	67	76.14%	39	75.00%	31	62.00%
	Other	15	17.05%	7	13.46%	8	16.00%
District	Taiwan	88	100.00%	52	100.00%	50	100.00%
District	Other	0	0.00%	0	0.00%	0	0.00%

Note: Turnover rate = (Number of employees who left in that specific category during the year / Total number of employees in the same category at year-end) * 100%.

6.3.2 Salary and Rewards

Attract and retain outstanding talent by offering competitive compensation benefits and professional career development training. Coupled with a fair and objective performance appraisal system and a variety of bonus schemes, we continue to provide incentives to our staff and organize regular promotion meetings every year to promote outstanding talents. Each season, abundant activities and various clubs are organized by the welfare committee to foster a bond between employees across departments and a sense of unity to help employees achieve a work-life balance. Under the mechanisms of gender equality and encouraging employee participation in improving company operations, we continuously aim to cultivate and develop diverse talents as the goal of human resource development to create a unique corporate culture and shared values of Arbor.



Full-time employees in non- managerial positions	Number of employees	Average annual salary	Median annual salary
2024	169	79.3	68.1
2023	170	77.2	66.8
Difference	- 1	+ 2.1	+ 1.3

X Ratio of Standard Entry-Level Wages by Gender to Local Minimum Wage GRI 202-1

Entry-level employee category	Gender	2024 Ratio of standard entry-level wage to local minimum wage
Taiwan	Male	1.10
i aiwaii	Female	1.07

Note: Due to male direct employees needing to assist with cargo handling work, they are given slightly higher salaries than females.

X The Ratio of Basic Salary Plus Remuneration for Females to Males

Ratio o	Ratio of base salary to total		Ratio					
compensation		2022		2023		2024		
Key operating locations	Employee category	Item	Male	Female	Male	Female	Male	Female
	Base salary (Note 1)	1.24	1	1.02	1	0.99	1	
Taiwan	Direct	Total compensation (Note 2)	1.18	1	1.12	1	1.03	1
Indirect	Base salary	1.33	1	1.28	1	1.26	1	
	Total compensation	1.36	1	1.29	1	1.26	1	

Note 1: Basic salary refers to the regular salary that meets the definition of the Labor Standards Act.

Note 2: Salary refers to regular wages plus non-recurring bonuses and allowances paid to workers.

6.3.3 Employee Benefits

Employee benefits for full-time staff	Description
Insurance benefits	In addition to statutory insurance (labor insurance and health insurance), employees are covered by a comprehensive insurance program, including free group insurance, accident insurance, accident medical insurance, and occupational injury insurance, ensuring more extensive and complete protection.
Subsidies and allowances	Special merchant discounts, wedding and childbirth gifts, housewarming bonuses, hospitalization and bereavement allowances (for employees and their dependents), birthday gifts, departmental meal subsidies, children's education scholarships, and club activity subsidies.
Bonus benefits	Year-end bonuses, multi-skilled worker bonuses, production bonuses, R&D bonuses, sales bonuses, employee referral bonuses, outstanding employee recognition, and subsidies for language certifications.
Health & wellness benefits	A free annual health check-up program is provided in collaboration with major hospitals or health screening centers, reflecting our commitment to safeguarding employees' physical and mental health. On-site occupational health services: health management consultation is provided by contracted medical professionals.
Company trips	Annual domestic and overseas company trips and occasional outdoor activities arranged by the Welfare Committee are provided.
Other benefits	Free grind and brew coffee machine, quarterly afternoon tea, employee vending machine, and a dedicated nursing room are provided.







2024 Employee Trip



2024 Year-End Party





Lantern Festival Event in February 2024

Dragon Boat Festival Event in June 2024



Maokong Hiking in May 2024



Children's Scholarship Program for the 2024 Academic Year



Christmas Event in December 2024



Parental leave for employees/Year	Gender	2022	2023	2024
Number of employees eligible for	Male	5	3	4
parental leave	Female	5	5	7
Number of employees who applied f	Male	0	0	0
or parental leave	Female	1	1	2
Number of employees scheduled to	Male	0	0	0
return after parental leave (A)	Female	1	1	2
Number of employees who actually	Male	0	0	0
returned after parental leave (B) (including early returnees)	Female	0	0	1
Detum to work note (D/A)	Male	0.00%	0.00%	0.00%
Return to work rate (B/A)	Female	0.00%	0.00%	50.00%
Number of employees still employed I	Male	0	0	0
2 months after returning from parent al leave in the previous year (C)	Female	0	0	0
Potantian nata (Chanasiana negara)	Male	0.00%	0.00%	0.00%
Retention rate (C/previous year B)	Female	0.00%	0.00%	0.00%

Note 1: The number of employees eligible for parental leave is based on the number of male and female employees who have applied for maternity and paternity leave in the past 3 years.

6.3.4 Employee Retirement Benefit System

Pension system	Old scheme	New scheme
Applicable legal basis	Labor Standards Act	Labor Pension Act
Contribution method	Contribute 2% of the total salary and deposit it in the name of the company into the pension account of the Bank of Taiwan	Contribute 6% to the individual account at the Labor Insurance Bureau according to the employee's insurance level
Contribution amount	Accumulated amount: NT\$4,709 thousand	Contribution for 2024: NT\$8,372 thousand

Note 2: Return-to-work rate = (Total number of employees who actually returned to work during the year / Total number of employees expected to return to work during the year) * 100%.

Note 3: Retention rate = (Total number of employees still employed twelve months after returning to work in the previous year / Actual number of employees who returned to work in the previous year) * 100%.

The Company is committed to talent cultivation and is fully aware that employees are the cornerstone of corporate growth. We have designed a diverse onboarding training program, including product training, presentation skills, knowledge mapping, and professional certification courses, with the aim of comprehensively enhancing employee competencies. Through these systematic trainings, employees not only improve their professional knowledge and practical skills but also build a solid foundation for future career development. By continuously investing in employees' growth, we drive the Company's progress and contribute to long-term sustainable operations.

Over the past 3 years, our training programs have demonstrated consistent execution and achievement rates, with both total training hours and the number of sessions steadily increasing. This reflects the Company's strong commitment to employee professional development, enabling our workforce to continuously acquire new skills and enhance their overall capabilities through ongoing training initiatives.

2024 Training Program Categories

Training category	Training focus	<u>Participants</u>	Total training hours
Management programs	Consensus campCorporate sharing	40	232
Professional programs	 Product introduction Quality system and management Professional competency 	346	393
General knowledge programs	 New employee training Information security Integrity and insider trading Environmental, Health and Safety (EHS) Regulatory compliance 	223	327

*Average Training Hours Per Employee Over the Past 3 Years

Statistics/Year	2022	2023	2024	
Average training hours per employee (Note 1)		12.22	14.14	15.91
Average training hours per employee by gender (Note 2)	Female	10.34	15.05	16.93
	Male	13.26	13.23	14.89
By category_Average training hours per employee	Female	12.00	12.00	12.00
	Male	12.25	14.17	15.87

Note 1: Average training hours per employee: Total training hours for all employees during the year / Total number of employees at the end of the year.

Note 2: Average training hours per female employee: Total training hours of female employees during the year / Total number of female employees at the end of the year.

The Company has implemented a structured performance evaluation system to align individual development and achievements with overall corporate objectives. In the midyear, each department reviews the goals set at the beginning of the year and makes necessary strategic adjustments for the second half to ensure annual targets are met. The Company also actively encourages employees to submit innovative proposals that can serve as bonus evaluation criteria and optimize the Company's systems and processes. At year-end assessment, department heads are required to conduct one-on-one evaluation meetings with employees to provide clear feedback on their annual performance, including strengths and areas for improvement. Through this process, we strive to foster a fair, transparent, and innovation-driven organizational culture.

Performance evaluation statistics for 2024		Actual number of employees evaluated	Total number of employees in this category	Percentage
Gender	Female	113	113	100.00%
Gender	Male	72	72	100.00%
Cotogomi	Direct	24	24	100.00%
Category	Indirect	173	173	100.00%

The following are not subject to performance evaluation: consultants, temporary workers, hourly workers, short-term contract employees, employees on unpaid leave, and colleagues who had not yet completed 3 months of service during the evaluation period.

6.4 Occupational Safety and Health Management System

The significance to the Company

Arbor Technology upholds the philosophy that "Employees are the Company's most important assets" and actively promotes employee health and occupational safety management. The Company has passed the ISO 45001 Occupational Safety and Health Management System and regularly organizes diverse physical and mental courses and activities to help employees achieve a work-life balance and enhance overall productivity.

To implement occupational safety and health, Arbor Technology has established a sound organization with a clear division of responsibilities and continues to promote a safety culture and risk management measures. In response to the requirements and expectations of internal and external stakeholders, the Company has formulated the "Contractor Control Procedure" to comprehensively strengthen its safety management system and jointly create a safe and friendly working environment with contractors.

Policy/ Commitment		Adhering to the core spirit of the ISO 45001:2018 Occupational Safety and Health Management System, Arbor Technology formulates occupational safety and health policies, commits to compliance with legal requirements, conducts risk assessments, promotes full participation, strengthens communication, and continuously improves with "zero hazards" as the ultimate goal. We have dedicated personnel to promote occupational safety and health management, ensuring the effective operation of the system, and continuously improving management efficiency through annual tracking, review, and audits. We have also successfully obtained relevant system certifications. The Company firmly believes that employees are its most important asset, and therefore, "zero occupational injuries" is our common goal. Arbor Technology is committed to providing a safe and healthy working environment and encourages all employees to participate in improving workplace safety. Through the efforts of all employees, we aim to establish a workplace free from occupational hazards, ensuring the maximum protection of every employee's health and safety.
Short- term		 Implement the occupational safety and health management system (e.g., ISO 45001) and continuously pass certification. Reduce the frequency of occupational hazards. Strengthen safety and health education and training for new employees.
Goal Mid- to long- term		 Zero occupational injuries (FR=0/SR=0) Establish a safety culture and cultivate employees' safety awareness and sense of responsibility. Regularly review and revise, and continuously improve the working environment.
Respor departs Complaint r	ment/	Cindy@arbor.com.tw / HR Department
Effectiv Tracl mecha	king	 Occupational accidents ≤ 1. General safety and health education training for new employees ≥3 hours Improvement of the working environment, 1 case annually
Resources invested in 2024		 Implement environmental monitoring operations (Data Test Scientific, implemented in June and December 2024) Health checks were conducted in November 2024 (Xin Tai_Number of health checkups: 154). On-site health services are provided by En-hua Hospital (implemented in accordance with the "Labor Health Protection Rules," with an occupational doctor once per quarter and an occupational nurse 8 hours per month).
Execution performance in 2024		 1 occupational accident occurred. Newcomer (General Safety and Health Training) Achievement Rate 100% Improvement of working environment: 1 case.

Arbor Technology places great importance on the safety and health of every employee. Although the Company is not categorized as a high-risk manufacturing industry under the Occupational Safety and Health Act, we adhere to the principle of "Prevention first and continuous improvement" in our commitment to establishing a safe, friendly, and healthy workplace environment. To strengthen the effectiveness of occupational safety and health management, we have established a dedicated "Occupational Safety and Health Department" that reports directly to the Chairman. We are committed to continuously allocating resources to advance occupational safety and health management, proactively enhance the organizational safety culture and risk prevention capabilities, and build a "people-oriented and safety-first sustainable workplace."





Arbor Technology is committed to providing a safe and healthy working environment, which is our fundamental responsibility and an uncompromising commitment as an enterprise. We have established a comprehensive occupational safety and health management system based on the ISO 45001 Occupational Safety and Health Management System, adopting the "Plan-Do-Check-Act" (P-D-C-A) cycle, and actively promote a workplace safety culture. To ensure the effective implementation of the system, the Company established an occupational safety and health promotion team and assigned dedicated personnel from each department to be responsible for daily execution and supervision. Through inter-departmental collaboration and full support from senior management, we promote full participation to jointly create a safe, healthy, and sustainable working environment, achieving a win-win situation for both the Company and its employees.



6.4.1 Hazard Identification, Risk Assessment, and Incident Investigation

Arbor Technology has formulated the "Occupational Safety and Health Hazard Identification and Risk and Opportunity Assessment Procedure" in accordance with the ISO 45001:2018 standard. To systematically manage workplace risks through the procedure, the Company identifies potential hazards, conducts risk assessments across the work environment, processes, activities, products, and services, and sets unacceptable risk levels. For unacceptable risks, engineering control measures are prioritized to reduce the likelihood of hazards. Regarding the safety of contractor personnel, pre-construction meetings are held to discuss the associated operational risks and corresponding control measures, thereby ensuring the operational safety of both employees and contractors.

※ Risk Level Assessment – Grading Criteria

> Frequency of Exposure (F):

Exposure category	Hazards from operation/activity	Hazards from work environment	Grading
Continuous operation (Exposure)	Continuous operational activities	Continuous exposure to this environment for at least 6 hours/day	10
*	More than once per day on average	Continuous exposure to this environment for at least 4 hours/day	8
4	More than once per month on average	Continuous exposure to this environment for at least 2 hours per day	6
*	More than once per quarter on average	Continuous exposure to this environment for at least 1 hour per day	4
Rare operation	Once per year on average	Continuous exposure to this environment for at least 2 hours per week or more	2
Very rare operation	At most once per year	Continuous exposure to this environment for at least 1 hour per week or more	1

➤ Probability of Occurrence (P)

Probability of occurrence	Occurrence scenario	Integrity of protective measures	Grading
Completely	Such accidents/incidents have	Protective measures are	10
predictable	occurred at this facility an average	required, but not	
	of 3 times or more per year.	implemented, or no	
		feasible protection.	<u> </u>
Quite likely	Such accidents/incidents have	Protective measures are	8
	occurred at this facility an average	implemented, but lack	
	of 1 to 3 times per year.	regular preventive	
		maintenance or are	
		ineffective.	
Possible but	This facility has experienced more	One physical protection	6
infrequent	than 1 such near-miss incident in	measure and one	
	the past 3 years, though the average	administrative/control	
	frequency is less than once per year.	measure have been	
		implemented.	
Unlikely or	Such incidents have occurred more	Two physical protection	4
accidental	than once within the past 5 years,	measures and well-	
	though less than once per year.	implemented	
	Similar cases have occurred in peer	administrative/control	
	companies, or the incident has not	measures are in place.	
	been recorded at this facility, but is	 - 	
	considered potentially possible.		

Probability of occurrence	Occurrence scenario	Integrity of protective measures	Grading
Highly	Such incidents have never occurred	More than two effective	2
unlikely	at this facility or at affiliated partner	physical protection	
(assumed safe)	facilities.	measures are	
	i i	implemented	
Almost	Such incidents are considered	Multiple physical and	1
impossible	unimaginable or unprecedented,	administrative	
	with no known occurrence	protections have been	
	domestically or internationally.	implemented, with	
		excellent effectiveness.	

> Severity of Consequences (S)

Description of incident	Integrity of protective measures	Grading
➤ 1 fatality, or 3 emergency treatments	Leakage of fuels, chemicals, or organic solvents resulting in fire, requiring activation of the emergency fire suppression system, and causing immediate and sustained impacts on the environment or public health. The impact extends beyond the facility, possibly leading to conflicts.	A
 Disability injury/illness Serious injuries (severe fractures, occupational cancer, third-degree burns, disabling injuries) Long-term hospitalization treatment or extended recovery /rehabilitation 	Leakage of fuels, chemicals, or organic solvents requiring the use of firefighting equipment, with temporary (within 3 days) environmental or public health impacts. The impact extends beyond the factory and negatively affects the corporate image.	В
 Medical treatment or restricted work activities (e.g., external referral or occupational disease diagnosis) Moderate injury (fracture, third-degree burn) Complaints, adverse reactions, or sensory discomfort of employees 	Leakage of fuels, chemicals, or organic solvents that requires external reporting. The impact is confined within the factory.	C
 Simple first aid on the site Minor injuries (surface wounds, minor cuts, pain, or allergies) Traffic accident 	Leakage of fuels, chemicals, or organic solvents that only requires routine cleanup and does not require external reporting. The impact is limited to a localized area.	D

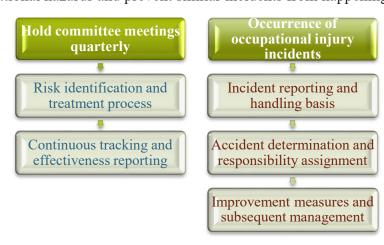
Description of incident	Integrity of protective measures	Grading 2
 Minor injuries that are manageable without treatment (e.g., temporary allergic reaction). Minor or unknown health impacts 	Leakage of chemical or organic solvents occurring near specific equipment	E
> No obvious harm	Leakage of chemical or organic solvents confined to an individual's work area	F F

Risk Matrix

Severity of consequences Risk Level	A	B	C	D	E	F
60-100	1	1	2	3	4	5
40-59	1	1	2	3	4	5
30-39	1	2	3	3	5	6
20-29	1	2	3	4	5	6
10-19	2	3	3	4	6	6
0-9	2	3	4	5	6	6

Arbor Technology conducts an Occupational Safety and Health Committee meeting every quarter to review whether there are any occupational safety and health risks found in the operating environment that each committee member is responsible for during that quarter, and conducts improvement or tracking based on the severity of the risks found. An analysis of the improvement results is presented at the next quarter's meeting to determine whether to close the case or change the improvement plan. This process continuously enhances the risk early warning and improvement capabilities of the occupational safety and health system, thereby creating a safer and more stable working environment.

When an employee or contractor has a work safety incident, Arbor will follow the "Occupational Injury and Accident Investigation Procedures" to investigate, track, and determine the damage situation and injuries of the accident. After the accident investigation is completed, the approval and implementation of improvement measures will be handled, with continuous supervision and tracking by the dedicated unit to reduce occupational hazards and prevent similar incidents from happening again.

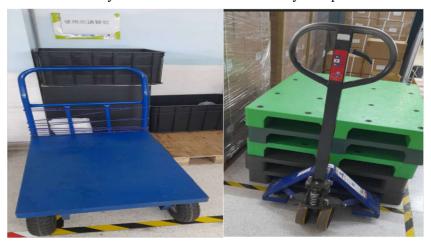


X Occupational Injury Improvement for 2024

Incident: On June 27, 2024, an employee tripped and fell while retrieving materials due to a trolley being left randomly in the aisle. In Q3 2023, a foreign worker nearly activated the fire protection system by overheating food in a microwave oven.

Improvement: Clearly mark a "trolley parking area" on the warehouse floor, accompanied by signage that reminds employees to "Return after use."

Additionally, reflective or visible warning tape has been applied to the trolley corners to enhance visibility and prevent further accidents.



X 2024 Worksite Hazard Improvement

Incident: The pallet provided by the manufacturer was made of Styrofoam, a lightweight and fragile material, and its chipped corners had already formed irregular and unsafe edges.

Improvement: All damaged pallets were immediately removed from the worksite and prohibited from further use. A clear pallet disposal policy was established, stipulating that any pallet showing signs of damage, such as cracking, chipping, warping, or deformation, must be scrapped. In addition to weekly pallet inspections conducted by the warehouse supervisor, employees are instructed to immediately stop using and report any abnormal pallets.



6.4.2 Occupational Health Services

Arbor Technology regards employees as the Company's most valuable assets and provides welfare measures that exceed the requirements of the Occupational Safety and Health Act. Annual health examinations are conducted for all employees, with further analysis of common illnesses and abnormal results identified in the checkups. Based on these findings, the Company offers medical information and health consultation services to promote preventive medicine and disease prevention. These efforts aim to strengthen employees' health awareness and support a healthy lifestyle and overall well-being.

2024 Annual Health

Examination



Arbor Technology has established a comprehensive workplace health management system by the "Labor Health Protection Rules "and the "Occupational Safety and Health Act". By integrating professional medical resources and psychological care mechanisms, the Company demonstrates its commitment to safeguarding employees' physical and mental health.

On-site health service system

- •On-site health services (1 occupational physician visit per quarter, occupational nurse for 8 hours per month)
- Employee physical health assessments, chronic disease management, and preliminary identification of stress and psychological conditions
- •Relevant records for inspection by the competent authority

Four programs implemented in accordance with the Occupational Safety and Health Act

- Prevention plan for ergonomic hazards
- Prevention plan for diseases triggered by excessive workload
- Prevention plan for unlawful infringement during duty execution
- Maternal health protection plan for female workers

Mental health support Resource referral services

- Various service resources from government agencies and non-profit organizations compiled by occupational safety personnel
- Resources categorized as "psychological counseling," "medical prevention and treatment," and "care/other consultations," and promoted on bulletin boards and the intranet.



6.4.3 Participation, Consultation, and Communication of Occupational Safety and Health Workers

Arbor Technology convenes quarterly Occupational Safety and Health Committee meetings, chaired by the head of the production department or their designated representative. The meetings cover discussions on safety and health programs, including education and training, workplace improvement measures, hazard prevention and control, audits, hazard identification and risk assessment, contractor management, and health promotion.

Meeting content	Labor- management meeting	Employee Welfare Committee	Occupational Safety and Health Committee	ISO9001&4501 Management review meeting		
Meeting frequency	Every season	Every season	Every season	Every year		
Participating units	Representatives of both labor and management					
Complaint mechanism	Email: cindy@arbor.com.tw					



6.4.4 Occupational Safety and Health Workers Training

To enhance workers' knowledge of occupational safety and health as well as their disaster response capabilities, we not only conduct relevant training programs under legal requirements and operational needs, but also raise awareness through internal emails, bulletin board posters, and safety knowledge quizzes. These efforts aim to strengthen employees' understanding of workplace hazards and equip them with the necessary knowledge and awareness to prevent occupational accidents. Safety and health training is provided to both new hires and incumbent employees, including courses such as hazardous chemicals, electrical safety, respiratory protection, emergency response, and fire safety. Post-training assessments are conducted to evaluate the effectiveness of the programs. To reinforce contractors' safety management, the Company has established a "Contractor Management Procedure" that requires all contractors to follow the Occupational Safety and Health Act and Arbor regulations, ensuring compliance with all relevant EHS laws and the prevention of workplace injuries.

Training program	2024 participated hours / number of participants
Occupational safety and health training for new employees	3 hr/49 people
Self-defense firefighting team training	2 fire drills every year

2024 Occupational Safety and Health

Safety and Health Training



2023 Fire Drill

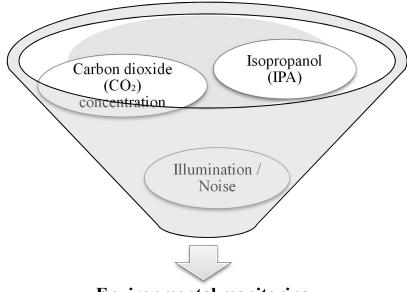


6.4.5 Occupational Safety and Health Worker Health Promotion

Arbor Technology firmly believes that "Employee health is the foundation of sustainable business operation." The Company fosters a safe, healthy, and supportive work environment through systematic environmental monitoring and diverse health promotion measures.

Work Environment Monitoring and Risk Control

To effectively identify potential workplace hazards and protect employee health, the Company commissions a qualified third-party testing agency (Data Test Scientific Co., Ltd.) to conduct environmental monitoring every half year (in June and December in 2024). In 2024, the concentrations at all monitoring points were below the statutory permissible limits, indicating no abnormal exposure risk.



Environmental monitoring results

X On-Site Health Services and Medical Support Under the "Labor Health Protection Rules"

In 2024, the Company commissioned En-hua Hospital to provide on-site health services, including:

- Employee health consultations and preliminary assessments
- Recommendations for disease prevention and ongoing health monitoring
- Assistance in identifying occupational disease risks and making referrals

This service effectively connects workplace health management with professional medical resources, enhancing the overall integrity of the Company's occupational health support system.

Worker Health Promotion Program

Arbor Technology actively promotes the physical and mental well-being of its employees. In addition to offering a wide range of health education resources, such as nutrition, exercise, and mental health, the Company helps employees develop practical knowledge and skills to maintain a healthy lifestyle. We also organize a series of health promotion seminars and activities, including ball games, hiking, floral arrangement workshops, and fitness programs. These initiatives encourage employees to actively participate in healthy living, enhance communication and collaboration among colleagues, and improve overall awareness of health and wellbeing.

ESG Internalization ~ Green

Experience Green

Go健康、i健走

期: 2024/1/5~1/31





世界地球日,登高送早

為響應節能減碳,鼓勵多爬樓梯少搭電梯, 公司將提供營養早餐讓大家活力滿滿、精氣 神一級棒!

時間:4/22(一)

活動内容:

同仁當日9:10前完成由一樓指定地點 走樓梯到公司櫃台完成簽到及拍照。

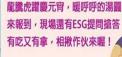


-無肉日/減碳愛地球

牛津大學最新研究指出,大肉食主義者平均 午洋大學最新研究指出,大肉良主義者半小 每天產生10公斤溫室氣體,幾乎是少肉派 的2倍、素食者的4倍,僅僅需變減低每天 食肉量,然可以有效減少毗排,效果更 等同於路上減少了800萬輔汽車。本等 的季度下午茶福菱曲將改為提供素食 便當膜同亡享用,為環保愛地球貢獻 一份小小心力!!

日期:3/18(一)中午





日期: 2/23(五) 15:30



Stress Relief Through Massage and Floral Arrangement



Healthy Living Get Moving



6.4.6 Workers Covered by the Occupational Safety and Health Management System

Management system/regulations	Inspection type	Number of people	Proportion	Note
Occupational Safety and Health Act	Internal inspection	198	100%	
	Labor inspection	198	100%	
	Internal audit	198	100%	
ISO 45001:2018 (2022.11.30~2025.11.29)	External inspection	198	100%	An external audit was conducted by Universal Certification Service Co., Ltd., involving 2 personnel over a period of 2 days.

6.4.7 Occupational Injuries and Occupational Diseases Statistics

X Arbor Technology Employee/Non-Employee: Occupational Injuries and Diseases Statistics

Statistics/Year		2022	2023	2024
Total working hours		376,378	348,925	354,255
Work-related	Number of people	0	0	0
fatalities	Proportion	0	0	0
Severe occupational	Number of people	1	0	0
injuries	Proportion	0.49	0	0
Recordable	Number of people	0	0	1
occupational injuries	Proportion	0	0	0.51
Occupational diseases	Number of people	0	0	0
diseases	Proportion	0	0	0
Recordable occupational	Number of people	0	0	0
diseases	Proportion	0	0	0

X Occupational Safety and Health Training for Workers

Type/Year		2022	2023	2024	Description of hazards and improvements
Type of	Commuting or other traffic accidents	1	0	0	Safety training Traffic safety awareness promotion
occupational injury	Falls in the factory	0	0	1	Reflective or visible warning tape on the edges of the trolley to enhance visibility

6.5 Community Care and Public Participation

We fulfill our corporate social responsibility through community engagement, charitable giving, and arts and cultural sponsorship. In 2024, we participated in many charitable activities, with total donations amounting to approximately NT\$114 thousand. The outcomes are summarized as follows:

X Specific Community Engagement Initiatives

Including providing employment opportunities and participating in local charity programs.





樂活服務發展協會中和連城站資訊:

- 據點地址: 新北市中和區連城里連城路89巷36號及32號地下一層.
- 聯絡電話: 02-22484666.
- 開放時間: 星期二、三、四、五、日09:00~16:00.
- · 服務範圍: 連城里、正行里、力行里.
- 據點特色: 志工熱情,活動多元活潑,開發培養長者的興趣與技能,場 地寬敞舒適,供餐菜色豐富營養,兼顧身心靈全人關懷.

X Arts And Culture Sponsorship: Art Corridor Event



X Educational Sponsorship



Rural Education Program

Waker社團法人台灣微客公益行動協會

Childhood Rescue Project



Feng Chia University, Department of Cooperative Economics and Social Entrepreneurship Scholarship

(I) Appendix 1, GRI Content Index

Material Topic: ★

Statement of use	Arbor Technology reported content under GRI guidelines from January 1, 2023 to December 31, 2023								
GRI 1 used	GRI 1: Foundatio	GRI 1: Foundation 2021							
Applicable GRI Sector Standard(s)	No applicable GRI Sector Standards are currently available								
Topic	Disclosure items Description Section		Section	Page number	Omission reason/explan ation (if applicable)				
GRI 2: General Disclo									
	2-1	Organization details	II. Regarding Arbor	23					
Organization and	2-2	Entities included in the organization's sustainability report	About This Report	5					
	2-3	Reporting period, frequency, and contact information About This Report		5					
reporting practices	2-4	Restatements of information	-	NA	Not yet recompiled				
	2-5	External assurance	About This Report	6	Not assured by a third-party organization				
Activities and	2-6	Activities, value chain, and other business relationships	2.3 Value Chain and Other Business Relationships	28					
workers	2-7	Employees	6.2 Gender Equality and Diversity	103					
	2-8	Non-employee workers	6.2 Gender Equality and Diversity	103					
	2-9	Governance structure and composition	3.1 Governance Practices	33					
Governance	2-10	Nomination and selection of the highest governing body	3.1 Governance Practices	33					
	2-11	Chairman of the highest governing body	3.1 Governance Practices	33					
	2-12	Role of the highest governance body in overseeing the management of impacts	3.1 Governance Practices	33					
	2-13	Responsible person for impact	1.1 Sustainable Development	7					

		management	Council		
	2-14	Role of the highest governance body	1.1 Sustainable Development	7	
		in sustainability reporting	Council		
	2-15	Conflicts of interest	3.1.2 Board of Directors	35	
	2-16	Communication of critical concerns	1.3 Stakeholders Negotiate	9	
	2-17	Collective knowledge of the highest governance body	3.1.2 Board of Directors	35	
	2-18	Evaluation of the performance of the highest governance body	3.1.2 Board of Directors	35	
	2-19	Remuneration policy	3.1.3 Functional Committee	40	
	2-20	Process for determining remuneration	3.1.3 Functional Committee	40	
	2-21	Annual total compensation ratio	-		Confidentiality clause/salary not disclosed under the confidential policy
	2-22	Statement on the organization's sustainable development strategy	Chairman's Words	3	
	2-23	Policy commitments	III. Integrity Governance 6.1 ARBOR Human Rights Policy	32 100	
Strategy, policy and	2-24	Embedding policy commitments	III. Integrity Governance 6.1 ARBOR Human Rights Policy	32 100	
practice	2-25	Processes to remediate negative impacts	3.2 Risk Management	47	
	2-26	Mechanism for seeking advice and raising concerns	3.1 Governance Practices	33	
	2-27	Compliance with laws and regulations	3.3 Compliance with Regulations	51	
	2-28	Memberships in associations	2.5 Industry Partners and External Organization Participation	31	
	2-29	Approach to stakeholder engagement	1.2 Confirm Stakeholders	8	
Stakeholders agree	2-30	Collective bargaining agreements	-	NA	Not applicable/The employees of the Company do not sign collective agreements.
GRI 3: Material Topics	2021				
Material topics	3-1	The process of determining material topics	1.4 Identification Major Theme	12	

	3-2	List of material topics	1.4 Identification Major Theme	12	
Economic aspect					
Economic performance					
GRI 3: Material Topics 2021	3-3	Management of material topics	3.4 Operational Performance	57	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed by the organization	3.4 Operational Performance	57	
	201-2	Financial implications and other risks and opportunities due to climate change	3.3 Climate Change Governance	55	
	201-3	Defined benefit plan obligation and other retirement plans	6.3.4 Employee Retirement Benefit System	113	
	201-4	Financial assistance received from the government			Project loan subsidy from the Ministry of Economic Affairs_ total subsidy of NT\$1,023 thousand in 2024
Information security (co	ustom topic)			.	
GRI 3: Material Topics 2021 Information Security	3-3	Management of material topics - Information security approach	3.6 Cybersecurity Protection	63	
Innovation and R&D (c	custom topic)				
GRI 3: Material Topics 2021 Innovation and R&D	3-3	Management of material topics - Innovative technology and products	4.1 Innovation and Research	69	
Customer relationship (custom topic)				
GRI 3: Material Topics 2021 Customer Relationship	3-3	Management of material topics - Product and service quality	4.2 Customer Relationship	72	
Environment					
★Energy					
GRI 3: Material Topics 2021	3-3	Management of material topics	5.1. Energy Saving and Carbon Reduction	77	
GRI 302: Energy	302-1	Energy consumption within the organization	5.1.1 Energy Management	78	
2016	302-2	Energy consumption outside the organization	-		Not applicable / The Company currently

					does not collect date on external energy consumption
	302-3	Energy intensity	5.1.1 Energy Management	77	•
	302-4	Reduction of energy consumption	5.1.1 Energy Management	77	
	302-5	Reduction of energy requirements of products and services	-		Not applicable / The Company currently has no relevant information available for disclosure
Water and effluents					
GRI 303: Water and Effluents 2018 Management Approach	303-1	Interactions with water as a shared resource	5.2 Water Resources Management	81	
★Emissions					
GRI 3: Material Topics 2021	3-3	Management of material topics	5.1 Energy Saving and Carbon Reduction	77	
	305-1	Direct (Scope 1) greenhouse gas emissions	5.1.2 Greenhouse Gas Emissions Management	80	
	305-2	Energy indirect (Scope 2) greenhouse gas emissions	5.1.2 Greenhouse Gas Emissions Management	80	
	305-3	Other indirect (Scope 3) greenhouse gas emissions	5.1.2 Greenhouse Gas Emissions Management	80	
GRI 305: Emissions	305-4	Greenhouse gas emissions intensity	5.1.2 Greenhouse Gas Emissions Management	80	
2016	305-5	Reduction of greenhouse gas emissions	5.1.2 Greenhouse Gas Emissions Management	80	
	305-6	Emissions of Ozone-Depleting Substances (ODS)	-	NA	Not applicable / The Company does not emit such substances
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-	NA	Not applicable / The Company does not emit such substances
Waste					
GRI 3: Material Topics 2021	3-3	Management of material topics	5.4 Sustainable Supply Chain	86	
GRI 308: Supplier Environmental	308-1	New suppliers that were screened using environmental criteria	5.4 Sustainable Supply Chain	86	

Assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	5.4 Sustainable Supply Chain	86	
★Green products/service	ces				
GRI 3: Material Topics 2021	3-3	Management of material topics	5.5 Green Products/Services	93	
Customer-defined material topics	Green packaging-1	Percentage of recycled and recyclable packaging materials used in product projects	5.5 Green Products/Services	93	
Social aspect (including	g human rights)				
★Employment relations	ship				
GRI 3: Material Topics 2021	3-3	Management of material topics	6.3 Talent Attraction and Development	106	
	401-1	New employee hires and employee turnover	6.3.1 New and Departing Staff at Taiwan Headquarters	108	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees 6.3.3 Employee Benefits		110	
GRI 401:	401-3	Parental leave	110		
Employment 2016	Compensation	The Company should disclose the number of full-time non-managerial employees, the average and median annual compensation of such employees, and the year-over-year changes in the above figures.	6.3.2 Salary and Rewards	109	
Labor/management rela	ations				
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice period regarding operational changes	6.1.2 Labor-Management Communication	103	
Occupational health and	d safety				
	403-1	Occupational health and safety management system	6.4 Occupational Safety and Health Management System	115	
GRI 403: Occupational Health	403-2	Hazard identification, risk assessment, and incident investigation	6.4.1 Hazard Identification, Risk Assessment, and Incident Investigation	118	
and Safety 2018 Management Approach	403-3	Occupational health services	6.4.2 Occupational Health Services	123	
	403-4	Worker participation, consultation, and communication on occupational safety and health	6.4.3 Participation, Consultation, and Communication of Occupational Safety and Health	124	

			Workers		
	403-5	Worker training on occupational health and safety	6.4.4 Occupational Safety and Health Workers Training	125	
	403-6	Promotion of worker health	6.4.5 Occupational Safety and Health Worker Health Promotion	126	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.4 Occupational Safety and Health Management System	118	
GRI 403:	403-8	Workers covered by the occupational health and safety management system	6.4.6 Workers Covered by the Occupational Safety and Health Management System	129	
Occupational Health and Safety 2018	403-9	Work-related injuries	6.4.7 Occupational Injuries and Occupational Diseases Statistics	129	
	403-10	Work-related ill health 6.4.7 Occupational Injuries and Diseases Statistics			
★Training and education	n				
GRI 3: Material Topics 2021	3-3	Management of material topics	6.3 Talent Attraction and Development	106	
	404-1	Average hours of training per employee per year	6.3.5 Talent Cultivation	114	
GRI 404: Training and Education 2016	Percentage of employees receiving		6.3.5 Talent Cultivation	114	
and Education 2010			6.3.5 Talent Cultivation	114	
Diversity and equal opp	ortunities for emp	loyees			
GRI 405: Diversity	405-1	Diversity of governance bodies and employees	3.1.2 Board of Directors 6.2 Gender Equality and Diversity	35 103	
and Equal Opportunity 2016	405-2	Ratio of basic salary and remuneration of female to male	6.3.2 Salary and Rewards	109	
★Supplier social assess	ment				
GRI 3: Material Topics 2021	3-3	Management of material topics	5.4 Sustainable Supply Chain	86	
GRI 414: Supplier	414-1	New suppliers that were screened using social criteria	5.4.2 Supplier Management	89	
Social Assessment 2016	414-2	Negative social impacts in the supply chain and actions taken	5.4.2 Supplier Management	89	

(II) Appendix 2, SASB Preparation Standards - TC-HW Hardware

SASB Topics	Metric code	Metric description	Metric type	Unit of measure	Disclosure/Reference section
Product safety	TCHW230a.1	Description of approach to identifying and addressing product data security risks.	N/A	_	3.5.6 Product Information Security
Employee diversity & inclusion	TCHW330a.1	Percentage of employees by (1) gender and (2) ethnic group in (a) executive management, (b) non-executive management, (c) technical roles, and (d) all other roles	Quantitative		6.2 Gender Equality and Diversity
	TCHW410a.1	Percentage of revenue from products subject to IEC 62474 material declaration requirements	Quantitative		Not applicable. Arbor does not adopt the IEC62474 standard, but the raw materials used in its products comply with relevant EU regulations such as RoHS and REACH.
Product lifecycle management	TCHW410a.2 Percentage of revenue from products that meet EPEAT registration criteria or equivalent standards		Quantitative	Percentage (%)	Not applicable. Arbor products are not required to obtain EPEAT certification.
	TCHW410a.3	Percentage of revenue from products that meet energy efficiency standards	Quantitative	Percentage (%)	Not applicable. Arbor products are not subject to ENERGY STAR certification requirements.
	TCHW410a.4	Percentage of end-of-life products and e-waste collected for recycling, by weight	Quantitative		No analysis was conducted in 2024.

				Percentage (%)	4
Supply chain management	TCHW430a.1	Percentage of Tier 1 suppliers audited under the Responsible Business Alliance (RBA) Validated Audit Process (VAP) or equivalent, by supplier category: (a) all suppliers and (b) high-risk suppliers.	Quantitative	Percentage (%)	RBA audit not yet implemented
	TCHW430a.2	(1) Non-conformance rate and (2) corrective action rate for Tier 1 suppliers audited under the RBA Validated Audit Process (VAP) or equivalent, categorized by: (a) priority non-conformances and (b) other non-conformances.	Quantitative	-	RBA audit not yet implemented
Materials sourcing	TCHW440a.1	Description of risk management approach related to the use of critical materials.	N/A	Not applicable	5.4.2 Supplier Management
Activity Metrics					
	TCHW000.A	Number of units produced by product category	Quantitative	-	Total single board/embedded card-type products: 14,341 units Total system products: 22,574 units
-	TCHW000.B	Floor area of owned manufacturing facilities	Quantitative	Square meter	Arbor Headquarters: Net usable floor area (excluding public spaces): 4,462.93 square meters
	TCHW000.C	Percentage of products manufactured in owned facilities	Quantitative	Percentage (%)	100%

(III) Appendix 3: Standards for Disclosure of Sustainability Indicators

Number	Metrics	Metric type	Unit of measure	Disclosure/Reference section
I	Total energy consumption, percentage of purchased electricity, and renewable energy utilization rate	Quantitative	Gigajoules (GJ), Percentage (%)	3.5.6 Product Information Security
II	Total water withdrawal and consumption	Quantitative	Thousand cubic meters (m ³)	6.2 Gender Equality and Diversity
III	Weight of hazardous waste generated and percentage recycled	Quantitative	Metric tons (t), Percentage (%)	5.3.2 Current Status of Waste Removal Target Achievement
IV	Description of types, number, and rate of work-related injuries	Quantitative		6.4.7 Occupational Injuries and Occupational Diseases Statistics
V	Disclosure on product lifecycle management: including weight and recycling rate of end-of-life products and e-waste (Note 1)	Quantitative	Metric tons (t), Percentage (%)	No data collected for 2024.
VI	Description of risk management related to the use of critical materials.	Qualitative	Not applicable	5.4.2 Supplier Management
VII	Total monetary losses resulting from legal proceedings related to anti-competitive behavior	Quantitative	Reporting currency	No legal proceedings related to anti- competitive behavior occurred in 2024.
VIII	Production volume of major products by product category	Quantitative	Varies by product type	In 2024: Total single board/embedded card-type products: 14,341 units; Total system products: 22,574 units

(Note 1) Includes the sale of scrap materials or other recycling treatments, and relevant explanations should be provided.

(IV) Appendix 4, Climate-Related Information of Listed and OTC Companies

I. Risks and opportunities posed by climate change and the Company's response measures

	Item	Execution situation				
1.	Describe the oversight and governance of climate-related risks and opportunities by the Board of Directors and management.					
2.	Explain how identified climate risks and opportunities affect the business, strategy, and financial planning in the short, medium, and long term.					
3.	Disclose the financial impacts of extreme weather events and transition actions.	Arbor Tochnology addresses the				
4.	Describe how processes for identifying, assessing, and managing climate risks are integrated into the overall risk management framework.	Arbor Technology addresses the management of climate-related risks in section 3.3 Climate Change Governance.				
5.	If using scenario analysis to assess resilience to climate change risks, the scenarios, parameters, assumptions, analytical factors, and major financial impacts used should be explained.					
6.	If there is a transition plan to manage climate-related risks, the content of the plan and the indicators and targets used to identify and manage physical risks and transition risks should be explained.					
7.	If using internal carbon pricing as a planning tool, the basis for pricing should be explained.	No internal carbon pricing has been adopted				
8.	If climate-related targets are set, the covered activities, greenhouse gas emission scopes, planning period, and annual progress should be explained. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve the related targets, the source and quantity of the offset carbon reduction or the number of Renewable Energy Certificates (RECs) should be explained.	 Arbor Technology has no plans for carbon pricing, carbon offsetting, or the use of renewable energy certificates at the current stage. For more details, refer to section 5.1.2 Greenhouse Gas Emissions management 				

	Item	Execution situation
9.	The status of greenhouse gas inventory, third-party assurance, and progress on emissions reduction targets, strategies, and action plans should be reported. (Note 2)	For more details, refer to section 5.1.2 Greenhouse Gas Emissions management

(Note 2)

1. Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans Inventory Information

- Promote ISO 14064-1 inventory to establish greenhouse gas inventory data, accurately grasp greenhouse gas emission status, and track the effectiveness of emission reduction efforts.
- ② (Note A) The carbon reduction target has been recalculated due to the base year being changed to 2024.
- (Note B) If global warming is limited to within 1.5°C, and the tool provided by SBTi is referenced, the absolute contraction approach is used for trial calculation.

Emissions reduction targets (Note A)	Implementation measures
Compared to the 2024 base year (Note B)	
***Short-term target:	1. Reduce energy consumption through material
Reduce Scope 1 and Scope 2 GHG emissions by	selection and R&D innovations.
4.3853% by 2026, compared to the 2024 base year.	2. Improve the energy efficiency of equipment.
***Mid- to long-term target:	
Reduce Scope 1 and Scope 2 GHG emissions by	
21.9265% by 2030, compared to the 2024 base year.	
In alignment with the Climate Change Response Act,	
the Company plans to achieve net-zero greenhouse	
gas emissions by 2050.	

2. Greenhouse Gas Emissions by Scope for the Past 2 Years by Arbor Technology

(Data coverage: Zhongzheng Road Headquarters and Jiankang Plant) (Both 2023 and 2024 were assured by ARES)

● The Company conducted a greenhouse gas inventory based on ISO 14064-1:2018. The original base year was set as 2023; however, due to a 24.22% increase in total emissions in 2024 (1,369.672 metric tons CO₂e) compared to 2023 (1,102.578 metric tons CO₂e), the base year has been adjusted to 2024 in accordance with the recalculation mechanism for significant changes in baseline emissions.

		Category 1				Category 2	Category 3	Category 4	Category 5	Category 6	Total emissions	
Inventory year	Emission source	Stationary combustion	Mobile combustion	Process emissions	Fugitive emissions	Total	Indirect energy emissions	Indirect emissions from transportat ion	Indirect emissions from products used by the organization	Indirect emissions from the use of the organization's products	Other indirect emissions	
2024	Emissions (metric tons CO2e/year)	0.0307	2.6967	0.0000	17.8063	20.5337	257.9229	0.7421	64.2221	1026.2508	0.0000	1369.672
	Gas composition share (%)	0.00%	0.20%	0.00%	1.30%	1.50%	18.83%	0.05%	4.69%	74.93%	0.00%	100.00%
2022	Emissions (metric tons CO2e/year)	0.0307	2.6229	0.0000	32.8629	35.5165	204.4717	0.4635	46.8198	815.3063	0.0000	1102.578
2023	Gas composition share (%)	0.00%	0.24%	0.00%	2.98%	3.22%	18.54%	0.04%	4.25%	73.95%	0.00%	100.00%