ARIZON

Arizon RFID Technology (Cayman) Co., Ltd.

2025 Sustainability Report





ARIZON

Preface

CH1 Sustainable Management

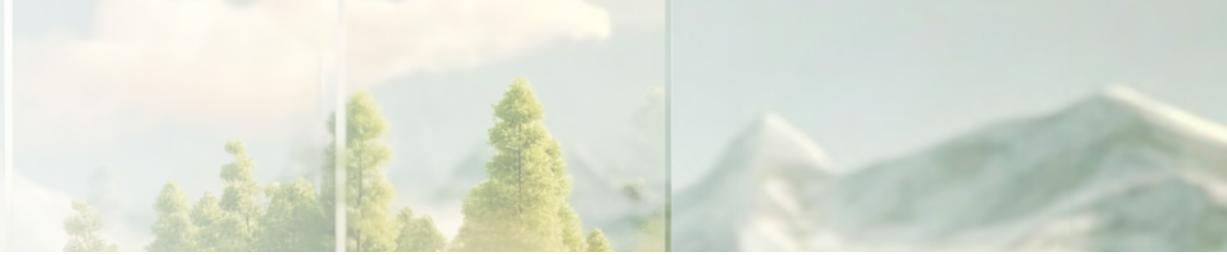
CH2 Corporate Governance

CH3 Corporate Care

CH4 Environment

Appendix

Contents



Preface

About This Report 2

Message from the Chairman 3

CH1 Sustainable Management

1.1 Company Overview and History 5

1.2 Business Performance 9

1.3 Sustainability Governance 11

1.4 Stakeholder Identification and Engagement 12

1.5 Identification of Material Sustainability Topics 14

CH2 Corporate Governance

2.1 Corporate Governance Structure 19

2.2 Risk Management 28

2.3 Legal Compliance and Integrity Management 31

2.4 Supply Chain Management 33

2.5 Product Quality and Safety 42

2.6 Innovation and R&D 48

2.7 Customer Relationship Management 54

2.8 Information Security Management 57

CH3 Corporate Care

3.1 Happy Workplace 63

3.2 Occupational Safety and Health 79

3.3 Human Rights Protection 92

3.4 Shared Prosperity with Society 98

CH4 Environment

4.1 Climate Change Response (TCFD / IFRS S2) 103

4.2 Energy Management 126

4.3 Water Resource Management 129

4.4 Waste Management 131

4.5 Hazardous Substances Management 140

4.6 Green Products and Circular Economy 145

Appendix

- GRI Standards Index 147
- SASB Index Table 151
- Independent Auditors' Limited Assurance Report 153

Preface
About This Report
Message from the Chairman
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
Appendix

Preface

About This Report

This Sustainability Report (hereinafter referred to as the "Report") is issued by Arizon RFID Technology (Cayman) Co., Ltd. (hereinafter referred to as "Arizon," the "Company," or "we"). The primary purpose of this report is to disclose to the public and our stakeholders the Company's efforts across the three major dimensions of Environmental, Social, and Governance (ESG), including concrete actions, performance outcomes, and future plans. Guided by our business philosophy of "integrating talent and equipment, affirming individual value, and realizing corporate value," Arizon aims to help stakeholders understand our sustainability initiatives and demonstrate our commitment to fulfilling corporate social responsibility and advancing sustainable development.

Report Boundary and Scope

The disclosure scope of this report primarily covers Arizon's operations in Taipei, Mainland China, Vietnam, the United States, and Japan. Other regions have not had significant economic, environmental, or social impacts on the Company; therefore, their sustainability-related information is not fully disclosed in this report. Any information involving other regions is specifically indicated within the report.

Reporting Period

January 1, 2025 to December 31, 2025.

Publication Overview

Current edition published in August 2026. The report is scheduled to be issued annually.

Basis of Preparation

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021 edition. It also follows the Sustainability Accounting Standards Board (SASB) industry-specific indicators and the Task Force on Climate-related Financial Disclosures (TCFD) framework. A GRI Standards Content Index and SASB Index are provided in the Appendix for quick reference and review.

Report Compilation and Approval Process

Relevant information for this report was collected by each department, reviewed by department heads, and then submitted to the Company's Sustainability Development Center for consolidation, preparation, and review. The finalized report was first submitted to the Sustainability Development Committee for review, and the review results were then reported to and approved by the Board of Directors before publication.

Assurance and Verification

This report has been assured with limited assurance by Crowe (TW) CPAs in accordance with Assurance Standard No. 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information," issued by the Accounting Research and Development Foundation (Taiwan). The independent assurance report is included in the Appendix. The financial information disclosed in this report is consistent with Arizon's 2025 consolidated financial statements, which have been audited and certified by Deloitte.

Feedback

We welcome any feedback or comments regarding this report. Please feel free to contact us.

Contact Person Ms. Shu-Fen Chang
Telephone (02)2322-4824
Email investor@arizonrfid.com
Address 17F, No. 51, Section 2, Chongqing South Road, Zhongzheng District, Taipei City

Preface
About This Report
Message from the Chairman
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
Appendix

Message from the Chairman



Arizon RFID Technology (Cayman) Co., Ltd.

Felix Ho
Chairman

2025 was a testing year for Arizon. The RFID industry faced a weaker end-market demand stemming from tariff and trade disruption, compounded by chip generation transition that resulted in customer inventory corrections. Competition intensified and pricing came under pressure. Against this backdrop, consolidated revenue declined 14% to NT$3.953 billion. Net income was NT$225 million, with earnings per share of NT$3.00.

At the same time, our unit volume was broadly in line with 2024, and our market share increased despite the general market downturn. Our customer relationships, technology and execution held up under difficult conditions, allowing us to defend our business and maintain our market leadership in 2025.

Sound financial performance is essential to any sustainable business. So is the ability to respond to change without losing sight of the future. A resilient company must be able to redirect resources, serve customers well, and continue making investments for the future.

That is what we did in 2025. We advanced construction and production ramp-up at our new plant in Vietnam and began setup of our new facility in Houston. As of this report, the Vietnam plant is scaling volume shipments. In Houston, training is progressing, initial equipment commissioning is complete, and the plant is entering trial production. These investments increase our cost basis, and weigh on our near-term profitability, but they bring production closer to our customers, strengthen regional supply and give us greater flexibility and resilience to allocate capacity across multiple sites.

Arizon’ s contribution to sustainability begins with what RFID makes possible. AI and digital systems cannot act effectively on the physical world without accurate, timely data. RFID provides that data layer by making individual items identifiable and traceable. It is also an important building block for digital twins, giving supply chains better visibility into inventory, movement and demand. Better information means fewer mismatches, less loss and more efficient use of resources. That is the practical value we provide to customers and the essence of our broader impact.

Delivering that value at scale requires technology, efficient and reliable manufacturing, and strong talent. In 2025, we invested in new applications, production automation and intellectual property. By year-end, the Group had filed 925 patent applications, of which 829 were already granted.

Our new plants in Vietnam and Houston also underscore an important distinction. Equipment and processes can be transferred from one location to another. Organizational capability must be built by people. Employees should not have to be noticed by one of a handful of senior managers before they are given the opportunity to advance. We need systems that identify capability early, develop people deliberately and give those with judgment and initiative room to excel and amplify their contribution.

Employee satisfaction was 66% in Taipei and 76.36% in Mainland China in 2025. These results give us a clear baseline. They also show where we need to improve management, communication, development opportunities and organizational culture. Our goal is to give people clear direction, fair systems and enough authority to do their best work, grow professionally and create value for customers, industry and society through their work at Arizon.

We are applying the same discipline to environmental performance: establish measurable targets, obtain external validation and translate those commitments into operating decisions. Arizon submitted its commitment letter to the Science Based Targets initiative in May 2025 and its targets for validation in December. Those SBTi targets were approved in May 2026.

Using 2024 as the base year, we have committed to reducing absolute Scope 1 and Scope 2 greenhouse gas emissions by 63% by 2035. Over the same period, we will reduce Scope 3 emissions intensity from purchased goods and services by 66.33%. Renewable energy accounted for 18.36% of our total energy use in 2025, in line with our plan. Our decarbonization objectives are now shaping day-to-day decisions in energy procurement and production management.

Product responsibility extends beyond carbon. We manage hazardous substances in accordance with RoHS, REACH and the EU POPs Regulation. All of our antenna suppliers and principal paper suppliers are FSC-certified. We also apply green procurement requirements and conduct conflict minerals due diligence. These practices reduce environmental impacts across our products and value chain. They are also part of what it takes to serve international customers and compete in global supply chains.

In 2025, we formalized Board oversight by establishing a Sustainable Development Committee. Its mandate covers risk management, decarbonization, innovation, information security and talent. The Committee has directed management to develop clear action plans and measurable indicators for three core risk areas: innovation and R&D; information security; and talent attraction, retention and development. We aim to develop good governance by making accountability clear, progress visible and adjustments responsive to actual results.

As more of the physical world becomes digitally visible, RFID will support a wider range of applications. Arizon will draw on its technology, products and global manufacturing footprint to help customers build supply chains that are more transparent, efficient and responsible.

For us, sustainability is not a separate and discrete program parallel to our business. Sustainability is the combined strength of our financial strength, technology, people, operating resilience and environmental performance. We endeavor to report the facts plainly, manage the work ahead against measurable objectives, and focus on creating lasting value for our customers, employees, shareholders and society.

Preface
CH1 Sustainable Management
1.1 Company Overview and History
1.2 Business Performance
1.3 Sustainability Governance
1.4 Stakeholder Identification and Engagement
1.5 Identification of Material Sustainability Topics
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
Appendix



chapter 1

Sustainable Management

Preface
CH1 Sustainable Management
1.1 Company Overview and History
1.2 Business Performance
1.3 Sustainability Governance
1.4 Stakeholder Identification and Engagement
1.5 Identification of Material Sustainability Topics
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
Appendix

1.1 Company Overview and History

Arizon RFID Technology (Cayman) Co., Ltd. was established on October 21, 2021. As a holding company, its operating subsidiaries are primarily engaged in the production and sales of RFID electronic tags. Arizon-KY (stock code: 6863) was officially listed on the Taiwan Stock Exchange on March 21, 2023.

Arizon is a professional RFID solutions provider, leading the industry in RFID tag design, packaging and manufacturing processes. With world-class production equipment and the most rigorous manufacturing procedures, the Company sets industry benchmarks for the RFID sector and has obtained certifications from international professional RFID organizations. In addition to its main production sites, including the China plants (Yangzhou Plants 1 and 2) and the Taipei plant, the Vietnam plant was officially completed and began trial operations in 2025, while local back-end production capacity in the United States is being planned in parallel. By comprehensively building cross-regional production consistency and supply chain resilience, the Group's multinational production bases are accelerating toward an annual capacity on the scale of 10 billion units.

Our products are applied in a wide range of scenarios, including event tickets and transit cards worldwide, intelligent baggage tags for airlines, inventory management and anti-counterfeiting for consumer goods, as well as production management in steel mills. Leveraging our independent R&D capabilities and high-performance products, Arizon has passed the strictest industry certifications and has been adopted by globally renowned clients. We deliver customized RFID tag applications tailored for international enterprises, supporting customers in building and managing IoT infrastructures.

Arizon's journey began with laboratory products from the MIT Auto-ID Center. Backed by continued investment and research resources from YFY Group, we have enhanced production capabilities and created new application scenarios. RFID tags have since evolved into universal digital identities - wireless, rewritable, and quickly identifiable over long distances. Combining our extensive experience in implementing RFID applications with strategic partnerships under EPCglobal and leading global corporations, Arizon provides comprehensive and integrated RFID solutions for clients seeking to adopt this technology.

With our strong R&D capabilities, unwavering commitment, and insistence on manufacturing excellence, Arizon achieved the highest certification standard in the RFID industry in May 2022: the ARC Quality Certification of the Auburn University RFID Lab. This recognition enables our products to be adopted by leading global clients, providing tailored RFID applications compatible with diverse reading environments and heterogeneous systems. This ensures that product information flows seamlessly - like air essential to life - toward our vision of a fully interconnected world.

Beyond focusing on its own business development, Arizon also actively establishes various business relationships with external partners to promote industry exchange and technological innovation. In academia-industry collaboration, Arizon has partnered with institutions such as Hungkuo Delin University of Technology, Asia Eastern University of Science and Technology, and Lunghwa University of Science and Technology. Through these collaborations, we provide internship opportunities for students, enabling them to gain real-world enterprise experience, enhance practical skills, and collectively contribute to talent development.

Arizon's Global Operations Map (based on operational sites)



Preface
CH1 Sustainable Management
1.1 Company Overview and History
1.2 Business Performance
1.3 Sustainability Governance
1.4 Stakeholder Identification and Engagement
1.5 Identification of Material Sustainability Topics
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
Appendix

Corporate Information

Official Company Name	Arizon RFID Technology (Cayman) Co., Ltd.
Company Abbreviation	Arizon-KY
Registered Address	P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands.
Operating Locations	Taipei, Mainland China, Japan, United States, Vietnam
Stock Code	ARIZON RFID TECHNOLOGY (CAYMAN) CO., LTD. (6863)
Listing Date	March 21, 2023
Industry Category	Telecommunications and networking industry
Main Business Operations	RFID antenna design and manufacturing, RFID electronic tag packaging, RFID reader design and manufacturing, and RFID application system integration
Chairman	Chairman Felix Ho
General Manager	GM Bing-Yi Lin
Spokesperson	CFO Shu-Fen Chang
Paid-in Capital	NT$748,880,000 (as of the date of this report's publication)

Company Milestones

2000
First Asian company to join the MIT Auto-ID Center

2003
Founding member of EPCglobal

2006
First EPCglobal-certified RFID testing center in Asia

2007
Arizon founded as the largest RFID inlay manufacturer across Taiwan and Mainland China

2012
Cumulative sales exceeded 1 billion inlays

2015
World's largest RFID inlay production site

2016
Cumulative sales exceeded 5 billion inlays

2019
Cumulative sales surpassed 10 billion inlays

2020
Completion of the second factory (Taipei plant)

2022
Obtained ARC Certification

2023
Arizon-KY (stock code: 6863) listed on the Taiwan Stock Exchange

2024
- Established Arizon's subsidiary in Vietnam to expand production and sales operations in the Asia-Pacific region.
- Issued the first unsecured convertible bonds in Taiwan to support plant expansion needs.
- Published the first Sustainability Report, demonstrating Arizon's sustainability initiatives and commitment to sustainable development.

2025
- Completion and commencement of trial operations at the new Vietnam plant.
- Submission of 2035 carbon reduction targets to SBTi, successfully validated in May 2026.

Preface
CH1 Sustainable Management
1.1 Company Overview and History
1.2 Business Performance
1.3 Sustainability Governance
1.4 Stakeholder Identification and Engagement
1.5 Identification of Material Sustainability Topics
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
Appendix

Industry Value Chain (Upstream, Midstream, and Downstream Relationships)



In the RFID industry, the upstream segment primarily consists of raw material suppliers such as chips and antennas. The midstream segment covers RFID product R&D and manufacturing, as well as reader and system solution providers. The downstream segment involves a wide range of application fields, including retail, public services, industrial manufacturing, and healthcare. Our Company focuses on the R&D, production, and sales of RFID electronic tags, positioning itself in the midstream of the RFID industry. We adopt a direct sales model to deliver our self-developed RFID electronic tags to customers. After understanding client requirements, our sales team coordinates with the product R&D department to develop customized solutions and provide samples for client testing. Upon successful validation, mass production, delivery, and after-sales services are arranged to meet customer needs.

Looking ahead, the Internet of Things (IoT) - where physical devices, vehicles, buildings, and other "things" are embedded with sensors, software, and network connectivity, enabling data collection, exchange, and analysis as well as interaction and communication with other devices or systems - will continue to grow. Since RFID tags can read multiple items simultaneously at speeds tens of times faster than manual barcode scanning, they reduce inventory counting time and labor costs, and avoid the return, restocking, or repackaging costs caused by data errors. They also enable real-time inventory tracking, preventing overstocking and minimizing stockout losses. Moreover, RFID supports real-time item location tracking, lowering theft risk. For perishable goods or medical supplies, RFID enables batch and expiry date tracking, reducing waste and losses from expired products. When integrated with automated sorting systems, RFID can also reduce manual handling costs. Beyond saving time and labor, RFID enhances marketing effectiveness and inventory management through accurate and reliable information flows, significantly improving operational efficiency.

Industry Overview and Main Products

1. Radio Frequency Identification (RFID) Industry

RFID, short for Radio Frequency Identification, is widely applied in fields such as logistics, military, retail, healthcare, food, transportation, and access control. An RFID system consists of electronic tags, readers, and computer systems. Through wireless communication technology, data stored in the tags is transmitted to the reader, which then sends it to the back-end system for processing. Compared with barcodes, RFID offers faster scanning, the ability to process multiple data items simultaneously, data updates and modifications, reusability, and resistance to oil and dirt. With ongoing technological advancements, RFID has entered the commercialization stage. According to the IDTechEx RFID Annual Report of March 2024, the global market size was approximately USD 15 billion in 2024 and is expected to grow to USD 23 billion by 2036. The RFID industry value chain includes chip design, antenna manufacturing, tag packaging, and reader manufacturing, with application areas covering retail, transportation and logistics, and industrial manufacturing.

2. Electronic Tag Industry

RFID electronic tags use radio frequency to identify objects and transmit data without physical contact. Their structure consists of hardware and software application systems, with the primary hardware components being electronic tags and readers. Based on the presence of batteries, electronic tags are categorized into three types: passive, active, and semi-passive. Passive tags do not require batteries, while active and semi-passive tags do. RFID systems are also classified by operating frequency into low frequency (LF), high frequency (HF), ultra-high frequency (UHF), and microwave. In the market, HF and UHF RFID electronic tags dominate due to their higher commercial value.

Currently, Europe and the United States represent the main demand markets for RFID electronic tags, while demand in other countries and regions is also gradually increasing. As enterprises accelerate their digital and information transformation, the importance of RFID technology in commercial applications continues to grow. With the ongoing decline in implementation costs, downstream applications are expanding further. According to the IDTechEx RFID Annual Report of March 2026, the RFID electronic tag market is expected to reach USD 16 billion by 2027.

Preface
CH1 Sustainable Management
1.1 Company Overview and History
1.2 Business Performance
1.3 Sustainability Governance
1.4 Stakeholder Identification and Engagement
1.5 Identification of Material Sustainability Topics
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
Appendix

Main Products



Antenna



Tag



Fixed Reader



Handheld Reader

Industry Associations

The Company firmly believes that cross-sector collaboration and standard-setting are key to advancing the sustainable development of the industry, and actively exerts its corporate influence across global initiatives, national standards, and local industry linkages. In response to global trends toward the circular economy and green, low-carbon development, we joined the "National Standardization Working Group for Digital Product Passports under the Article Numbering Center of China and took part in drafting the national standard "General Requirements for Digital Product Passport (DPP)." By sharing our expertise in data carriers and related technologies, we help build a trusted data circulation system covering the entire product life cycle, laying a digital foundation for sustainable product regulation and green transformation.

In addition to participating in international initiatives and foundational standard-setting, the Company is also deeply engaged in developing the local smart industry. We joined the "Yangzhou Intelligent Industry Association," established under the guidance of the Yangzhou Municipal Bureau of Industry and Information Technology, to jointly promote smart manufacturing and applications with key local enterprises. As a member of the Association, we actively keep abreast of industry trends and market needs in the era of intelligent technologies, and by flexibly integrating resources from all parties, we help drive the technological upgrading of regional industries and jointly build a mature and vibrant smart industry ecosystem. From empowering global supply chains to fostering shared prosperity in the local economy, the Company will continue to fulfill its sustainability commitments through technical exchange and participation in industry organizations.



Preface
CH1 Sustainable Management
1.1 Company Overview and History
1.2 Business Performance
1.3 Sustainability Governance
1.4 Stakeholder Identification and Engagement
1.5 Identification of Material Sustainability Topics
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
Appendix

1.2 Business Performance

In 2025, Arizon and its subsidiaries recorded consolidated revenue of NT$3.953 billion, representing an annual decline of 14%. Gross margin was 22.31%, while net profit after tax was NT$225 million, an annual decrease of 73.44%. Earnings per share (EPS) stood at NT$3.00.

Annual Business Performance

Unit: NT$ thousands

Item	2023	2024	2025
Operating Revenue	2,685,946	4,612,422	3,952,716
Operating Costs	(1,892,694)	(3,128,804)	(3,070,979)
Gross Profit	793,252	1,483,618	881,737
Operating Expenses	402,341	629,983	530,434
Non-operating Income and Expenses	140,546	149,623	(1,556)
Profit (Loss) Before Tax	531,457	1,003,258	349,747
Income Tax Expense (Benefit)	(83,438)	(156,279)	(124,750)
Net Profit (Loss) After Tax	448,019	846,979	224,997

Direct Economic Value Generated and Distributed by the Organization

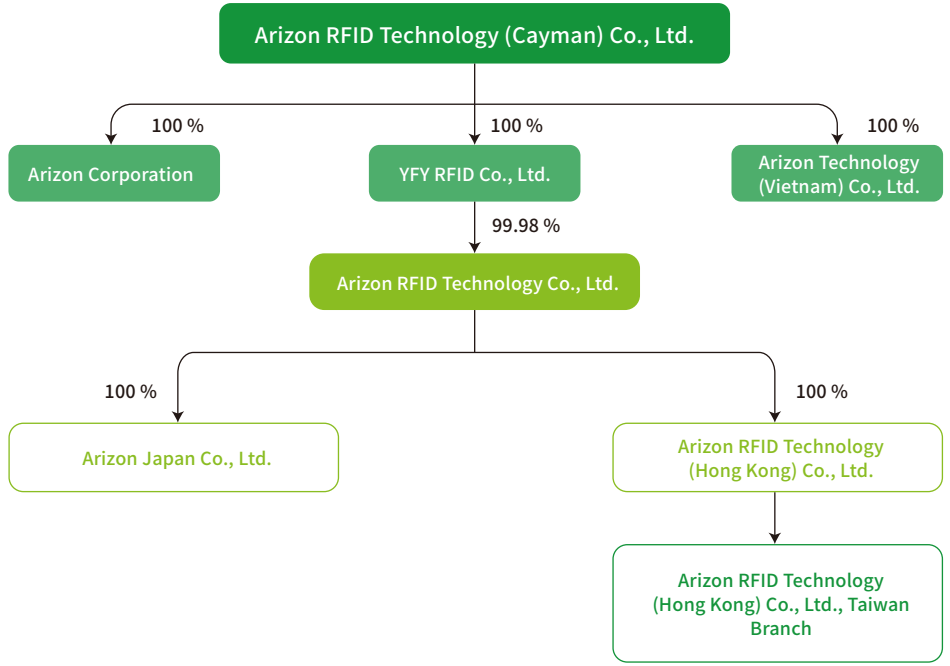
Unit: NT$ thousands

Item	2023	2024	2025
Revenue	2,831,301	4,791,628	4,092,127
Operating Costs	2,295,035	3,758,787	3,601,413
Employee Wages and Benefits	456,760	709,234	587,296
Payments to Providers of Capital	149,403	238,249	454,868
Payments to Government	62,230	105,334	142,362
Community Investments	0	0	0

Related Companies

Arizon RFID Technology (Cayman) Co., Ltd. (Arizon-KY) conducts comprehensive evaluations of its investment plans for long-term purposes. The assessment considers factors such as market demand, technological development, future business expansion potential, possible funding sources, financial status of existing businesses, profitability, and associated risks. When necessary, a dedicated project team is assigned to carry out in-depth analysis. The Company is primarily engaged in the development of hardware products for RFID intelligent identification systems, software system development, and tag design, while also providing peripheral system integration services.

Organizational Chart of Related Companies



Preface
CH1 Sustainable Management
1.1 Company Overview and History
1.2 Business Performance
1.3 Sustainability Governance
1.4 Stakeholder Identification and Engagement
1.5 Identification of Material Sustainability Topics
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
Appendix

Government Grants in Mainland China

2024 Grant Amount

Unit: NT$ thousands

R&D Subsidies	Tax Reductions and Credits	Training Subsidies	Others	Total
1,984	90	908	3,474	6,456

2025 Grant Amount

R&D Subsidies	Tax Reductions and Credits	Training Subsidies	Others	Total
3,150	7,730.85	363.04	17,379.96	28,623.85

Note: Foreign currency amounts in this table are converted at an approximate exchange rate of NT$4.5 = RMB1.

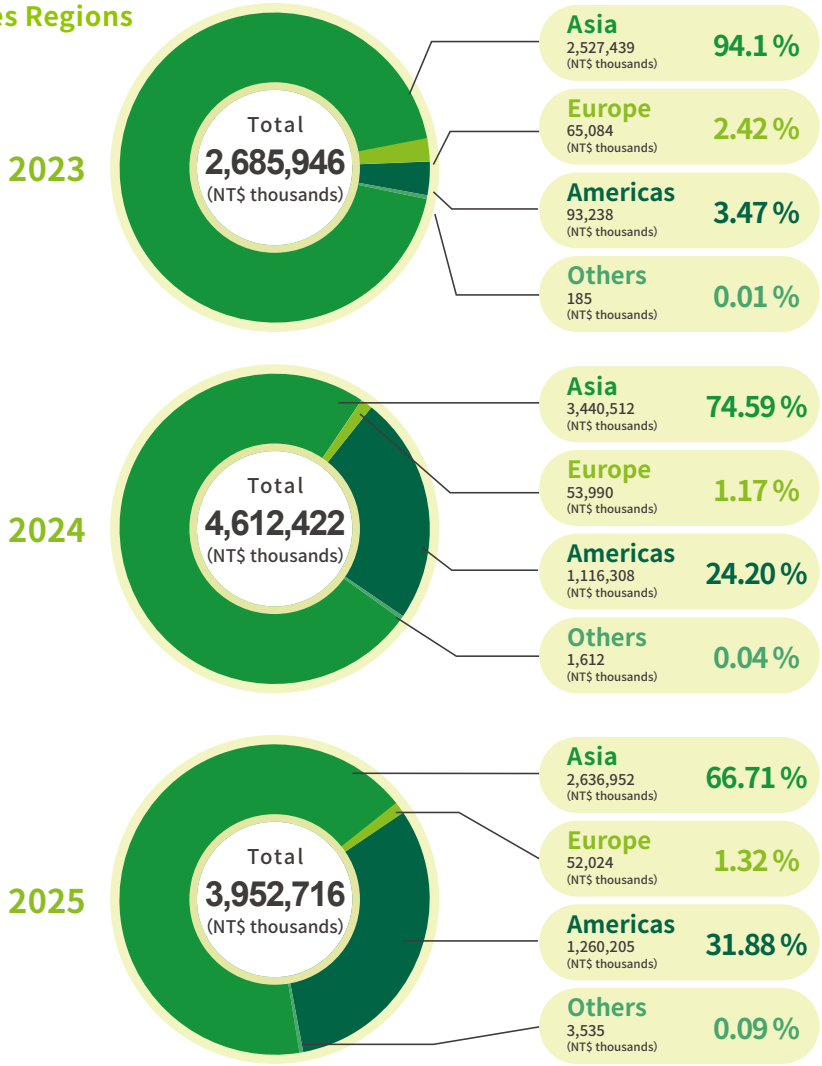
Product Sales Overview

Revenue Breakdown by Major Products

Unit: NT$ thousands

Product Categories	2023		2024		2025	
	Sales Revenue	Percentage	Sales Revenue	Percentage	Sales Revenue	Percentage
RFID Tags	2,617,180	97.44%	4,515,414	98%	3,937,537	99.6%
Others	68,766	2.56%	97,008	2%	15,179	0.4%
Total	2,685,946	100%	4,612,422	100%	3,952,716	100%

Sales Regions



Preface
CH1 Sustainable Management
1.1 Company Overview and History
1.2 Business Performance
1.3 Sustainability Governance
1.4 Stakeholder Identification and Engagement
1.5 Identification of Material Sustainability Topics
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
Appendix

1.3 Sustainability Governance

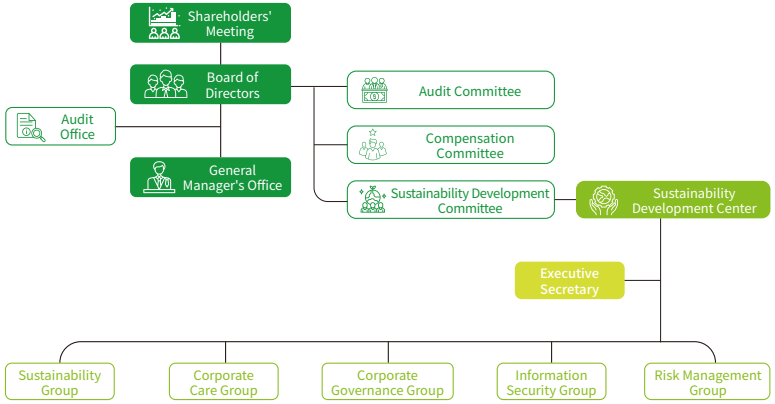
Arizon firmly believes that sustainable development is the key element for long-term corporate prosperity. Through a structured sustainability strategy, the Company aspires to become an industry leader in sustainable development and is committed to enhancing corporate value while fulfilling social responsibility.

The Company has established the "Sustainability and Corporate Social Responsibility Code of Conduct," requiring business operations to consider and safeguard stakeholder interests, emphasize the positive social impact of corporate activities, and reasonably reduce resource consumption.

In November 2025, the Company established the Sustainability Development Committee, with the Sustainability Development Center under it responsible for planning, advocacy, and implementation, striving to fulfill corporate social responsibility. The Company's sustainability governance structure is coordinated by the Chief Sustainability Officer (CSO) and operated through the joint efforts of all sites and departments.

The Board of Directors serves as the highest decision-making and supervisory body for the Company's sustainability matters, responsible for reviewing and approving sustainability strategies, sustainability disclosures, and other material proposals concerning environmental, social, and economic aspects. The Sustainability Development Committee acts as a board-level functional committee responsible for overseeing the Company's sustainability planning and the advancement of its goals. The Sustainability Development Center is primarily responsible for consolidating the Company's sustainability management affairs, including identifying material sustainability topics and, on that basis, formulating management approaches, short-, medium-, and long-term goals, and concrete implementation plans, as well as strengthening the Board's oversight and management mechanisms for ESG performance to build and maintain stakeholder trust. The Center is also responsible for introducing international sustainability standards, enhancing the transparent disclosure and systematic management of ESG indicators, and coordinating the external disclosure of sustainability performance and stakeholder communication, ensuring that the Company's sustainability efforts are fully understood and responsive to societal expectations. The teams under the Sustainability Development Center are responsible for identifying sustainability issues relevant to the Company's operations and of concern to stakeholders, formulating corresponding strategies and work guidelines, budgeting for sustainability-related activities of each unit, planning and executing annual programs, and tracking implementation results to ensure that the sustainability strategy is fully embedded in the Company's daily operations.

Sustainability Governance Organizational Structure



Key Material Events

The Board of Directors has delegated the Sustainability Development Committee with responsibility for driving, monitoring, and tracking the management of the Company's impacts on the economy, environment, and people. The Committee also reports to the Board on the implementation of sustainability initiatives and the achievement of performance targets.

In 2025, the following key material events were communicated to the Board of Directors:

1. August 12, 2025 - Prepared the Company's 2024 Sustainability Report

2. November 11, 2025 - Reported:

- The operation status and implementation results of the "Risk Management Policy and Procedures" in 2025
- The proposed establishment of the "Sustainability Development Committee" and formulation of the "Sustainability Development Committee Organizational Regulations"; from the following year, the reporting of sustainability progress to the Board of Directors is planned to be made by the Sustainability Development Committee

3. December 23, 2025 - Reported:

- The Company's progress in setting SBTs submitted to SBTi and its carbon reduction pathway planning
- The 2025 risk assessment items and response strategies of the Company's Risk Team

Preface
CH1 Sustainable Management
1.1 Company Overview and History
1.2 Business Performance
1.3 Sustainability Governance
1.4 Stakeholder Identification and Engagement
1.5 Identification of Material Sustainability Topics
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
Appendix

1.4 Stakeholder Identification and Engagement

Arizon values the needs and opinions of its stakeholders. The Company's primary stakeholders currently include employees, investors and shareholders, customers, suppliers and business partners, government agencies, media, and local communities and non-profit organizations. We engage with stakeholders through the following communication channels.

Stakeholder Group	Key Topics of Concern	Communication Methods / Frequency
Employees	• Human Rights Protection • Happy Workplace • Legal Compliance and Integrity Management • Occupational Safety and Health	• Employee Welfare Committee / Quarterly • Labor-Management Meetings / Quarterly • Employee Training Programs / Ad hoc • Internal Announcements / Ad hoc • Performance Appraisals / Annually
Investors & Shareholders	• Corporate Governance Structure • Legal Compliance and Integrity Management • Innovation and R&D • Product Quality and Safety	• Shareholders' Meeting / Annually • Board of Directors / Quarterly • Financial Reports / Quarterly • Company Website / Ad hoc • Market Observation Post System (MOPS) Announcements / Ad hoc • Institutional Investor Conference / Semi-annually
Customers	• Innovation and R&D • Product Quality and Safety • Human Rights Protection	• Customer Service Hotline / Real-time • Business Visits / Ad hoc • Technical & Business Exchanges / Ad hoc • Customer Meetings / Ad hoc • Trade Exhibitions / Ad hoc
Suppliers & Business Partners	• Supply Chain Management • Legal Compliance and Integrity Management	• Negotiation Meetings / Ad hoc • Supplier Visits & Exchanges / Ad hoc • Supplier Guidance / Ad hoc • Supplier Evaluations / Annually
Government Agencies	• Legal Compliance and Integrity Management • Product Quality and Safety • Occupational Safety and Health	• Official Correspondence / Ad hoc • Government Routine or Surprise Inspections / Ad hoc
Media	• Product Quality and Safety • Innovation and R&D • Legal Compliance and Integrity Management	• Investor Conferences / Semi-annually • Shareholders' Meetings / Annually • Interviews / Ad hoc
Communities & NGOs	• Human Rights Protection • Climate Change Response	• Company Website / Ongoing • Community Activities / As needed • Community Activities / Signing of Emergency Mutual Aid & Good Neighbor Agreements

Procedures for Addressing Negative Impacts

The Company identifies and assesses actual or potential negative impacts on the economy, environment, and people (including their human rights) through regular evaluations, stakeholder engagement, and grievance mechanisms. If actual or potential negative impacts are identified, the Company will implement mitigation or remediation measures for actual negative impacts and adopt appropriate response measures to prevent potential negative impacts from occurring.



Preface
CH1 Sustainable Management
1.1 Company Overview and History
1.2 Business Performance
1.3 Sustainability Governance
1.4 Stakeholder Identification and Engagement
1.5 Identification of Material Sustainability Topics
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
Appendix

Stakeholder Communication and Response

Investors Contact

Spokesperson - Shu-Fen Chang, Chief Financial Officer

investor@arizonrfid.com

Employees Contact

HR Director - Ms. Wu

(886) 2 2322-4824 ext.193

Employee Grievance Mailbox：tw-hr@arizonrfid.com

Customers

Mainland China Sales：

Ms. Lu, Sales Department

(86) 514-80972024 ext.15183

Taipei Sales:

Ms. Tu, Sales Department

(886) 2 2322-4824 ext.132

Customer Contact Mailbox：Business@Arizonrfid.com

Suppliers

Mainland China Procurement:

Ms. Chung, Supply Chain Management Department

(86) 514-80972024 ext.15201

Taipei Procurement:

Ms. Chao, Supply Chain Management Department

(886) 2 2322-4824 ext.191

Communication Events in 2025

Sustainability Category	Content	Responsible Unit	Cases Received	Cases Resolved
Taipei				
Health & Well-being	Tobacco Hazards Prevention Act	General Affairs Dept.	1	1
Happy Workplace	Flexible working hours guidelines	HR Dept.	1	1
Happy Workplace	Annual outstanding employee selection and recognition	HR Dept.	1	1
Happy Workplace	Transportation subsidy program for office relocation	HR Dept.	1	1
Happy Workplace	Group insurance enrollment for hourly-paid employees	HR Dept.	1	1
Occupational Health & Safety	Replacement of lounge sofas	General Affairs Dept.	1	1
Employee Care & Benefits	Salary adjustment program	HR Dept.	1	1
Employee Care & Benefits	Employee group meals	HR Dept.	1	1
Mainland China				
Health & Well-being	Additional parking spaces for motor vehicles	General Affairs Dept.	3	3
Happy Workplace	Poor signal reception in the office, reducing work efficiency	Information Technology Dept.	1	1
Happy Workplace	Office computers beyond their service life should be upgraded or replaced; otherwise, work efficiency is affected.	Information Technology Dept.	1	1
Happy Workplace	It is suggested to minimize the use of chemical agents such as adhesive removers in the workshop, as they produce pungent odors and other hazards; substitution with other agents is recommended.	Engineering Dept.	1	1
Employee Care & Benefits	Employee compensation	HR Dept.	1	1
Employee Care & Benefits	Employee subsidies	HR Dept.	3	3

Preface
CH1 Sustainable Management
1.1 Company Overview and History
1.2 Business Performance
1.3 Sustainability Governance
1.4 Stakeholder Identification and Engagement
1.5 Identification of Material Sustainability Topics
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
Appendix

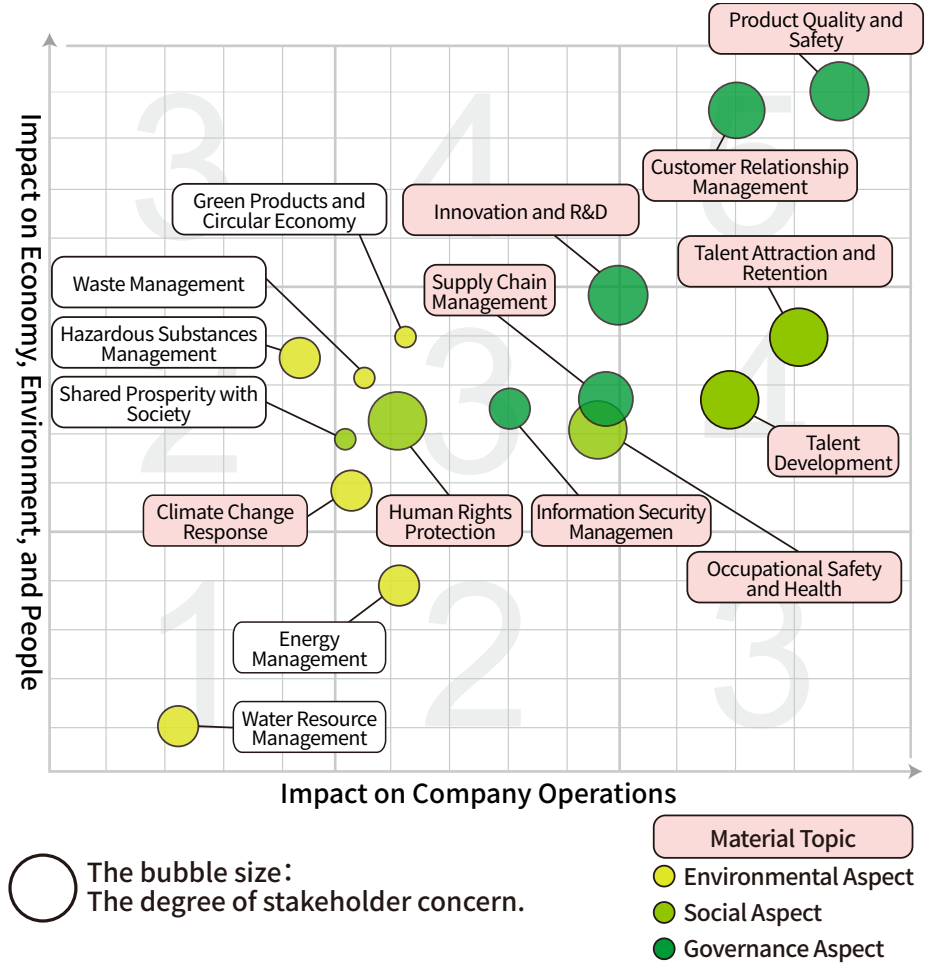
1.5 Identification of Material Sustainability Topics

Process of Identifying Material Topics

With the support of internal discussions and external experts, the Company referred to the GRI Standards issued by the Global Reporting Initiative (GRI) as well as key domestic and international industry trends to compile a list of sustainability issues. Using systematic analysis methods such as departmental interviews and questionnaires, in 2023 the Company conducted a survey among management to assess the degree of impact of each issue on the economy, environment, and people, as well as on the Company's operations. In addition, questionnaires on the level of concern for material topics were distributed to key stakeholders, with a total of 637 valid responses collected. Based on these results, the Company identified the sustainability issues of greatest concern to Arizon's stakeholders and developed a materiality matrix. In the matrix below, the X-axis represents the "impact on Company operations," the Y-axis represents the "impact on the economy, environment, and people," and the bubble size represents the "level of stakeholder concern." Topics were assessed for materiality by score and classified into material topics and general topics. Following integrated analysis and ranking, and after confirmation with senior management, Arizon identified ten material topics for 2023: Product Quality and Safety, Innovation and R&D, Customer Relationship Management, Supply Chain Management, Information Security, Occupational Safety and Health, Talent Attraction and Retention, Talent Development and Training, Human Rights Protection, and Climate Change Response. These topics serve as the reference basis for information disclosure in this report and form the foundation for our ongoing improvements.

In 2025, the same ten material topics remain the core issues for sustainability management and disclosure. The Company continues to review their management performance and the level of stakeholder concern, and will reassess the appropriateness and completeness of the material topics in a timely manner in response to changes in the operating environment, industry trends, and stakeholder feedback, ensuring that the Company's sustainability strategy and practices align with its medium- to long-term development direction.

Material Topic Matrix



Preface
CH1 Sustainable Management
1.1 Company Overview and History
1.2 Business Performance
1.3 Sustainability Governance
1.4 Stakeholder Identification and Engagement
1.5 Identification of Material Sustainability Topics
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
Appendix

List of Material Topics

Aspects	Material Topics	Corresponding SDGs	SDGs Sub-Goals	Corresponding Sections
Governance	Supply Chain Management	Decent Work and Economic Growth Responsible Consumption and Production	8.8: Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, especially women and those in hazardous occupations. 12.6: Encourage companies, especially large and multinational corporations, to adopt sustainable practices and integrate sustainability information into their business operations.	2.4 Supply Chain Management
	Product Quality and Safety	Responsible Consumption and Production	12.2: By 2030, achieve sustainable management and efficient use of natural resources. 12.6: Encourage companies, especially large and multinational corporations, to adopt sustainable practices and integrate sustainability information into their business operations.	2.5 Product Quality and Safety
	Innovation and R&D	Industry, Innovation and Infrastructure	9.4: Upgrade all industries and infrastructure to achieve sustainability. 9.5: Enhance research and upgrade industrial technologies.	2.6 Innovation and R&D
	Customer Relationship Management	Partnerships	17.16: Strengthen Global Partnerships for Sustainable Development	2.7 Customer Relationship Management
	Information Security	Industry, Innovation and Infrastructure	9.C: Universal access to information and communication technology (ICT)	2.8 Information Security Management
Social	Talent Attraction and Retention, Talent Development and Training	Decent Work and Economic Growth	8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	3.1 Happy Workplace
	Occupational Safety and Health	Decent Work and Economic Growth	8.8: Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, especially women and those in hazardous occupations.	3.2 Occupational Safety and Health
	Human Rights Protection	Gender Equality Decent Work and Economic Growth Peace, Justice, and Strong Institutions	5.1: Eliminate all forms of discrimination against all women everywhere. 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. 8.7: Take immediate and effective measures to eradicate forced labor, and prohibit and eliminate the worst forms of child labor, including the recruitment and use of child soldiers; end child labor in all its forms by 2025. 8.8: Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, especially women and those in hazardous occupations. 16.2: End all forms of violence, exploitation, trafficking, and abuse against children. 16.B: Promote and enforce non-discriminatory laws and policies for sustainable development.	3.3 Human Rights Protection
Environment	Climate Change Response	Climate Action	13.3: Strengthen education, awareness, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.	4.1 Climate Change Response (TCFD / IFRS S2)

Preface
CH1 Sustainable Management
1.1 Company Overview and History
1.2 Business Performance
1.3 Sustainability Governance
1.4 Stakeholder Identification and Engagement
1.5 Identification of Material Sustainability Topics
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
Appendix

Assessment of Positive and Negative Impacts of Material Topics

⊕ Positive impact ⊖ Negative impact

Material Topic	Description of Positive Impacts / Negative Impacts	Likelihood of Occurrence Degree of Impact
Supply Chain Management	⊕ Implementing quality, service, and ESG risk assessments of suppliers ensures stable operations across the value chain, and practicing social responsibility together with partners enhances the Company's long-term integrity and competitiveness.	●●●●○ ●●●●○
	⊖ Supplier deficiencies in quality, pricing, or delivery would directly lead to risks of supply chain disruption and material shortages; incidents involving human rights violations or breaches of social responsibility would also severely damage the Company's intangible reputation.	●●○○○ ●●●○○
Product Quality and Safety	⊕ Ensuring the high durability and interference resistance of RFID tags maintains data accuracy and optimizes production efficiency, effectively reducing processing risks and further enhancing customer satisfaction and market competitiveness.	●●●●○ ●●●●○
	⊖ If tags fail due to environmental or electromagnetic interference, reading difficulties and data errors would result, increasing customers' processing risks and reducing production efficiency, thereby affecting customer satisfaction and the Company's competitiveness.	●●○○○ ●●●○○
Innovation and R&D	⊕ Active investment in forward-looking R&D and diversified innovation aligns precisely with market trends and meets customer expectations, strengthening core competitiveness through technological leadership and intellectual property deployment and laying the foundation for the Company's long-term growth.	●●●●○ ●●●●○
	⊖ Lagging innovation or intellectual property disputes would cause products to fall out of step with market demand, not only damaging reputation and missing business opportunities but also posing risks of talent loss and erosion of competitive advantage.	●●○○○ ●●○○○
Customer Relationship Management	⊕ Good partnerships are an important prerequisite and foundation for corporate development. They represent not only a business relationship but also trust, helping the Company stabilize its business, increase sales, and enhance customer loyalty.	●●●●○ ●●●●●
	⊖ Poor customer relationships may negatively affect customers' perception of the Company, thereby reducing customer satisfaction and repurchase intention.	●●○○○ ●●●○○
Information Security	⊕ Sound information security management safeguards operational stability and data security, deepens customer trust, reduces compliance risks, and supports the Company's digital transformation.	●●●●○ ●●●●○
	⊖ Inadequate information security management would expose the Company to risks of hacker attacks and leaks of confidential information, leading to operational disruptions and harming stakeholders' rights and interests.	●●○○○ ●●●○○
Talent Attraction and Retention	⊕ Effective talent attraction and retention strengthens organizational momentum, improves operational performance, and enhances overall talent quality.	●●●●○ ●●●●○
	⊖ Insufficient attractiveness would lead to a lack of organizational momentum and weak performance, with low personnel effectiveness resulting in wasted resources.	●●○○○ ●●○○○

Preface
CH1 Sustainable Management
1.1 Company Overview and History
1.2 Business Performance
1.3 Sustainability Governance
1.4 Stakeholder Identification and Engagement
1.5 Identification of Material Sustainability Topics
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
Appendix

Positive impact Negative impact

Material Topic	Description of Positive Impacts / Negative Impacts	Likelihood of Occurrence Degree of Impact
Talent Development and Training	Comprehensive talent development enhances employees' sense of belonging and professional competencies, and the pooling of talent boosts the Company's competitiveness.	
	The absence of a training system would slow the development of employees' skills and responsiveness, affecting execution quality and resulting in poor performance and wasted resources.	
Occupational Safety and Health	Protecting employees' lives and health maintains operational stability, builds a culture of workplace safety, and consolidates the Company's brand reputation.	
	Occupational safety and health incidents would increase injury and illness rates and operating costs, and reputational damage would severely undermine market position and trust.	
Human Rights Protection	Implementing human rights management fosters an inclusive workplace, strengthens supply chain resilience, and enhances brand image and investment appeal.	
	Failure to establish monitoring mechanisms would result in harm to stakeholders' rights and interests, triggering legal risks and corporate image crises.	
Climate Change Response	Actively responding to climate change optimizes energy efficiency, captures low-carbon transition opportunities, enhances brand reputation, and strengthens operational resilience against environmental risks.	
	Climate change may cause operational disruptions, rising costs, and regulatory pressure, posing challenges to the Company's stability and competitiveness.	

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

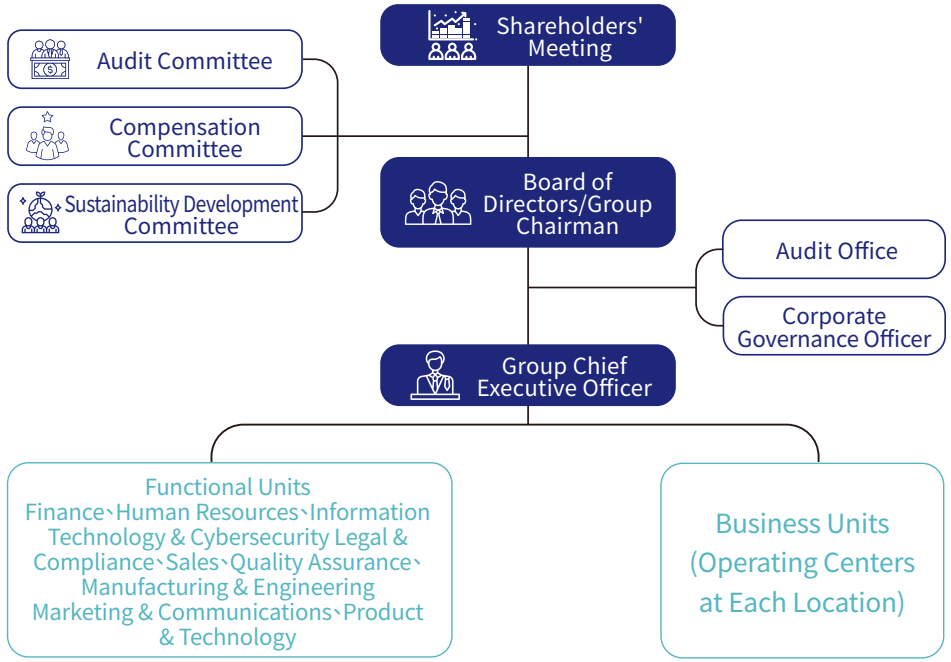


chapter 2 Corporate Governance

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

2.1 Corporate Governance Structure

Organizational Chart





Business Operations of Major Departments

Department / Units	Responsibility
Board of Directors	Execute shareholders' meeting resolutions and, within the scope of authority granted by the shareholders' meeting, determine the Company's business plans and investment proposals.
Audit Committee	Supervise the Group's business and financial operations, the fair presentation of financial statements, the effective implementation of internal controls, the Company's compliance with relevant laws and regulations, and the management of the Company's existing or potential risks.
Compensation Committee	Establish and regularly review the policies, systems, standards, and structures for the performance evaluation and remuneration of directors and managers. Regularly assess and determine the remuneration of directors and managers.
Sustainability Development Committee	Evaluate and implement matters related to fulfilling environmental commitments, exercising social responsibility, and optimizing corporate governance, to ensure sustainable business practices and align with international development trends.
Audit Office	Evaluate the internal control and management systems, and assess the Company's various plans and policies. Prepare audit reports, review self-assessment reports, and track the improvement of internal control deficiencies and irregularities.
Corporate Governance Officer	Handle matters relating to Board meetings and shareholders' meetings in accordance with the law. Assist directors and independent directors in performing their duties, provide necessary information, and arrange continuing education for directors. Handle other matters as stipulated in the Company's Articles of Incorporation and other regulations.
Group Chief Executive Officer	As the Group's highest executive for overall operations, administration, and business, the Group Chief Executive Officer leads the overall direction of the Arizon Group, formulates long-term strategic plans, Group operational priorities, and cross-regional collaboration, ensures that entities across regions operate consistently in governance, decision-making, and execution, and leads the Group toward common goals.
Business Units - Operating Centers at Each Location	Coordinate local plant operations, production and manufacturing, administration and human resources, and information system development at each site.
Functional Units	Responsible for coordinating the respective functions across the Group.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

Board of Directors

The Board of Directors is the highest governance body of Arizon. The Chairman, Mr. Felix Ho, serves as the Chair of the highest governance body and also as Chairman of the Company's Sustainability Development Committee. The Board is primarily responsible for executing resolutions of the shareholders' meeting and deciding on the Company's business plans and investment proposals. To establish a sound Board governance system, enhance the Board's supervisory function, strengthen management mechanisms, and formulate sustainability strategies based on the Company's core values and business needs - promoting and monitoring their implementation to ensure that sustainable development is aligned with the Company's overall objectives - the Company has established its Rules of Procedure for Board Meetings with reference to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies of the Republic of China. The Board convenes at least once every quarter.

The nomination and selection of Board members are conducted in accordance with the Company's Articles of Incorporation, using the candidate nomination system and in compliance with the Regulations Governing the Election of Directors and the Corporate Governance Best-Practice Principles, to ensure the diversity and independence of Board members. In addition to the principle that directors concurrently serving as managers of the Company should not exceed one-third of the Board seats, appropriate diversity policies are developed in light of the Company's own operations, business model, and development needs. These policies should include, but are not limited to, standards covering the following two dimensions:

1. **Basic attributes and values**
   gender, age, nationality, and cultural background.
2. **Professional expertise and skills**
   professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

The current Board of Directors consists of seven members, comprising four directors and three independent directors, each serving a three-year term. Collectively, the Board members bring professional backgrounds in industry, technology, business, operations, finance and accounting, and retail branding. Among them, six are male and one is female, with female directors accounting for 14%. The average age of Board members is 63.57 years.

Rules of Procedure for Board Meetings

Regulations Governing the Election of Directors

Corporate Governance Best-Practice Principles

Title	Name	Gender	Nationality	Age	Tenure
Chairman	Felix Ho	Male	Republic of China	51-60 years (inclusive)	3 years
Director	David Lo	Male	Republic of China	51-60 years (inclusive)	3 years
Director	Hong-Shi Wen	Male	Republic of China	Over 60 years	3 years
Director	Bing-Yi Lin	Male	Republic of China	31-50 years (inclusive)	3 years
Independent Director	Chin-Jung Kuo	Female	Republic of China	Over 60 years	3 years
Independent Director	Brian Lee	Male	United Kingdom	51-60 years (inclusive)	3 years
Independent Director	JD Chiou	Male	Republic of China	51-60 years (inclusive)	3 years



Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

Directors' Education and Work Experience

Title	Name	Education and Work Experience	Positions Concurrently Held at the Company or Other Companies
Chairman	Felix Ho	MBA, MIT Sloan School of Management; Chairman, YFY Inc.	Chairman of the Company; Director of Jupiter Prestige Group Holding Limited; Chairman of YFY Jupiter (Cayman Islands) Co., Ltd.; Director of YFY Biopulp Technology Ltd.; Director of YFY RFID Co. Limited; Chairman of YFY Investment Co., Ltd.; Chairman of Ever Growing Agriculture Biotech Co., Ltd.; Chairman of Yuen Foong Shop Co., Ltd.; Director of YFY Consumer Products, Co.; Director of Livebricks Inc.; Chairman of Yuen Foong Yu Consumer Products Co., Ltd.; Director of Yuen Foong Yu Consumer Products Investment Co., Ltd.; Director of ECROWD MEDIA INC.; Chairman of Arizon RFID Technology Co., Ltd.; Director of Arizon Japan Co., Ltd.; Director of Arizon Technology (Vietnam) Co., Ltd.; Director of YFY Japan Co., Ltd.; Director of Shin-Yi Enterprise Co., Ltd.; Chairman of Foongtone Technology Co., Ltd.; Chairman of Yuen Foong Co.; Director of Fu Hwa Enterprise Co., Ltd.; Director of Cheng Yu Co., Ltd.; Supervisor of Aidatek Electronics, Inc.; Independent Director of Universal Cement Corporation; Supervisor of The Eisenhower Fellows Association in the Republic of China; Chairman of Epoch Foundation; Standing Supervisor of Monte Jade Taiwan Science & Technology Association; Chairman of Association of Corporate Patent Managers of Taiwan.
Director	YFY Paradigm Investment Co., Ltd. Representative: David Lo	MBA, Johnson School of Management, Cornell University; Managing Director, UBS Taiwan	Director of the Company; Director and President of YFY Inc.; Director of YFY Packaging Inc.; Director of Yuen Foong Yu Consumer Products Co., Ltd.; Director of Yuen Foong Yu Consumer Products Investment Co., Ltd.; Chairman of YFY Corporate Advisory & Services Co., Ltd.; Chairman of YFY Paradigm Investment Co., Ltd.; Chairman of YFY Development Co., Ltd.; Director of YFY GROUP Fidelis IT Solutions Co., Ltd.; Director of YFY Biotech Management Co., Ltd.; Director of Taiwan Stock Exchange Corporation; Director of YFY International B.V.; Director of YFY Global Investment B.V.; Director of YFY Mauritius Corporation; Director of Ensilience Co., Ltd.; Director of Taiwan Venture Capital Association.
Director	YFY Development Co., Ltd. Representative: Hong-Shi Wen	Master's Degree, Department of Mechanical Engineering, National Central University; Deputy Chief of Plant, AUO Corporation	Director of the Company; Director and CEO of Arizon RFID Technology Co., Ltd.; Director of Arizon RFID Technology (Hong Kong) Co., Ltd.
Director	Bing-Yi Lin	Master's Degree, Information Management, University of Washington; Manager, Direct Investment Department, China Development Industrial Bank	Director of the Company; Director of YFY Jupiter (BVI) Inc.; Director and President of Arizon RFID Technology Co., Ltd.; Director of Arizon RFID Technology (Hong Kong) Co., Ltd.; Director of Arizon Japan Co., Ltd.; Director of Arizon Corporation; Director of Opal BPM Limited; Director of Opal BPM Consulting Limited; Director of Yunsheng Co., Ltd.; Director and President of Yangzhou Dicheng Trading Co., Ltd.; Director of Dicheng Co., Ltd.
Independent Director	Chin-Jung Kuo	Master's Degree in Accounting, Southern Illinois University; Committee Chairperson, Accounting and Auditing Committee, Taiwan CPA Association	Independent Director of the Company; Director, Guangxin Yiqun Certified Public Accountants; Independent Director of Quanyuxin Technology Co., Ltd.; Independent Director of Nanbao Resin Chemical Factory Co., Ltd.; Director of Guangkai Co., Ltd.; Director of Guangyi Development Enterprise Co., Ltd.; Supervisor of Guangxin Investment Co., Ltd.; Supervisor of Daye International Development Co., Ltd.; Standing Supervisor of the Chinese Tax Agents Association.
Independent Director	Brian Lee	MBA, Hitotsubashi University; President/CEO, KT Licensing Limited	Independent Director of the Company; Director of Pacific Licensing Studio Pte. Ltd.; Independent Director of Dr. Wu Skincare Co., Ltd.
Independent Director	JD Chiou	Ph.D., Massachusetts Institute of Technology; Expert, AI Development Strategy and Smart Customer Service Industry, Ministry of Economic Affairs	Independent Director of the Company; President of Intumit, Inc.; Director of Idrasys Co., Ltd.; Director of Miraxia Edge Technology Co., Ltd.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

Diverse Professional Background of Directors

Title / Name	Industry Experience	Business	Finance	Business Management	Operational Judgment	Business Management	Crisis Management	International Market Perspective	Leadership and Decision Making
Chairman Felix Ho	✓	✓	✓	✓	✓	✓	✓	✓	✓
Director David Lo		✓		✓		✓	✓	✓	✓
Director Hong-Shi Wen	✓			✓	✓	✓			✓
Director Bing-Yi Lin	✓	✓		✓	✓	✓	✓	✓	✓
Independent Director Chin-Jung Kuo			✓					✓	✓
Independent Director Brian Lee				✓	✓	✓		✓	✓
Independent Director JD Chiou	✓			✓	✓	✓	✓		✓

Composition of the Board of Directors

Age	Male	Female	Total
30 and under (inclusive)	0	0	**0**
31-50 (inclusive)	1	0	**1**
51-60 (inclusive)	4	0	**4**
Over 60	1	1	**2**
Total	**6**	**1**	**7**

Board Conflict of Interest Avoidance

The Company has clearly stipulated conflict of interest prevention policies and procedures for personnel at all levels in relevant regulations such as the Procedures for Integrity Management and Code of Conduct and the Code of Ethical Conduct. Appropriate reporting channels are provided, and implementation is strictly enforced.

(1) Directors, independent directors, managers, and other stakeholders attending or present at Board meetings who have an interest, either personally or on behalf of the legal entity they represent, in any agenda item of the Board meeting must explain the material aspects of such interest at that meeting. Where such interest may be detrimental to the Company's interests, they may not join the discussion or voting, shall recuse themselves from the discussion and voting, and may not exercise voting rights on behalf of other directors.

(2) Company personnel who, in the course of performing Company business, discover a conflict of interest involving themselves or the legal entity they represent, or a situation that may result in improper benefits for themselves, their spouse, parents, children, or related parties, must report the matter to both their direct supervisor and the Company's Human Resources unit, and the direct supervisor shall provide appropriate guidance.

(3) Company personnel may not use Company resources for business activities outside the Company, nor may their participation in external business activities affect their work.



Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

In 2025, the Company convened six Board meetings. Agenda items from which directors were required to recuse themselves due to conflicts of interest were as follows:

(1) At the Board meeting held on March 11, 2025, Independent Directors Brade Lei, Brian Lee (who delegated Independent Director Brade Lei to exercise the relevant rights on his behalf), and JD Chiou recused themselves from the discussion and voting on the proposal regarding the remuneration amount and allocation method for independent directors, due to conflicts of interest involving themselves.

(2) At the Board meeting held on March 11, 2025, Directors Felix Ho, David Lo, Hong-Shi Wen, and Bing-Yi Lin recused themselves from the discussion and voting on the proposal regarding the remuneration amount and allocation method for directors, due to conflicts of interest involving themselves.

(3) At the Board meeting held on April 14, 2025, Independent Directors Brade Lei, Brian Lee, and JD Chiou recused themselves from the discussion and voting on the proposal of whether to include three "independent director candidates" in the nomination list for review, due to conflicts of interest involving themselves.

(4) At the Board meeting held on April 14, 2025, Directors Felix Ho, David Lo, Hong-Shi Wen, and Bing-Yi Lin recused themselves from the discussion and voting on the proposal of whether to include four "director candidates" in the nomination list for deliberation, due to conflicts of interest involving themselves or the legal entities they represent.

Procedures for Integrity Management and Code of Conduct

Code of Ethical Conduct

Board Performance Evaluation

To strengthen corporate governance and enhance the functions of the Board, the Company has established performance objectives to improve the efficiency of Board operations. In accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, the Company adopted the Board Performance Evaluation Measures by resolution in 2022, covering performance evaluations of the Company's Board of Directors and functional committees. At the end of each year, Board performance is assessed through self-evaluation questionnaires; the results are collected and consolidated by the evaluation executing unit and reported to the Board as a reference for review and improvement. To ensure independence and professionalism, an evaluation must be conducted by an external independent professional institution or a team of external experts and scholars at least once every three years. Internal and external Board performance evaluation results must be completed by the end of the first quarter of the following year.

Taking into account the Company's circumstances and needs, the following dimensions have been established for performance evaluation:

- Understanding of and recommendations for Company operations
- Enhancement of Board decision-making quality
- Composition and structure of the Board
- Election and ongoing training of directors
- Internal controls

The performance evaluation of individual Board members covers at least the following six dimensions:

- Mastery of the Company's goals and objectives
- Understanding of directors' duties
- Understanding of and recommendations for Company operations
- Internal relationship management and communication
- Professional expertise and ongoing training of directors
- Internal controls

Functional committees (covering at least the following five dimensions):

- Understanding of and recommendations for Company operations
- Understanding of functional committee duties
- Enhancement of functional committee decision-making quality
- Composition of the committee and selection of its members
- Internal controls

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

To implement the Company's sustainability policy, future Board performance evaluations will include a review of directors' participation in economic, environmental, and social issues.

The Company's 2025 performance evaluation of the Board of Directors, individual directors, and functional committees was conducted by way of external evaluation commissioned to the Taiwan Investor Relations Association, a non-profit association representing all professional investor relations (IR) managers of TWSE and TPEx listed companies in Taiwan. The association appointed Chairman Kuo Tsung-Lin, Supervisor Wan Hsin-Ning, and attorney Wang Shih-Hao as review committee members, all of whom declared that they would maintain a fair and objective attitude and that there were no circumstances affecting their independence. They conducted a performance evaluation of the operations of the Company's Board of Directors (including functional committees) and issued the evaluation report on October 15, 2025.

Board Performance Evaluation Measures

Results of the 2025 External Performance Evaluation

Evaluation Cycle		Conducted once every three years
Evaluation Method		The external evaluation institution required the Company to provide the documents it designated, distributed performance evaluation self-assessment questionnaires to each director for completion and collection, and assigned three review committee members to conduct the evaluation after issuing independence statements. On October 8, 2025, interviews were conducted online with the Company's Chairman, independent directors, Corporate Governance Officer, and audit director.
Evaluation Period		2024/09/01-2025/08/30
Date Reported to the Board of Directors		2025/11/11
Evaluation Conclusions and Recommendations	**Recommendations**	1. Establish the Sustainability Development Committee as a Board-level functional committee. 2. Plan to increase female director seats to one-third. 3. The number of directors who are also employees should be below one-third of the Board seats. 4. Formulate specific measures to enhance corporate value and submit them to the Board of Directors. 5. The Corporate Governance Best Practice Principles should be amended to include a provision that 'during the closed period prior to the release of financial reports, insiders such as directors and employees are prohibited from trading in the Company's shares,' and this should be disclosed on the official website. 6. Establish succession plans for Board members and important managerial staff. 7. Risk management should be overseen by a Board-level functional committee, which should report to the Board of Directors at least once a year. 8. The unit responsible for ethical corporate management should report its implementation status to the Board of Directors at least once a year. 9. Develop an intellectual property management plan linked to operational objectives and report its implementation status to the Board of Directors at least once a year. 10. Develop and disclose policies linking senior executive remuneration to ESG-related performance evaluations. 11. Actively promote governance of environmental and social matters.
	Improvement Plans	1. The selection of the Company's Board members is based on the principle of meritocracy. In addition, the Company will pay attention to gender equality in the Board's composition, with the goal of increasing female director seats to at least one-third. 2. The Company plans to formulate specific measures to enhance corporate value, submit them to the Board of Directors, and disclose the relevant information in the " Enterprise Value Enhancement Plan Section" section of the Market Observation Post System (MOPS), thereby promoting greater emphasis on shareholder value, guiding the enhancement of corporate value, and actively communicating with shareholders.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

Board Training and Development

In response to the rapidly changing business environment, regulatory requirements, and sustainability policies, the Company's Board members continuously enhance their professional knowledge and governance capabilities through annual training programs. These courses enable directors to gain deeper insights into industry trends, market dynamics, and international developments. The training curriculum includes sustainability-related courses on environmental, social, and governance (ESG) topics. Going forward, the Company will also organize director training programs aligned with the five main pillars of the "Corporate Governance 3.0 - Sustainable Development Roadmap" to keep pace with international trends. In 2025, total training hours for Board members amounted to 88.5 hours, with each member receiving no fewer than 6 hours of training.

2025 Training Status of Company Directors and Independent Directors

Title	Name	Training Date	Course Title	Hours
Chairman	Felix Ho	2025/05/13	The Path to AI Application Transformation	3
		2025/11/17	New Roles in the Environmental Economy - Corporate TCFD/ TNFD and Biodiversity-related Financial Disclosures	3
Director	Hong-Shi Wen	2025/10/27	Ethical Corporate Management Best Practice Principles and Insider Trading Prevention Practices	3
		2025/10/27	Personal Data Protection and Information Security Practices	1.5
		2025/11/17	New Roles in the Environmental Economy - Corporate TCFD/ TNFD and Biodiversity-related Financial Disclosures	3
		2025/11/17	Corporate AI Brain - Navigation and Mapping in the AI Era	3
Director	David Lo	2025/02/14	Introduction to Sustainability Information, Sustainability Standards, and Sustainability Reports for TWSE/TPEx Listed Companies	3
		2025/07/31	2025 Summit on Strengthening Taiwan's Capital Markets	3
		2025/11/17	New Roles in the Environmental Economy - Corporate TCFD/ TNFD and Biodiversity-related Financial Disclosures	3
		2025/11/17	Corporate AI Brain - Navigation and Mapping in the AI Era	3
Director	Bing-Yi Lin	2025/08/22	2025 Taishin Shin Kong Net Zero Summit	3
		2025/10/15	2025 Taiwan Week IR & Engagement New Trends: ESG and Sustainable Investment Forum	3
		2025/10/27	Ethical Corporate Management Best Practice Principles and Insider Trading Prevention Practices	3
		2025/10/27	Personal Data Protection and Information Security Practices	1.5
		2025/11/17	Corporate AI Brain - Navigation and Mapping in the AI Era	3

Title	Name	Training Date	Course Title	Hours
Independent Director	Chin-Jung Kuo	2025/04/01	Carbon Credit Trading and Assurance Process	3
		2025/07/16	Sustainable Development Promotion Seminar - Taipei Session	3
		2025/07/25	Legal Liability of Certified Public Accountants	3
		2025/07/31	2025 Summit on Strengthening Taiwan's Capital Markets	3
		2025/10/15	2025 Taiwan Week IR & Engagement New Trends: ESG and Sustainable Investment Forum	3
		2025/11/14	The Digital Finance Revolution: The Principles of Stablecoins and the Development Trends of Blockchain Virtual Assets	3
		2025/11/17	New Roles in the Environmental Economy - Corporate TCFD/ TNFD and Biodiversity-related Financial Disclosures	3
		2025/11/17	Corporate AI Brain - Navigation and Mapping in the AI Era	3
		2025/12/10	The Practice of Sustainable Governance: Integrity and Decision-Making (IFRS S1)	6
Independent Director	Brian Lee	2025/11/17	New Roles in the Environmental Economy - Corporate TCFD/ TNFD and Biodiversity-related Financial Disclosures	3
		2025/11/17	Corporate AI Brain - Navigation and Mapping in the AI Era	3
Independent Director	JD Chiou	2025/10/27	Ethical Corporate Management Best Practice Principles and Insider Trading Prevention Practices	3
		2025/10/27	Personal Data Protection and Information Security Practices	1.5
		2025/11/17	New Roles in the Environmental Economy - Corporate TCFD/ TNFD and Biodiversity-related Financial Disclosures	3
		2025/11/17	Corporate AI Brain - Navigation and Mapping in the AI Era	3

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

Functional Committees

Audit Committee

The Company has established the Audit Committee Charter in accordance with Article 3 of the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies. The Charter specifies that the Committee shall be composed entirely of independent directors, with no fewer than three members, one of whom serves as the convener, and at least one of whom must possess accounting or financial expertise. Meetings are convened at least once every quarter, with additional meetings held as necessary.

The Company's Audit Committee is composed of three independent directors. Its purpose is to oversee the fair presentation of the Company's financial statements; the appointment (and dismissal), independence, and competency of the certified public accountants; the effective implementation of the Company's internal controls; the Company's compliance with relevant laws and regulations; and the Company's management of existing or potential risks. The Committee exercises its powers in accordance with the matters prescribed under Article 14-5 of the Securities and Exchange Act.

In 2025, the Audit Committee held five meetings. Attendance was as follows:

Title	Name	Meetings Held	Actual Attendance	Proxy Attendance	Attendance Rate	Notes
Independent Director	Brade Lei	3	3	0	100%	1st term
Independent Director	Chin-Jung Kuo	2	2	0	100%	2nd term
Independent Director	Brian Lee	5	4	1	80%	1st and 2nd terms
Independent Director	JD Chiou	5	5	0	100%	1st and 2nd terms

Note: The Company completed its director re-election in May 2025, resulting in changes to the Audit Committee's membership. Attendance in this table is therefore calculated based on each member's actual period of service.

Organization Regulations of the Audit Committee

Compensation Committee

To establish a sound remuneration system for the Company's directors and managers, the Company has formulated the Compensation Committee Charter in accordance with Article 3 of the Regulations Governing the Establishment and Exercise of Powers of Compensation Committees of Companies Whose Stock is Listed on the TWSE or Traded on the TPEx. The Compensation Committee consists of three members appointed by resolution of the Board of Directors, with more than half of the members required to be independent directors. The professional qualifications and independence of the Committee members must align with the functions of the Compensation Committee. The Committee's role is to evaluate the Company's policies and systems for director and managerial remuneration from a professional and objective standpoint, and to provide recommendations to the Board of Directors as a reference for its decision-making.

In 2025, the Compensation Committee held three meetings. Attendance was as follows:

Title	Name	Meetings Held	Actual Attendance	Proxy Attendance	Attendance Rate	Notes
Independent Director	Brade Lei	2	2	0	100%	1st term
Independent Director	Chin-Jung Kuo	1	1	0	100%	2nd term
Independent Director	Brian Lee	3	2	1	67%	1st and 2nd terms
Independent Director	JD Chiou	3	3	0	100%	1st and 2nd terms

Note: The Company completed its director re-election in May 2025, resulting in changes to the Compensation Committee's membership. Attendance in this table is therefore calculated based on each member's actual period of service.

Organization Regulations of the Compensation Committee

Sustainability Development Committee

To strengthen governance and enhance the effectiveness of sustainability decision-making, the Company established the Sustainability Development Committee in November 2025 as a Board-level functional committee responsible for overseeing the Company's ESG strategies and their execution. The Committee is chaired by the Chairman, with Director Bing-Yi Lin serving as Vice Chairman and three independent directors serving as members. The Chief Financial Officer concurrently serves as Executive Secretary, responsible for coordinating the Committee's operations and convening working meetings as needed, integrating resources across business groups and relevant functional departments to effectively advance sustainability-related risk assessments, internal management measures, action plans, and target planning, and ensuring that sustainability strategies are aligned with the Company's overall operational direction.

In 2025, the Sustainability Development Committee held one meeting. Attendance was as follows:

Title	Name	Meetings Held	Actual Attendance	Proxy Attendance	Attendance Rate
Chairman	Felix Ho	1	1	0	100%
Director	Bing-Yi Lin	1	1	0	100%
Independent Director	Chin-Jung Kuo	1	1	0	100%
Independent Director	Brian Lee	1	1	0	100%
Independent Director	JD Chiou	1	1	0	100%

Organization Regulations of the Sustainability Development Committee

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

Senior Executive Remuneration Policy

The Company has established a Compensation Committee composed entirely of independent directors. The Committee is responsible for formulating and regularly reviewing the policies, systems, standards, and structures for the performance evaluation and remuneration of directors and managers, as well as periodically assessing and determining their remuneration. Directors' remuneration is determined based on the positions they hold within the Company, the extent of their involvement in the Company's operations, and the value of their contributions. Remuneration for the General Manager and Deputy General Managers is primarily based on their positions, their contributions to the Company, and benchmarking against industry standards, and is administered in accordance with the Company's personnel regulations.

Independent directors' remuneration is determined with reference to their education, experience, and social standing, market salary surveys, and prevailing industry practices, on the principle of aligning with general market standards. It also takes into account the Company's business performance and the contributions of independent directors in fulfilling their responsibilities. The proposed remuneration is reviewed by the Compensation Committee and submitted to the Board of Directors for resolution.

In 2025, the Company established the Sustainability Initiative Incentive Guidelines for Senior Executives, encouraging the Chairman, the CEO, the General Manager, Deputy General Managers, and other senior executives of equivalent rank to take concrete actions to advance environmental protection, social responsibility, and corporate governance (ESG) related issues. Under these Guidelines, their participation in and contributions to sustainability initiatives are incorporated into annual performance and variable remuneration considerations, so as to promote the Company's long-term stability and sustainable development.

Senior executive remuneration consists of two components: fixed remuneration and variable remuneration. In determining variable remuneration (such as annual bonuses or special bonuses), sustainability-related performance is incorporated as one of the evaluation dimensions in addition to annual business performance and job contributions. In the design of the variable remuneration evaluation, ESG-related performance dimensions are recommended to account for 10%-20% of the overall variable remuneration evaluation weighting, with the remaining 80%-90% based primarily on annual operating results and the fulfillment of role responsibilities. The actual weighting combinations and bonus determinations are jointly reviewed and finally decided by the Compensation Committee and the Sustainability Development Committee as authorized by the Board of Directors.

The evaluation focuses on senior executives' leadership commitment, promotion of initiatives, sponsorship and support, and cross-departmental influence on ESG issues, encouraging them to drive the Company's sustainability culture and long-term value creation through concrete actions.

Position	Performance Indicators	Implementation Method (Weighting)
General Manager	Sustainability and internal control indicators: 20%	Committed to fulfilling sustainability commitments, with emphasis on ethical corporate management, regulatory compliance, and risk control, and implementing key ESG initiatives (with specific corporate governance and risk management action indicators accounting for at least 10%).
Senior Executives	Sustainability and internal control indicators: 10%-20% (weighting combinations vary by executive role)	1. Customer Relationship Management 0%-3% 2. Supply Chain Management 0%-2% 3. Product Quality and Safety 0%-3% 4. Innovation and R&D 0%-2% 5. Information Security 0%-2% 6. Talent Development 0%-2% 7. Occupational Safety and Health 0%-2% 8. Human Rights Protection 0%-2% 9. Climate Change Response 0%-2%

The Sustainability Development Committee is responsible for reviewing senior executives' participation in advancing ESG-related issues and the results of their improvement efforts, and regularly reports the implementation status and the overall state of sustainability governance to the Board of Directors.



Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

2.2 Risk Management

Risk Management Policy

To strengthen corporate governance and consolidate risk management functions, thereby ensuring sustainable business operations, the Company established its Risk Management Policy and Procedures in 2022, which was approved and implemented by the Board of Directors. The objective is to systematically and institutionally identify, prevent, and control risks in order to maintain normal operations and achieve sustainable development goals.

In response to changes in the operating environment and management needs, the Company amended its Risk Management Policy and Procedures at the Board meeting held in November 2025, reassigning the risk management function to the Sustainability Development Committee under the Board of Directors so as to strengthen the Board's overall supervision and guidance of the risk management mechanism. In addition to overseeing the operation of the Company's overall risk management mechanism, the Sustainability Development Committee also deliberates on and makes recommendations regarding material risk management issues and submits the relevant proposals to the Board of Directors for deliberation and resolution, thereby ensuring transparency and consistency in decision-making.

Arizon's Risk Management Policy is: "Through systematic and institutionalized management, effectively identify, prevent, and control risks to maintain normal operations and achieve sustainable business operations."

Risk Management Organizational Structure and Responsibilities

The Company's risk management organizational framework and responsibilities are as follows:

1. Board of Directors (the highest governance body for risk management)

(1) Approves the risk management policies, procedures, and framework;
(2) Ensures that the direction of business strategies is consistent with the risk management policy;
(3) Ensures that appropriate risk management mechanisms and a risk management culture are in place;
(4) Supervises and ensures the effective operation of the overall risk management mechanism;
(5) Allocates and assigns sufficient and appropriate resources to enable the effective operation of risk management.

2. Sustainability Development Committee

(1) Reviews the risk management policies, procedures, and framework, and periodically evaluates their applicability and implementation effectiveness;
(2) Approves risk tolerance levels to guide the allocation of resources;
(3) Ensures that the risk management mechanism adequately addresses the risks faced by the Company and is integrated into daily operational processes;
(4) Approves the priorities and risk levels for risk control;
(5) Reviews the implementation of risk management, proposes necessary improvement recommendations, and reports to the Board of Directors on a regular basis (at least once a year);
(6) Implements the risk management decisions of the Board of Directors.

3. Risk Management Organization

The Company has designated the Sustainability Development Committee as its risk management organization, the unit responsible for promoting and implementing risk management. The Committee is primarily responsible for monitoring, measuring, and evaluating risks at the execution level. It assists in formulating the Company’s risk management policies, procedures, and framework, establishes qualitative and quantitative risk measurement standards and risk tolerance levels, ensures the implementation of risk management decisions approved by the Board, and coordinates overall risk management operations.

The Committee also identifies and analyzes the sources and categories of the Company’s risks, supervises and assists departments in carrying out risk management activities, and facilitates cross-departmental communication so that the risk management mechanism is embedded in daily operational processes; it also plans relevant training programs to raise risk awareness. In addition, it regularly compiles the implementation status of risk management and proposes improvement recommendations, reports to the General Manager and the Board of Directors at least once a year, and carries out relevant matters in accordance with its own resolutions to ensure that all operations comply with the policies established by the Board.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

4. Operating units involved in risk management matters (including subsidiaries)

Each relevant department and subsidiary of the Company assesses the likelihood and impact of various risk factors based on its respective responsibilities, formulates necessary measures, and ensures effective execution to properly manage risks.

5. Audit Unit

The Company's audit unit reports directly to the Board of Directors and is responsible for the Company's risk management and for overseeing that of its subsidiaries. Auditors conduct independent internal audits of the Company's departments and subsidiaries, and regularly provide audit results and improvement recommendations to the Board of Directors and management for corrective action, ensuring that operation-related risk issues are effectively managed.

Risk Management Procedures

The Company's risk management process consists of five stages:

1. Risk Identification

Risks faced by the Company are categorized into four major areas: operational, financial, environmental, and operational execution. The Risk Management Group, together with relevant departments, identifies potential risks related to business activities through risk management meetings, as described below:

(1) Operational: including corporate governance risk, reputational risk, strategic risk, management risk, human resource risk, and the impact of major domestic and international policy and regulatory changes on the Company's sustainable operations.

(2) Financial: referring to the possibility that, in the Company's various financial activities, unpredictable or uncontrollable factors may cause deviations between final financial outcomes and expected goals, potentially resulting in economic losses or greater gains. This includes the impact on the Company's finances of financing risk, investment risk, liquidity risk, exchange rate and interest rate risk, lending risk, guarantee and endorsement risk, derivative trading risk, and financial decision-making risk.

(3) Operational execution: all risks of loss arising from inadequacies or errors in internal processes, personnel, and systems, or from other external operations and related events, including compliance risk, information security risk, occupational safety and health management risk, and fraud risk.

(4) Environmental: including climate change risk, environmental pollution liability risk, natural disaster risk, and major external hazard risk.

2. Risk Analysis

Risk analysis focuses on understanding the nature and characteristics of identified risk events and analyzing their likelihood of occurrence and degree of impact, based on which risk values are calculated.

3. Risk Assessment

The results of risk analysis and assessment are duly documented and reported to the Sustainability Development Committee.

4. Risk Response

The implementation of the relevant response plans is continuously monitored, and response measures strike a balance between achieving objectives and cost-effectiveness.

5. Risk Monitoring and Review Mechanism

The Company duly reviews whether the risk management process and related risk countermeasures continue to operate effectively, and incorporates the review results into performance measurement and reporting.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

Risk Reporting and Disclosure

To uphold transparency, the Company not only complies with the competent authorities' requirements for risk information disclosure by publishing risk management information on its official website and in the annual report, but also regularly reviews the effectiveness of its risk management policies and procedures and, with reference to the development of domestic and international corporate risk management frameworks, proposes corresponding improvements for Board discussion, thereby enhancing corporate governance effectiveness.

1. Each operating unit monitors the risks within its scope of responsibilities and proposes risk management countermeasures; the operating units submit risk management reports to the Risk Management Group of the Sustainability Development Committee, which reports to the Board of Directors on a regular basis.
2. Each operating unit reports risk management information and conclusions to supervisors at each level in accordance with its authority and responsibilities. In the event of a material risk, it must immediately notify the Risk Management Group of the Sustainability Development Committee and the audit unit, and the risk status must be reported to the Board of Directors on a regular basis.

Risk Management Culture

The Company holds risk management training sessions or briefings from time to time to promote awareness of its risk management policies, procedures, and requirements. These efforts enhance employees' risk awareness and execution capability, embedding risk management awareness into daily decision-making and operational activities.

▼ Risk Management-Related Training in 2025

Ethical Corporate Management Best Practice Principles and Insider Trading Prevention Practices	participants 77 Participants	hours 231 Total Training Hours
Personal Data Protection and Information Security Practices	person-times 77 Participants	hours 115.5 Total Training Hours



Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

2.3 Legal Compliance and Integrity Management

Legal Compliance

To achieve sustainable corporate development and establish a corporate culture of ethical corporate management, Arizon complies with government regulations, regularly reviews and monitors regulatory changes, and consults with advisors, accountants, and other relevant parties on regulatory changes to make corresponding revisions. In 2025, the Company strengthened legal awareness by holding training sessions on an ad hoc basis and issuing and announcing relevant documentation, ensuring that all units implement and adhere to regulatory frameworks while reinforcing employees' understanding of legal compliance.

Integrity Management

The Company is committed to promoting ethical corporate management, and all employees are required to comply with the relevant integrity management policies. Upon onboarding, in addition to signing their employment contracts, new employees must sign the Integrity and Confidentiality and Intellectual Property Agreement, the Commitment Against Insider Trading, and the Agreement on the Use of Licensed Software, thereby affirming their obligations to integrity, confidentiality, and ethical business practices. To deepen employees' understanding of ethical corporate management, the Company regularly organizes training sessions on integrity management, emphasizing rules against insider trading to ensure that employees comply with the relevant confidentiality agreements when handling material trade secrets or information that may affect the share price.

Whenever the Board of Directors discusses material matters that may affect the Company's share price, the meeting organizers remind the directors and managers present of their obligations under Article 157-1 of the Securities and Exchange Act to ensure compliance with insider trading prohibitions.

Whistleblowing Mechanism

The Company has established a comprehensive whistleblowing mechanism. All reported cases are handled confidentially, with strict protection of both the whistleblower and case details. Employees who become aware of whistleblowing content through their duties or work are prohibited from disclosing it, and whistleblowers are likewise required to maintain confidentiality; violations are subject to disciplinary action in accordance with Company rules. All reported cases are recorded in the whistleblowing registry and investigated and handled by the relevant departments. In 2025, the Company did not receive any whistleblowing reports or complaints.

Anti-Corruption Policy

To implement ethical corporate management, the Company has adopted the Ethical Corporate Management Best Practice Principles as approved by the Board of Directors and operates in accordance with the Ethical Corporate Management Operating Procedures and Code of Conduct. These Principles explicitly stipulate the following anti-corruption measures:

1. Prohibition of bribery and acceptance of bribes.
2. Prohibition of illegal political donations.
3. Prohibition of improper charitable contributions or sponsorships.
4. Prohibition of offering or accepting unreasonable gifts, hospitality, or other improper benefits.
5. Prohibition of infringing on trade secrets, trademarks, patents, copyrights, and other intellectual property rights.
6. Prohibition of engaging in unfair competition.
7. Prohibition of directly or indirectly harming the rights, health, or safety of consumers or other stakeholders in the R&D, procurement, manufacturing, delivery, or sales of products and services.

Implementation Results

To strengthen the practice of ethical corporate management, the Company conducts regular awareness campaigns and tests on the relevant regulations each year, actively fostering a culture of honesty and integrity while enhancing corporate governance and risk management. As of 2025, the Company had not encountered any whistleblowing incidents or any violations of laws related to anti-competitive behavior, and had incurred no monetary losses from related legal proceedings. To further safeguard ethical business conduct, dedicated reporting channels have been established for internal and external parties to submit relevant cases. The reporting channels are as follows:

Email: tw-hr@arizonrfid.com
Hotline: (886)2-2322-4824 #193
Written correspondence: Arizon RFID Technology (Cayman) Co., Ltd., Human Resources Department

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

Employee Training

The Company continues to provide annual training for all employees on ethical corporate management and thoroughly promotes the principles of integrity, ensuring that employees fully understand and comply with Company policies, prevent breaches of integrity, and remain aware of the consequences of violations.

Taipei

Category	Topic	Date	Participants	Hours	Total Attendees
Training	Prevention of Unlawful Infringement in the Workplace	Ad hoc	Current Employees	Regular meetings, ad hoc promotion, bulletin postings	
	Code of Ethical Conduct	Ad hoc	New Employees	15.3	89
	Anti-Corruption	Ad hoc	New Employees	15.3	89
Compliance	Insider Trading Prevention	Ad hoc	Current Employees	288	76
Annual Test	Courses covered in compliance training	Ad hoc	Current Employees	15.3	89

Mainland China

Category	Topic	Date	Participants	Hours	Total Attendees
Training	Business Integrity and Professional Ethics	Ad hoc	New & Current Employees	83	83
	Anti-Unfair Competition	Ad hoc	Current Employees	102	68
	Prevention of Falsification, Information Leakage, and Misappropriation of Company Interests	Ad hoc	New & Current Employees	1350	300
Compliance	Contract Compliance and Lawful Operation	Ad hoc	Current Employees	450	300
Annual Test	Courses covered in compliance training	Ad hoc	Current Employees	100	100

Internal Audit Organization and Management Process

1. An internal audit unit reporting directly to the Board of Directors has been established. It is responsible for auditing Arizon's internal control systems and management procedures across nine major cycles: sales and collection, procurement and payment, production and manufacturing, payroll, research and development, property/plant/equipment, investment, financing, and information systems.

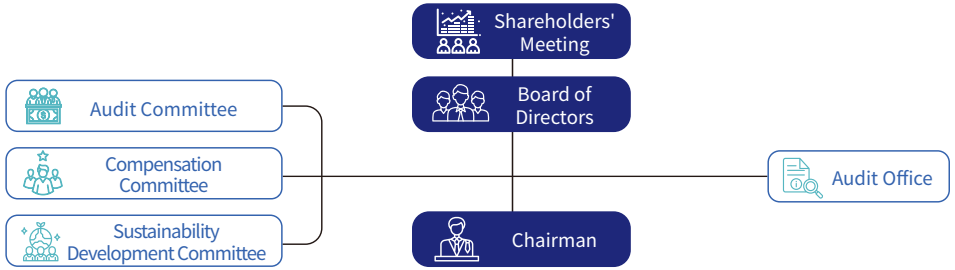
2. At the end of each year, the Audit Office prepares the audit plan for the following year. The Chief Auditor formulates the plan based on the Company's strategies, objectives, risks, management processes, and recommendations from senior management and the directors. The frequency of audits under the annual plan is determined by the likelihood of occurrence of events, their potential impact on the achievement of objectives and goals, and the effectiveness of existing controls. Where necessary, the Chief Auditor revisits and adjusts the audit plan in consultation with senior management and the directors.

3. The Audit Office conducts audits in accordance with the audit plan and reports the results regularly or on an ad hoc basis to the Board of Directors and the Audit Committee. Reports are also provided to the independent directors to keep management fully informed, thereby ensuring the ongoing effectiveness of the Company's internal control system.

4. At the beginning of each year, the Audit Office conducts a self-assessment of internal controls for the previous year, evaluating the design and operating effectiveness of the various control activities. This self-monitoring mechanism ensures the achievement of the Company's internal control objectives.

Note: The Audit Office consists of three personnel (two based in Mainland China and one acting auditor in Taipei).

Arizon RFID Technology (Cayman) Co., Ltd. Organizational Chart



Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

2.4 Supply Chain Management

Impact

Suppliers may pose risks such as supply chain disruption or material shortages due to deficiencies in quality, pricing, service, or delivery. In addition, if suppliers are involved in human rights violations or corporate social responsibility incidents, this may indirectly harm the Company's intangible reputation and become a potential risk. To ensure sustainable supply chain development, Arizon will progressively deepen its assessment of suppliers' ESG risks to avoid issues related to governance and integrity, environmental pollution, and labor rights, thereby mitigating potential impacts across the value chain.

Policy Commitment

The Company has formulated policies such as the Supplier Management Procedures to implement supply chain management. Arizon will gradually implement its sustainable supply chain management strategy, striving for continuous improvement in sustainable supply chain management to maintain the overall competitive advantage of its systems and suppliers.

Actions Taken

The Procurement Department and the Quality Management Department are responsible for supplier management, conducting qualified supplier performance evaluations and notifications for all key and critical raw material suppliers every six months. To effectively control supply chain risks, new suppliers are required at the initial onboarding stage to complete the Supplier Questionnaire and sign the Integrity Commitment and the Environmental Protection Commitment, pledging to comply with sustainability-related management requirements. Suppliers are requested to provide third-party-verified ISO environmental or social certifications as supporting evidence for the assessment of supplier ESG risks.

Evaluation Mechanism

The procurement units regularly track progress and report the achievement status to the Sustainability Development Center.

Goals

Short-term goals

1. Require suppliers to sign the Supplier Code of Conduct annually.
2. Introduce sustainability risk assessments, requiring suppliers to self-assess their ESG performance via questionnaires, achieving 100% self-assessment coverage.
3. Include environmental and social dimensions in the evaluations of all new and existing raw material suppliers.
4. Complete the signing of the Integrity Commitment and the Environmental Protection Commitment by all key raw material suppliers, with a 100% achievement rate.

Mid- to long-term goals

1. Improve supplier evaluation results by incorporating on-site reviews in addition to document reviews, identifying high-risk issues and requiring suppliers to make improvements, with a 100% evaluation pass rate.
2. Promote and drive the sustainable development of the overall supply chain through supplier sustainability evaluations, guidance, and the establishment of relevant standards.
3. Proactively identify local suppliers to increase the local procurement ratio by 3%.



Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

Performance Results

To achieve the dual goals of carbon reduction and stable supply, the Supply Chain Management Department continued to develop a local supply system in Taiwan in 2025 for packaging materials such as bubble bags, release paper, and cartons. Through local production and local supply, the Company substantially reduced the carbon footprint arising from international logistics and strengthened its ESG performance. 100% of suppliers passed evaluations. 100% of suppliers passed periodic performance reviews. 100% of suppliers passed the annual supplier audit. 100% of suppliers agreed to the sustainability commitment clauses upon contract signing this year.

Mainland China:
100% Supplier Code of Conduct signing rate. 100% supplier ESG questionnaire self-assessment rate. 100% pass rate in periodic supplier performance reviews. 100% pass rate in the annual supplier audit. Local procurement ratio of 33.5%.

Stakeholder Engagement

In 2025, Arizon's three plants held a total of 25 quality review meetings, covering monthly supplier quality assessments, in-plant anomaly analysis, reliability verification, customer feedback, non-conformance reports (CAR), change requests (ECR/ECN), and the handling of special approval cases, while also reviewing quality processes such as IQC, FQC, and IPQC. Each plant continued to update its risk and opportunity measures table every quarter and regularly conducted internal audits and management reviews to strengthen the effectiveness of the quality management system.

In the same year, the China plant held weekly quality review meetings and initiated improvement communications with suppliers as appropriate based on their delivery performance. Through monthly and semi-annual quality assessments and on-site audit mechanisms, the plant helped suppliers continuously optimize quality performance and enhance their overall management standards.

To realize the Company's core strategy for sustainable supply chain management, Arizon established the Supplier Code of Ethics and Business Conduct in 2024. This Code covers corporate social responsibility policies and commitments; fair and honest cooperation; labor conditions (core labor rights); environmental responsibility; intellectual property rights and confidentiality obligations; and the prohibition of subcontracting and re-delegation. Its purpose is to strengthen supply chain management while maintaining the overall competitiveness and sustainability of both the Company and its suppliers. Arizon is committed to enhancing collaboration with supply partners by improving transparency, reducing carbon footprints, and increasing energy efficiency, thereby building a greener and more responsible supply chain ecosystem.

Supply Chain Overview

The Company's supply chain structure spans the upstream, midstream, and downstream segments, with broad and diverse application areas. Upstream suppliers are primarily raw material providers such as chips and antennas. Midstream activities involve RFID product R&D and manufacturing, along with cooperation with reader and system application providers. Downstream covers various application fields, including retail, public services, industrial manufacturing, and healthcare. As a leading enterprise in the R&D, production, and sales of RFID electronic tags, the Company occupies the midstream of the RFID industry, focusing on delivering innovative RFID solutions to customers.

The Company primarily adopts a direct sales model, supplying self-developed RFID electronic tags directly to customers. After thoroughly understanding customer needs, sales staff convey product requirements to the product R&D department, which develops and provides samples for on-site customer testing. Once the samples pass testing, the Company proceeds with production, delivery, and comprehensive after-sales services.

Currently, the Company's supply chain covers Taipei, Mainland China, and other regions, with 16 suppliers in Taipei and 35 in Mainland China, totaling 51 suppliers. Given the wide range of RFID electronic tag applications, most of which are customized, the supplier database includes a variety of material categories to meet different customer demands. Furthermore, Arizon continues to implement its green procurement policy: 100% of antenna suppliers are FSC-certified, and all major paper suppliers are also FSC-certified.

The major categories of suppliers are as follows:



Key and Critical Raw Material Suppliers

Provide essential raw materials for production, such as chips, conductive adhesives, antennas, release paper, and adhesive tapes.



Equipment, Parts, and Tooling Suppliers

Provide various equipment, parts, and tooling required for the production process, such as die bonders, laminators, encoding machines, and inspection machines, as well as parts for the above equipment, including cutter rollers and hot-press molds.



Packaging and Auxiliary Material Suppliers

Provide product packaging materials, such as cartons and inserts, anti-static bags, and corner protectors.



Office and Logistics Support Suppliers

Provide office furniture, printing paper, ink cartridges, stationery, cleaning tools and consumables, as well as preventive and emergency medical supplies.

Procurement Ratio by Plant

Taipei	Mainland China	Taipei	United States	Japan	Others	Total
Key and Critical Raw Materials	22%	2%	76%	0%	0%	100%
Packaging and Auxiliary Materials	2%	98%	0%	0%	0%	100%
Equipment	57%	38%	0%	0%	5%	100%
Production Equipment	0%	100%	0%	0%	0%	100%
Electronic Components (Self-developed Equipment)	22%	2%	76%	0%	0%	100%

Mainland China	Mainland China	Taipei	United States	Japan	Others	Total
Key and Critical Raw Materials	27.23%	2.72%	53.19%	0%	16.86%	100%
Packaging and Auxiliary Materials	100%	0%	0%	0%	0%	100%
Equipment, Parts, and Tooling	54.44 %	0.02%	0%	0%	45.54%	100%
Office and Logistics Support	100%	0%	0%	0%	0%	100%

Vietnam	Mainland China	Taipei	United States	Japan	Vietnam	Others	Total
Key and Critical Raw Materials	2.1%	0%	95.1%	0%	2.8%	0%	100%
Packaging and Auxiliary Materials	0%	0%	0%	0%	100%	0%	100%
Equipment, Parts, and Tooling	13.7%	0.8%	0%	0%	3.7%	81.8%	100%
Components (Self-developed Equipment)	0%	0%	0%	0%	0%	0%	0%

United States	Mainland China	Taipei	United States	Japan	Others	Total
Key and Critical Raw Materials	5%	95%	0%	0%	0%	100%
Packaging and Auxiliary Materials	2%	97%	1%	0%	0%	100%
Equipment, Parts, and Tooling	0%	0%	0%	0%	0%	0%
Office and Logistics Support	0%	0%	0%	0%	0%	0%

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

Supplier Management

In the context of increasingly interconnected global industries and the drive to meet customer needs, suppliers are a critical component of the Company's sustainable operations. Without reliable supplier support, business continuity may be compromised. We recognize that building a safe, healthy, environmentally responsible, and human rights-respecting sustainable supply chain with our suppliers is both our responsibility and mission.

Arizon, through its Procurement and Quality Assurance Departments, conducts regular supplier evaluations and gains an in-depth understanding of suppliers' process capabilities to ensure supply chain stability and product quality. In addition to regularly assessing key indicators such as product quality, on-time delivery rate, cooperation level, occupational safety management, business terms, and ESG management, we also maintain close communication with suppliers. By integrating the principles of corporate social responsibility and sustainable supply chain management into supplier evaluation standards, we strive to co-create high-quality products and services and jointly advance sustainable value.

Currently, in the selection and management of raw material suppliers, we have rigorously integrated the requirements of ISO 9001, ISO 14001, and ISO 45001 into supplier selection to ensure quality management, environmental responsibility, and occupational safety, and we require suppliers to strictly adhere to fundamental human rights and labor regulations to ensure comprehensive accountability. In addition, our chemical management system strictly monitors hazardous substances in materials (RoHS) and complies with major regulations including EU REACH, the EU POPs Regulation, and the U.S. TSCA. This commitment is further validated through our participation in performance measurement programs such as the Higg Index FEM self-assessment.

- Key and critical raw material suppliers must hold ISO 9001 certification to ensure quality and supply stability.
- Raw material suppliers with higher environmental risks are required to obtain ISO 14001 certification to effectively manage the environmental impacts of raw material production processes.
- All suppliers are encouraged to provide third-party-verified environmental or social management system certifications as a basis for ESG risk assessment.

Supplier Management Department Responsibilities (Mainland China)



Procurement Department
Responsible for onboarding, managing, and phasing out new suppliers, as well as maintaining records of qualified suppliers



Quality Assurance Department
Responsible for evaluating qualified suppliers and auditing supplier changes



Engineering Department
Responsible for approving supplier changes and providing technical support



Sales Department
Responsible for coordinating the collection of qualifications for customer-designated suppliers



Other Departments
Responsible for evaluating and confirming the product specifications of miscellaneous suppliers, and organizing on-site reviews

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

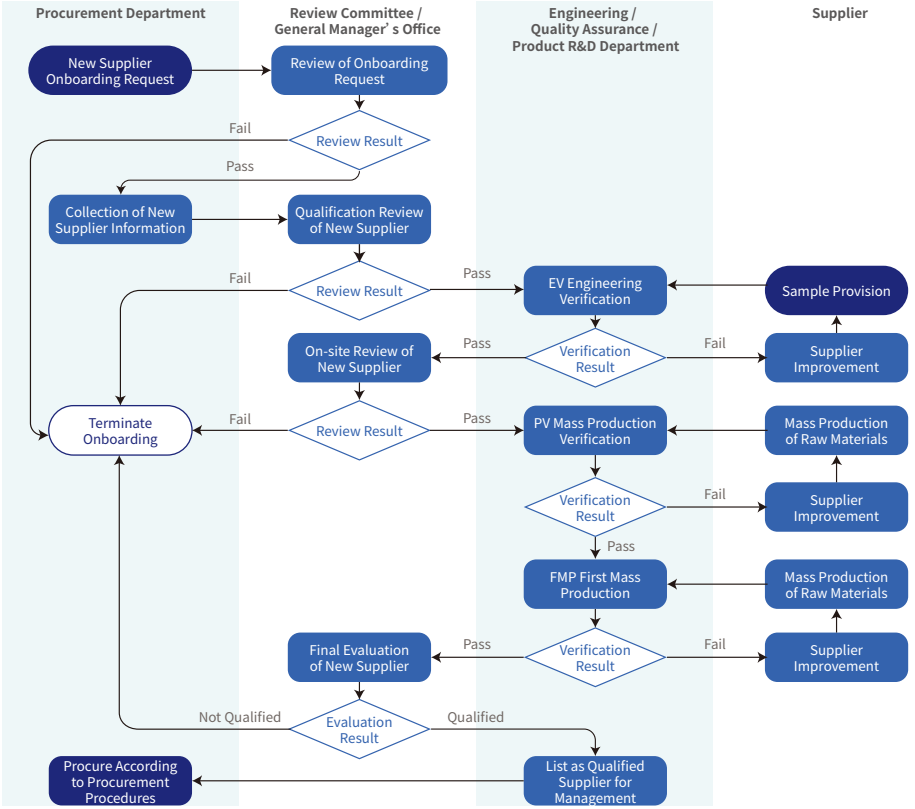
Selection of New Suppliers

When selecting new suppliers, Arizon conducts a New Supplier Evaluation as well as an annual audit. At the time of initial onboarding, new suppliers are required to complete the Supplier Questionnaire and sign the Integrity Commitment and the Environmental Protection Commitment, pledging to comply with sustainability management requirements. The relevant departments then comprehensively select, supervise, and review suppliers with respect to quality, environment and occupational health and safety, and labor and human rights. In 2025, the China plant completed the signing of the Supplier Code of Conduct by 100% of its raw material suppliers.

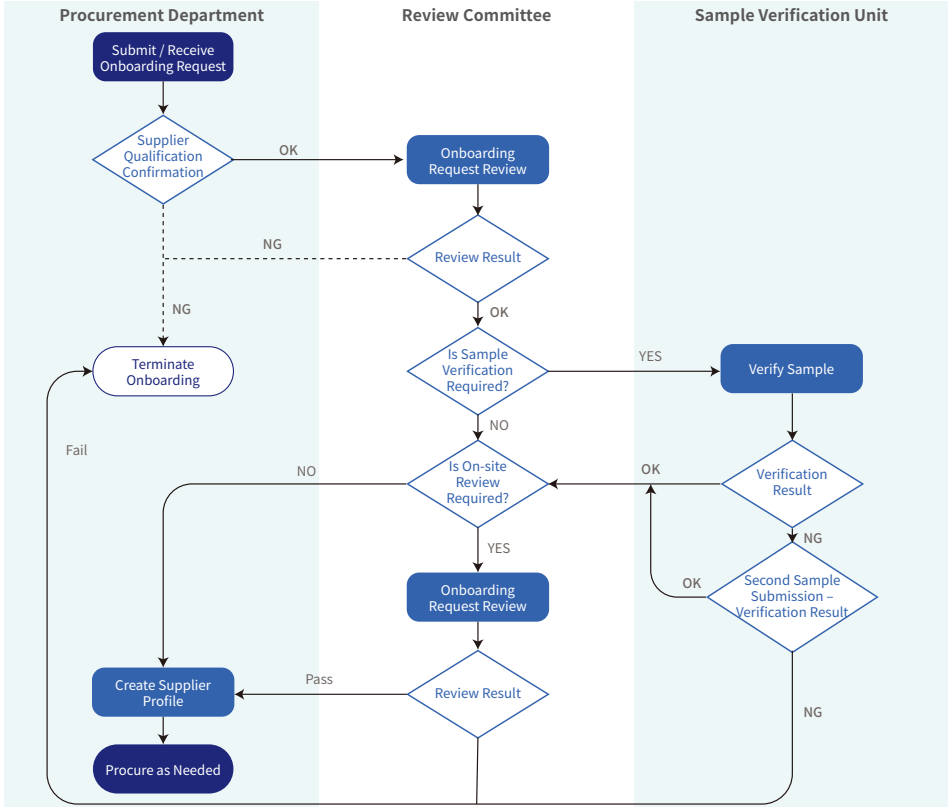
In regular performance reviews, suppliers are evaluated holistically against key indicators such as quality, cost, delivery, and service, while we maintain close communication with suppliers to ensure continuous improvement. For new suppliers of critical raw materials, once their products pass the Company's EV engineering verification, the Quality Assurance Department will arrange an on-site supplier audit. This audit follows the requirements of the Supplier On-Site Audit Checklist and comprehensively evaluates the supplier's overall assurance capabilities.

The on-site audit is structured around the following modules: system management, warehousing management, process management, supply chain management, QC Plan, and issue resolution. Together, these modules provide a comprehensive assessment of suppliers' core competencies and sustainability performance, while also substantively strengthening the review of suppliers' production processes.

Arizon Raw Material New Supplier Onboarding Flowchart



Arizon Miscellaneous New Supplier Onboarding Flowchart



Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

Regular Supplier Evaluation

To ensure the stable operation of the supply chain, we implement the following supplier evaluation procedures:

Annual Assessment

Every six months, qualified suppliers of key raw materials undergo an assessment. The assessment covers delivery quality, issue resolution, pricing, delivery timeliness, and service, and is carried out in accordance with the Supplier Sustainability Assessment Guidelines. The Quality Assurance Department compiles the assessment results and completes the Qualified Supplier Performance Evaluation Form; performance levels are assigned based on the suppliers' scores and submitted to the authorized supervisor for approval. The Quality Assurance Department then communicates the sustainability assessment results to the relevant suppliers using the Supplier Performance Evaluation Notification format. In 2025, the assessment coverage rate reached 100%, and the Company will continue to enhance the depth and breadth of the self-assessment content.

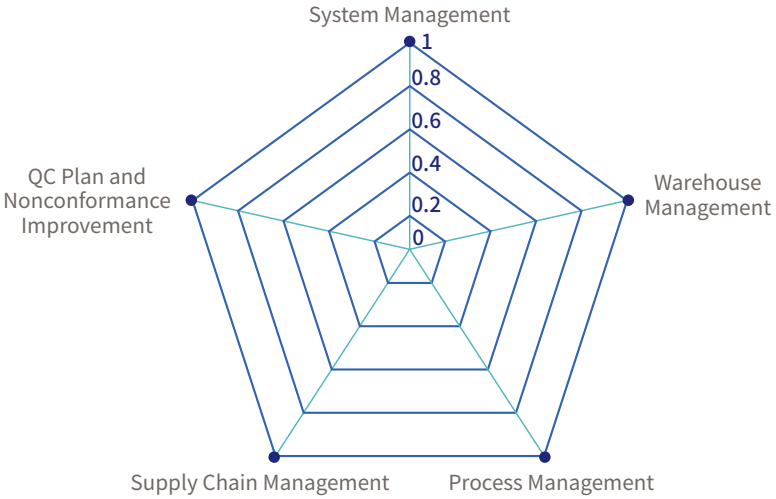
Annual On-Site Audit

For key raw material suppliers with domestic production bases, an annual audit plan is developed in the form of the Annual Audit Plan for Key Raw Material Suppliers. After approval by the authorized supervisor, on-site audits are conducted at supplier facilities according to the plan. Based on audit scores, suppliers are assigned evaluation levels, and corresponding improvement recommendations are provided.

In 2025, the Taipei plant planned to audit 6 existing qualified suppliers, and all 6 were audited, achieving a 100% completion rate. Among the audit results, 83.3% were rated Excellent and 16.7% were rated Good.

The China plant's audit scope covers system management, warehousing management, process management, supply chain management, QC Plan, and issue resolution; system management also encompasses risk management, chemical and environmental management, and social responsibility.

Arizon On-site Supplier Audit Scoring Items Chart



In 2025, Arizon's China plant planned to audit 9 existing qualified suppliers, and all 9 were audited, achieving a 100% completion rate.

Among the audit results, 55.6% were rated Excellent and 44.4% were rated Good.

Based on the different assessment results, subsequent management is carried out in accordance with the table below

Comprehensive Score	Evaluation Level	Management Plan
90 or above	Excellent	Reliable supplier, establish a long-term partnership
75-89	Good	Areas needing improvement, can be procured long-term
60-74	Average	Supervise improvements, limited procurement, need to choose backup suppliers
Below 60	Poor	Cancel qualified supplier status, select new suppliers

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

Supplier ESG Self-Assessment Questionnaire

In 2025, Arizon fully completed the ESG self-assessment of its key suppliers. The assessment results will serve as an important basis for subsequent supply chain risk control and continuous improvement. The assessment covers the following aspects:



Supplier ESG Self-Assessment (China plant)

		Remarks
Suppliers Surveyed	77	
Conducted Carbon Inventory	19	Mainly key raw material suppli-ers
Implementation Rate	24.68%	
Negative Findings on Sustainability and Social Responsibility	0	

Note: The survey scope includes raw material, equipment, parts, and tooling suppliers.



Green Product Procurement

Arizon is committed to promoting environmental protection and achieving sustainable development goals by actively implementing a green product procurement strategy to minimize the environmental impact of production processes. Through strict supplier selection and material procurement standards, we ensure that all products comply with international environmental regulations and standards, including but not limited to RoHS, REACH, the U.S. Toxic Substances Control Act (TSCA), and the EU POPs Regulation.

Key Developments in 2025:
To stay aligned with environmental regulations, customer requirements, and certification management standards, the Company has further tightened its controls on hazardous substances in production raw materials and cleaning chemicals:

1. The phthalates control program was expanded to 10 items, in line with the tightened requirements of CP65 (California Proposition 65).
2. The following items were added, mainly to meet management requirements for footwear and apparel products:
   - Chlorophenols (monochlorophenol (DCP), dichlorophenol (DCP), trichlorophenol (TrCP), tetrachlorophenol (TeCP), and pentachlorophenol (PCP)) and o-phenylphenol (OPP);
   - N-nitrosamines;
3. UV-328 was added, in line with the requirements of the POPs ban (Official Journal of the European Union).
4. Hexachlorobenzene (HCB), polychlorinated biphenyls (PCB), and polychlorinated terphenyls (PCT) were added, in line with the requirements of Australia's Industrial Chemicals Environmental Management (Register) Amendment (2024 Measures No. 2) Instrument 2024.

Looking ahead, the Company will continue to expand the scope of green product procurement, explore more sustainable material options, and further reduce the environmental footprint of its production processes. We believe that through continuous effort and innovation, we can achieve a greener and more sustainable future.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

Conflict Minerals Management

The Company continuously monitors the latest updates on the official website of the Responsible Minerals Initiative (RMI) (www.responsiblemineralsinitiative.org) and, in accordance with the reporting templates published by RMI (RMI_CMRT and RMI_EMRT), conducts due diligence on suppliers regarding the use of conflict minerals such as tantalum (Ta), tin (Sn), gold (Au), tungsten (W), cobalt (Co), and mica. At the same time, we actively promote our Conflict Minerals Policy and Related Requirements to ensure alignment with international standards and responsible supply chain principles.

With respect to key raw materials, the Company has confirmed that, apart from the gold, tungsten, tantalum, and tin contained in chips and the gold contained in conductive adhesives, all other raw materials are free from tantalum, tin, gold, tungsten, cobalt, and mica. All raw materials containing the above-mentioned elements are sourced from qualified smelters that are legally registered, ensuring that their origins comply with applicable regulations and ethical standards.

To achieve the goal of 100% compliant mineral usage by key raw material suppliers, the Company actively references the latest list of validated smelters published by RMI to strengthen supply chain risk management. In 2025, the Company completed a detailed survey of raw material suppliers and conducted reviews of major suppliers covered in our qualified supplier list. Audit results confirmed that all 3TG materials used were not sourced from conflict-affected regions. In addition, 100% of key suppliers have signed compliance commitment statements, ensuring that our material sourcing aligns with international standards and effectively reduces risk.



Percentage of Local Procurement of Products and Services

Unit: NT$ thousands		2023	2024	2025
Taipei	Local Supplier Procurement Amount	57,468	34,871	40,024
	Total Procurement Amount	386,643	649,659	621,193
	Local Procurement Percentage	15%	5%	6.44%
Mainland China	Local Supplier Procurement Amount	485,455	536,253	722,330
	Total Procurement Amount	1,355,067	2,134,219	2,156,497
	Local Procurement Percentage	36%	25%	33.50%
Vietnam	Local Supplier Procurement Amount	-	-	13,059
	Total Procurement Amount	-	-	339,628
	Local Procurement Percentage	-	-	3.85%
United States	Local Supplier Procurement Amount	-	-	0.707
	Total Procurement Amount	-	-	1,431
	Local Procurement Percentage	-	-	0.05%

Note: Foreign currency amounts in this table are converted at approximate exchange rates of NT$30 = US$1, NT$34 = EUR 1, and NT$1 = VND 850.

The core raw materials required in the RFID industry, including chips, antennas, and conductive adhesives, are mainly controlled by foreign suppliers. Since chips, antennas, and conductive adhesives account for a relatively high share of costs, procurement amounts increase as production capacity and shipment volumes grow. Consequently, the proportion of non-local procurement also rises, resulting in a gradual decline in the local procurement ratio year by year. Going forward, Arizon will actively seek local manufacturers to increase the proportion of local procurement. In 2025, the Company continued to promote local procurement: the local procurement ratio in the Taipei region rose from 5.0% to 6.44%, an increase of 1.44 percentage points, while that in Mainland China rose from 25.0% to 33.5%, an increase of 8.5 percentage points, demonstrating the Company's continued deepening of cooperative relationships with local suppliers.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

2025 Performance Highlights

The Company continues to refine its sustainable supply chain management mechanisms, moving sustainability from policy adoption to institutionalized management and performance tracking. Supplier qualification reviews and performance evaluations are conducted on a regular basis, and new suppliers are required to complete survey information and sign the integrity and environmental protection commitments, ensuring that supply chain operations comply with the principles of ethical corporate management and environmental responsibility. In addition, we are currently conducting local verification in Taipei for paper-based materials (release paper). If successful, this initiative is expected to effectively reduce transportation-related carbon emissions, further advancing our energy conservation and carbon reduction goals and driving environmental sustainability.

At the same time, we established sustainable procurement guidelines to ensure transparency, fairness, and integrity in procurement practices, thereby fostering strong business relationships with suppliers and safeguarding mutual trust. Together with our partners, we commit to complying with relevant laws, international codes of conduct, and human rights policies to ensure that every aspect of the supply chain adheres to ethical standards. We also encourage supplier innovation and sustainability initiatives while providing equal opportunities for fair competition, steering the supply chain toward greater sustainability and accountability. To this end, in 2024 we issued the Supplier Code of Ethics and Business Conduct, which clearly communicates the Company's commitments to corporate social responsibility, including regulated operations, environmental protection, shared well-being, integrity and anti-corruption, accountability, and continuous improvement. These measures not only demonstrate our commitment to environmental protection and social responsibility but also highlight our strong emphasis on carbon emissions and resource use in supply chain management. Going forward, we will continue to strengthen collaboration with suppliers to co-create a more resilient and sustainable supply chain.



Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

2.5 Product Quality and Safety

Impact

The durability and reliability of RFID tags may be affected by various environmental, physical, chemical, and electromagnetic interferences. Such impacts may lead to tag failure, reading difficulties, or data errors, making it difficult to ensure stable operation. This increases customers' processing risks, reduces production efficiency, and negatively affects customer satisfaction and corporate competitiveness.

Policy Commitment

Integrity
Arizon team members are expected to uphold proper values, with no deception and no falsification, and to take full responsibility for the products they deliver.

Trustworthiness
Build credibility for products with superior quality, zero defects, high reliability, and precise delivery schedules.

Excellence and Innovation
Keep pace with the latest technological capabilities, continuously exceed the status quo, and create new models to deliver value for customers.

Actions Taken

- Strictly enforce product development and mass production processes, ensuring all products undergo the DV, EV, PV, and FMP stages and achieve a 100% pass rate in product reliability testing to guarantee stability and dependability.
- Implement a comprehensive product inspection process, from IQC, FAI, and IPQC to FQC, monitoring every stage to ensure compliance with specifications and meet quality standards.
- Conduct rigorous reliability verification for new and mass-produced products in line with the industry's most stringent standards to ensure stable and reliable performance for every batch.
- Regularly review standards and processes, evaluate the implementation of quality inspections, develop process training materials to enhance employee skills, and analyze production yield and inspection data to ensure effective implementation of requirements.
- Through self-inspection and finished product inspection records, continuously monitor and improve product quality, ensuring all production processes meet specifications and promoting quality management and continuous improvement.

Evaluation Mechanism

- 100% of new products must pass PV review.
- Collect and analyze inspection data in weekly quality meetings to drive improvements.

Goals

Short-term goals
- 100% of mass-produced products pass reliability testing.
- 100% of shipped products pass the full inspection process.

Mid- to long-term goals
- Enhance failure analysis capabilities and continue improving product quality.

Performance Results

- All shipped products are required to pass a complete and rigorous quality inspection process covering incoming material inspection, in-process quality control, and final outgoing testing, ensuring that product quality meets customer needs and applicable specifications. In 2025, 100% of shipped products passed the full inspection process, demonstrating the Company's strong commitment to quality management and its customers.
- To ensure product stability and durability in actual use environments, the Company continues to conduct reliability testing on mass-produced products, including environmental testing, functional testing, life testing, and other verification procedures, to reduce product risks and enhance product reliability. In 2025, the reliability test pass rate for mass-produced products reached 100%, reflecting excellent performance in product design, process management, and quality control.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

Stakeholder Engagement

- Internal and external audits are conducted regularly each year to comprehensively review and verify the effectiveness of the quality management system, ensuring that all processes comply with applicable regulations, customer requirements, and the Company's management standards, while audit results are used to continuously optimize management mechanisms and operational efficiency.
- At least one management review meeting is held each year to comprehensively review the Company's operational performance targets, risk management implementation, and improvement measures. Through cross-departmental communication and decision-making mechanisms, the suitability, adequacy, and effectiveness of the management system are continuously enhanced, ensuring that overall operations remain aligned with the Company's strategic direction and sustainable operation goals.
- Customer satisfaction surveys are conducted regularly each year. Through multiple channels, including questionnaire feedback, customer interviews, complaint handling, and service record analysis, customer needs and suggestions are collected, and improvement plans are formulated based on survey results, continuously enhancing product quality, service experience, and the effectiveness of customer relationship management.
- Company-wide R&D management meetings are held quarterly to integrate R&D resources and technical exchanges across departments, review product development progress and innovation results, and continue investing in new technology research and product optimization, thereby strengthening the Company's core competitiveness and overall innovation and R&D capacity.

Quality Management Policy

"Integrity, Reliability, and Innovation" are the core business principles of Arizon. The Company places great importance on product quality management and has established a comprehensive quality management system. By continuously optimizing processes and implementing advanced information technologies, Arizon is able to predict risks in a timely manner, detect potential product quality issues, and implement corresponding preventive and corrective measures to achieve the goal of product quality stability.

Arizon's production bases manufacture products and control quality in accordance with unified production and quality management standards, delivering stable product performance and high yield rates. The Company's plant in Mainland China obtained IATF 16949 Global Automotive Industry Quality Management System certification in 2019, while the Taipei plant obtained ISO 9001 Quality Management System certification in 2021, placing our product manufacturing quality management at a leading level in the industry. Moreover, after years of effort, the Company successfully obtained ARC Quality Certification at the end of May 2022. The ARC quality certification, established specifically for RFID tags, covers all aspects of design, verification, production, and quality control, with highly stringent standards, and Arizon was the first company in the Asia-Pacific region to obtain this certification. Since first obtaining the certification, the Company has continued to implement internal improvements and has passed each annual review, maintaining its certified status from 2022 through 2025. As of the end of 2025, only six companies worldwide have obtained and maintained ARC certification.

Leveraging this achievement, we have actively expanded into projects that require this certification, such as Walmart Home and applications for renowned international courier companies. Through our product and technology solutions and outstanding collaboration and service quality, Arizon has entered into cooperation and supply agreements with multiple international companies.

Quality System Management Certifications

Taipei ISO 9001:2015



Mainland China IATF 16949

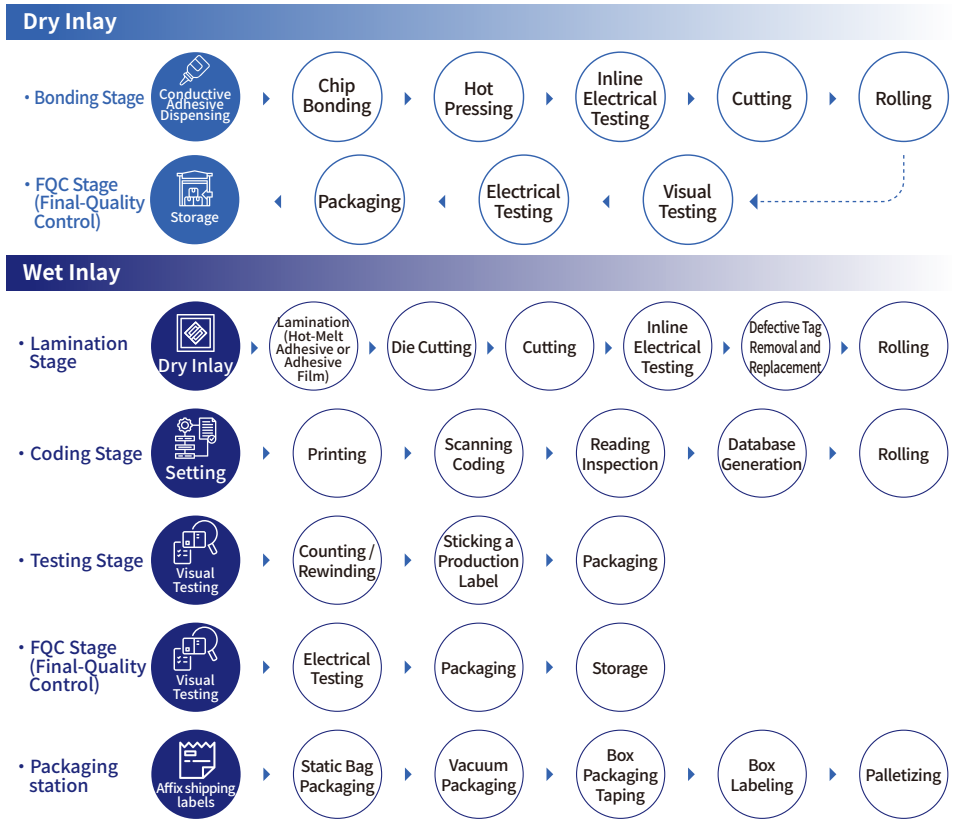


Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

Production Process

The Company's primary products are RFID tags, which are mainly applied in retail, transportation and logistics, industrial manufacturing, and healthcare. Depending on whether adhesive is applied, the products are classified into Dry Inlay and Wet Inlay. The Company adopts the flip-chip process for production.

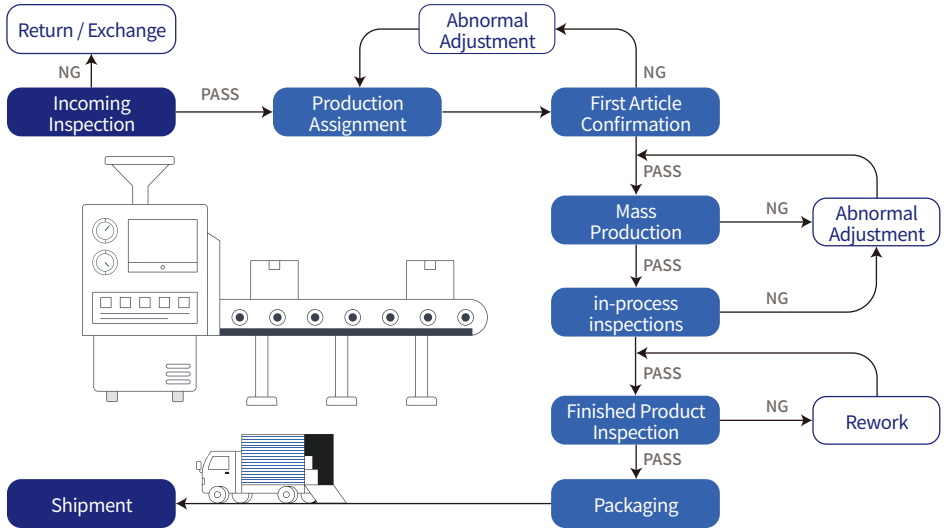
The main production stages are illustrated in the following diagram:



Quality Inspection Process

To ensure that Arizon's products meet standard quality requirements, we have established a comprehensive quality inspection process, implemented and supervised by the Quality Assurance Department. Beginning with incoming material inspection, we strictly monitor the quality of raw materials. If materials fail to meet standards, they are either specially approved for use or returned/replaced depending on the severity of the nonconformance, ensuring that all raw materials used in production meet finished product quality control requirements. Production then proceeds with job assignment, during which first-article inspections and in-process inspections are conducted to verify product quality during manufacturing. Afterward, mass production and final product inspections are carried out to ensure that products throughout the production process meet standards. Finally, products are packaged and shipped to customers, delivering high-quality products and services.

If abnormalities are found during incoming inspection, Supplier Quality Engineers (SQE) from the Quality Assurance Department lead follow-ups with suppliers for analysis and improvement. If quality abnormalities are found during production or finished product inspection, process engineers from the Engineering Department are responsible for investigating and reviewing the abnormality and taking the necessary corrective actions to prevent recurrence. Arizon is committed to continuously improving its quality inspection process to ensure that the Company's products consistently meet customer and market expectations, while building a trustworthy brand reputation.



Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

Product Quality and Safety

In response to growing international consumer awareness of environmental protection and increasingly stringent environmental regulations, Arizon has established a Hazardous Substances Management Policy based on international environmental standards and customers' hazardous substance control requirements. The policy covers restrictions on RoHS, REACH, halogen, and TSCA substances, as well as conflict minerals management. In accordance with relevant regulations and standards, the Company has built a comprehensive quality control system and strictly requires compliance from both production units and suppliers. From the development stage, products are designed and materials selected in accordance with these standards, and subsequent supplier materials and quality requirements, as well as product manufacturing and sales, are strictly controlled under the same standards, ensuring that all supplied products are environmentally friendly, healthy, safe, and compliant with international environmental regulations.

All Arizon products undergo quality testing to ensure they pose no risk to customer health or safety. In 2025, the Company had no incidents of non-compliance with regulations concerning products, services, health, safety, or voluntary codes.



Product Data Security Management

RFID (Radio Frequency Identification) technology has been widely applied in the identification and tracking of various products, but it also brings certain security risks. Below are the methods for identifying and addressing data security risks in RFID products:

Risk Identification

Unauthorized access
Unauthorized individuals may exploit RFID technology to gain access and obtain sensitive data.

Data theft
Hackers may intercept RFID signals and steal transmitted sensitive information, such as personal identity data or trade secrets.

Forgery and tampering
Hackers may forge RFID tags or alter the data stored in them, leading to confusion or fraud.

Wireless interference
Communication may be disrupted by wireless interference, affecting normal system operation or data accuracy.

Location tracking
The location-tracking function of RFID tags may be misused, infringing on personal privacy.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

Solutions



Encryption and authentication
Encrypt RFID communications and implement strong authentication mechanisms to ensure that only authorized users can access sensitive data.



Privacy protection
Incorporate privacy protection into RFID system design, such as restricting the use of location-tracking functions and collecting only necessary data.



Secure protocols
Implement secure protocols, such as TLS (Transport Layer Security), to protect sensitive information in RFID communications.



Physical security measures
Place RFID readers in secure areas and limit physical access to prevent unauthorized access and attacks.



Vulnerability management
Conduct regular vulnerability scans and security reviews of RFID systems and promptly remediate known security flaws.



Security training
Provide staff with training on RFID security best practices to raise their awareness of potential risks.



Continuous monitoring
Implement continuous monitoring mechanisms to detect and respond to any abnormal activities or unauthorized access in a timely manner.



Compliance checks
Regularly conduct compliance audits to ensure RFID systems meet relevant security standards and regulations.

These measures can help organizations mitigate RFID product data security risks and safeguard sensitive information from unauthorized access and attacks.

Education and Training

To ensure that all employees possess the necessary quality awareness and skills and to enhance product and service quality, the Company holds quality education and training from time to time to strengthen employees' understanding of the Quality Management System (QMS).

Based on on-site quality conditions, quality training on the following topics is arranged as needed:

- Abnormality handling and defect prevention
- Standard Operating Procedures (SOP) and document control
- Internal audits and corrective actions for non-conformities (CAPA)
- Customer satisfaction and complaint handling
- Risk management and continuous improvement (e.g., PDCA and FMEA analysis)

Based on actual needs, training is arranged promptly when quality abnormalities occur or new standards are introduced, with records kept of participants, training content, dates, and hours. Post-training quizzes or hands-on exercises are conducted to evaluate learning outcomes, and post-training quality improvements, such as changes in defect rates and reductions in customer complaints, are tracked to foster a culture of continuous improvement.

Training courses held at the Mainland China plant in 2025 were as follows

1. Quality Philosophy Training for All Employees
To instill quality awareness among employees and build a consistent quality culture, in December 2025 the Company held a quality philosophy awareness training session for all employees entitled "Building a Solid Quality Foundation for an Excellent Future," providing an in-depth interpretation of the Company's quality policy, the impact of non-conformities on the Company and its customers, and the code of quality conduct, thereby strengthening quality awareness across the workforce.

2. Training on SPC X-bar-R Control Chart Operating Standards
To reduce the difficulty of applying SPC X-bar-R (mean-range) control charts to analyze key characteristics of key processes, the Quality Assurance Department led the development and standardization of SPC X-bar-R control chart operating procedures, clarifying the responsibilities of relevant departments, the operating workflow, and the meaning of input and output data. This enhanced the ability of engineering and technical personnel to analyze and resolve problems using statistical techniques.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

Product Marketing and Labeling

In addition to meeting customers' high product quality standards, all Arizon products are provided with appropriate packaging and detailed product information labeling in accordance with regulations, including raw materials, substance compositions, and product safety data sheets. In 2025, the Company had no incidents of non-compliance with regulations concerning product and service information and labeling, nor any violations of marketing communication regulations.

Requirements for Product and Service Information and Labeling

Source of Product Components / Ingredients	Based on BOM List / Suppliers of Each Raw Material
Content Ingredients of the Product	• Refer to the Safety Data Sheets (SDS) for each raw material. • The product composition can be presented in the SDS, indicating the substances and their proportions contained in the raw materials.
Safety of Product or Service Use	• Refer to the Safety Data Sheets (SDS) for each raw material.
Product Disposal and Its Environmental / Social Impact	• Refer to the product specifications



Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

2.6 Innovation and R&D

Impact

Failure to meet customer needs and expectations may result in products not aligning with market trends, thereby affecting customer satisfaction. A lack of sustainable innovation could cause the Company to lose competitiveness in the market, missing business opportunities tied to the green transition and weakening its market position. In the event of intellectual property disputes, the Company's future competitiveness, corporate reputation, and customer trust may be undermined, potentially leading to talent attrition.

Policy Commitment

1. Intellectual property protection
   Committed to maintaining and respecting intellectual property rights, both our own and those of others, ensuring that all R&D activities and product development are carried out within legal and ethical frameworks to avoid infringement of any kind.
2. Transparency and collaboration
   Committed to maintaining a high degree of transparency in handling intellectual property matters and keeping open communication channels with all stakeholders, including partners, customers, and intellectual property rights holders.
3. Ongoing education and training
   Committed to providing employees with regular intellectual property education and training to enhance their awareness and understanding of the importance of IP protection.
4. Innovation and respect
   Encouraging innovation while committing to respect other innovators in the market and their intellectual property rights, thereby fostering a fair competitive environment.

Actions Taken

1. Intellectual property training
   Conduct regular training sessions to strengthen employees' awareness of patent management and intellectual property protection.
2. Technology upgrades and product optimization
   Continuously improve RFID products to enhance performance and energy efficiency, while integrating IoT technology to develop smart solutions.

Actions Taken

3. Quality management reinforcement
   Optimize production processes to ensure a yield rate of at least 99.7%, supported by precision testing equipment and data analytics tools.
4. Patent and competitive strategy
   Analyze competitors' patents to adjust R&D directions, and establish a patent bonus system to encourage innovation and safeguard market position.
5. Cross-departmental collaboration and market validation
   Collaborate with the marketing function, hold regular R&D meetings, and validate technical feasibility through pilot projects.
6. Sustainable materials and process innovation
   Use recyclable materials for RFID tags and optimize processes to reduce carbon emissions, thereby strengthening green competitiveness.

Evaluation Mechanism

The Company's R&D and Finance and Accounting departments jointly manage the achievement rate of annual targets. For targets not met, root causes and countermeasures are analyzed, and improvement measures are set for the following year.

Goals

Short-term goals
1. Invest 3.5% of annual revenue in R&D.
2. Submit at least 10 patent applications per year.
3. Hold at least one intellectual property training session per year.
4. Track production yield rates monthly; for yields below 99.7%, identify root causes and implement improvement measures.

Mid- to long-term goals
1. Optimize the patent proposal system to increase submissions.
2. Ensure each team in R&D meetings focuses on technological foresight, depth, and competitiveness.
3. Strengthen strategic and defensive new product technologies.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

Performance Results

1. In 2025, R&D expenditure accounted for 3.46% of revenue.
2. A total of 58 patent applications were filed in 2025: 16 filed in Taipei, with 13 patents granted, and 42 filed in Mainland China, with 51 patents granted (including design patents, utility models, and invention patents). (The granted counts above include patents whose applications were not filed in 2025.)
3. Two intellectual property training sessions were arranged in 2025: at the Taipei site on November 3, 2025, and at the Mainland China site on September 11, 2025.

Stakeholder Engagement

1. Disclose relevant information regularly on the Market Observation Post System (MOPS).
2. Communicate with stakeholders through the annual shareholders' meeting and quarterly investor conferences.
3. In 2025, the R&D team and the sales department held four major marketing meetings focused on R&D and innovation topics. These meetings were aimed at ensuring that product development directions are closely aligned with market needs and reinforcing the Company's innovation edge in a highly competitive market.

Technology and R&D Overview

Since its establishment, the Company has been dedicated to building a professional R&D team, staying abreast of RFID technology development trends, and exploring market applications in depth. Our focus lies on the core performance indicators of RFID tags, including frequency energy, read/write speed, reading distance, transmission rate, reliability, and consistency.

We integrate expertise from multiple fields, such as integrated circuit technology, communications technology, and materials science, and combine it with our own reader development experience to deliver a range of products that meet customer application needs. Our products include paper-based silver paste tags, fragile tags, microwave tags, metal tags, and textile tags.

To maintain our technological leadership, we continuously enhance product performance and actively promote to customers innovative products that meet both current and future market demands. This effort aims to accelerate the pace of product renewal in the industry and consolidate the Company's technological leadership in the RFID field.

RFID stands for Radio Frequency Identification, also known as wireless radio-frequency technology. RFID technology has evolved to span numerous fields, including logistics, defense, retail, healthcare, food, transportation, and access control. An RFID system mainly consists of tags, readers, and computer systems. Through wireless communication, digital data stored in the chip of an RFID tag is transmitted in a contactless manner to the reader, which then relays the captured and identified information to a backend computer application system for further processing, use, or value-added applications. Compared with traditional barcodes, RFID offers multiple advantages, including faster scanning, simultaneous processing of multiple data entries, built-in data storage, updatable and modifiable data, reusability, and resistance to oil and stains.



Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix



RFID tags serve as the transceiver components of an RFID system, operating primarily by using radio frequencies, such as electromagnetic induction and microwaves, to identify targets and transmit or read data without mechanical or optical contact. Since its establishment, the Company has built a professional R&D team that closely monitors RFID technology development trends and market applications, focusing on performance indicators of RFID tags such as activation frequency energy, read/write speed, read/write distance, transmission speed, reliability, and consistency. By deeply integrating technologies from multiple professional fields, including integrated circuit technology, communications technology, and materials science, and drawing on its own reader development experience, the Company has developed a range of products that meet customer application needs, including paper-based silver paste tags, fragile tags, microwave tags, metal tags, textile tags, and tube tags. To maintain its leading position, the Company continuously improves product performance and recommends to customers new products that meet both current and future market demands, accelerating the pace of product renewal within the industry and maintaining the Company's technological leadership in the sector.

Technologies and Products Successfully Developed in 2025

Continued Expansion of the ARC Product Portfolio

ARC products continued to be developed in depth, with compact size, low power consumption, and high integration as the core directions. With an ultra-compact size of 16 x 42 mm, the product can pass six ARC Specs simultaneously, combining miniaturization with high reliability to meet diverse application needs in industrial, automotive, medical, and other scenarios.

Ultra-Thin Long-Range Anti-Metal Tags

The ultra-thin anti-metal tag achieved a key breakthrough in thickness, substantially reduced from the conventional 1 mm to 0.4 mm, greatly lowering the space required for installation and readily accommodating slim, integrated metal-surface applications. It is also compatible with conventional printers, enabling one-stop printing of barcodes and other information without dedicated industrial printers. Combining an ultra-thin structure, anti-metal performance, and ease of mass production, it offers clear advantages in scenarios such as equipment management and traceability of small metal parts.

Bulk-Reading Tags for Small-Diameter Medical Reagent Tubes

Breaking through the identification limits of small-diameter medical test tubes, this product overcomes reading challenges arising from narrow diameters, dense arrangements, and liquid interference, enabling both high-speed reading of individual tubes and batch bulk reading of densely packed tubes, and substantially improving inventory-taking and circulation efficiency. The product is fully compatible with common protocols and testing specifications in the medical industry, establishing a common application standard for the smart identification of small-diameter test tubes and supporting more efficient and compliant end-to-end sample traceability.

Automatic Inspection and Automatic Tag Replacement System

An automatic RFID tag inspection and defective-tag replacement system was developed. It automatically detects appearance defects with high accuracy and strong consistency, and when a defective tag is detected, replaces it with a good one without stopping the machine, improving overall production efficiency. By replacing manual visual inspection, it reduces missed and false detections, lowers rework and customer complaints, and steadily improves yield rates.

Automatic Roll Splitting, Warehousing, and Packaging System for Small-Roll Products

Automatic roll-splitting equipment for small-diameter rolls was developed, featuring non-stop roll changing and integrating counting, roll splitting, and code reading into a single automated process. This streamlined the process flow and nearly doubled equipment capacity, enhancing the Company's competitiveness in the industry.

Rapid Tag Prototyping Process

A "multi-layer lamination" process was developed and integrated into flatbed die-cutting equipment through customized equipment development, combining rapid sample production and testing into a single workflow and establishing a rapid tag prototyping capability characterized by "small batches, short lead times, and high quality." Sample production costs for small batches were reduced by 20%, and delivery within 3 days of order receipt is now achievable, significantly enhancing the Company's order-taking capacity and customer satisfaction.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

Percentage of R&D Expenses to Revenue

Unit: NT$ thousands

Item / Amount	2023	2024	2025
R&D Expenses	102,290	184,009	136,756
Revenue	2,685,946	4,612,422	3,952,716
Percentage of Revenue (%)	4 %	4 %	3 %

Percentage of R&D Staff in Total Workforce

Unit: Persons

Item / Headcount	2023	2024	2025
R&D Personnel	46	47	45
Total Employees	664	862	787
Percentage of Total Employees (%)	7 %	5 %	6 %

Patent and Trademark Portfolio

Patents	Taipei	Mainland China	Total
Applications Filed	110	755	**865**
Granted	94	702	**796**
Under Review	16	53	**69**

Trademarks	Taipei	Mainland China	Total
Applications Filed	17	5	**22**
Granted	17	5	**22**
Under Review	0	0	**0**

Note: Data as of December 31, 2025.
Note: This table is compiled by applicant/rights-holder entity rather than by country of application. "Mainland China" and "Taipei" refer to Arizon RFID Technology Co., Ltd. (Mainland China) and the Taipei site of Arizon RFID Technology (Hong Kong) Co., Ltd. respectively. Patents are counted by applicant entity, and trademarks by rights-holder entity.

Confidential Information Protection

To safeguard confidential information, the Company has established the Patent Review and Incentive Policy and the Confidential Document Management Policy, which set out its management system for patents and confidential information. The Company's work rules also stipulate the Employee Code of Conduct, providing employees with clear working principles to follow. In 2013, in response to amendments to the Trade Secrets Act, the Company further introduced the Employee Integrity, Confidentiality, and Intellectual Property Agreement to strengthen the protection of trade secrets, safeguard business interests, and maintain competitiveness. This agreement is included among the required onboarding documents for all new employees.

Future Challenges and Response Measures

1. Inconsistent Standards Across Countries

Standards are one of the key constraints on RFID development. Each RFID tag has a unique identification code; however, if data formats are diverse and incompatible, products using different standards will not be interoperable, restricting the flow of goods under globalization. The ability to unify standards will therefore be a key factor in the global development of RFID. Since data format standards involve the interests and security of individual countries, achieving mutual compatibility so that an RFID product can circulate smoothly under global standards remains an issue that RFID manufacturers must resolve. The constraint of standards therefore represents a certain degree of operational risk for the Group.

Response measures

- Develop new technologies and products that comply with local standards in line with market trends, thereby securing a first-mover advantage in the relevant applications.
- Enhance product added value and differentiation by delivering high-quality customized products, while establishing long-term partnerships with key customers and suppliers.
- Adjust sales strategies based on order forecasts provided by key customers and regional market changes to respond effectively to market fluctuations.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

2. Rising Production Costs Due to Wage Increases at Manufacturing Bases

The Company's main production sites are located in Mainland China, where continued wage increases and labor shortages have driven up the Company's operating costs.

Response measures

- Continue to promote production automation to reduce labor costs and enhance production efficiency.
- Strengthen employee benefits to enhance loyalty and reduce turnover, and reinforce professional training to improve employee productivity.

3. Difficulty in Recruiting R&D Talent

As domestic ID design and electronics-related industries have seen stronger development, a crowding-out effect has emerged for the RFID industry. Consequently, the Company may face the risk of insufficient professional and technical talent.

Response measures

- Ensure knowledge transfer in R&D and establish industry-academia collaboration with domestic and international academic institutions, including internship programs, to improve the technical expertise of R&D staff and enable STEM talent to join the RFID industry earlier.
- As a publicly listed company on the Taiwan stock market, enhance corporate visibility and management transparency to attract R&D professionals and lay a solid foundation for sustained growth.
- In addition to recruiting outstanding external talent, strengthen professional training programs to further develop the technical expertise of existing employees.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

Intellectual Property Management Plan

The Company focuses on the research, development, and application of RFID and IoT technologies, and intellectual property is one of its core competitive strengths. To safeguard and strengthen the related rights and interests, the Company has established multiple management and protection mechanisms, and intellectual property matters are reported to the Board of Directors at least once a year, with the most recent report made on November 11, 2025.

Protection of Patents and R&D Achievements

- As the top priority, build on conventional RFID tag technologies combined with new materials to develop diversified applications, and continuously file patents and build portfolios covering antenna design, tag structures, and production processes.
- Extend new RFID tag applications to RFID readers, IoT gateways, and beyond, and, based on standard RFID communications, expand patent filings and portfolios from algorithms and application software to edge computing.
- Build on the ID physical layer and network layer, and advance into application software to develop patent filings and portfolios for complete IoT system solutions.
- Regularly review and maintain granted patents and trademarks.

Protection of Confidential Information and Technology

- Access controls are applied to R&D design files, antenna simulation data, and program code.
- A zero-trust architecture and AI-powered zero-day antivirus software have been adopted to ensure that internal and external personnel can access only the data necessary under their authorization, reducing the risk of technology leakage.

Internal Policies and Contractual Provisions

- The Intellectual Property Management and Incentive Policy has been established to encourage R&D personnel to actively engage in innovation and patent applications, and to ensure transparency in the ownership and utilization of intellectual property rights.
- All employees and business partners are required to sign non-disclosure agreements (NDAs), and the ownership of intellectual property rights is clearly stipulated in cooperation contracts.

Education and Awareness Enhancement

Intellectual property and information security training is held annually to strengthen employees' understanding of the patent application process, trade secret protection, and infringement risks. Two training sessions were arranged in 2025: at the Taipei site on November 3, 2025, and at the Mainland China site on September 11, 2025.

External Collaboration and Risk Control

- Work with patent firms to build a comprehensive RFID/IoT patent map and technology portfolio.
- Continuously track competitors' international intellectual property trends, with particular attention to RFID, wireless communications, and IoT-related standards, to avoid infringement risks and capture new opportunities.

As of the end of October 2025, the Company (including Group subsidiaries) had filed approximately 925 patent applications, with approximately 829 patents granted, with portfolios in Taiwan, the United States, China, Japan, and South Korea, covering the principal R&D, manufacturing, and sales locations of the relevant products.

The Company's plant in Mainland China has obtained GB/T 29490-2013 Intellectual Property Management System (IPMS) certification (issued by Zhonggui (Beijing) Certification Co., Ltd. and valid until December 24, 2026). The certification covers intellectual property management for the R&D, production, and sales of RFID products and related procurement, demonstrating the Company's institutionalized achievements in intellectual property governance and protection.



Intellectual Property Management System (IPMS) certificate)

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

2.7 Customer Relationship Management

Impact

Poor customer relationships may negatively affect client perceptions of the Company, thereby reducing customer satisfaction and willingness to repurchase. A strong partnership is an important prerequisite and foundation for business development; it is not merely a commercial relationship but also a bond of trust, helping the Company stabilize business operations, increase sales, and enhance customer loyalty.

Policy Commitment

Adhering to the principles of honesty and integrity, reliability and trust, and excellence and innovation, Arizon provides customers with multiple feedback channels and has established a standardized customer satisfaction survey system. Improvements are made based on customer feedback to maintain good relationships with customers.

Actions Taken

Conduct two customer satisfaction surveys annually to understand client perspectives in real time and implement continuous improvements based on the results. Establish multiple communication and feedback channels to shorten communication time between customers and the Company and enhance communication efficiency. Set up a customer complaint and customer product analysis system to conduct targeted analysis of the root causes of each case and the corresponding improvement measures.

Evaluation Mechanism

KPI performance reviews and customer satisfaction surveys are conducted every six months, with the results analyzed and improvements implemented. The Sales Department conducts regular evaluations and reports the results to the Quality Assurance Department and management representatives.

Goals

Short-term
Maintain customer satisfaction at 93% or above.

Mid- to long-term
Maintain customer satisfaction at 95% or above.

Performance Results

In 2025, the customer satisfaction survey results were 96.1% for Taipei and 98.47% for Mainland China.

Stakeholder Engagement

Customer satisfaction surveys are conducted once every six months. For any product-related inquiries, customers may contact the Company through its official website or the contact information of their sales representatives, and all communications are handled in strict confidentiality.

Customer Service Strategy

Arizon's services are customer-centric, with the core objectives of meeting customer needs and enhancing customer satisfaction. To enhance customer satisfaction, the Company conducts annual questionnaire surveys to understand customer perspectives and to gather comments and suggestions on product pricing, product quality, service quality, and delivery quality. Customer Satisfaction Survey forms are distributed to customers via email or fax, inviting them to evaluate the quality of the Company's products (services). The results are compiled, registered, and archived as a reference for business strategies and operational improvements, so as to strengthen product and service quality, with continuous improvements implemented based on the results. In addition, Arizon regularly organizes customer business meetings, customer technical meetings, product quality control activities, product lifecycle management, product exhibitions, exchange visits, new product recommendations, presentations of the Company's competitive advantages in the industry, information security communications, as well as customer plant audits, goods inspections, and site visits, thereby increasing customer engagement and fostering long-term, stable cooperation with customers.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

Privacy Protection Policy

Arizon respects the privacy of every customer and enforces strict policies on intellectual property protection and confidentiality. Employees are obligated to safeguard the Company's confidential information and intellectual property, as well as confidential information obtained from customers, suppliers, and related parties during business activities. Mainland China plant has established privacy protection management procedures. To ensure effective protection of customer privacy, Arizon signs Non-Disclosure Agreements (NDAs) with customers, assigns codes in place of customer names so that only codes are used in internal production flows, and requires employees in critical positions to sign confidentiality agreements, ensuring that customer information does not leave the Company and is managed in a systematic and secure manner. As of the end of 2025, the Company achieved outstanding results in protecting customer privacy and customer data. No incidents of customer privacy infringement or loss of customer data giving rise to customer complaints occurred, and there were no violations of laws or regulations related to product and service information and labeling.

Customer Satisfaction Survey

To understand customer opinions, Arizon conducts annual questionnaire surveys to learn about customer perspectives. The survey covers product quality aspects, including product yield rate, packaging quality, and product reliability; delivery aspects, including transportation methods and on-time delivery; service aspects, including website technical information, service response speed, sales personnel professionalism, and complaint-handling attitude; as well as product pricing. Customer Satisfaction Survey forms are distributed to customers via email or fax, inviting them to evaluate the quality of the Company's products (services). The results are compiled, registered, and archived as an important reference for business strategies and improvements in operational direction, strengthening product and service quality through continuous improvement to ensure the effective enhancement of after-sales service quality. In 2025, the customer satisfaction survey results were 96.1% for Taipei and 98.47% for Mainland China. Arizon will continue to provide high-quality services and to seek comments and suggestions on product pricing, product quality, service quality, and delivery quality.

Customer Complaint Handling Process

Customer complaints may be submitted in writing, by email, phone, fax, or in person, and are received centrally by sales personnel. If the issue is determined not to be caused by the Company, sales personnel are required to provide an immediate explanation to the customer.

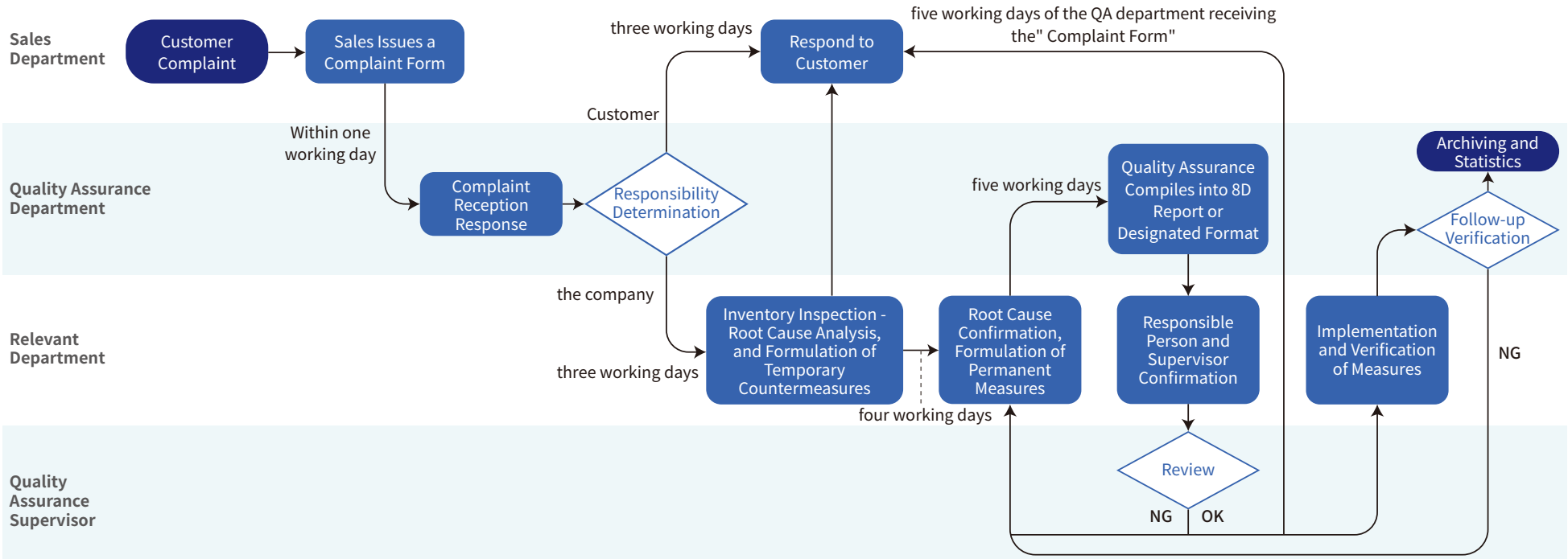
If the complaint is confirmed to be the Company's responsibility and involves defective product quality, sales personnel record the issue in a Customer Complaint Form and submit it to the Quality Assurance (QA) unit. Upon receiving the Customer Complaint Form from Sales, QA must respond within one working day to acknowledge receipt of the customer's message, and simultaneously initiate investigation and analysis to determine responsibility, so that the responsible unit can analyze the root causes and implement preventive improvements to prevent recurrence.

The responsible unit develops corrective actions based on the root causes and responds to the Quality Assurance Department within three working days of receiving the customer complaint. QA then consolidates the findings into an 8D Report (or in the customer's specified format, if applicable). After confirmation by the responsible persons and supervisors of the relevant departments, the report is submitted to the center supervisor for review, and once approved, it is provided to the customer through the Sales Department. If the defect description is clear and the supporting data, images, or sample information are complete, the 8D Report must be completed within five working days of QA's receipt of the Customer Complaint Overview Form; any delay requires the customer's consent. When the customer specifies a reply deadline, all relevant departments must cooperate fully to respond to the customer within the specified deadline.

If the complaint information is unclear, the Sales Department must continue to communicate with the customer, and the timeline for QA's 8D Report response is extended accordingly. If customer samples are needed but cannot be provided, the plant must simulate and reproduce the defect for analysis. Service-related complaints are handled by the responsible supervisor of the sales unit together with the sales personnel concerned. Where the complaint is clearly described, a solution must be provided to the customer within five working days of receiving the complaint; any delay requires the customer's consent. Where the complaint is unclear, sales personnel must continue to communicate with the customer to clarify the issue, and the response time is extended accordingly.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

Customer Service and Handling Process



In 2025, the Taipei and Mainland China sites received 9 and 13 quality-related complaints, respectively, primarily concerning minor defects in label appearance (not product quality issues). For each customer complaint, an 8D Report quality management tool was provided to the customer within one week of occurrence to address and resolve issues and deficiencies in products or services.

Customer Communication Channels

Mainland China Business: Ms. Lu, Sales Department
(86) 514-80972024 ext.15183
Customer contact email: Business@Arizonrfid.com

Taipei Business: Ms. Tu, Sales Department
(886) 2 2322-4824 ext.132
Customer contact email: Business@Arizonrfid.com

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

2.8 Information Security Management

Impact

Poor information security management may lead to security vulnerabilities, hacker cyberattacks, or ransom threats, potentially resulting in the leakage or tampering of corporate confidential data or business disruptions, thereby compromising the rights and interests of customers and other stakeholders. Robust information security management helps protect corporate assets and ensure operational stability, strengthen the trust of customers and partners, and reduce compliance risks, while also enhancing internal efficiency and risk awareness and supporting digital transformation and sustainable development goals.

Policy Commitment

The Company is committed to keeping pace with the times by continuously developing and improving its information security policies, adopting advanced security equipment and technologies, and enhancing the professional skills of its information security personnel. Through regular company-wide awareness programs and training, we continuously strengthen our information security protection capabilities to ensure that the Company can effectively respond to various information security challenges and protect its data assets and business operations.

Actions Taken

Improve both managerial and technical security infrastructure and strengthen information security defense equipment to enhance information and communication security protection capabilities:

1. Hardware
   next-generation firewalls, core network switches, and antivirus gateways.
2. Software
   replacement of traditional antivirus software with next-generation endpoint protection software, system security updates, and log auditing systems.
3. Personnel training
   acquisition of information security certifications by IT and information security staff, and implementation of recovery drills, social engineering drills, and vulnerability and intrusion scanning operations.

Evaluation Mechanism

- Semi-annual reviews of internal process digitalization progress, tracking the number of digitalized processes and outstanding items.
- Annual confirmation of achievement status by the audit unit, with quarterly reviews of protection plan implementation by the Information Security Task Force to ensure that corrective actions are enforced.

Goals

Short-term
1. Achieve 80% digitalization of internal processes.
2. Attain 100% coverage in information security health checks and establish corresponding protection plans.
3. Ensure an 80% completion rate for annual employee information security awareness training and a 90% participation rate in advanced courses for the Information Security Task Force's technical team.

Mid- to long-term:
1. Achieve 90% digitalization of internal processes.
2. Integrate information security into corporate culture, making it a core pillar of corporate governance with strong recognition from employees and stakeholders.
3. Achieve a 50% certification rate for employees' information security expertise, and implement the ISO 27001 Information Security Management System and obtain certification

Performance Results

Achieved 80% digitalization of internal processes. Reached 100% coverage in information security health checks, with corresponding protection plans established. Attained an 80% completion rate for annual employee information security awareness training and a 90% participation rate in the Information Security Task Force technical team's advanced courses. In 2025, one member of the Information Security Task Force obtained ISO 27001 auditor certification. In 2025, the Company obtained certification under IEC 62443-4-1, the international information security standard for industrial control systems.

Stakeholder Engagement

Each year in the third quarter, the Company promotes information security awareness among all employees through seminars and posters. For information security-related matters, stakeholders may provide feedback to the Information Security Center.

Email: Kf.Kao@arizonrfid.com

Tel: 886-2-2322-4824#192

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

Facing increasingly severe information security risks and challenges, the Company is committed to continuously strengthening information security management to safeguard the security of its business operations, customer data, and R&D technologies. We have established a "dual approach" security strategy that regards equipment and system protection and the enhancement of personnel security awareness as key elements, thereby building a comprehensive information security management framework. In 2025, no information security incidents occurred.

Equipment and System Security Protection
Continuously upgrade and update existing security equipment and systems to ensure the effective utilization and centralized management of all resources in response to evolving information security threats.

Employee Awareness Enhancement
Provide regular information security training for all employees to strengthen their security risk awareness, ensure that every employee understands and complies with the Company's information security policies and procedures, and reinforce company-wide prevention mechanisms.

Professional Security Management System
Establish a dedicated information security management team that leverages the coordinated operation of professional systems and processes to deliver efficient and adaptive protection management.

Continuous Updates and Improvements
In line with technological advancements and market changes, Arizon will continue to improve and upgrade its security measures to keep pace with developments in information security protection and effectively guard against potential risks.

Information Security Organizational Structure

To ensure a clear division of professional responsibilities for information and communication security, adequate technical support, well-defined control mechanisms, compliance with relevant government regulations, and the concurrent strengthening of the Company's information security governance, Arizon established the Information Security Task Force in 2023 with the approval of the Board of Directors.

The Task Force is responsible for promoting, coordinating, supervising, and reviewing information and communication security management matters. It meets once every quarter (four times a year) and reviews the information security policy and objectives at least once a year. Following the ISO 27001 Information Security Management System, the Task Force, regularly reviews security policies and objectives, proposes concrete implementation plans, reports the results to the Board of Directors on a regular basis, and assesses and screens potential risks to develop corresponding plans.

Information Security Policy

Email Regulations

1. When using email, users must not distribute fraudulent, defamatory, insulting, obscene, or harassing messages, nor send illegal software, conduct unlawful transactions, or transmit any other illegal content that may harm the rights of others.
2. When using email, users must respect intellectual property rights and refrain from unlawfully transmitting or infringing upon others' intellectual property.
3. Confidential information, personal data, and documents that require electronic transmission must be protected with appropriate security measures such as encryption or digital signatures. Except under special circumstances, such information and documents should not be sent to personal email accounts.
4. Attachments to emails must be reviewed in advance to ensure the content is correct before being sent.
5. Do not open email attachments, websites, or other links from unknown sources to avoid malware infection.
6. When sending emails to multiple recipients, the "blind carbon copy (BCC)" function should be used to prevent unnecessary exposure of email addresses.
7. Outgoing emails should include the sender's identifying information (e.g., name, title, department, telephone number) so that recipients can easily verify the source of the message.
8. When using email, users must respect online privacy rights, refrain from accessing other users' personal data without authorization, and avoid any other actions that infringe on privacy. Users must not misuse others' accounts or system resources, or disrupt the normal operation of systems in any way.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

Information Regulations

1. New employees are required to participate in information security training to enhance their awareness of protective measures, and the Company conducts regular information security awareness programs.
2. All employees, contractors, subcontractors, and visitors who use the Company's information to provide information services or perform related information operations have the responsibility and obligation to protect the Company's information assets that they obtain or use, so as to prevent unauthorized access, alteration, destruction, or improper disclosure.
3. A secure and reliable information system environment must be established to ensure the Company's business continuity. Critical information systems or equipment must have appropriate backup mechanisms in place and undergo regular drills to maintain availability. Employees' personal computers must be installed with antivirus software, with virus definitions confirmed and updated regularly, and the use of unauthorized software is prohibited.
4. Employees must properly safeguard and use their personal accounts, passwords, and access rights, and replace them regularly.
5. All accounts and access rights must be formally requested and approved by the responsible supervisor before activation, and their appropriateness must be periodically reviewed.
6. The use of any software that may harm the Company's equipment is prohibited.
7. Sensitive data must be stored in encrypted form and must not be placed on public websites unless necessary. Folders containing sensitive data in shared directories must have access permissions properly configured.

Information Security Management

According to survey data, internal information management risks pose greater threats to enterprises than external attacks. Therefore, in addition to preventive security measures for software and hardware infrastructure and information services, the security awareness and regulatory compliance of personnel within the organization are among the key factors in effective information security management. We address sustainability and information security resilience through three dimensions:

Environmental Sustainability and Data Management

We are committed to adopting efficient and secure information technologies to reduce resource waste and environmental burdens arising from data processing or information security incidents. At the same time, we promote digital transformation to reduce paper usage and ensure that data centers and information systems operate in line with energy conservation and carbon reduction goals.

Corporate Governance and Risk Management

Information security is embedded into our corporate governance framework, supported by a sound risk management system. Information security policies are regularly evaluated and updated to respond to evolving threats. We invest resources in employee training, adopt advanced technologies, and collaborate with external experts to ensure the effectiveness of our information security measures.

Compliance and Continuous Improvement

We comply with laws, regulations, and industry standards, and are committed to the continuous improvement of our information security management system, with internal and external audits conducted to ensure effective policy implementation.



Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

Information Security Management and Risk Protection Measures in 2025

1. Established an Information Security Task Force in 2023 and appointed an Information Security Officer to drive cross-organizational collaboration, with regular Task Force meetings held to review and address key information security issues. In 2025, a total of four Information Security Task Force meetings were held to ensure the implementation of management objectives, and the results were reported to the Board of Directors on November 11, 2025. In addition, the Company formulated the " Information and Communication Security Management Guidelines", which were approved by the Board of Directors, to strengthen the overall information security management mechanism.
2. Implemented information security management and sustainable data initiatives based on meeting resolutions, and strengthened both information security risk control and internal control mechanisms.
3. Based on the resolutions of the four information security meetings, implemented information security incident management and promoted the use of licensed software, the protection of sensitive data, and information access rights management.
4. Conducted information security health checks to identify any illegal activities or program intrusions, and strengthened data retrieval controls and application processes.
5. Continuously raised employees' information security awareness and enhanced their ability to defend against external attacks.
6. Adopted the IEC 62443-4-1 standard and established a Secure Development Lifecycle (SDL) for products, incorporating information security design from the very source of product development to enhance overall information security resilience.
7. Purchased 300 new licenses of AI-powered zero-day antivirus software to strengthen real-time endpoint threat detection and protection capabilities and reduce the risk of cyberattacks.
8. The Mainland China site has completed the procurement of a multi-factor authentication (MFA) system, with full implementation planned for 2026, further enhancing account and access security.

Information Security Safeguards

1. To prevent unauthorized access, use, control, leakage, destruction, alteration, deletion, or other infringements of information and communication systems or information, the Company adjusts its security maintenance measures in a timely manner in response to changes in relevant laws, regulations, and technologies, ensuring their confidentiality, integrity, and availability.
2. Achieve compliance with information security responsibility grading requirements to ensure confidentiality, integrity, and availability.
3. Enhance personnel's information security awareness and effectively detect and prevent external attacks.

Information Security Management Mechanism

1. Deploy firewalls and core network switches, and implement network segmentation and the principle of least privilege to reduce potential risks.
2. Perform regular inventories of computer system software and security updates.
3. Use network services in accordance with the information security policy.
4. Perform regular data backups to ensure that critical data remains traceable and recoverable.
5. The Taipei plant has implemented a multi-factor authentication (MFA) mechanism; the China plant is expected to complete its evaluation in 2025, with formal implementation expected in 2026.
6. Since 2025, the Company has adopted AI-powered zero-day antivirus software to strengthen real-time threat detection and protection capabilities.
7. Computer equipment is maintained by dedicated personnel, and accounts and passwords are set in accordance with strong password rules and changed regularly.
8. Remote system access is subject to permission controls, with appropriate access privileges granted based on job requirements.
9. Conduct a disaster recovery drill once a year to ensure business continuity.
10. Conduct at least one social engineering drill each year to enhance employees' preventive awareness.
11. Hold at least one company-wide information security training session each year to continuously enhance overall information security awareness.
12. Members of the Information Security Task Force complete at least 12 hours of information security training each year to continuously enhance their professional capabilities.
13. Hold information security awareness activities from time to time to embed a culture of information security among all employees.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
2.1 Corporate Governance Structure
2.2 Risk Management
2.3 Legal Compliance and Integrity Management
2.4 Supply Chain Management
2.5 Product Quality and Safety
2.6 Innovation and R&D
2.7 Customer Relationship Management
2.8 Information Security Management
CH3 Corporate Care
CH4 Environment
Appendix

Major Information Security Incident Response Process

In the event of a major information security incident, the Company follows the response process outlined below:



Customer Privacy Protection

Safeguarding the confidentiality of customer information is one of the Company's key policies. To protect customer privacy, Arizon provides training and awareness programs for relevant personnel to prevent data leakage. Due to the nature of the industry, the Company does not hold sensitive customer-end data; the information involved mainly consists of semi-public details such as the names of customer contact persons. In 2025, the Company received no complaints concerning breaches of customer privacy or losses of customer data.

Information Security Training and Awareness

To strengthen information security resilience, Arizon actively promotes comprehensive information security training programs that help employees establish sound security awareness. Through regular activities such as incident sharing, risk prevention, and policy promotion, we enhance employees' awareness of information security. For the Information Security Task Force, advanced courses are provided to ensure a participation rate of 90% or above. In addition, the Company regularly promotes the use of licensed software and conducts a social engineering drill once a year to strengthen employees' defensive capabilities. To ensure the effectiveness of security protections, the Company also encourages IT administrators and information security staff to obtain information security certifications, and regularly conducts information security health checks, disaster recovery drills, and intrusion scans, thereby comprehensively enhancing the Company's information security resilience. In 2025, the Company held 2 information security training sessions and sent a total of 4 quarterly information security awareness emails.

Date	Training Topic	Training Content	Organizer	Hours	Participants	Total Hours
8/12	Information Security Awareness Training	Promoted the information security policy as well as common security threats and protective measures to establish sound information security awareness	Information Security Task Force	1.5	408	612
12/12	Social Engineering Drill Information Security Training	Strengthened employees' ability to identify social engineering emails and understand common fraud tactics and proper response methods, reducing information security risks	Information Security Task Force	2	20	40

Date	Training Topic	Training Content
3/31	Q1 Information Security Awareness	Shared emerging attack techniques such as malicious AI models (Hugging Face), social engineering, and phishing websites, reminding employees to stay vigilant and avoid downloading AI models from unknown sources or logging into spoofed websites.
6/24	Q2 Information Security Awareness	Promoted awareness of the latest information security threats, including SSRF vulnerabilities and the LummaC2 information-stealing malware, reminding employees to identify abnormal websites, CAPTCHA scams, and suspicious emails to enhance information security awareness.
9/17	Q3 Information Security Awareness	Communicated the latest malware and ransomware attack trends, including MostereRAT, Crypto24, and Scattered Spider, reminding employees to identify phishing emails, avoid opening unknown attachments, and strengthen endpoint security awareness.
12/11	Q4 Information Security Awareness	Explained the impact of malicious software on business operations and data security, and promoted account security measures such as the risks of weak passwords, the creation of strong passwords, and multi-factor authentication (MFA).

Future Directions

Going forward, Arizon will progressively adopt a Zero Trust security architecture to ensure that all users and devices undergo strict verification before accessing company resources.
With regard to international standards and certifications, the Company has planned to formally launch its ISO 27001 Information Security Management System certification project in 2026 to establish a more comprehensive information security governance framework.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix



chapter 3 Corporate Care

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

3.1 Happy Workplace

Talent Attraction and Retention

Impact

Failure to attract and retain talent would weaken the Company's operational momentum and negatively impact performance.

Without a sound training system, employees may not be able to respond effectively to job requirements, leading to poor task execution, lower performance, and wasted resources.

Policy Commitment

Arizon is committed to providing a safe and fulfilling work environment, with regular health checkups and a well-structured promotion and compensation system. To continuously enhance organizational and human capital, the Company not only promotes comprehensive career development mechanisms but also actively builds an educational system to support talent growth, ensuring that employees across different roles and functions receive appropriate training to strengthen their competencies.

Actions Taken

1. Establish a comprehensive benefits system and set up an Employee Welfare Committee to review and enhance welfare policies in a timely manner.
2. Implement sound systems for promotion, salary adjustment, annual bonuses, and incentive rewards.
3. Ensure robust institutional measures by establishing communication platforms and grievance channels for employees.
4. Diversify recruitment channels, including migrant worker programs and internship cooperation with schools.
5. Participate in government-organized job fairs to expand recruitment opportunities.

Evaluation Mechanism

Achievement of objectives is reviewed annually by HR and department heads.

1. Hold regular meetings with department managers to discuss progress toward goals, analyze issues, and formulate improvement measures.
2. Conduct company-wide employee satisfaction surveys at the end of each year and analyze the results.
3. Track employee turnover on an annual basis and analyze the results.
4. Review basic salaries and employee benefits to ensure and confirm compliance with legal requirements.

Goals

Short-term

1. Conduct regular employee satisfaction surveys, targeting an increase in employee satisfaction to 75%.
2. Implement measures to reduce the employee turnover rate to below 5%.
3. Conduct market salary surveys and raise compensation levels to remain competitive with industry peers.
4. Improve communication of job responsibilities during recruitment.
5. Enhance regular follow-up with new employees and strengthen collaboration between HR and departments to increase retention.
6. Strengthen external recruitment efforts to increase referrals and success rates.
7. Expand student recruitment channels for engineering and R&D roles to build early talent pipelines.

Mid- to long-term

1. Continuously improve employee satisfaction as well as workplace conditions and benefits.
2. Stabilize turnover and build a stable workforce, maintaining a turnover rate of below 5%.
3. Optimize compensation and benefits systems, raising employee pay and benefits to remain competitive.
4. Increase the proportion of female managers to above 20%.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

Performance Results

- The Company provided diverse professional development opportunities, including training programs and professional certifications, to help employees continuously enhance their skills and knowledge and achieve personal career goals.
- In 2025, employee satisfaction was 76.36% in Mainland China and 66% (3.3 points) in Taipei; the company-wide employee turnover rate was 2.87%, and female managers accounted for 41.5% company-wide.

Stakeholder Engagement

- Promoted migrant worker programs and expanded new government-commissioned projects to reduce labor shortages.
- Conducted regular employee satisfaction surveys to collect feedback and implement improvements.
- Held regular labor-management meetings to listen to employee needs, respond to proposals, and drive continuous improvement.
- Regularly published relevant information on the investor section of the Company website and the Market Observation Post System.
- Engaged with stakeholders through annual shareholders' meetings and quarterly investor conferences.

Employee Structure and Distribution

As of December 31, 2025, Arizon employed a total of 787 people, including 206 employees in Taipei, 500 in Mainland China, 77 in Vietnam, and 4 in Japan. Among the total workforce, there were 19 high-level executives, 34 mid-level managers, and 734 general employees. By employment contract type, the Company had 421 permanent employees and 366 temporary employees; by employment type, there were 785 full-time and 2 part-time employees.

At the Taipei site, in compliance with Article 38 of the People with Disabilities Rights Protection Act and related regulations, the Company steadily employed 2 persons with disabilities. In 2025, the Taipei site recruited a total of 18 interns, of whom 2 remained as of the end of December; the Mainland China site had 12 interns as of the end of December. The interns at the Taipei and Mainland China sites are all talent cultivated through the Company's cooperation with schools; those who perform well during their internship and are willing to stay will be given priority for conversion to regular employment with the Company. In addition, the Vietnam site converted 11 dispatched workers to regular employees in December 2025, continuing to fulfill its commitment to local talent development and stable employment.

Employee Composition

By gender: 52% of employees were male and 48% were female, with women accounting for 49% of general employees, 47% of mid-level management positions, and 32% of high-level executive positions.

By age group: 31% of employees were aged 30 and below, 66% were aged between 30 and 50, and 3% were over 50 years old.



Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

Employee Statistics

Category	Taipei		Mainland China		Vietnam		Japan		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
High-Level Executives	3	1	8	5	1	0	1	0	**13**	**6**
Mid-Level Managers	3	3	14	7	1	6	0	0	**18**	**16**
General Employees	86	110	249	217	37	32	3	0	**375**	**359**
Total	**92**	**114**	**271**	**229**	**39**	**38**	**4**	**0**	**406**	**381**
Permanent Employees[Note 1]	92	114	122	91	0	0	2	0	**216**	**205**
Temporary Employees[Note 2]	0	0	149	138	39	38	2	0	**190**	**176**
Total	**92**	**114**	**271**	**229**	**39**	**38**	**4**	**0**	**406**	**381**
Full-Time Employees[Note 3]	91	113	271	229	39	38	4	0	**405**	**380**
Part-Time Employees[Note 4]	1	1	0	0	0	0	0	0	**1**	**1**
Non-Guaranteed Hours Employees[Note 5]	0	0	0	0	0	0	0	0	**0**	**0**
Total	**92**	**114**	**271**	**229**	**39**	**38**	**4**	**0**	**406**	**381**
Less than 30 Years	38	45	83	40	18	17	0	0	**139**	**102**
30-50 Years (inclusive)	48	59	185	188	20	21	1	0	**254**	**268**
Over 50 Years	6	10	3	1	1	0	3	0	**13**	**11**
Total	**92**	**114**	**271**	**229**	**39**	**38**	**4**	**0**	**406**	**381**
Indigenous Status	0	0	0	0	0	0	0	0	**0**	**0**
Persons with Disabilities	2	0	0	0	0	0	0	0	**2**	**0**
Total	**2**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2**	**0**

Workforce Diversity Statistics

Gender Diversity

- **48 %** Female employees
- **49 %** Female general employees
- **47 %** Female mid-level managers
- **32 %** Female high-level executives

Age Diversity

- **31 %** Employees under 30
- **66 %** Employees aged 30-50
- **3 %** Employees over 50

Other Diversity

- **0.25 %** Employees with disabilities

Workers Who Are Not Employees

- Headcount **0** — **Operators** Dispatched
- Headcount **14** — **Interns** Short-term contract
- Headcount **1** — **Agency-dispatched staff** Dispatched

Notes:

1. Permanent employees: Full-time or part-time employees with contracts of indefinite (i.e., unlimited) duration.
2. Temporary employees: Employees with fixed-term contracts that expire on a specified date or end upon completion of a specific task or event with an estimated timeline (e.g., the end of a project or the return of an employee being temporarily replaced).
3. Full-time employees: Employees whose working hours per week, month, or year are defined in accordance with national laws and practices regarding working hours.
4. Part-time employees: Employees whose working hours per week, month, or year are less than those of full-time employees.
5. Non-guaranteed hours employees: Employees who are not guaranteed a minimum or fixed number of working hours per day, week, or month, but who may need to be available for work as required.
6. In 2025, the Company's U.S. site had no directly hired employees; its main operations were carried out by 1 worker engaged through an employer of record (EOR) responsible for daily operations, with joint support from local partners. As this worker falls within the category of workers who are not employees, the U.S. site is not included in this year's statistics on regular employee headcount and employee benefits.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

New Employee Hires and Employee Turnover

The Company strictly complies with labor laws in the recruitment and employment of staff and prohibits any form of discrimination based on race, class, language, ideology, religion, political affiliation, ancestry, place of birth, gender, sexual orientation, age, marital status, appearance, physical features, disability, horoscope, or blood type, ensuring equal and fair employment opportunities and working conditions. Arizon recruits through multiple channels, including the 104 Job Bank, 1111 Job Bank, and the Company's official website, to communicate our corporate culture, business performance, and core values in order to attract top talent. In 2025, the Company also actively participated in campus recruitment programs and government-organized job fairs, which helped recruit more outstanding candidates while enhancing public awareness and the Company's reputation.

In 2025, Arizon hired a total of 203 new employees, representing a hiring rate of approximately 26%, while a total of 278 employees left the Company, representing a turnover rate of approximately 2.87%.

Number of New Employee Hires in 2025

Category	Age	Taipei	Mainland China	Vietnam	Japan	Total
Female	Under 30 Years Old	26	5	17	0	48
	30-50 Years Old (Inclusive)	25	9	21	0	55
	Over 50 Years Old	2	0	0	0	2
	Total	53	14	38	0	105
Male	Under 30 Years Old	21	16	18	0	55
	30-50 Years Old (Inclusive)	14	6	20	0	40
	Over 50 Years Old	2	0	1	0	3
	Total	37	22	39	0	98
Total New Employee Hires						203
New Hires as a Percentage of Year-End Total Employees						26%

Notes:
1. Statistical period: January 1, 2025 to December 31, 2025.
2. Annual hiring rate = Number of new hires during the year / Number of employees at year-end.

Number of Employee Departures in the Past Two Years

2024

Category	Age	Taipei Headcount	Taipei Percentage (%)	Mainland China Headcount	Mainland China Percentage (%)	Total Headcount	Total Percentage (%)
Female	Under 30 Years Old	13	2.47%	102	19.35%	115	21.82%
	30-50 Years Old (Inclusive)	26	4.93%	68	12.9%	94	17.84%
	Over 50 Years Old	4	0.76%	0	0%	4	0.76%
	Total	43	8.16%	170	32.26%	213	40.42%
Male	Under 30 Years Old	27	5.12%	169	32.07%	196	37.19%
	30-50 Years Old (Inclusive)	33	6.26%	83	15.75%	116	22.01%
	Over 50 Years Old	2	0.38%	0	0%	2	0.38%
	Total	62	11.76%	252	47.82%	314	59.58%
Total Employee Departures							527

Notes:
1. Statistical period: January 1, 2024 to December 31, 2024.
2. Percentage of employee departures (%) = Number of departures in each category / Total number of employee departures during the year.

2025

Category	Age	Taipei Headcount	Taipei Percentage	Mainland China Headcount	Mainland China Percentage	Vietnam Headcount	Vietnam Percentage	Japan Headcount	Japan Percentage	Total Headcount	Total Percentage
Female	Under 30 Years Old	22	7.9%	32	11.5%	5	1.8%	0	0%	59	21.2%
	30-50 Years Old (Inclusive)	25	9.0%	40	14.4%	3	1.1%	0	0%	68	24.5%
	Over 50 Years Old	2	0.7%	0	0%	0	0%	0	0%	2	0.7%
	Total	49	17.63%	72	25.9%	8	2.9%	0	0%	129	46.4%
Male	Under 30 Years Old	23	8.3%	54	19.4%	4	1.4%	0	0%	81	29.1%
	30-50 Years Old (Inclusive)	19	6.8%	40	14.39%	4	1.4%	0	0%	63	22.7%
	Over 50 Years Old	5	1.8%	0	0%	0	0%	0	0%	5	1.8%
	Total	47	16.91%	94	33.8%	8	2.9%	0	0%	149	53.6%
Total Employee Departures											278

Notes:
1. Statistical period: January 1, 2025 to December 31, 2025.
2. Percentage of employee departures (%) = Number of departures in each category / Total number of employee departures during the year.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

Employee Turnover Rate in the Past Two Years

	2024	2025
Employee Turnover Rate	4.81%	2.87%

Notes:
1. Statistical period: January 1 to December 31 of the respective year.
2. Employee turnover rate = Number of employees who left during the month / (Total employees at the end of the month + Number of employees who left during the month).

The employee turnover rate in 2025 was 2.87%, a substantial decline of nearly half compared with 4.81% in 2024. The number of female employees leaving in 2025 decreased by 84 compared with 2024, and the number of male employees leaving decreased by 165, bringing the total number of departures down by 47%. The overall decline was mainly driven by the significant decrease in male employee departures, indicating a healthier workforce structure. In 2025, employees under 30 accounted for a relatively high share of total departures, reflecting the inherently higher mobility of younger generations, which may also be influenced by factors such as increased external opportunities, a stronger desire for career exploration, and higher job expectations. On the other hand, departures among the 30-50 age group declined in 2025, indicating improved stability of the core workforce, which benefits the Company's operations. Going forward, the Company will continue to strengthen retention strategies for new and junior talent.

Minimum Notice Period for Operational Changes

At the Taipei site, procedures for terminating employment contracts are handled in accordance with the Labor Standards Act. When an employer terminates an employment contract in accordance with the law, advance notice of 10, 20, or 30 days must be given depending on the employee's years of service; if the statutory notice is not given, wages for the notice period must be paid. During the notice period, employees may take leave to seek new employment in accordance with the law, and all related rights and interests are handled in accordance with the Labor Standards Act.

At the Mainland China site, procedures for terminating employment contracts are handled in accordance with the Labor Contract Law of the People's Republic of China. The employer may terminate an employment contract only under circumstances prescribed by law, and must provide 30 days' prior written notice or pay one month's wages in lieu of notice; where statutory circumstances apply, severance compensation is paid in accordance with the law to protect employees' legal rights and interests.

At the Japan site, procedures for terminating employment contracts are handled in accordance with the Labor Standards Act of Japan and related labor laws and regulations. When terminating an employment contract, the employer must give at least 30 days' notice or pay 30 days' average wages in lieu of notice; in addition, a dismissal must have objectively reasonable grounds and be considered appropriate by general societal standards for the termination to be lawful.

At the Vietnam site, procedures for terminating employment contracts are handled in accordance with the Labor Code of Vietnam. The employer may terminate an employment contract only under circumstances prescribed by law and must give employees advance notice as required by law depending on the type of employment contract (generally 45 days, 30 days, or 3 working days); upon termination, salary settlement and related compensation matters (where applicable) are handled in accordance with the law to protect employees' legal rights and interests.



Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

Employee Compensation

Arizon upholds the principle of non-discrimination, ensuring that no employee is treated differently on the basis of race, ancestry, place of birth, gender, sexual orientation, age, marital status, appearance, physical features, disability, horoscope, or blood type. The Company has established procedures for salary administration, performance evaluation, and benefits management, which clearly define the compensation and reward and discipline systems. Employee performance is assessed on a regular basis, and business performance and results are appropriately reflected in employee compensation.

1. Market-Competitive Compensation

- Participate in industry and market salary surveys; salaries of employees are determined based on their education, work experience, capabilities, and positions.
- Salary decisions are not influenced by gender, age, or other non-job-related factors.

2. Bonuses and Rewards

- Year-end bonus and other incentives: In addition to the year-end bonus policy guaranteeing a minimum of 30 days' pay, the Company has established standards for additional awards based on business results as well as employees' rank and performance. Bonuses are designed to be competitive and motivational, encouraging employees to contribute and grow with the Company.
- Employee profit-sharing: The Articles of Incorporation stipulate that if the Company makes a profit in a given year, no less than 1% of the profit shall be allocated as employee compensation.

3. Salary Adjustments

- Employee salaries are adjusted promptly upon promotion to develop, encourage, and retain outstanding talent.
- As of the end of December 2025, the Company had a total of 138 non-managerial employees in Taipei, of whom 27 received annual salary adjustments, with an average increase of 9%.

In 2025, affected by global tariff policies and the external operating environment, overall profit performance is expected to fall short of the Company's original annual operating targets. Under these circumstances, the Company still plans to use no less than 1.5 months' salary as the overall planning basis for year-end performance bonuses, with the actual amounts to be determined based on employees' annual performance appraisal results.

Ratio of Average Basic Salary (Female to Male)

	High-Level Executives	Mid-Level Managers	General Employees
Taipei	124 %	117 %	90 %
Mainland China	74.06 %	74.02 %	101.9 %

Notes:
1. Data for general employees at the Taipei site include migrant workers and exclude the two interns.
2. This indicator is not applicable to the Japan site, as all of its employees are male.

Ratio of Average Total Compensation (Female to Male)

	High-Level Executives	Mid-Level Managers	General Employees
Taipei	103 %	116 %	88 %
Mainland China	48.22 %	73.72 %	94.57 %

Notes:
1. Mid-level managers: Supervisors at or above the manager level with managerial responsibilities.
2. General employees: Employees below the manager level without managerial responsibilities.
3. Data for general employees at the Taipei site include migrant workers and exclude the two interns.
4. Gender pay ratio data currently cover the Taipei and Mainland China plants; as the statistical system of the Vietnam plant is still being established, it is not included in the scope of disclosure this year, and data collection capabilities across sites will be progressively enhanced.
5. This indicator is not applicable to the Japan site, as all of its employees are male.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

Parental Leave

In compliance with the Gender Equality in Employment Act and the Labor Standards Act, the Company has established a parental leave system. Employees, regardless of gender, are encouraged to take advantage of parental leave to foster a supportive workplace culture that allows them to balance work with childcare and family responsibilities.

Gender	Male	Female
Employees entitled to parental leave in FY2025 (A)	18	26
Employees who took parental leave in FY2025 (B)	18	26
Employees due to return to work in FY2025 after parental leave (C)	17	26
Employees who actually returned to work in FY2025 after parental leave (D)	14	20
Employees who returned to work in FY2024 after parental leave (E)	10	11
Employees still employed one year after returning to work in FY2024 (F)	8	10
Return-to-work rate	82%	77%
Retention rate	80%	91%

Notes:
1. Employees due to return = Number of employees on parental leave scheduled to return to work in the reporting year.
2. Retention in 2025 = Employees who actually returned from parental leave in 2024 and were still employed as of December 31, 2025.
3. Return-to-work rate for the year = Number of employees who actually returned from parental leave during the year / Number of employees due to return from parental leave during the year (D/C).
4. Retention rate for the year = Number of employees who remained employed for one year after returning from parental leave in the previous year / Number of employees who actually returned from parental leave in the previous year (F/E).
5. Parental leave totals cover the Taipei, Mainland China, and Japan sites; as the parental leave statistical system of the Vietnam plant is still being established, its data are not included this year.



Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

Employee Benefits

Arizon regards employees as important partners and valuable assets of the Company. In addition to a sound compensation system and statutory employee protections, the Company provides a diverse and flexible benefits program with family-friendly measures supporting marriage, childbirth, and family care, including various types of insurance, subsidies, cash gifts and presents, and occasional social gatherings.

In addition to marriage subsidies (NT$3,600 for the employee and NT$2,600 for the employee's children) and childbirth subsidies (NT$2,000 per child, increased proportionally for twins or more), the Company provides annual leave in excess of the requirements of the Labor Standards Act (company-granted special leave) to help employees balance work and family with peace of mind. The Company also fully safeguards various types of leave, including leave related to pregnancy, childbirth, and unpaid parental leave, supporting employees in resting and returning to work with confidence during the child-raising stage; lactation rooms are set up at its sites to provide a friendly nursing space for female employees; and a kindergarten childcare cooperation program is promoted to ease employees' childcare burden, enabling them to balance work and family. In terms of implementation results, a total of 4,894.5 hours of company-granted special leave were granted in 2025, of which 3,677.5 hours were actually used, representing a utilization rate of 75%; in the same year, 1 employee at the Taipei site claimed the marriage subsidy and 4 claimed the childbirth subsidy.

Insurance

Taipei
- Labor Insurance
- Health Insurance
- Group Insurance
- Overseas Business Travel Accident Insurance

Mainland China
- Pension Insurance
- Medical Insurance
- Work Injury Insurance
- Maternity Insurance
- Unemployment Insurance
- Employer's Liability Insurance

Bonuses and Subsidies

- Holiday, Labor Day, and birthday cash gifts
- Dragon Boat Festival and Mid-Autumn Festival gifts
- Marriage gifts, funeral condolence subsidies
- Hospitalization and disability subsidies
- Employee stock ownership

Health and Wellness

- On-site medical staff visits four times per month at the plants, providing regular employee health checks with items exceeding the requirements of the Labor Health Protection Regulations
- Health checks
- Health education

Maternity and Childcare Support

Taipei
- Childbirth subsidy
- Leave related to pregnancy, childbirth, and unpaid parental leave,
- Kindergarten childcare cooperation program
- Lactation room facilities

Mainland China
- Childbirth subsidy
- Leave related to pregnancy, childbirth, and unpaid parental leave
- Lactation room facilities

Other Benefits

- Department gatherings
- Night shift allowance
- Year-end parties and annual banquets
- Regular events and competitions
- Subsidies for continuing education
- Company-granted special leave (Taipei)
- Employee cafeteria
- Quality rest areas
- Convenience vending machines
- Company trips
- Employee referral bonuses
- Marriage subsidy (Taipei)

Japan Site

Although the Japan site has a relatively lean workforce, the Company still provides employees with statutory insurance and welfare protection, such as health insurance and Employees' Pension Insurance (kosei nenkin), in accordance with relevant Japanese labor and social insurance laws and regulations. In addition, taking into account local work styles and employee needs, the Japan site offers flexible working arrangements, allowing employees to flexibly adjust their working hours or work locations depending on the nature of their duties, balancing work efficiency and quality of life; social gatherings are also held from time to time to promote team interaction and cohesion.

Vietnam Site

The employee benefits system at the Vietnam site is structured overall with reference to the framework of the Mainland China site. In accordance with the Labor Code of Vietnam, the Law on Social Insurance of Vietnam, and other relevant laws and regulations, the Company enrolls employees in social insurance, health insurance, and unemployment insurance, and provides benefits such as festival cash gifts and presents and employee gatherings, safeguarding employees' basic rights and interests and caring for their daily lives.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

Mainland China plant Annual Highlight - May "Labor Is Most Glorious" Family Day

In May 2025, the Mainland China site held a themed Family Day event, "Building a Home with Love, Bound by Responsibility," carefully organized by the labor union around the theme "Labor Is Most Glorious," inviting employees and their family members to participate together. Family members toured the plant and experienced the working environment, gaining a deeper understanding of their loved ones' daily work and further feeling the warmth and values of the Company's culture.

The event featured entertaining and educational interactive games such as "backward rice-planting races," "herding chickens into the coop," and a "labor skills competition," as well as a parent-child "great potato harvest" activity, allowing participants to appreciate the value of labor and teamwork through hands-on experience. A fun clown performance and outdoor activities such as fishing and ring toss also brought laughter and companionship to the children.

Through this event, Arizon not only let employees' families feel the Company's care, but also deepened the emotional bond between employees and the Company, strengthening their sense of belonging and cohesion. Arizon believes that only with the warmth of family can a company grow and thrive.





Mainland China plant Annual Highlight - Hearts United at Arizon, "Badminton" Along with You

Upholding the people-oriented core values of ESG, deepening employee well-being and team building, and supporting the Company's sustainable development, the 6th "Arizon Cup" Badminton Tournament, themed "Hearts United at Arizon, "Badminton" Along with You," kicked off with great enthusiasm in October 2025. Employees are the core asset of a company's sustainable development, and good health is the foundation for employees to realize their own value and support the Company's growth. Bathed in the morning light, the contestants headed to the courts resolutely and joyfully with their beloved equipment. Every ounce of enthusiasm and dedication reflected the pursuit of a healthy life and an active response to the Company's ESG care, vividly embodying the workplace spirit of "work happily, live healthily."

As a sport deeply loved by employees, badminton not only strengthens the body and tempers the will, but also enhances communication and collaboration among employees and deepens their friendship. Just as ESG practice advocates, a company's sustainable development is inseparable from the shared growth of its employees. Whether on the "battlefield" of their core work or on the "playing field" of sports, the Company always encourages employees to carry forward the spirit of exceptional endurance, exceptional fighting spirit, and exceptional dedication - delivering results on the "battlefield" and performing at their best on the "playing field" - so that personal growth and corporate development resonate in step, forging a powerful combined force driving the Company's high-quality development.

The successful holding of this badminton tournament not only provided the Company's badminton enthusiasts with a platform to relax, interact, and hone their skills, but also effectively relieved employees' work-related stress, further enhancing employees' sense of belonging and well-being as well as the Company's cohesion, and translating ESG principles into concrete actions that care for employees and empower their growth.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

Labor Relations

To safeguard employee rights and maintain stable and harmonious labor relations, the Company has established multiple communication mechanisms to actively promote two-way exchanges between labor and management. In Taipei, four labor-management meetings are convened regularly each year in accordance with the law; in Mainland China, the Company communicates with employees through the employee representative congress, the labor union, and democratic consultation mechanisms; in Japan, labor-management communication is conducted through employee representatives, labor unions, and labor-management agreement mechanisms in accordance with relevant labor laws; and in Vietnam, a workplace dialogue mechanism has been established in accordance with the law, with regular exchanges with employee representatives to ensure good communication between labor and management.

We actively listen to employees' opinions and are committed to fostering an open and transparent communication environment that promotes positive interactions and mutual understanding among supervisors, employees, and colleagues. Furthermore, the Company respects and supports employees' freedom of association in accordance with the law, never obstructing employees from lawfully forming or joining labor unions and other employee organizations, and ensures that employees enjoy equal rights in the process of association and participation in related activities, further enhancing their sense of engagement and belonging.



Retirement System

All of the Company's operating sites have established retirement and social insurance systems in accordance with the relevant laws and regulations of the locations where employees are employed, making pension contributions and enrolling employees in the relevant social insurance programs as required by law to safeguard employees' retirement life and basic rights and interests.

The retirement systems in the main operating regions are as follows:

Taipei
The retirement system and pension contributions are administered in accordance with the Labor Standards Act, the Labor Pension Act, the Labor Insurance Act, and other relevant laws and regulations. Under the old pension system, a Supervisory Committee of Workers' Retirement Reserve Funds has been established in accordance with the law, with monthly contributions to the retirement reserve fund deposited into a dedicated account at the Bank of Taiwan; under the new system, 6% of each employee's monthly wages is contributed to the employee's individual pension account in accordance with the law, and labor insurance and retirement-related protections are provided as required.

Mainland China
In accordance with the Labor Contract Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, and relevant local government regulations, the Company enrolls employees in basic pension insurance, medical insurance, unemployment insurance, work injury insurance, and maternity insurance, and contributes to the Housing Provident Fund, safeguarding employees' retirement and social welfare rights and interests.

Japan
In accordance with relevant Japanese labor and social insurance laws and regulations, eligible employees are enrolled in social insurance programs such as Employees' Pension Insurance (kosei nenkin) and health insurance, providing retirement and social security protection.

Vietnam
In accordance with the Labor Code of Vietnam and the Law on Social Insurance of Vietnam, employees are enrolled in social insurance, health insurance, and unemployment insurance, with social insurance covering retirement and survivors' benefits, among other protections, to safeguard employees' retirement rights and interests.

As of the end of 2025, cumulative contributions to the workers' retirement reserve fund in Taipei amounted to NT$20,691 thousand, and pension contributions for foreign employees amounted to NT$241 thousand, continuing to implement retirement protection and care for employees' post-retirement life.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

Employee Satisfaction Survey

Arizon values employees' opinions and collects feedback through an annual employee satisfaction survey to understand employees' views on the working environment, management systems, and organizational culture, serving as an important basis for continuous improvement.

Survey Results

In 2025, the Company conducted an employee satisfaction survey. The survey was carried out through anonymous questionnaires to ensure that employees could express their opinions freely, covering aspects such as management support, teamwork, the working environment, perceptions of compensation and benefits, and organizational climate.

The participation rate of this year's employee satisfaction survey reached 90%, with an overall average satisfaction score of 3.3 out of 5, between neutral and satisfied. The results show that employees generally affirmed teamwork, mutual support among colleagues, and the Company's care for its employees; the feedback collected on aspects such as management communication, workload, the working environment, and compensation and benefits will serve as an important reference for subsequent improvements.



Improvement Directions

In response to the feedback collected from the 2025 employee satisfaction survey, the Company has formulated the following directions for continuous improvement based on common issues, to be jointly promoted by the management team and the Human Resources Department:

1. **Continue to strengthen management communication and information transparency**
   Enhance the quality of cross-level communication through existing management communication mechanisms and management review processes.
2. **Review workload and role allocation**
   Review work assignments and process design based on the survey results, as a reference for subsequent staffing and operational optimization.
3. **Continue to optimize the working environment and workplace safety**
   Continue to monitor relevant feedback and incorporate it into improvement assessments and priority planning at each operating site.
4. **Address issues related to compensation, benefits, and employee retention**
   Use employees' feedback on compensation, benefits, and development opportunities as a reference for reviewing human resources systems and formulating long-term talent retention strategies.

The above improvement directions will be incorporated into subsequent management tracking mechanisms, and the effectiveness of improvements will be continuously reviewed in future employee satisfaction surveys. Considering that the operating sites are currently at different stages of organizational development, the Company will continue to have the Human Resources Department promote a group-wide consistent employee satisfaction survey framework, gradually improving the comparability of survey results across sites as an important basis for continuously refining human resources management, organizational development, and corporate culture.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

Talent Development and Training

Impact

A comprehensive talent development plan that provides learning and growth opportunities enables employees not only to contribute their skills but also to acquire advanced knowledge and new expertise. This fosters a sense of belonging and commitment, enhances talent retention, and strengthens the Company's competitiveness. Conversely, the absence of a well-structured training system would prevent employees from responding effectively to job requirements, resulting in poor task execution, lower performance, and wasted resources.

Policy Commitment

The Company actively builds a talent development and education system, supporting competencies at all levels and functions with corresponding training courses. By promoting key talent development training programs, Arizon places the right people in the right positions and pursues a long-term strategic approach to collaboration with talent.

Actions Taken

1. Establish clear career development pathways with opportunities for internal transfers and promotions.
2. Provide systematic learning resources, including in-house instructors, online courses, and education subsidies, to enhance employee competencies.
3. Conduct regular talent reviews to support senior employees in advancing to management roles, strengthening the Company's human capital.
4. Promote the growth of advanced competencies through project-based deputizing assignments, and organize diverse training programs covering general knowledge, professional skills, and new technologies.
5. Design personalized learning paths, regularly update learning maps, and evaluate outcomes through assessments and feedback.

Short-Term Goals

Taipei
- Average training hours per employee: 1 hour
- Course completion rate: 95%
- Performance appraisal coverage: 100%

Mainland China
- Average training hours per employee: 8 hours
- Course completion rate: 93%
- Performance appraisal coverage: 100%

Mid- to Long-Term Goals

Taipei
- Average training hours per employee: 1.5 hours
- Course completion rate: 100%
- Performance appraisal coverage: 100%
- At least one additional course per year on new trends and new tools

Mainland China
- Average training hours per employee: 10 hours
- Course completion rate: 93.8%
- Performance appraisal coverage: 100%

Evaluation Mechanism

Each year, training programs are planned and implemented based on departmental needs, accompanied by training satisfaction surveys. HR and department managers are responsible for reviewing and confirming the achievement of objectives.

Performance Results

1. Total training hours exceeded 11,200. Using the human development system, training was delivered in both in-person and online formats, covering categories such as business management, regulatory compliance, and quality engineering, with mobile app-based learning also available for real-time access.
2. Average training hours per employee were 13.59 hours at the Taipei Headquarters and plant, 16.60 hours at the China plant, 1.50 hours at the Vietnam plant, and 3 hours at the Japan office.
3. External online courses were introduced, with professional lecturers invited to host quarterly book clubs on different themes. In 2025, a total of 29 sessions were held in Taipei and Mainland China, effectively deepening employee learning outcomes and laying the foundation of corporate culture.
4. The course completion rate reached 93.62%.
5. Performance appraisal coverage was 100% in Taipei (excluding migrant workers and employees in the probationary period), 100% in Mainland China, and 100% in Japan.

Stakeholder Engagement

In 2025, multiple channels were adopted, including post-training surveys, assessments, and book clubs, to evaluate employee learning outcomes and understand their needs and expectations. This enabled the Company to provide learning resources and development opportunities better tailored to employees' needs, supporting their continued growth.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

Employee Training

To ensure sustainable development and equip the Company to meet diverse market and industry challenges, Arizon holds strategic consensus meetings on talent development for management, revises training and development regulations, and conducts capability assessments for employees at all levels. Through systematic and continuous talent development programs, the Company seeks to unlock employee potential and enhance performance, while providing diverse learning resources that encourage self-improvement.

Internal Training Programs

1. Onboarding Training
   Helps new employees become familiar with the work environment and understand the Company's vision, organizational structure, rules and regulations, and the operations of different functional and business units.
2. Management Training
   Aims to strengthen organizational management effectiveness and cultivate and enhance the team leadership and strategic thinking capabilities of managers at all levels.
3. Professional Training
   Focuses on developing the technical skills and professional competencies required by staff in various functional departments.
4. General Education Training
   Equips employees across departments with knowledge and skills in independent work, workplace communication, and work management, supporting the Company's future business development needs and long-term operational goals.

External Training Programs

1. The Company provides subsidies to encourage employees to participate in external training courses, enhancing job-related professional knowledge and skills.
2. Internal exchange meetings and thematic seminars are organized to allow employees to share professional knowledge, experiences, and best practices, thereby fostering mutual learning and growth.

In 2025, total employee training hours amounted to 2,798.82 in Taipei, averaging 13.59 hours per employee; 8,301 in Mainland China, averaging 16.60 hours per employee; 115.5 at the Vietnam plant, averaging 1.50 hours per employee; and 12 at the Japan office, averaging 3.00 hours per employee.



Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

The employee training status in 2025 was as follows

Taipei

Unit: Hours / Employees

Employee Category	Male		Female		Total	
	Hours	Employees	Hours	Employees	Hours	Employees
High-Level Executives	17.5	3	13.5	1	31	4
Mid-Level Managers	63.5	3	50	3	113.5	6
General Employees	1,154.32	86	1,500	110	2,654.32	196
Total	**1,235.32**	**92**	**1,563.5**	**114**	**2,798.82**	**206**

13.59	13.43	13.71	7.75	18.92	13.54
Average training hours per employee	Average training hours for male employees	Average training hours for female employees	Average training hours for high-level executives	Average training hours for mid-level managers	Average training hours for general employees

Note: To comply with GRI 404-1, starting from this year the calculation basis for average training hours has been adjusted to total employee training hours divided by the number of employees at year-end.

Mainland China

Unit: Hours / Employees

Employee Category	Male		Female		Total	
	Hours	Employees	Hours	Employees	Hours	Employees
High-Level Executives	24	8	0	5	24	13
Mid-Level Managers	117	14	64	7	181	21
General Employees	4,382	249	3,714	217	8,096	466
Total	**4,523**	**271**	**3,778**	**229**	**8,301**	**500**

16.60	16.69	16.50	1.85	8.62	17.37
Average training hours per employee	Average training hours for male employees	Average training hours for female employees	Average training hours for high-level executives	Average training hours for mid-level managers	Average training hours for general employees

Note: To comply with GRI 404-1, starting from this year the calculation basis for average training hours has been adjusted to total employee training hours divided by the number of employees at year-end.

Vietnam

Unit: Hours / Employees

Employee Category	Male		Female		Total	
	Hours	Employees	Hours	Employees	Hours	Employees
High-Level Executives	1.5	1	0	0	1.5	1
Mid-Level Managers	1.5	1	10.5	6	12	7
General Employees	52.5	37	49.5	32	102	69
Total	**55.5**	**39**	**60**	**38**	**115.5**	**77**

1.50	1.42	1.58	1.50	1.71	1.48
Average training hours per employee	Average training hours for male employees	Average training hours for female employees	Average training hours for high-level executives	Average training hours for mid-level managers	Average training hours for general employees

Japan

Unit: Hours / Employees

Employee Category	Male		Female		Total	
	Hours	Employees	Hours	Employees	Hours	Employees
High-Level Executives	1	1	0	0	1	1
Mid-Level Managers	0	0	0	0	0	0
General Employees	11	3	0	0	11	3
Total	**12**	**4**	**0**	**0**	**12**	**4**

3	3	1	3.67
Average training hours per employee	Average training hours for male employees	Average training hours for high-level executives	Average training hours for general employees

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

Enhancing Employee Competence and Transition Support

Employee Competence Enhancement Program

To strengthen employees' professional skills and work capabilities, the Company has established a diverse set of competence support programs and provides comprehensive career development support:

1. **Mentorship and On-the-Job Coaching**
   Senior employees or supervisors serve as mentors, sharing practical experience and providing hands-on guidance to help employees enhance professional skills and problem-solving abilities.
2. **Job Rotation and Project Participation**
   Opportunities are provided for employees to learn across different roles, engage in cross-departmental or new-field projects, gain practical experience, and foster teamwork and innovation.
3. **Knowledge Sharing and Community Learning**
   Internal learning platforms, such as book clubs and learning communities, are established to encourage knowledge exchange and experience sharing among employees, creating a positive learning environment.
4. **Career Development and Planning**
   Regular career consultations are conducted to help employees define future career directions, supported with the necessary resources and promotion opportunities to ensure clear professional goals.
5. **Career Pathways and Promotion Mechanisms**
   Clear career progression paths and promotion criteria are set, enabling employees to understand and plan their careers in alignment with company standards.
6. **Performance Management and Goal Setting**
   Periodic performance reviews are conducted to provide feedback, assist employees in setting both short- and long-term goals, and ensure alignment with the Company's strategic objectives.
7. **Team Building and Cross-Departmental Collaboration**
   Regular team-building activities are organized to strengthen collaboration among employees, encourage interdepartmental cooperation, and promote knowledge sharing and skill development.

Transition Support Program

To maximize the professional value of retired employees and help them smoothly transition into retirement, the Company provides the following support and measures:

1. **Consultancy and Project Participation**
   Based on business needs, the Company engages retired employees as consultants to provide professional guidance and advice or to participate in specific projects, allowing them to continue contributing their expertise and experience.
2. **Internal Training and Knowledge Transfer**
   Retired employees are encouraged to serve as internal trainers, passing on professional knowledge and cultivating new talent.
3. **Part-Time Opportunities and Flexible Work Arrangements**
   Part-time roles are offered to retired employees, enabling them to flexibly apply their skills and continue developing their professional careers.
4. **Retirement Transition Assistance**
   The Company provides career counseling to help employees explore new opportunities, flexible work arrangements to support a gradual transition, and psychological support to help retirees adapt to new lifestyles.

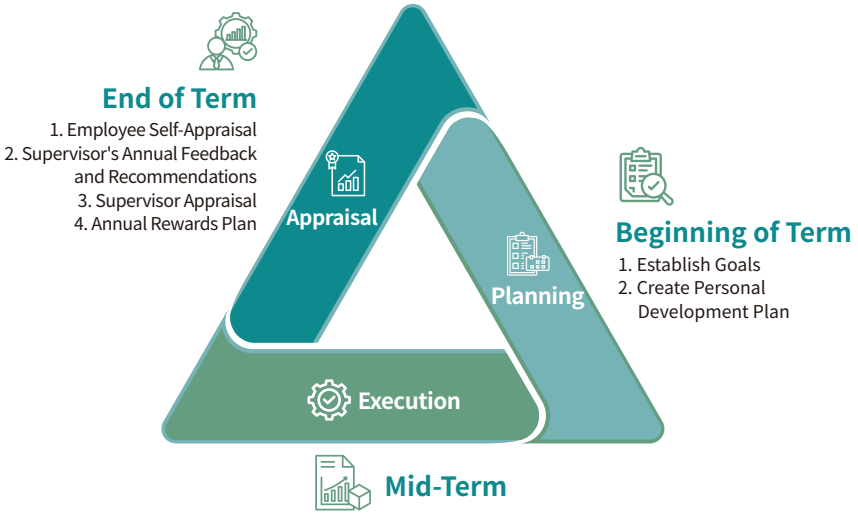
In addition, the Company sets retirement ages in accordance with relevant regulations and policies (e.g., age 50) and assists employees in completing retirement procedures, ensuring that every employee can retire smoothly while continuing to contribute their professional value.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

Employee Performance Evaluation

Arizon has established a comprehensive performance evaluation system, with different assessment criteria tailored to the professional functions of various job types. Both qualitative and quantitative indicators are applied to ensure fair evaluation, with the goal of helping employees improve their performance, enhancing organizational efficiency, and continuously optimizing company operations. In addition to evaluating work performance, the Company has also implemented a competency assessment system, which covers four dimensions: work attitude, basic skills, professional skills, and managerial skills. Assessments are conducted every six months through self-evaluation, initial evaluation by line managers, and final evaluation by senior managers. Through the self-assessment process, employees can reflect on their work performance and capability development over the review period, while managers can identify employees' weaknesses and perception gaps by comparing self-assessment scores with managerial evaluations, serving as an important tool for subsequent coaching and competency-based interviews.

Performance Evaluation Process Flowchart



In 2025, the China plant adopted a performance evaluation system combining monthly and annual reviews: monthly evaluations are conducted by each department based on work performance, while the year-end evaluation assesses overall work performance for the year. Under this process, department managers conduct the evaluation, which is then approved level by level, and the results are communicated to employees with feedback, serving as the basis for year-end rewards and promotions.

Number of Employees Receiving Regular Performance and Career Development Reviews in Taipei in 2025

Unit: No. of Employees

Category	Male	Female	Total	Percentage
High-Level Executives	1	1	2	1.0%
Mid-Level Managers	3	2	5	2.4%
General Employees	72	64	136	66.0%
Total Employees Receiving Regular Reviews	76	67	143	69.4%
Percentage	36.9%	32.5%	69.4%	-
Total Number of Employees	206			

Note: The difference between the number of employees receiving performance reviews and the total number of employees is due to the exclusion of foreign migrant workers, employees on unpaid leave, and new hires still within the probationary period.

Number of Employees Receiving Regular Performance and Career Development Reviews in Mainland China in 2025

Unit: No. of Employees

Category	Male	Female	Total	Percentage
High-Level Executives	8	5	13	2.6%
Mid-Level Managers	14	7	21	4.2%
General Employees	249	217	466	93.2%
Total Employees Receiving Regular Reviews	271	229	500	100%
Percentage	54.2%	45.8%	100%	-
Total Number of Employees	500			

Number of Employees Receiving Regular Performance and Career Development Reviews in Japan in 2025

Unit: No. of Employees

Category	Male	Female	Total	Percentage
High-Level Executives	1	0	1	25%
Mid-Level Managers	0	0	0	0%
General Employees	3	0	3	75%
Total Employees Receiving Regular Reviews	4	0	4	100%
Percentage	100%	-	100%	-
Total Number of Employees	4			

Note: As all employees of the Vietnam plant joined successively from mid-2025 onward and had not yet completed a full annual performance evaluation cycle by the end of the reporting period, the number of employees receiving performance evaluations and career development reviews at the Vietnam plant is not included in this year's disclosure; it will be progressively disclosed in subsequent years as evaluation cycles are completed.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

3.2 Occupational Safety and Health

Impact

Protecting employees' lives and health is of utmost importance. When occupational safety and health (OSH) incidents occur, the potential impacts on the Company include:

1. Higher employee injury and illness rates
   OSH incidents may result in injuries or illnesses, directly affecting employees' health and quality of life.
2. Increased operating costs
   Handling OSH incidents increases operational costs, including medical expenses, workers' compensation, replacement of personnel, retraining, and potential litigation.
3. Damage to corporate reputation
   Failure to appropriately address OSH issues can damage the Company's reputation, erode employee and consumer trust, and weaken market position and competitiveness.

To mitigate these risks, the Company implements effective OSH management measures, including risk assessments, employee training, provision of appropriate personal protective equipment (PPE), regular inspections and equipment maintenance, and the establishment of emergency response plans.

Policy Commitment

The Company's policy statement explicitly commits to
Promoting a safety culture, encouraging safe behavior, providing necessary training and resources, and establishing open communication channels to embed safety awareness into organizational culture.

Health Management
Offering comprehensive health management covering physical, mental, and social well-being. The Company engages outsourced nurses and physicians to provide health services, OSH education, and training to support employees' overall health.

Declaring to employees and stakeholders its firm commitment to safety and health, and providing strategic direction for achieving these goals:

- Life safety first, implement pollution prevention.
- Fulfill social responsibility and comply with environmental and occupational safety regulations.
- Develop green products and safeguard environmental sustainability.

Actions Taken

1. Building a safe working environment by conducting comprehensive workplace monitoring and risk assessments, identifying potential hazards, and implementing control measures.
2. Providing necessary safety facilities and equipment, such as warning signs and PPE, to protect employees.
3. Conducting regular workplace inspections and safety training to ensure employee awareness of safety rules and procedures.
4. Offering health checks and monitoring to detect and address work-related health issues at an early stage.
5. Ensuring workplace safety and health by building a safe working environment and implementing occupational disease prevention, thereby reducing incident rates, enhancing employee health, and improving work efficiency.

Evaluation Mechanism

In line with the Environment, Health, and Safety (EHS) supervision and monitoring procedures, each department sets management targets based on company-level goals and departmental responsibilities. Annually, departments review their performance using the EHS Objectives, Targets, and Program Completion Record, with verification and approval by the management representative. If targets are not met, departments must provide root cause analysis and improvement measures, which are followed up in the next review cycle.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

Goals

Short-term goals

1. Quantitative goals:
   - Reduce the workplace occupational incident rate by at least 3% within three months through parallel implementation.
   - Within six months, ensure every employee receives adequate OSH training to strengthen safety awareness and behavior.
   - Zero cases of occupational diseases.
   - Zero fire incidents.
   - Zero major EHS accidents/incidents.
   - ≤ 3 minor EHS incidents per month.

2. Qualitative goals:
   - Provide employee access to anonymous reporting of OSH issues or suggestions through bulletin board postings with contact information for senior management.
   - Hold regular OSH committee meetings to discuss plans and targets.
   - Conduct regular emergency response drills and review corrective and preventive measures to enhance safety awareness.

Mid- to long-term goals

1. Quantitative goals:
   - Reduce the workplace occupational incident rate to 0%.
   - Maintain zero cases of occupational diseases.
   - Maintain zero fire incidents.
   - Maintain zero major EHS accidents/incidents.
   - ≤ 2 minor EHS incidents per month.

2. Qualitative goals:
   - Within the next three years, maintain the current occupational health management system, including regular health checks, environmental monitoring, and health consultations.
   - Within the next six years, ensure that all employees recognize safety as the Company's top priority, promoting compliance with safety rules and procedures through awareness messages sent via OSH communication groups.

Performance Results

- Zero fire incidents.
- Zero major occupational injuries.
- ≤ 1 minor EHS incident per month (a total of 1 case in Mainland China in 2025).
- Zero cases of occupational diseases.
- Disabling injury frequency rate: 0.00 (Taipei plant).
- Disabling injury severity rate: 0 (Taipei plant).
- Disabling injury frequency rate: 0.13 (Mainland China plant).
- Disabling injury severity rate: 20.06 (Mainland China plant).

Stakeholder Engagement

In 2025, a total of 4 unacceptable risk items were identified across internal, external, stakeholder-related, and significant environmental considerations.

Four occupational safety and health meetings were held in 2025, in compliance with the regulatory requirement of at least one meeting per quarter.



Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

Unacceptable risks across internal, external, stakeholder-related, and significant environmental considerations in 2025.

Unacceptable Risks Across Internal, External, Stakeholder-Related, and Significant Environmental Considerations	Process Name / Issue	Risk (Negative Impact)	Opportunity (Improvement Opportunity)	Current Controls	Objectives / Targets	Planned Measures / Performance Monitoring and Measurement
Insufficient waste yard space	Insufficient storage space, in violation of the Waste Disposal Act	Adopt recycling or other non-scrapping measures	Provide appropriate premises or lease off-site space to store release paper rolls	Engage additional contractors for recycling treatment instead of incineration	Bundle and pack release paper rolls monthly and regularly transfer them to a recycling company for resale	Insufficient waste yard space
Waste occupies a large share of space; alternative solutions needed	Insufficient space for waste volumes may lead to untidy stacking or boundary violations contrary to the Waste Disposal Act	Adopt space compression measures	Add manpower and purchase a compactor to compress large-area paper rolls	Reuse of space	Purchase a compactor and add manpower for the operation	Waste occupies a large share of space; alternative solutions needed
Installation of infrared sensors	Security guards may leave the guardhouse for urgent personal needs or other unavoidable reasons, allowing outsiders to enter the plant unnoticed	Add sensing devices that can alert security personnel	Keep the barrier gate lowered on a routine basis	Install additional infrared sensing devices	Purchase and wire infrared sensing devices	Installation of infrared sensors
Training for personnel completing risk assessments and environmental aspect evaluations	Nonconformity with system observation events may give rise to nonconformities and other issues	Revision of documents relating to risk assessment and environmental aspects, and addition of external training	Add training programs	Revised documents and training	External training with certificates obtained	Training for personnel completing risk assessments and environmental aspect evaluations

Occupational Safety and Health Overview

To safeguard the safety and well-being of our employees, we have established a dedicated occupational safety and health organization and personnel in line with the scale and nature of our operations, along with an occupational safety and health management system. The Taipei plant, classified as a Category I enterprise, has set up a first-level dedicated management unit and completed the required filings. In 2024, the Taipei plant successfully renewed its ISO 45001:2018 Occupational Health and Safety Management System certification and formulated a regular audit procedure to ensure the system's adequacy and effectiveness in preventing various incidents. Both the Taipei plant and the China plant have obtained ISO 45001 certification, and in 2022, the China plant was further recognized through the "Healthy Enterprise of Yangzhou" initiative.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

Workers Covered by the Occupational Safety and Health Management System

Our Occupational Safety and Health Management System covers all individuals working within the organization, including full-time employees, contractors, outsourced personnel, interns, visitors, and guests, achieving a 100% coverage rate.

Workers Covered by the Occupational Safety and Health Management System

	Number of Employees	Number of Employees	Number of Employees	Number of Employees
Number of Employees	206 Taipei plant	500 China plant	77 Vietnam	4 Japan

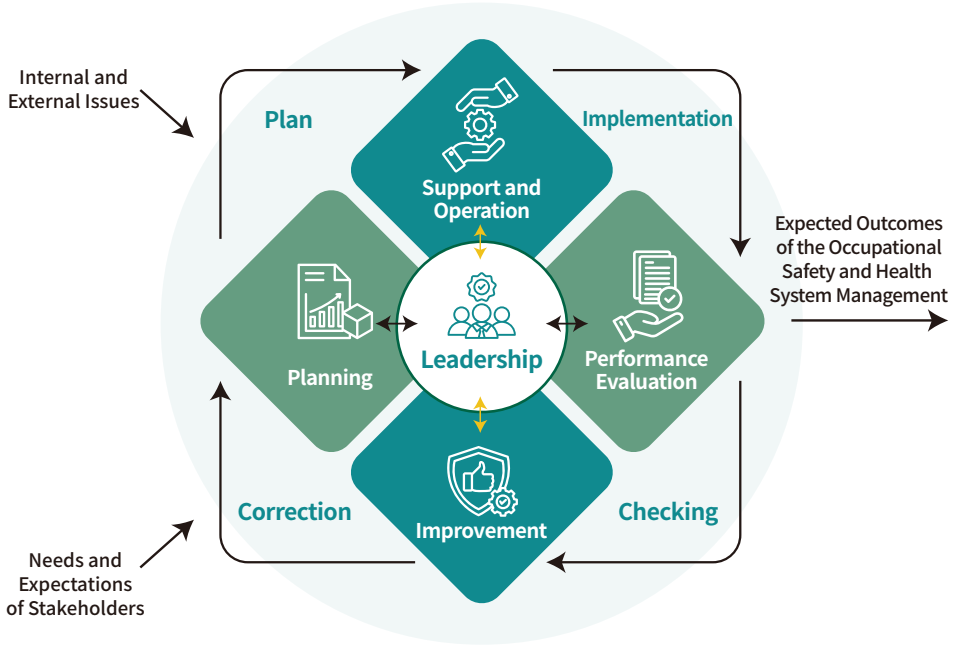
Contractors		Cleaning Service Providers		Security Service Providers	
Number of Contractor / Non-employee Workers	98 Taipei plant	Number of Contractor / Non-employee Workers	3 Taipei plant	Number of Contractor / Non-employee Workers	4 Taipei plant
Number of Contractor / Non-employee Workers	194 China plant	Number of Contractor / Non-employee Workers	7 China plant	Number of Contractor / Non-employee Workers	6 China plant



Occupational Safety and Health Management

In line with Arizon's business philosophy, we analyze both internal and external issues as well as stakeholder concerns to understand the company's position, ensure the effective operation of our management systems, mitigate operational risks, build corporate credibility, and achieve sustainable development. To further enhance our safety management standards, the company complies with all relevant regulations and international standards, and promotes occupational safety and health through systematic planning, implementation, evaluation, and improvement measures. Regular audits and continuous improvement ensure the sustained effectiveness of the Occupational Safety and Health Management System, while strengthening employees' sense of security and protection in the workplace. We are committed to providing a safer and healthier working environment for our employees, thereby realizing the shared goal of sustainable development for both the company and its workforce.

▼ Occupational Safety and Health Management System Flowchart



Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

Occupational Safety and Health Committee

The Company has established an Occupational Safety and Health (OSH) Committee, which convenes regular management review meetings to examine and improve the operation of various systems, thereby ensuring continuous enhancement and corrective action. All inputs and outputs, such as reports, reviews, and resolutions related to the appropriateness and effectiveness of the Environment, Health, and Safety (EHS) management system, are systematically reviewed to drive ongoing improvement. Employees are also able to participate in OSH decision-making through labor representatives, ensuring that OSH policies align closely with the needs of frontline staff and achieve the goal of a safe and healthy workplace for all. The committee meets at least once every quarter, in compliance with legal requirements.

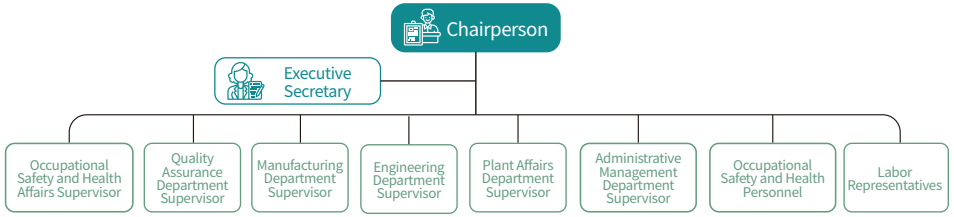
Members of the Occupational Safety and Health Committee: The Committee shall consist of no fewer than seven members, including the following representatives:

- Occupational safety and health personnel
- Supervisors, managers, and directors from various departments within the enterprise
- Engineering and technical personnel related to occupational safety and health
- Labor representatives (comprising at least one-third of the total number of committee members)

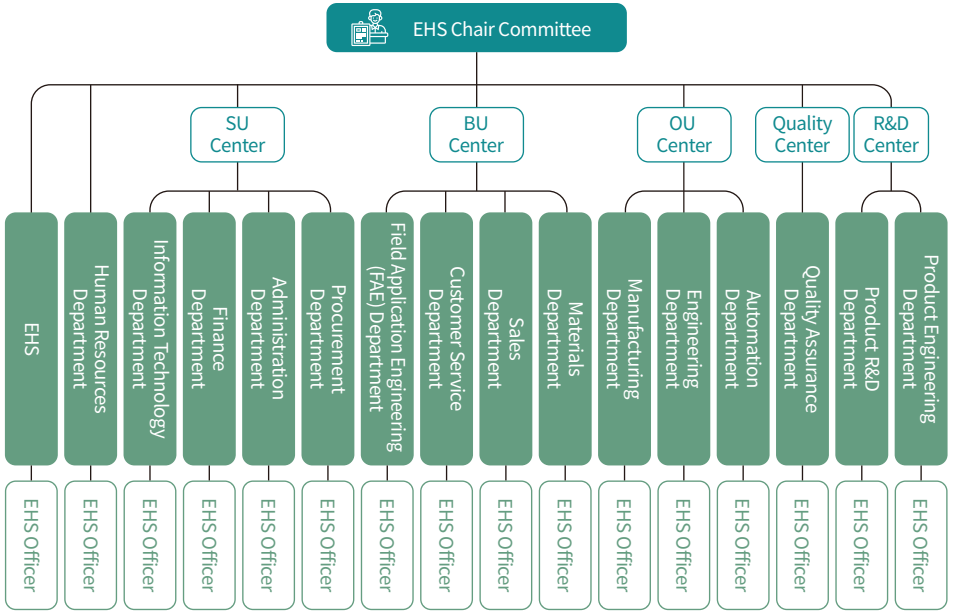


▼ Organizational Structure of the Occupational Safety and Health (OSH) Committee

Taipei



Mainland China



Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

Employee participation and consultation are essential throughout the formulation, implementation, and evaluation of the Occupational Safety and Health (OSH) Management System, and are carried out in accordance with the following processes:

Ensuring employee participation and consultation > Soliciting participation and opinions from labor representatives > Holding meetings during the planning stage > Defining OSH objectives, policies, and procedures > Providing employees with training and resources > Collecting employee feedback and suggestions on the OSH management system > Conducting regular reviews of safety and health policies, procedures, and implementation at plant sites

To ensure workplace safety and hygiene, the Company has established effective communication and consultation channels with internal employees as well as external stakeholders and related organizations. Employees may raise suggestions or communicate regarding environmental and OSH policies, objectives, or management system operations through their supervisors, employee suggestion mailboxes, or at meetings. In addition, they may complete the EP-08-ES-02 Environmental and Occupational Safety and Health Internal and External Communication Record Form or submit feedback via email to their supervisors. A dedicated mailbox and telephone line for top management are also posted on the Company's bulletin board.

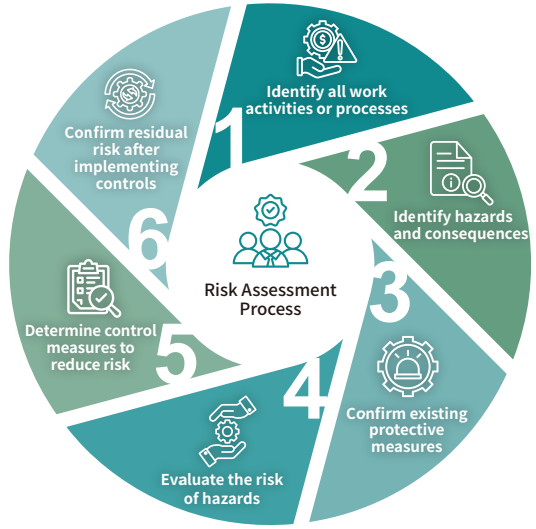
Through these processes, the Company ensures that sufficient participation and consultation are integrated into the formulation, implementation, and evaluation of the OSH Management System. These measures also ensure the provision of necessary OSH information and communication, fostering a workplace culture committed to safety and health, thereby improving the overall safety and well-being within the plants.

Hazard Identification, Risk Assessment, and Incident Investigation

In accordance with the Occupational Safety and Health (OSH) Management System risk assessment, Arizon conducts comprehensive hazard identification and detailed risk assessments across all plant sites. Both routine and non-routine risk factors are evaluated, including physical, chemical, biological, psychological, and human-related aspects. The Company identifies and understands the sources of risk, implements regular inspections and monitoring procedures, assesses the effectiveness of control measures, and addresses potential issues to ensure risks are controlled within an acceptable level.

- **Incident Investigation and Learning**
  Detailed investigations are conducted for all occupational injury incidents to analyze root causes and draw lessons to prevent recurrence of similar events.
- **Emergency Response and Right to Withdraw**
  Employees who encounter imminent danger while performing their duties are entitled to immediately cease work and withdraw to a safe location, provided that doing so does not endanger others. They must promptly report to their direct supervisor, and the Company shall not reduce wages, benefits, or terminate employment contracts due to employees exercising this right in emergency situations. New employees are informed of this provision during general OSH orientation training.
- **Hazard Identification and Risk Assessment**
  At least once a year, the Company conducts hazard identification, risk assessment, and verification activities covering all areas and processes within the scope of operations, ensuring that occupational health and safety risks are effectively managed and that control measures are properly implemented.

▼ Hazard Identification and Risk Assessment Process Flowchart



Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

The steps for hazard identification, risk assessment, and risk control are as follows:

Risk Control Hierarchy

The hierarchy of controls is applied in the following order:



Inspection and Corrective Actions

Regular monitoring and inspections are conducted within the plants to ensure the effectiveness of preventive measures. Hazard assessment results are presented during management review meetings or addressed through corrective action requests. Occupational safety personnel or occupational health nurses provide recommendations for preventive measures to reduce or eliminate potential hazards, such as the provision of personal protective equipment, improvements to plant facilities, and training programs to strengthen employees' awareness and skills.

- **Timing of Corrective and Preventive Measures**
  Corrective and preventive measures are implemented whenever the Environment, Health, and Safety Management System encounters nonconformities, when stakeholders (e.g., contractors) raise complaints, or when regulatory authorities identify violations during inspections. These actions are carried out in accordance with the "Organizational Environmental Risk and Opportunity Assessment Management Procedure."

Occupational safety and health risk assessment and improvement plan for the year

Category	Hazard Identification and Risk Assessment	Improvement Measures	Plant
OSH Priority Measures	Chemical hazards	Added spill containment pallets and exhaust ventilation equipment; workplace environment monitoring values.	Taipei plant
	Bearing seizure caused by friction burnout	The motor bearing failed; a new replacement motor was requisitioned, and paper-breaking and filtering devices were added to prevent kraft paper strips from jamming the bearing.	
	Asphalt paving of the sunken road surface in front of the guardhouse	Paving of the previously damaged road sections was 100% completed.	
	Installation of a direct staircase in the office building	Safety inspection identified the need for a second direct staircase.	
	High prevalence of metabolic syndrome found in employee health checkups	Purchased blood pressure monitors, increased the proportion of health education and training, and issued health management announcements.	
	Explosion-proof cabinets for chemicals	Chemicals are stored in explosion-proof cabinets meeting safety standards, and stored quantities are controlled at the minimum safe stock required for use to reduce explosion risk.	Mainland China plant
	Collection of chemical waste liquids	Added spill containment pallets and exhaust ventilation equipment.	
	Establishment of a safety inspection management mechanism and implementation of safety inspections and controls	Safety inspection responsibilities and frequencies are continuously enforced to strengthen safety supervision. Results are centrally tracked in the safety patrol inspection system, and nonconforming items must be rectified within a specified time limit to ensure closed-loop management.	
Plant Safety Improvement	Regular internal audit operations	Internal audit is a key mechanism for continuous improvement and risk management; through systematic reviews and issue rectification, ESG sustainability governance is put into practice.	Taipei plant
	Traffic safety	Provided in-depth instruction on safe driving rules for non-motorized and motorized vehicles.	Mainland China plant
	Emergency response	Through hands-on practice and regular response drills, combined with corrective and preventive actions for nonconformities, personnel response capabilities and reporting procedures were comprehensively strengthened to ensure that unexpected events are handled promptly and safely.	

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

Occupational Safety and Health Training

To effectively prevent occupational accidents and safeguard employees' safety and health, the Company designs and implements systematic occupational safety and health training programs tailored to different job characteristics and risk profiles. An annual training plan is established, supported by four major prevention programs aimed at reducing potential workplace risks, protecting worker health and safety, and ensuring compliance with regulatory requirements. The training programs cover objectives, timelines, measures, resource needs, and performance evaluation mechanisms. Through the continuous "Plan-Do-Check-Act (PDCA)" cycle, employees are enabled to fully recognize potential hazards in the work environment and develop the capabilities needed to respond effectively.

Four Major Prevention Programs

1. Prevention Program for Ergonomic Hazards
   Aimed at preventing musculoskeletal disorders caused by repetitive tasks, poor posture, and excessive exertion. Risk is evaluated through regular spot checks of health records and comprehensive assessments conducted every two years.
2. Prevention Program for Diseases Induced by Abnormal Workload
   Focused on preventing overwork-related risks arising from shift work, night shifts, and long working hours. Regular occupational health education and training are provided.
3. Maternal Health Protection Prevention Program
   Designed to protect the health of pregnant and breastfeeding employees, preventing occupational hazards from affecting both the mother and the fetus. In 2024, the Company established a lactation room and underwent a labor conditions audit.
4. Prevention Program Against Unlawful Infringement During Duty
   Intended to prevent risks of physical or psychological harm to employees while performing their duties. Preventive mechanisms are reinforced through training and related protective measures.

2025 Occupational Safety and Health Training Programs

1. General Training
   - Basic safety knowledge (including use of PPE, safety signs, and evacuation procedures)
   - Accident prevention (e.g., slips, trips, and falling objects)
   - Fire safety (including use of fire extinguishers and preventive measures)
   - Emergency response (including evacuation procedures and communication methods)
   - Chemical safety (introduction to common chemical risks, incorporating H-CARD for risk management)

2. Specific Training
   Targeted training provided according to job types and responsibilities:
   - OSH affairs supervisors
   - OSH management personnel
   - Operators of hazardous machinery and equipment (e.g., forklifts)
   - First-aid personnel
   - Supervisors of organic solvent operations

3. General Education and Training
   - Orientation safety and health training for new employees
   - General safety and health education and training
   - General hazard awareness training

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

▼ Status of Occupational Safety and Health Training by Plant

Plant	Course Title	Participants	Training Hours
Taipei	Fire Safety Training	46	184
Taipei Total		**46**	**184**
Mainland China	Fire Safety Training	36	216
Mainland China	Occupational Hygiene Training	36	288
Mainland China	Emergency Evacuation Drill	595	1,190
Mainland China	Occupational Health Hazard Training	36	18
Mainland China Total		**703**	**1,712**
Grand Total		**749**	**1,896**

Note 1: Due to its streamlined staffing, occupational safety and health training for the Japan office is arranged collectively by the property management of the building where it is located, in accordance with local regulations; no separate statistics are compiled at the company level, and the data are not disclosed this year.

Note 2: As the Vietnam plant only recently commenced formal production, its occupational safety and health training system is still being established. Training data for this year are not yet included in the statistics; complete records and a disclosure mechanism are expected to be established starting from the next year.

Photos of fire safety drills in Taipei



Fire safety drills at the Mainland China site



Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

Collaborating with Suppliers and Customers to Implement Occupational Safety and Health Management

The Company places great importance on the occupational safety and health (OSH) management of contractors, striving to ensure that all contractors entering the workplace comply with relevant OSH regulations and operational standards. To prevent and reduce occupational safety and health risks, the Company has established comprehensive procedures covering contract issuance, outsourced construction work, installation of process machinery and equipment, pipeline configuration, maintenance, and related activities. These procedures also apply to the management of construction personnel, vehicles, and equipment.

In 2025, Taipei recorded a total of 56 construction contracting cases involving 98 participants, while Mainland China recorded 73 cases involving 194 participants. Through institutionalized management and close communication, we work hand-in-hand with suppliers and partners to jointly implement OSH management and safeguard workplace safety.

The supplier management procedures are as follows:

1. **Contractor Evaluation and Selection**
   Prior to construction, contractors must complete a construction application form for the Company's review and evaluation, ensuring that they possess an adequate safety management system and the capability to implement it. This includes reviewing their past safety records, their ability to execute safety procedures, and the corresponding implementation measures.
2. **Safety Training and Education**
   The Company requires contractors to provide records of safety training and education for special operations, and to ensure that their employees understand the relevant safety requirements and procedures, e.g., forklift operation.
3. **Safety Inspections**
   Regular safety and compliance inspections are conducted at contractor worksites to verify adherence to applicable safety standards and regulations, covering workplace safety facilities, operating procedures, personal protective equipment, and self-inspection mechanisms.
4. **Risk Management and Control**
   When collaborating with contractors, the Company evaluates potential safety risks and implements measures to control and manage them, such as defining work methods, providing safety guidance, and conducting supervision.
5. **Incident Reporting and Investigation**
   Contractors are required to immediately report any incidents or safety events, followed by appropriate investigations to identify root causes and propose corrective actions to prevent recurrence.
6. **Contractor OSH Evaluation Form**
   The construction unit, together with the environmental safety unit, conducts evaluations of contractors' occupational safety and health performance. Contractors receiving a score below 80 points are prohibited from entering the plant for construction work for one year.

Our Mainland China operations are also committed to promoting the implementation of occupational safety and health among customers and suppliers:

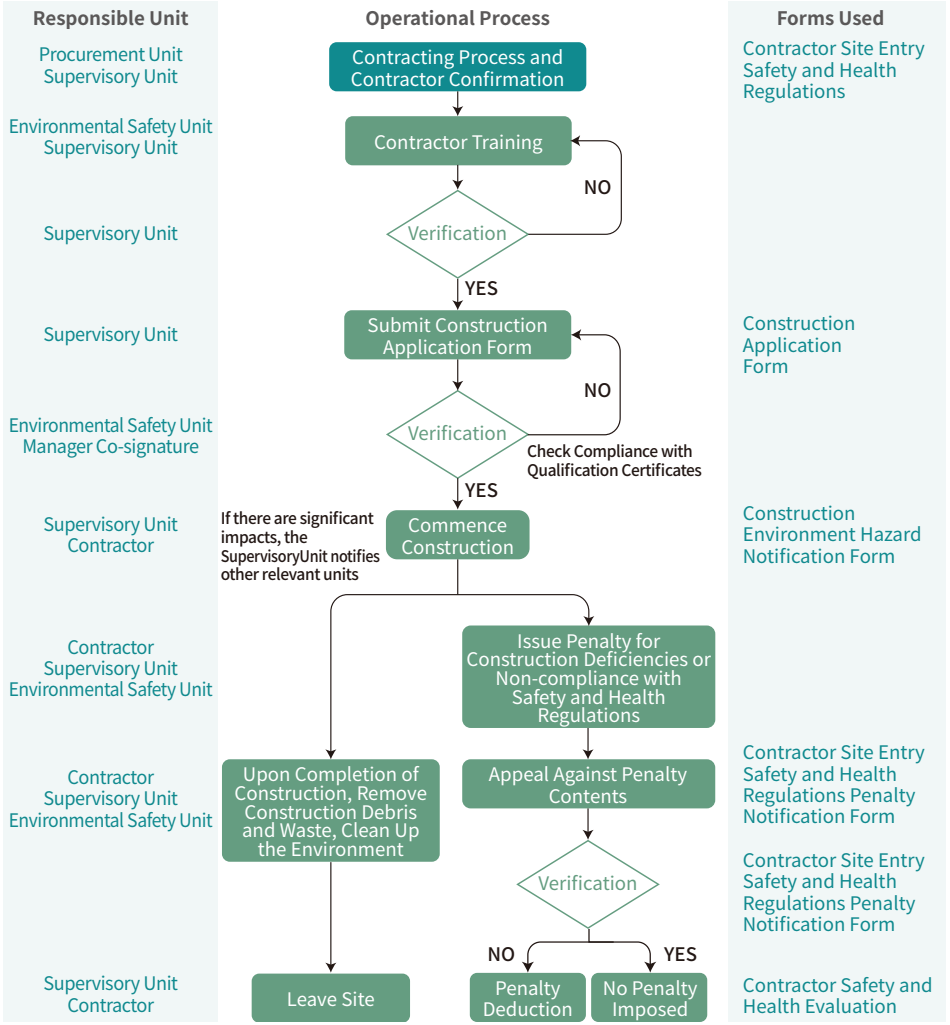
1. Through customer surveys, correspondence, and on-site customer visits, the Company gathers information on customers' occupational health and safety requirements, which is then incorporated into internal evaluations and translated into corresponding management requirements.
2. Through on-site audits and surveys of suppliers, the Company communicates occupational health and safety management requirements to suppliers and supervises their implementation.

Through effective contractor management procedures, the Company enhances overall workplace safety, prevents and mitigates potential negative impacts and hazards related to OSH, protects employee health and safety, and ensures the continuity and sustainable development of business operations.



Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

▼ Contractor Management Flowchart



Emergency Incident Response Procedures and Fire Safety Drills

Arizon has established comprehensive incident response and prevention mechanisms, formulating rigorous emergency response measures and training programs by integrating surrounding support systems with government public emergency resources. We are committed to conducting in-depth incident investigations and risk analyses and adopting effective preventive measures to keep disasters from escalating, thereby safeguarding the lives of all employees and the Company's assets.

In 2025, the Company continued to strengthen its fire safety culture by implementing the "Drill-Review-Rectification-Verification" PDCA closed-loop management approach:

- **Full Coverage and Inclusiveness**
  Fire emergency evacuation drills covering both day and night shifts are conducted every six months, encompassing all employees, visitors, and third-party partners. Dedicated evacuation support plans are provided for special groups such as pregnant women, reflecting people-oriented safety management.
- **Excellent Drill Performance**
  Drills were carried out in an orderly manner, with night-shift evacuations completed in only about 2 minutes, effectively balancing production efficiency with emergency response effectiveness.
- **Technology-Enabled Management**
  To address challenges identified during drills (such as optimizing the check-in process), the Company introduced a mobile phone check-in and headcount system, and enhanced overall response precision by reinforcing action protocols and strengthening training for new employees.

Drill Item	Taipei	Mainland China
Personnel emergency response and drills	2	2
Fire alarm and firefighting equipment drills	2	2
Total	**4**	**4**

Note: The Vietnam plant and the Japan office have not yet established systematic mechanisms for compiling emergency response drill statistics, and the relevant data are therefore not included in this year's disclosure scope. Arizon will continue to assist each site in improving its emergency drill records and statistical systems, with disclosure expected to be phased in over subsequent years.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

Occupational Health Services

Occupational health services are designed to ensure employee health and safety in the workplace and to minimize potential hazards and risks. The Company provides the following occupational health services to identify or eliminate hazards and reduce risks to the lowest possible level:

- Engage an occupational health service institution accredited by the Occupational Safety and Health Administration to establish an occupational health management system, manage employee health conditions, and provide necessary health education, training, and support.
- Provide employee health examinations. Annual health checks are conducted for all employees, and a high-risk list is established with regular follow-up.
- Provide comprehensive health insurance plans, such as additional insurance, to help employees access quality medical services and reduce the financial burden of medical expenses.
- Items beyond regulatory requirements: Implement ergonomic hazard prevention in plant design and optimization to ensure employees adopt comfortable working postures. This includes adjusting desk and chair heights, providing sufficient space for movement and operation, and arranging workstations to reduce twisting or overreaching. Provide appropriate rest areas and encourage employees to take regular breaks and exercise to prevent long-term static postures from causing stress on muscles and bones. Provide health education and monitoring feedback to make employees aware of ergonomic risk factors and how to prevent these problems by changing work habits and lifestyle. In addition, conduct annual ergonomic health suitability assessments, provide feedback, and help employees adjust work habits and postures to reduce the risk of musculoskeletal disorders.
- A total of 5 AEDs and 8 first aid kits are installed in the factory. AEDs and first aid kits are placed in easily accessible locations and clearly marked where needed. Ensure that each area has at least one AED and one first aid kit, visible and accessible to all employees. Designated personnel are trained in AED use and first aid, and are capable of using AEDs effectively and handling supplies in the first aid kits. In addition, expired or damaged first aid supplies are regularly replaced to ensure the best emergency response results.
- Regularly organize first aid training and drills to ensure all employees know how to respond to emergencies.
- Inspection and maintenance: Regularly inspect the integrity and effectiveness of AEDs and first aid kits.
- Post emergency response contact lists in production, office, and warehouse areas to enable immediate emergency response in case of accidents.

Health Promotion

In addition to focusing on workplace safety, the Company also promotes employee health through various initiatives, helping employees maintain good health outside of work, reduce disease burdens, and enhance work efficiency and well-being. Health promotion services include:

- Provision of Health Resources
  Collect up-to-date health and safety information such as health websites, magazines, and seminars to help employees increase health knowledge and adopt healthy behaviors.
- Health Promotion Programs
  Implement health promotion initiatives, including employee health education, hygiene guidance, and workplace health promotion activities. These programs help employees better understand correct health-related concepts, adopt positive health behaviors, and detect and treat potential health problems at an early stage.
- Designated Personnel
  Assign responsible personnel to conduct regular inspections of AEDs and first aid kits using checklists. A QR-code record system is established to track AED inspections and maintenance, enabling monitoring and evaluation of effectiveness.



Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

Occupational Injury Statistics

Through ongoing education and training, awareness programs, and preventive measures, the Company seeks to reduce the incidence of work-related injuries. Causes of occupational injury incidents may include improper equipment operation, vehicle-pedestrian collisions, equipment-related electric shocks, and chemical hazards. In 2025, the China plant recorded one recordable work-related injury, involving a traffic accident; the Taipei, Vietnam, and Japan sites recorded no recordable work-related injuries during the year, and no work-related injuries occurred among workers who are not employees. In addition, to prevent future work-related injuries, we further investigated the root causes and implemented corresponding improvement measures, including safety operation awareness campaigns and strengthened on-site controls, with daily inspections conducted by shift team personnel.



2025

Plant / Site		Taipei	Mainland China	Total
Total Hours Worked (hours)		352,296	1,555,573	1,907,869
Work-Related Injuries	Number of General Work-Related Injuries (days lost within 180 days)	0	1	1
	Number of Severe Work-Related Injuries (days lost greater than 180 days)	0	0	0
	Number of Recordable Work-Related Injuries	0	1	1
	Number of Deaths Due to Work-Related Injuries	0	0	0
	Days Lost Note 1	0	156	156
	Rate of Severe Work-Related Injuries Note 2	0	0	0
	Rate of Recordable Work-Related Injuries Note 3	0	0.13	0.10
	Rate of Deaths Due to Work-Related Injuries Note 4	0	0	0
Work-Related Ill Health	Number of Cases of Work-Related Ill Health	0	0	0
	Number of Deaths Due to Work-Related Ill Health	0	0	0
	Rate of Deaths Due to Work-Related Ill Health Note 5	0	0	0
	Number of Cases of Recordable Work-Related Ill Health	0	0	0

Note:
1. From the date of injury or death, the total number of lost workdays for a single case includes the days the injured party is temporarily (or permanently) unable to return to work, excluding the day of injury and the day of return to work. However, it includes all intervening days (including Sundays, holidays, or shutdown days) and any days lost due to the injury after returning to work.
2. Rate of Severe Work-Related Injuries = [Number of Severe Work-Related Injuries (excluding deaths) × 200,000 hours] / Total Hours Worked.
3. Rate of Recordable Work-Related Injuries = (Number of Recordable Work-Related Injuries × 200,000 hours) / Total Hours Worked.
4. Rate of Deaths Due to Work-Related Injuries = (Number of Deaths Due to Work-Related Injuries × 200,000 hours) / Total Hours Worked.
5. Rate of Deaths Due to Work-Related Ill Health = (Number of Deaths Due to Work-Related Ill Health × 200,000 hours) / Total Hours Worked.
6. The Vietnam plant and the Japan office have not yet established systematic mechanisms for compiling work-related injury and ill health data, and the relevant data are therefore not included in this year's disclosure scope. As of the end of 2025, neither site had received any reports of work-related injuries or ill health. Arizon will continue to assist each site in improving its occupational safety and health data collection systems, with disclosure expected to be phased in over subsequent years.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

3.3 Human Rights Protection

Impact

Failure to establish effective monitoring mechanisms, policies, and processes to ensure respect for and protection of human rights may result in the infringement of the rights of employees, suppliers, consumers, or other stakeholders.

Implementing human rights management helps foster a workplace culture of respect and inclusion, motivates employees, strengthens supply chain resilience, and enhances brand image and investment appeal, thereby injecting positive momentum into the Company's sustainable development.

Policy Commitment

The Company complies with the principles of the United Nations Global Compact and aligns with the spirit and principles of international conventions, including the Universal Declaration of Human Rights, the ILO Declaration of Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights. Based on these frameworks, the Company has established its Human Rights Policy.

Actions Taken

- Conduct human rights awareness campaigns from time to time.
- Carry out human rights due diligence for employees and suppliers.

Evaluation Mechanism

The Human Resources Department regularly monitors and reports to the Sustainability Development Center.

Goals

Short-term
- Zero incidents involving human rights violations.
- Promote human rights awareness campaigns and provide training.

Mid- to Long-term
- Zero incidents involving human rights violations.
- Continue to promote human rights awareness campaigns and training, conduct human rights risk audits for key suppliers, and strengthen supplier management.

Performance Results

1. Hired 2 employees with disabilities.
2. Zero cases of penalties from government authorities for human rights-related violations in 2025.
3. In 2025, human rights training in Mainland China reached 36 participants, with an average duration of 1 hour.

Stakeholder Engagement

- Regularly disclose relevant information through the Company's investor relations section on its official website and the Market Observation Post System (MOPS).
- Communicate with stakeholders through the annual shareholders' meeting and quarterly investor conferences.
- No incidents related to this topic occurred with stakeholders in 2025.



Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

Human Rights Policy

The Company strictly complies with local labor regulations and supports the core principles of international conventions such as the Universal Declaration of Human Rights, the United Nations Global Compact, and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy. These principles are embedded into daily operations and all business activities to ensure compliance with relevant standards. The Company takes a proactive approach to human rights issues, integrating them into all aspects of business considerations, with applicable coverage extending to employees, customers, suppliers, and other business partners.

In 2025, the Company continued to promote human rights protection during weekly meetings to ensure the safeguarding of fundamental labor rights. In the event of major changes, procedures are handled through labor-management consultation in accordance with the relevant provisions of Taiwan's Labor Standards Act. Furthermore, to promote gender equality and prevent workplace bullying, the Company has established the Measures for Prevention, Complaints, and Penalties on Sexual Harassment, issued a Written Statement on the Prohibition of Workplace Violence, and provided accessible complaint channels. The Company also underwent SMETA audits to further strengthen its corporate social responsibility system and effectively safeguard employee rights. No human rights-related complaints were received in 2025.

We place particular emphasis on the following issues and corresponding actions:

Human Rights Issue	Specific Management Measures	2025 Implementation Status
Elimination of unlawful discrimination and ensuring equal employment opportunities	The Company has established the Anti-Discrimination Management Procedure, which prohibits discrimination in wage distribution, promotion, rewards, and training opportunities on the basis of race, color, age, gender, sexual orientation, gender identity and expression, ethnicity, disability, pregnancy, religion, political affiliation, membership in any association or organization, protected veteran status, protected genetic information, or marital status.	No discrimination incidents occurred in 2025; 2 employees with disabilities were hired.
Prohibition of forced labor	All work at the Company is voluntary. No one is permitted to prohibit or force employees to work, nor engage in exploitation, slavery, or human trafficking. Working hours do not exceed the maximum limit set by the Labor Standards Act. Total weekly working hours, including overtime, shall not exceed 60 hours, and employees must have at least one day off every 7 days. All overtime work is voluntary, and the Company does not compel employees to work overtime.	1. Implemented working hours management to ensure compliance with the Labor Standards Act. 2. No incidents of forced or compulsory labor occurred in 2025.
Prohibition of child labor	The Child and Juvenile Worker Management Regulations stipulate that no child under the age of 16 shall be employed.	No child labor employed in 2025.
Employee health and work-life balance	Provide on-site medical care, regular employee health examinations, year-end parties, employee trips, and various recreational competitions and activities to support employees' physical and mental well-being and foster cohesion.	In 2025, the Taipei site held 3 employee recreational activities with a cumulative 444 participants, promoted annual health examinations with 115 employees completing check-ups, and arranged 52 on-site medical care sessions with a total of 148 participants in health education. The China plant held 8 recreational activities and competitions with 2,100 participants; 229 employees underwent health examinations and 264 took part in occupational health check-ups. The Company will continue to strengthen employee health care.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

Human Rights Risk Identification and Assessment

Arizon values the safety, health, and dignity of all employees, and complies with relevant labor regulations and international human rights conventions, including the Labor Standards Act, the Occupational Safety and Health Act, and the Gender Equality in Employment Act. The Company conducts regular human rights due diligence to identify and assess risks related to human rights issues. The process is as follows:

1. **Identification and Assessment**
   Identify and assess actual and potential human rights impacts.
2. **Taking Action**
   Implement appropriate response measures based on the results of identification and assessment.
3. **Reviewing Effectiveness**
   Track the effectiveness of the response measures to determine whether they adequately address negative human rights impacts.
4. **External Communication**
   Disclose how the Company responds to relevant impacts.

Human Rights Due Diligence

The Company strictly complies with local labor regulations and supports the core principles of international conventions, including the Universal Declaration of Human Rights, the United Nations Global Compact, and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy. Guided by these principles, the Company has established a Human Rights Policy to ensure that all relevant personnel are treated fairly and with dignity. The Company is committed to respecting human rights in employee recruitment, management, and development.

Arizon references international human rights conventions, relevant guidelines, and human rights due diligence reports issued by benchmark enterprises to consolidate human rights risk issues and evaluate potential human rights risks across the value chain. These assessments are incorporated into the human rights risk assessment process. This year, a human rights risk assessment was conducted for internal employees through an online questionnaire.

The questionnaire assessed both the likelihood of occurrence and the severity of each human rights risk issue.

Likelihood of occurrence: 0 = Will not occur, 1 = Low likelihood (1%-30%), 2 = Moderate likelihood (31%-60%), 3 = High likelihood (greater than 61%).

Severity: 0 = No impact, 1 = Minor, 2 = Serious, 3 = Very serious.

Based on the survey results, a Human Rights Risk Matrix was developed, and human rights risks were classified into three levels:

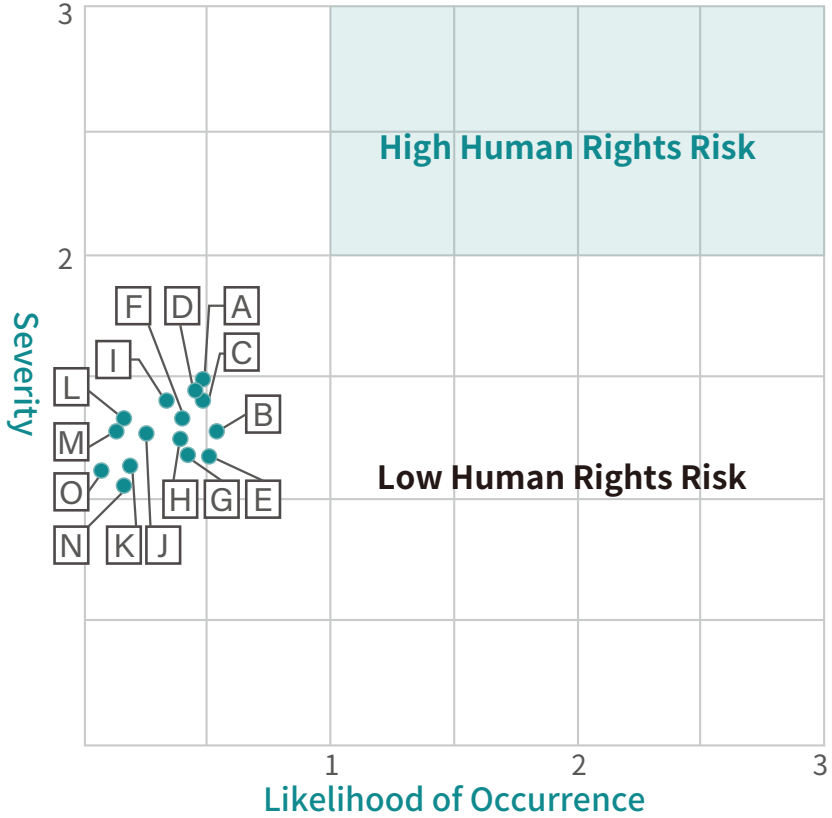
High risk	Medium risk	Low risk
likelihood score of 1 or above and severity score of 2 or above.	likelihood score of 1 or above and severity score below 2.	likelihood score below 1.



A total of 758 questionnaires were collected, including 147 from Taipei and 611 from Mainland China. The evaluation results are as follows:

	Risk Issue	Product	Ranking	Code
Low Risk	Right to Health - Provide Occupational Safety Education and Training	0.71	1	A
	Right to Health - Health Protection Measures	0.69	2	B
	Protection of Working and Employment Conditions	0.67	3	C
	Personal Freedom and Safety	0.66	4	D
	Non-discrimination - Promotion	0.59	5	E
	Privacy Protection	0.53	6	F
	Freedom of Speech and Expression - Provide Channels for Speech and Expression	0.51	7	G
	Non-discrimination - Recruitment	0.48	8	H
	Freedom of Speech and Expression - Protect Freedom of Speech and Expression	0.47	9	I
	Right to Family Life - No Harm to Family Life Rights	0.32	10	J
	Freedom of Assembly and Association - Establish Collective Bargaining Mechanisms	0.21	11	K
	Forced Labor	0.21	12	L
	Right to Family Life - Provide Parental Support and Benefits	0.17	13	M
	Freedom of Assembly and Association - Protect Freedom of Assembly and Association	0.17	14	N
	Child Protection	0.08	15	O

Employee Human Rights Risks



According to the results of the 2025 employee human rights due diligence survey, no human rights issues of medium risk or above were identified. The Company will continue to monitor potential human rights risks and strengthen relevant preventive and mitigation measures to ensure the effectiveness of the existing human rights response mechanisms. Looking ahead, the Company will revisit the human rights risk assessment process as needed, based on changes in the operating environment and practical requirements, to continuously enhance human rights management practices.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

Supplier Human Rights Due Diligence

Arizon actively extends human rights management to its supply chain. Based on the Supplier Code of Ethics and Business Conduct established in 2024, the Company officially launched its supplier ESG self-assessment questionnaire mechanism in 2025. The survey covered five major categories - packaging materials, paper materials, hot-melt and conductive adhesives, antennas and chips, and office supplies and other miscellaneous items - and questionnaires were sent to more than 70 key suppliers. The questionnaire covered core aspects including labor and human rights (prohibition of child labor and forced labor, and working-hour management), occupational safety and health, environmental management, and business ethics, and was provided in both Chinese and English to cover overseas suppliers.

The Company conducts human rights due diligence at each stage of the supplier lifecycle. At the onboarding stage, new suppliers are required to complete the Supplier Questionnaire and sign the Integrity Commitment and the Environmental Protection Commitment, and may be included in the qualified supplier list only after comprehensive selection, supervision, and review by the responsible departments for quality, environment and occupational health and safety, and labor and human rights. Existing suppliers undergo performance assessments every six months in accordance with the Supplier Sustainability Assessment Guidelines, and on-site audits are conducted for key raw material suppliers in accordance with the Annual Audit Plan for Key Raw Material Suppliers. In 2025, the China plant completed the signing of the Supplier Code of Ethics and Business Conduct by 100% of its raw material suppliers; Taipei planned to audit 6 qualified suppliers and audited all 6, a 100% completion rate (83.3% rated Excellent and 16.7% rated Good); the China plant planned to audit 9 suppliers and audited all 9, a 100% completion rate. Overall supplier assessment coverage reached 100%.

The survey identified no material human rights issues among suppliers. For the issues Arizon places particular emphasis on, the following mitigation and remediation measures were taken in 2025:

1. **Labor and human rights and working-hour management**
   Suppliers are required to uphold core labor rights and to prohibit child labor and forced labor, and labor and human rights requirements are integrated into the supplier selection criteria. For suppliers with unsatisfactory assessment results, the results are communicated to the relevant suppliers through the Supplier Performance Evaluation Notification, and corresponding improvement recommendations are listed in the on-site audit reports as the basis for subsequent cooperation and rating.

2. **Occupational safety and health**
   The Contractor OSH Evaluation Form has been introduced, with evaluations conducted by the construction unit together with the environmental safety unit; contractors scoring below 80 may not enter the plant for construction work for one year. In 2025, there were 56 contracted construction records in Taipei and 73 in Mainland China, all executed in accordance with the system. In the event of a contractor accident or safety incident, it must be reported immediately and an incident investigation carried out, with improvement measures proposed once the cause is determined to prevent recurrence. The China plant also communicates occupational health and safety management requirements to suppliers and supervises their implementation through on-site supplier audits and questionnaires.

3. **Business ethics and conflict minerals**
   Suppliers are required to sign the Integrity Commitment, and conflict minerals due diligence is conducted on tantalum, tin, gold, tungsten, cobalt, and mica in accordance with the CMRT and EMRT reporting templates published by RMI. In 2025, 100% of key suppliers completed the signing of compliance commitments, and it was confirmed that none of the 3TG materials used originated from conflict-affected areas.

The Company consolidates all supplier responses and has compiled a summary of the 2025 supplier ESG self-assessment questionnaires as the basis for subsequent supplier rating and management. The Company also provides grievance channels for suppliers, including the Taipei Supply Chain Management Department ((886)2-2322-4824 ext.191) and the Mainland China Supply Chain Management Department ((86)-514-8097-2024 ext.15201). Going forward, Arizon will continue to refine its assessment mechanism and will provide further guidance to, or adjust cooperation strategies for, high-risk or low-scoring suppliers, to ensure that the entire supply chain meets human rights and sustainability standards.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

Human Rights Education and Training

To raise employees' awareness of compliance requirements in the course of their duties, the Company updates or introduces relevant regulations annually and reinforces them through repeated awareness training. This ensures that employees comply with legal and ethical principles, safeguard Company assets, rights, and corporate reputation, avoid violations, and support the Company's sustainable operations. In addition, the Company organizes and participates in both internal and external human rights training programs. In 2025, the Company provided human rights protection training for employees in Mainland China, with a total of 36 training hours and 36 participants. Through these programs, employees gained a deeper understanding of workplace ethics and social responsibility, contributing to an improved working environment, enhanced employee quality, and the long-term sustainable development of the Company.

As for the Vietnam, U.S., and Japan sites, which are smaller in scale and still in the early stages of establishment or workforce expansion, the current focus is on implementing systems and policies; quantitative disclosures will be phased in as their workforce structures stabilize.

2025 Internal and External Stakeholder Whistleblowing Mailbox / Hotline

Complaint channels are as follows

- Human Resources Department: (886) 2 2322-4824 ext.193
- Taipei Complaint Channel: tw-hr@arizonrfid.com
- Mainland China Complaint Channel: Company suggestion box



Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

3.4 Shared Prosperity with Society

In today's business environment, the role of enterprises goes beyond creating economic value; they are also expected to actively assume social responsibility and contribute to sustainable social development. As a responsible enterprise, we recognize the interdependent relationship between business and society, and we consistently uphold the philosophy of "shared prosperity with society." We are committed to closely integrating corporate growth with charitable initiatives. We believe that enterprises can not only achieve success in their own operations but also generate positive impact and contributions to society through active participation in charitable activities.

Therefore, we strive to give back to society through concrete actions. We not only encourage our employees to actively participate but also collaborate with various stakeholders, contributing through multiple channels and approaches to create greater well-being for society. These philanthropic efforts not only change the lives of others but also bring our employees a sense of pride and accomplishment in every practice, while collectively advancing social progress. We firmly believe that when enterprises and society move forward hand in hand, it leads to mutual success and the creation of a more prosperous and harmonious future.

The 2025 achievements are as follows:

Taipei plant

1. Deepening Industry-Academia Linkages and Cultivating Local Talent

Facing the challenges of the industry-academia gap and talent outflow, Arizon actively leverages its corporate influence and is committed to building bridges between campuses and the workplace. Through in-depth collaboration with academic institutions including Asia Eastern University of Science and Technology, Hungkuo Delin University of Technology, and Lunghwa University of Science and Technology, we promote the "New Southbound," "Overseas Youth Vocational Training" (Hai Qing), and industry-academia collaboration special programs, opening our production lines and R&D Center as internship bases so that students can gain exposure to frontline technical operations while still in school.

2025 Industry-Academia Collaboration Achievements

- **Breadth of cultivation**
  A total of 15 students participated in the collaboration programs.
- **Depth of training**
  A cumulative total of more than 400 hours of hands-on professional training was provided.

Through such long-term partnerships, Arizon not only helps the education system align precisely with industry needs, but also creates a virtuous cycle between the Company and local education, cultivating professional technical talent with hands-on capabilities for the local community and realizing the sustainability goal of a win-win outcome for both society and the Company.

2. Environmental Action - Making Sustainability Part of Daily Life

Arizon actively puts the concept of resource circulation and reuse into practice, fully implementing waste-sorting education at its Taipei office and plant and promoting a resource recycling and reuse program. Through a long-term partnership with Tzu Chi volunteers, we systematically process various types of recyclable resources to enhance waste management efficiency and reduce the environmental burden.

2025 Achievements

- **Resource recycling**
  Successfully recycled a total of 250 kg of ferrous resources, effectively converting waste into usable resources.
- **Giving back to society**
  Part of the recovered goods was provided to fire, police, and local grassroots agencies, building close community partnerships.
- **Deepened awareness**
  Through hands-on participation in recycling and sorting, a shared awareness of sustainability was successfully built among all employees, embedding green culture into daily operations.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

3. Marine Ecological Conservation Action - Clean Waves for the Ocean, Arizon Takes the Lead

Guided by UN Sustainable Development Goal 14 (SDG 14), "conserve and sustainably use the oceans, seas and marine resources," Arizon mobilized employees to hold a beach cleanup on the Pacific coast of Gongliao District, New Taipei City. Wearing light gear and equipped with garbage bags and tongs, participating employees picked up plastic bottles, abandoned fishing nets, and drifting debris washed ashore by the tides, taking concrete action to protect marine ecosystems. On the day of the event, Arizon also observed a low-carbon vegetarian day, preparing a plant-based lunch for participants, extending environmental awareness from the coastline to the dining table and putting sustainable eating into daily practice.

2025 Achievements

- **Ecological restoration**
  Bringing together 30 employees, the team removed approximately 121 kg of waste, restoring the coastline to its natural state and demonstrating concrete results in environmental restoration.
- **Low-carbon action**
  The event's per-capita carbon footprint was 1.28 kgCO2e. Through the low-carbon plant-based lunch and green transportation, carbon-reduction awareness was integrated throughout the event.
- **Cross-issue connection**
  By combining the beach cleanup with the low-carbon vegetarian day, employees experienced plant-based eating while protecting the ocean, gaining a tangible sense of how sustainability is practiced in daily life and strengthening their holistic understanding of diverse environmental issues.

Mainland China

1. Festive Season Community Care

In the run-up to the Lunar New Year each year, team members take the initiative to reach out into the community, extending care to disadvantaged families and frontline public service workers. The 2025 results of these care activities are as follows:




Provided material assistance and warm greetings to 30 disadvantaged households.




Visited and expressed appreciation to 2 public service units, including the fire and sanitation services, in gratitude for their role in safeguarding the city.

Though modest, these actions symbolize the stable and enduring relationship of mutual trust between Arizon and the community. Through regular engagement, we translate our commitment to sustainable operations into tangible support for the neighborhoods we serve.

Global Sites

In spring 2025, the Company launched the "Step30" global charitable campaign, calling on all employees at home and abroad to collect essential shoes and clothing for impoverished areas in Africa.

2025 charitable initiative results

- **Goods collected**
  A cumulative total of 7 boxes (more than 200 daily necessities in total).
- **Employee cohesion**
  The global employee participation rate reached 85%, demonstrating a strong sense of social responsibility and team cohesion.
- **Internalized values**
  Through concrete charitable participation, Arizon demonstrated its corporate culture of "responding to social issues in a pragmatic way and making ESG a common language."

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

CSR Philosophy	Service Focus	Service Project	Target Group	Action Plan	Service Benefits
 Community Care Initiative	SDG 1 - No Poverty	Love in Action - Sending Warmth Charitable Campaign	Children's homes and impoverished areas in Africa	In spring 2025, the Company launched the "Step30" collection and shipment campaign in cooperation with the Eden Social Welfare Foundation, inviting all employees to collect shoes and clothing for children in impoverished areas of Africa, helping protect them from sand flea infestations and safeguarding their most basic health and quality of life.	Collection boxes for the "Step30" campaign were set up at both the Taipei office and the plant. Employees responded enthusiastically, sorting out shoes, bags, and lightweight clothing still in good condition from their homes and turning compassion into concrete action. The Company consolidated and shipped all collected goods to the location designated by Step30, ensuring that every act of kindness was duly delivered. A total of 7 boxes of goods were collected, uniting the warmth of all Arizon employees.
 Shared Prosperity through Education Initiative	SDG 4 - Quality Education SDG 8 - Decent Work and Economic Growth	Deepening industry-academia linkages and cultivating local talent	Students of universities of science and technology; academic institutions	In cooperation with Asia Eastern University of Science and Technology, Hungkuo Delin University of Technology, and Lunghwa University of Science and Technology, promoted the "New Southbound," "Overseas Youth Vocational Training" (Hai Qing), and industry-academia collaboration special programs, opening production lines and the R&D Center as internship bases.	A total of 15 students participated in the collaboration programs, with a cumulative total of more than 400 hours of hands-on professional training provided, helping the education system align precisely with industry needs, cultivating professional technical talent with hands-on capabilities for the local community, and realizing the sustainability goal of a win-win outcome for both society and the Company.
 Marine Ecological Conservation Initiative	SDG 12 - Responsible Consumption and Production SDG 14 - Life Below Water	Clean Waves for the Ocean, Arizon Takes the Lead	Employees; the marine environment and society	Mobilized 30 employees to hold a beach cleanup on the Pacific coast of Gongliao District, New Taipei City, removing plastic bottles, abandoned fishing nets, and drifting debris; simultaneously observed the low-carbon vegetarian day to put sustainable eating into practice.	1.Bringing together 30 employees, the team removed approximately 121 kg of waste in a short span of action, restoring the coastline to its natural state and demonstrating the results of environmental restoration. 2. The trip's per-capita carbon footprint was 1.28 kgCO2e, demonstrating the effectiveness of low-carbon action with concrete data.
 Community Care Initiative	SDG 1 - No Poverty SDG 8 - Decent Work and Economic Growth SDG 11 - Sustainable Cities and Communities	Watching Over One Another - Community Care Charitable Campaign	Residents in need, fire and rescue personnel, and sanitation workers in the development zone	Ahead of the Lunar New Year, brought daily necessities and food to visit and express care for residents in need, fire and rescue personnel, and sanitation workers in the development zone.	1. Heads of relevant Company departments participated in the activity under the leadership of Union Chairman Xia. 2. Brought daily necessities and food to visit and express care for residents in need, fire and rescue personnel, and sanitation workers in the development zone. 3. The recipients were filled with joy, expressing heartfelt gratitude for the Company's long-standing care and support, and offering the Company their best wishes for the New Year.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
3.1 Happy Workplace
3.2 Occupational Safety and Health
3.3 Human Rights Protection
3.4 Shared Prosperity with Society
CH4 Environment
Appendix

Future Outlook

As its global operational footprint steadily expands, Arizon is committed to extending its sustainability impact from its headquarters to all of its global sites. We firmly believe that corporate success must go hand in hand with the prosperity of local communities, and have therefore formulated the following global localization programs:

Vietnam - Building a Technical Talent Incubation Base

With the official commencement of production at the new plant in Hung Yen Province, Vietnam, we will introduce our proven educational collaboration model locally and plan to engage in in-depth cooperation with local technical and vocational institutions. Through internship projects and talent development programs, we will help enhance the quality of the local workforce, cultivate professional manufacturing and technical management talent, and drive the upgrading of the regional industrial chain.

United States - Driving Industry-Academia Collaboration and Engineering Practice

At the Houston site, the team is actively in discussions with local academic institutions on industry-academia collaboration, aiming to build local connections for production engineering and supply chain management professionals. By providing internship opportunities and practical mentorship, we are committed to building a local talent pipeline and strengthening the Company's operational resilience and competitiveness in the North American market.

Japan - Deepening Regional Cultural and Educational Exchange

For leaner sites such as the Tokyo office, we continue to participate in regional cultural activities and educational exchanges to maintain sound communication with stakeholders and to keep building a positive local brand image for the Company.

In the face of the challenges of globalization, Arizon will uphold consistent core ESG principles, ensuring that every site, while pursuing business growth, achieves resource sharing and value co-creation with its local community, realizing the long-term vision of "global presence, shared prosperity and growth."



Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

chapter 4 Environment



Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

4.1 Climate Change Response (TCFD / IFRS S2)

1. Reporting Scope and Disclosure Framework

On January 10, 2024, the World Economic Forum (WEF) released the Global Risks Report 2024, which highlighted that environmental risks continue to rank among the top concerns for the next decade. The Company recognizes the environmental, economic, social, and health challenges posed by climate change and acknowledges that addressing this issue is critical to sustainable business operations. Since 2023, the Company has adopted the framework of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) issued by the Financial Stability Board (FSB) to assess the impacts of climate change on the Company and identify climate risks and opportunities. Beginning in this reporting year, the Company has further referenced the framework of IFRS S2 Climate-related Disclosures and the practical guidance of the competent authority's IFRS Sustainability Disclosure Standards Alignment Area, disclosing the four core content areas of climate-related risks and opportunities - Governance, Strategy, Risk Management, and Metrics and Targets - to mitigate and manage the impacts of climate change on the Company's operations.

Reporting entity scope

The reporting entity scope of the climate-related disclosures in this section is consistent with the scope of preparation of the consolidated financial statements, covering the Taipei Headquarters, Taipei plant, China plant, Japan office, U.S. plant, and Vietnam plant. (The 2023 GHG inventory boundary covered the Taipei Headquarters, Taipei plant, China plant, and Japan office; from 2024 onward, the boundary was expanded to the entire Group.)



2. Summary of Disclosures under the Four Core Content Areas of IFRS S2

With reference to the IFRS S2 disclosure framework, the Company summarizes its disclosure items and responses across the four aspects of governance, strategy, risk management, and metrics and targets in the table below:

Aspect	IFRS S2 Climate-related Disclosures	The Company's Responses
Governance	A. The role of the governance body in the governance of climate-related risks and opportunities	The Board of Directors serves as the Company's highest governance and supervisory body for sustainable development and climate change response, responsible for reviewing and approving sustainability strategies and material proposals concerning environmental, social, and economic aspects, and for overseeing the setting and management of, and progress toward, climate-related risk and opportunity targets. To deepen management, in November 2025 the Board established the Sustainability Development Committee, chaired by the Chairman and composed of one additional director and three independent directors, elevating sustainability and climate governance to the Board level. The Committee is responsible for overseeing the operation of the Sustainability Development Center, deliberating on material risk issues such as climate change and providing professional recommendations, reporting its annual implementation results and plans to the Board at least once a year, and receiving the Board's supervision and guidance. In November 2025, the Board also resolved to amend the Risk Management Policy and Procedures, assigning the highest supervisory function for risk management to the Sustainability Development Committee to ensure the effective operation of the governance mechanism for climate-related risks and opportunities (see the sustainability governance organizational chart in Section 3, Climate Governance Organization, of this chapter).
	B. The role of management in the governance of climate-related risks and opportunities	The Sustainability Development Center is the dedicated management unit for advancing sustainability and climate affairs, responsible for consolidating the Company's sustainability matters, including identifying material topics and formulating management approaches, short-, medium-, and long-term goals, and concrete implementation plans, and regularly submitting relevant proposals and implementation results to the Sustainability Development Committee and the Board of Directors for resolution. The Center comprises several functional working groups, coordinated and promoted by senior executives: the Sustainability Group, referencing the TCFD and IFRS S2 frameworks, leads the assessment of climate risks and opportunities and the formulation of strategies, identifies significant risks and opportunities based on levels of risk exposure, and categorizes risks by policy and regulatory, market, and production and manufacturing aspects to evaluate potential impacts, thereby building climate resilience thinking; the Risk Management Group maintains real-time horizontal communication with the Sustainability Group to ensure awareness of climate issues and the implementation of risk management across the Group. The senior management of each function holds working meetings from time to time to coordinate the execution of related work by business groups and functional departments, jointly advancing operational and climate risk assessment mechanisms, reviewing the implementation of key performance indicators, and proposing adjustments based on results.

Aspect	IFRS S2 Climate-related Disclosures	The Company's Responses
Strategy	A. Climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects	To comprehensively grasp the impacts of climate-related risks and opportunities on the Company, the Sustainability Development Center is responsible for driving the management of climate-related risks and opportunities and reports on risks and opportunities to the Sustainability Development Committee and the Board of Directors from time to time, implementing a Company-wide tracking and monitoring mechanism. Taking into account industry characteristics, operational planning, and the development timeline of climate risks, the Company defines short term as within 3 years (2026-2028), medium term as 3 to 5 years (2029-2030), and long term as 5 years or more (2031 onward), and on this basis identifies climate-related risks and opportunities that could reasonably be expected to affect the Company's prospects. For risk assessment, the Company applies the different scenarios faced by the two risk types, transition and physical (such as RCP 8.5, IEA STEPS, IEA APS, and IEA NZE), and uses the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP), the World Resources Institute (WRI), and UNEP WESR (World Environment Situation Room) as physical risk analysis tools to evaluate the impacts on the Company's own operations and its entire value chain and to further analyze the potential financial impacts.

Category	Short Term (2026-2028)	Medium Term (2029-2030)	Long Term (2031 onward)
Transition risks	Rising raw material costs (pass-through of suppliers' carbon costs)	Increased greenhouse gas emission costs (carbon fee collection, purchases of renewable energy certificates), costs of installing renewable energy facilities, international sustainability ratings and transparency competition	Changes in customer behavior (increasingly stringent green procurement standards of international brands)
Physical risks	Regional supply chain disruption, extreme rainfall and flooding, tropical cyclones and typhoons (acute)	The aforementioned acute physical risks persist and continue to be monitored	Water scarcity and extreme heat (chronic)
Opportunities	Smart retail carbon reduction solutions and supply chain Data-as-a-Service (DaaS)	Direct green power purchase through DPPA at the Vietnam plant, low-carbon materials revolution and resource efficiency transformation, global distributed low-carbon production capacity layout	Expansion of renewable energy installations and deepening of green markets

The above risks and opportunities are assessed and ranked along the two dimensions of likelihood of occurrence and financial impact level; detailed identification results, impact descriptions, and response strategies are provided in Section 5, Opportunity Identification, and Section 6, Risk Identification, of this chapter.

Aspect	IFRS S2 Climate-related Disclosures	The Company's Responses

Strategy — **B. Information on the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain**

The Company has taken stock of its own operations (the four major production regions of Taipei, China, Vietnam, and Texas, U.S.) and its upstream and downstream value chain (upstream procurement of key raw materials such as chips and antennas, and downstream end applications for global apparel, retail, and logistics customers), and assesses the current and anticipated impacts of climate-related risks and opportunities as follows:

Risk / Opportunity	Impact on Business Model		Impact on Value Chain	
	Current	Anticipated	Current	Anticipated
Extreme weather events such as typhoons and floods (physical - acute)	Increased expenditures on disaster response, facility maintenance, and insurance premiums.	Increased capital expenditures on flood-control works, backup power, and other items at the Vietnam plant; normalization of cross-plant allocation mechanisms.	Increased logistics rerouting and emergency dispatch costs due to extreme weather.	Supply interruptions leading to late-delivery penalties and order losses (the Americas market accounts for 31.88% of revenue).
Extreme heat and water scarcity (physical - chronic)	Increased cleanroom air-conditioning load and electricity expenses; water withdrawal at the China plant rose by 50% in 2024.	Increased capital expenditures on high-efficiency air conditioning, energy storage, and water recycling systems.	No material impact at present.	Regional water and electricity rationing reducing capacity utilization, affecting delivery schedules and supply stability.
Rising raw material costs (transition - market)	Suppliers passing through green transition costs, raising procurement and stocking costs.	Rising unit costs and shrinking gross margins; safety stock tying up working capital.	Highly concentrated upstream supply (the largest chip supplier accounts for 59% of purchases), limiting bargaining power.	Price increases cannot be fully passed on to downstream customers, squeezing profit margins.
Increased greenhouse gas emission costs (transition - policy and legal)	Increased expenses for renewable energy certificate purchases, GHG inventories, and assurance.	Rising carbon fee payments and green power procurement expenditures (Scope 2 accounts for at least 95% of Scope 1 + 2 emissions).	Downstream customers requiring low-carbon data and carbon reduction commitments.	Failure to meet customers' carbon reduction requirements may affect ranking on green procurement lists.
Changes in customer behavior (transition - market)	Increased expenditures on ESG training, green marketing, and low-carbon material development.	Failure to meet customers' SBTi procurement standards may lead to order losses or unit price compression (the top ten customers account for more than 80% of revenue).	Scope 3 emissions of 28,680.01 metric tons CO2e in 2024, significantly higher than the sum of Scopes 1 + 2.	Failure of upstream suppliers to decarbonize in tandem will push up product carbon footprints, affecting downstream customers' carbon reduction pathways.
Opportunity - direct green power purchase through DPPA and globally distributed capacity	Commissioning of the Vietnam plant; investment in automated production lines and energy metering systems.	Green power costs more than 30% lower than in Taiwan, hedging carbon fees and obtaining CBAM deductions, improving gross margins.	Localized supply advantages driving growth in North American orders.	Shortened logistics distances, helping customers reduce Scope 3 (Categories 4 and 9) transportation emissions.
Opportunity - low-carbon materials and smart retail carbon reduction solutions (DaaS)	Increased R&D expenditures (label structure streamlined from 7 layers to 5, laser die-cutting, DPP system development).	Green premiums and data service income raising revenue and unit prices.	Helping customers respond to regulatory requirements such as the EU PPWR and ESPR and California SB 253.	Becoming a key low-carbon supplier for brands to achieve Scope 3 reductions, increasing market share.

The value chain segments, affected locations, and affected financial statement line items for each risk and opportunity item are detailed item by item in Section 5, Opportunity Identification, and Section 6, Risk Identification, of this chapter.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

Aspect	IFRS S2 Climate-related Disclosures	The Company's Responses
Strategy	C. Information on the effects of climate-related risks and opportunities on the entity's strategy and decision-making	In response to climate-related risks and opportunities, the Company has adjusted its business strategies, resource allocation, and capital allocation, with the specific changes as follows:

Category	Risk / Opportunity	Changes in Business Model and Resource Allocation (Current)	Changes in Business Model and Resource Allocation (Anticipated)
Physical risk	Extreme weather such as typhoons and floods	Plant climate risk assessments, disaster drills, equipment protection, and insurance arrangements.	Strengthening the flood-control design of the Vietnam plant (drainage systems, waterproofing facilities, elevated placement of key equipment) and establishing a business continuity plan (BCM) and cross-plant capacity backup.
Physical risk	Extreme heat and water scarcity	Inverter optimization of air-conditioning chilled water systems and daily energy conservation management; establishment of a three-line-of-defense water resource allocation system at the China plant.	Investing in high-performance air conditioning, smart building energy-saving projects, water recycling, and diversified water source arrangements.
Transition risk	Carbon fee collection	Conducting Group-wide GHG inventories in accordance with ISO 14064-1; the China plant purchased 1,746 green electricity certificates in 2025.	Expanding green power procurement and the proportion of self-generated power for self-consumption, implementing the SBTi reduction pathway, and reducing carbon fee exposure.
Transition risk	Changes in customer behavior	Committing to the SBTi 1.5° C pathway; developing green products such as passive RFID, paper-based antennas, and all-paper packaging.	Promoting low-carbon eco-structured labels and the standardization of low-carbon label calculation, and developing the DPP carbon emissions traceability and data exchange system.
Transition risk	Raw materials and supply chain	Maintaining at least three suppliers for major raw materials; introducing Chinese chips, reducing the share of purchases from the largest chip supplier from 72% in the prior period to 59%.	Promoting a shorter supply chain (local production, local sales), increasing local procurement, and requiring suppliers to conduct climate risk assessments and audits.
Opportunity	Renewable energy	Self-installed solar power at the China plant supplies more than 10% of plant electricity; in October 2024, the Company issued NT$1,000 million of unsecured convertible corporate bonds dedicated to the Vietnam plant expansion.	Planning solar installations for self-generation and self-consumption in China and Vietnam by 2035 (estimated at approximately NT$171 million) and utilizing Vietnam's DPPA mechanism for direct green power purchase.
Opportunity	Low-carbon products and data services	Devoting R&D resources to low-carbon materials, the DPP system, and DaaS services.	Continuing to allocate capital expenditures and R&D budgets toward low-carbon capacity and digital carbon reduction services.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

Aspect	IFRS S2 Climate-related Disclosures	The Company's Responses
Strategy	D. The effects of climate-related risks and opportunities on the entity's financial position, financial performance, and cash flows, both currently and anticipated	Based on its strategies for managing climate-related risks and opportunities (including extreme weather events such as typhoons and floods, extreme heat, water scarcity, carbon fee collection, rising raw material costs, changes in customer behavior, and supply chain disruption, as well as opportunities such as direct green power purchase, low-carbon materials, distributed capacity, and DaaS), the Company assesses their effects on its financial position, financial performance, and cash flows over the short, medium, and long term as follows: **1. Short term (2026-2028)** (1) Taiwan will begin collecting carbon fees in 2026, with renewable energy certificate purchases applicable, increasing operating costs (estimated at NT$300 per metric ton, adjusted upward at an annual core CPI growth rate of 2.90%; the financial impact under each scenario is detailed in Section 7 (2), Carbon Fee / Carbon Tax Projection Analysis); in 2025, the China plant expanded its purchases to 1,746 green electricity certificates. (2) Increased operating expenses for GHG inventories, third-party assurance, ESG information systems, and SBTi target setting and validation, resulting in corresponding cash outflows. (3) Increased flood- and wind-prevention works, insurance premiums, and safety stock for supply chain backup in response to extreme weather, tying up working capital. (4) In October 2024, the Company issued NT$1,000 million of unsecured convertible corporate bonds dedicated to the Vietnam plant expansion (plant construction and purchases of machinery and equipment), increasing capital expenditures and depreciation; after the Vietnam plant commences production, its localized supply advantages will drive North American orders. **2. Medium term (2029-2030)** (1) Through direct green power purchase under DPPA, the total cost of green power at the Vietnam plant is expected to be more than 30% lower than procurement prices in Taiwan, reducing energy costs and, in turn, manufacturing costs and operating expenses. (2) Low-carbon materials (label structure streamlined from 7 layers to 5) and the laser die-cutting process reduce unit material usage and environmental compliance costs; green premiums on low-carbon labels increase operating revenue and unit prices. (3) Increased capital expenditures on renewable energy and energy storage facilities: planned solar installations for self-generation and self-consumption in China and Vietnam by 2035 total approximately US$5.322 million (approximately NT$171 million), with related depreciation increasing year by year. **3. Long term (2031 onward)** (1) Customers' green procurement standards are becoming increasingly stringent (the top ten customers account for more than 80% of revenue); if the low-carbon transition stays on schedule, the Company can maintain orders and market share, with the DPP carbon emissions traceability system and DaaS data services creating new revenue; otherwise, it faces risks of order losses and unit price compression. (2) Extreme heat causes electricity expenditures to grow nonlinearly; expanding renewable self-generation for self-consumption and green power procurement (green power purchase costs for China and Vietnam through 2035 estimated at approximately NT$215,000 in total) can stabilize long-term energy costs. (3) Investment in high-efficiency equipment and improved energy efficiency are expected to reduce unit production costs and carbon fee exposure.

Aspect	IFRS S2 Climate-related Disclosures	The Company's Responses

Strategy — **E. Climate-related scenario analysis and assessment of climate resilience**

The Sustainability Development Center drives the Company's climate scenario analysis, applying the different scenarios faced by the two risk types, transition and physical (RCP 8.5, IEA STEPS, IEA APS, and IEA NZE), and using the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP), the World Resources Institute (WRI) Aqueduct, and UNEP WESR as physical risk analysis tools to assess the impacts and financial effects on the Company's own operations and its entire value chain, thereby reviewing the climate resilience of its strategy:

Type	Key Assumptions	Selected Scenarios	Assessed Impacts and Resilience
Physical risks (typhoons, floods, extreme heat, water scarcity)	Global warming continues, with rising frequency and intensity of extreme weather events; the Company continues to increase its share of renewable energy use (approximately 18.37% as of 2025).	RCP 8.5 (very high emissions scenario) Analysis tools: TCCIP, WRI Aqueduct, UNEP WESR	**Assessed impacts** Under the RCP 8.5 scenario, the maximum consecutive five-day rainfall in the Taipei area is projected to increase by 36% from current levels; the Vietnam plant in Hung Yen is located on the floodplain of the Red River Delta, with high seasonal flooding risk; the China plant is in a WRI medium-to-high water risk area, with water withdrawal rising by 50% in 2024; extreme heat intensifies the cleanroom air-conditioning heat load (Scope 2 electricity emissions account for at least 95% of Scopes 1 + 2), pushing up electricity costs. **Resilience** Leveraging cross-regional capacity allocation across the four major production regions of Taipei, China, Vietnam, and Texas, U.S., the business continuity plan (BCM), flood- and wind-prevention works, backup power, and the three-line-of-defense water resource allocation system to ensure uninterrupted supply; scenario analysis results are submitted by the Sustainability Development Center to the Sustainability Development Committee for review and incorporated into annual programs and resource allocation.
Transition risks (carbon fee collection, changes in customer behavior, green power demand)	Countries implement net-zero policies and carbon pricing continues to rise (global carbon prices reaching US$50-100 per metric ton before 2030); Taiwan begins collecting carbon fees in 2026 (rate estimated at NT$300 per metric ton, adjusted upward at an annual core CPI growth rate of 2.90%).	IEA STEPS IEA APS IEA NZE (Net Zero Emissions by 2050 Scenario)	**Assessed impacts** Under the NZE scenario, the Company is very likely to face carbon fee and Carbon Border Adjustment Mechanism (CBAM) costs in the short, medium, and long term; the SBTi green procurement standards of major customers (such as Walmart and Uniqlo) are becoming increasingly stringent, and failure to meet carbon reduction targets over the medium to long term would expose the Company to the risk of order migration. The potential carbon fee financial impacts under each scenario are detailed in Section 7 (2), Carbon Fee / Carbon Tax Projection Analysis. **Resilience** The commitment to the SBTi 1.5 ° C reduction pathway, expanded purchases of green electricity certificates (1,746 in 2025), direct green power purchase through DPPA at the Vietnam plant, and the deployment of low-carbon materials and DPP data services convert transition pressure into green revenue momentum.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

Aspect	IFRS S2 Climate-related Disclosures	The Company's Responses
Risk Management	The processes used to identify, assess, prioritize, and monitor climate-related risks and opportunities (including whether and how those processes are integrated into and inform the entity's overall risk management process)	**1. Identification** In accordance with its risk management policy and operating procedures, the Company conducts risk and opportunity identification, analysis, measurement, and response at least once a year; through research on global climate change trends and issues of industry concern, interviews with units, and questionnaire surveys, it identifies physical and transition risks and opportunities, then analyzes financial impacts and formulates countermeasures (the four-step identification process is detailed in Section 4, Climate Risk and Opportunity Identification Process, of this chapter). **2. Assessment and prioritization** A risk and opportunity matrix is plotted along the two dimensions of likelihood of occurrence and financial impact level, classifying identification results into high, moderate, and low: high risks (opportunities) are priority items for resource deployment and require corresponding management plans to reduce impacts or lower the frequency of occurrence; moderate risks do not necessarily require action at present but are continuously monitored for changes; low risks are acceptable risks subject to ongoing tracking and management (the 2025 matrix assessment results are detailed in Section 5, Opportunity Identification, and Section 6, Risk Identification, of this chapter). **3. Monitoring and reporting** Each functional unit regularly reports its risk control status to the Sustainability Development Center according to its assigned risk topics and level of management; the Sustainability Development Center coordinates risk identification and day-to-day management across departments and regularly submits relevant proposals and implementation results to the Sustainability Development Committee; the Sustainability Development Committee reports to the Board of Directors at least once a year to ensure that risk management measures are effectively implemented and adjusted in a timely manner. **4. Integration with overall risk management** In November 2025, the Board of Directors resolved to amend the Risk Management Policy and Procedures, formally incorporating climate-related risks into the Company's overall risk management system, with the Sustainability Development Committee under the Board serving as the highest supervisory body for risk management and the Sustainability Development Center responsible for promotion and execution, so that climate-related risks and other operational risks are identified, assessed, prioritized, and monitored through a consistent process that informs the Company's overall risk management decisions and resource allocation.
Metrics and Targets	A. Information relevant to the cross-industry metric categories (climate-related metrics) - (1) Greenhouse gases	The Company's GHG emissions are calculated using the methodology specified in the GHG Protocol, with reference to the Ministry of Environment's GHG verification guidelines, adopting the operational control approach to set organizational boundaries and consolidate the emissions of each site. This measurement approach was chosen because it accurately reflects the Company's control over its actual operations, ensuring that GHG emissions data comprehensively and consistently reflect the true impacts at the operational level, so that users can fully understand performance related to climate-related risks and opportunities. Emissions for the 2025 reporting period: Scope 1, 253.2655 metric tons CO2e; Scope 2 (location-based), 6,302.2932 metric tons CO2e, and (market-based), 5,293.6290 metric tons CO2e; Scope 3, 21,115.3008 metric tons CO2e. Complete emissions, emission intensity, and inventory boundaries for the most recent three years are detailed in Section 7 (1), GHG Emissions, of this chapter.
	A. Information relevant to the cross-industry metric categories (climate-related metrics) - (2) Remuneration	To strengthen senior executives' accountability for climate-related risk management, the Company plans to incorporate the achievement of climate-related targets (such as GHG reduction progress, renewable energy usage rate, and SBTi pathway implementation results) into the annual performance evaluation and remuneration assessment of senior managers. The Compensation Committee makes recommendations based on the impact of the evaluation results on the Company's operations and the reasonableness of remuneration, which are then submitted to the Board of Directors for approval, and the consistency between the remuneration policy and the climate strategy is reviewed regularly. Of senior executives' remuneration recognized in the current year, 10% to 20% is linked to the achievement of climate-related targets.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

Aspect	IFRS S2 Climate-related Disclosures	The Company's Responses
Metrics and Targets	A. Information relevant to the cross-industry metric categories (climate-related metrics) - (3) Climate risk exposure, capital deployment, and internal carbon prices	**Exposure to climate-related risks and opportunities** The operating sites, assets, and activities vulnerable to transition and physical risks and their financial impacts are disclosed under Strategy B and D and, item by item, in Section 5, Opportunity Identification, and Section 6, Risk Identification, of this chapter, including the current and anticipated financial statement line items affected. **Capital deployment** Capital deployed to manage climate-related risks and opportunities includes the NT$1,000 million of unsecured convertible corporate bonds issued in October 2024 dedicated to the Vietnam plant expansion; planned investment of approximately US$5.322 million (approximately NT$171 million) in solar installations for self-generation and self-consumption in China and Vietnam by 2035; and continued investment in green R&D such as low-carbon materials and the DPP carbon emissions traceability system. **Internal carbon price** The Company has not yet formally implemented an internal carbon pricing system; however, in its carbon fee / carbon tax financial impact assessment, it uses the Ministry of Environment's carbon fee rate of NT$300 per metric ton as the baseline, adjusted upward annually at a core CPI growth rate of 2.90%, and conducts sensitivity analysis with reference to the projected rates under IEA STEPS, APS, and NZE, serving as an internal reference price for investment decisions and carbon reduction benefit assessments (see Section 7 (2), Carbon Fee / Carbon Tax Projection Analysis, of this chapter).
	B. Information on industry-based metrics	As a leading global ODM manufacturer of RFID tags, the Company references the IFRS S2 industry-based guidance and the industry-based metrics associated with the particular business models, activities, and other common features of the Hardware industry under the SASB Standards; for the disclosures, please refer to the SASB Index in the Appendix.
	C. Information on the targets set for climate-related risks or opportunities (climate-related targets)	The Company is committed to following the Science Based Targets initiative (SBTi) 1.5° C pathway, setting reduction targets for Scope 1, Scope 2, and Scope 3, with specific sub-targets and indicators as follows:

Target Item	Base Year	Target Year	Target Content
GHG reduction (Scope 1 + Scope 2)	2024	2035	Absolute reduction of 63.0% in line with the SBTi 1.5° C pathway
GHG reduction (Scope 3)	2024	2035	Reduction of 66.33% in line with the SBTi pathway
Long-term strategic target	-	2050	Net zero emissions (in line with the SBTi 1.5° C pathway)

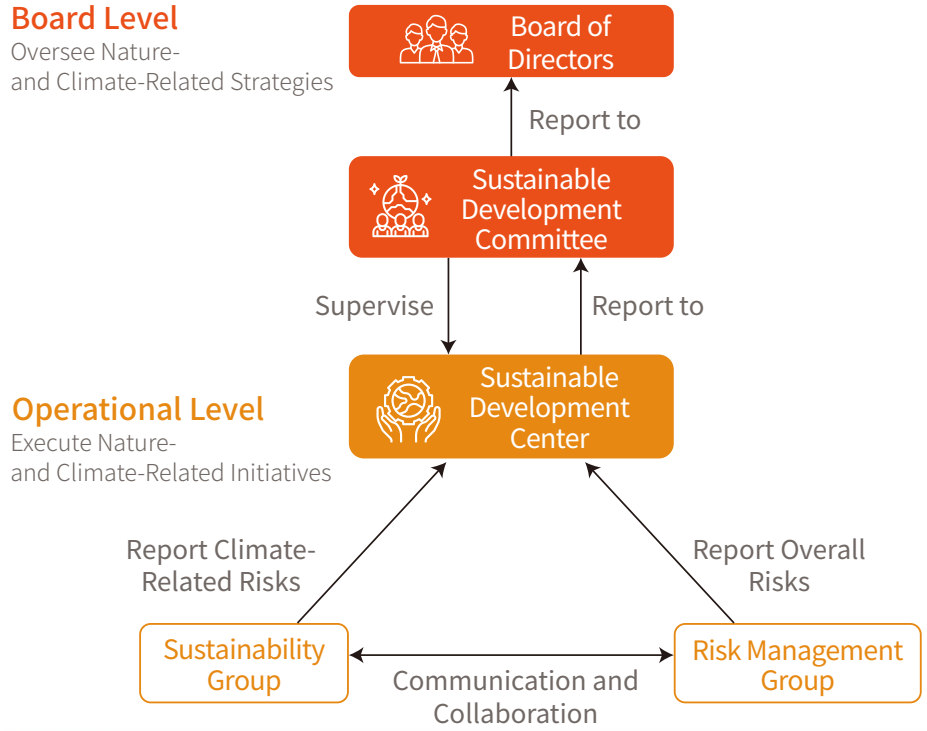
Basis for target setting
The targets reference the climate models and reduction pathways of the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) Net Zero Emissions (NZE) scenario, and respond to Taiwan's Pathway to Net-Zero Emissions in 2050 policy and initiatives such as CDP and TCFD, in order to reduce climate risk exposure, lower future carbon fee expenditures, and enhance the Company's resilience and sustainable competitiveness.

Monitoring and progress of targets
The Sustainability Development Center regularly tracks the implementation of key performance indicators, and the Sustainability Development Committee regularly reviews target progress and reports to the Board of Directors at least once a year, serving as the basis for strategy adjustment and performance evaluation. In 2025, the China plant completed its first pilot green electricity certificate transaction and expanded its purchases to 1,746 green electricity certificates; the Vietnam plant has incorporated green energy planning since the initial stage of production (reduction strategies are detailed in Section 7 (3), Reduction Strategies and Targets, of this chapter).

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

3. Climate Governance Organization

Sustainability Governance Organizational Chart





4. Climate Risk and Opportunity Identification Process

To align with corporate governance strengthening and practical operational needs, the Company's Board of Directors resolved in November 2025 to amend the Risk Management Policy and Procedures, formally assigning the highest supervisory function for risk management to the Sustainability Development Committee under the Board of Directors, with the Sustainability Development Center responsible for actual promotion and execution. Going forward, in addition to continuously overseeing the Company-wide risk management mechanism, the Sustainability Development Committee will also deliberate on material risk issues such as climate change and provide professional recommendations; meanwhile, the Sustainability Development Center coordinates the identification and day-to-day management of risks across departments and regularly submits relevant proposals and implementation results to the Board of Directors for resolution.

In accordance with its risk management policy and operating procedures, the Company conducts risk identification, analysis, measurement, and response for relevant risks and opportunities at least once a year. Beginning in 2023, the Company commenced identifying climate-related risks and opportunities relevant to it, managing risks based on the probability of occurrence and degree of impact determined through risk analysis, and keeping risks within tolerable limits to the greatest extent possible. The time horizons referred to by the Company are as follows:

- **Short term refers to within three years (2026-2028)**
  Extreme weather may affect production and supply chains, and the implementation of environmental regulations (such as carbon fees) in various countries will increase operating costs. The opportunity lies in timely investment in energy-saving equipment to reduce energy consumption.
- **Medium term refers to three to five years (2029-2030)**
  Climate change may accelerate asset deterioration, and market demand for green products is rising. The opportunity lies in developing green products and optimizing supply chain resilience.
- **Long term refers to five years or more (2031 onward)**
  The Company faces infrastructure replacement costs and low-carbon transition pressure. Long-term investment in renewable energy and green technologies can establish market leadership.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

To reduce the financial impact of risks and opportunities, the Company will build risk management mechanisms and strengthen their linkage with financial information, with the aim of proactively planning the corresponding response capabilities. In response to the short-, medium-, and long-term risks and opportunities described above, the Company has established an identification process to implement comprehensive management procedures for risks and opportunities:

Climate Risk and Opportunity Identification Process

1

Gather Climate Risk and Opportunity Topics

Carefully study global climate change trends and the issues of concern related to our industry, including past and projected climate changes, policy and legal changes, market trends, and technological developments, all of which may potentially impact the Company's business and finances.

2

Identify Physical and Transition Risks and Opportunities

Through interviews with various units, compile all climate risk and opportunity topics that may affect operations and design a climate change risk and opportunity assessment questionnaire on this basis; assess the specific impacts of these climate-related trends and issues on the Company's business, including identifying risks to physical assets, the supply chain, operations, and market position, while also recognizing potential transition opportunities.

3

Analyze Financial Impacts

Based on the TCFD and IFRS S2 guidelines, conduct corresponding financial disclosures, revealing the extent of the Company's financial impacts, its risk management strategies and targets, and the outlook for risks and opportunities over different time horizons, providing stakeholders with greater transparency regarding the Company's management of climate-related risks.

4

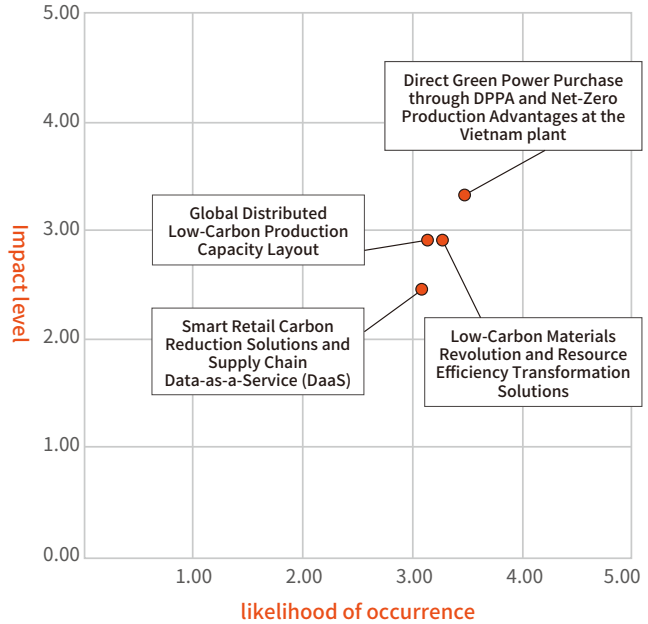
Develop Response Measures

Propose corresponding response measures for the key risks and key opportunities identified, aiming to effectively address potential risks and fully leverage opportunities to achieve business objectives; at the same time, regularly review and assess management effectiveness to understand the implementation and specific outcomes of response measures, making necessary rolling adjustments in a timely manner.

5. Opportunity Identification

Based on the results of assessing the dependencies and impacts on climate and environmental resources of its own operations and its upstream and downstream supply chain (from upstream procurement of key raw materials such as chips and antennas to downstream end applications for global apparel, retail, and logistics customers), Arizon actively seeks opportunities for low-carbon transition. We firmly believe that implementing ESG requirements and the SBTi carbon reduction commitment is not only a response to the challenges of international regulations and climate risks, but also a key process for driving technological innovation and creating green business opportunities. Accordingly, Arizon's identification of climate-related opportunities comprehensively covers multiple core aspects, including optimizing resource use efficiency, innovating green products and technology services, expanding low-carbon markets, and enhancing multinational operations and supply chain resilience.

Arizon 2025 Opportunity Matrix



▲ Arizon Climate-related Opportunity Matrix for 2025

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

Explanation of Opportunity Matrix Results

Arizon's Sustainability Development Center, in collaboration with core business departments, plotted the Arizon Climate-related Opportunity Matrix for 2025 along the two dimensions of the financial impact level and likelihood of occurrence of each opportunity. This matrix helps us concentrate resources on strategic opportunities with high financial returns and strong market demand, converting climate transition pressure into supply chain competitive advantages.

Based on the assessment, the high opportunities in the upper right of the matrix are the core engines driving Arizon's green growth, concentrated mainly in product innovation and energy transition, including Direct Green Power Purchase through DPPA and Net-Zero Production Advantages at the Vietnam plant, Low-Carbon Materials Revolution and Resource Efficiency Transformation Solutions, and Global Distributed Low-Carbon Production Capacity Layout. These items feature strong regulatory drivers and revenue growth potential and can create green premiums for the Company, making them our top priorities for R&D and capital expenditure. The moderate opportunity in the middle range focuses on Smart Retail Carbon Reduction Solutions and Supply Chain Data-as-a-Service (DaaS); there are no low opportunities.

Description of Opportunity Items

1. Direct Green Power Purchase through DPPA and Net-Zero Production Advantages at the Vietnam plant - High Opportunity

Opportunity category	Energy source / Resilience
Stakeholders	Government agencies, suppliers and partners, customers, investors and shareholders
Value chain segment	Own operations - Vietnam plant
Impact description and response strategy	In July 2024, the Vietnamese government officially promulgated Decree No. 80/2024/ND-CP implementing the direct power purchase agreement (DPPA) mechanism, which entered a period of market maturity in 2025. Having officially commenced production at the end of 2025, Arizon's Vietnam plant can use this mechanism to flexibly adjust its green power procurement ratio. Compared with the past, when electricity could only be purchased as grid-mix power from Vietnam Electricity (EVN), the DPPA provides renewable energy certificates with internationally recognized traceability. In terms of financial strategy, this deployment offers a significant cost competitive advantage: the total cost of green power obtained through the DPPA is expected to be more than 30% lower than in Taiwan's CPPA market (Note 1). Accordingly, in response to the production costs pushed up by Taiwan's carbon fee collection starting in 2026, Arizon Vietnam, leveraging its low-carbon capacity advantages, can serve as the Group's core base for hedging carbon tax risk and optimizing global supply allocation; when products are exported to regions implementing the Carbon Border Adjustment Mechanism (CBAM), Arizon Vietnam can also use the DPPA to demonstrate the low-carbon attributes of its products and obtain tax deductions, reducing energy input costs while strengthening international price competitiveness and export profits.

Current financial impact	Property, plant and equipment (automated production lines and energy metering systems at the new Vietnam plant); operating expenses (green energy procurement consulting, system development, legal review fees); prepayments (green power procurement deposits, prepaid electricity fees)
Anticipated financial impact	Operating costs (DPPA green power purchase agreements, energy cost optimization); gross profit (low energy costs, green premiums on low-carbon labels); net profit before tax (avoiding losses from carbon border tariffs and environmental taxes)
Anticipated impact period	Medium term

Note 1: The price differential is estimated based on 2026 data for the two locations. According to S&P Global data cited by WRI, the levelized cost of electricity (LCOE) of solar power in Vietnam is only approximately NT$0.7-1.0/kWh, significantly below its conventional power generation benchmark of NT$2.8/kWh. After adding the DPPA premium and fees under Decree 80/2024/ND-CP, the total cost of green power procurement for Arizon Vietnam is estimated at approximately NT$3.2-3.5/kWh, an energy cost advantage of more than 30% compared with Taiwan's expected high procurement prices in 2026 (above NT$5.0).

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

2. Low-Carbon Materials Revolution and Resource Efficiency Transformation Solutions - High Opportunity

Opportunity category	Resource efficiency / Products and services
Stakeholders	Suppliers and partners, employees, shareholders and investors, customers, government agencies
Value chain segment	Own operations
Impact description and response strategy	As the EU Packaging and Packaging Waste Regulation (PPWR) mandates reductions in unnecessary plastic use and countries successively introduce plastic taxes and carbon fees, conventional PET-substrate labels face significantly higher implicit costs and market access risks. Amid this climate transition trend, Arizon has used structural optimization technology to streamline its label structure from 7 layers to 5, optimizing the unit usage of facestock and adhesive materials at the source. This material streamlining strategy has substantively reduced the share of non-fiber plastic components in products; at the same time, by fully replacing the highly polluting chemical etching process with the laser die-cutting process, it minimizes the chemical load in production and residues in products. This dual innovation not only ensures that products meet international hazardous substance restriction standards such as REACH and RoHS as well as recyclability requirements, but also directly reduces environmental compliance costs and tax pressure from 2026 onward, positioning Arizon as a key low-carbon component supplier for international brands pursuing their Scope 3 reduction targets and thereby capturing green market opportunities.
Current financial impact	Property, plant and equipment (optimizing asset structure, green transformation of processes); operating expenses (R&D expenditures); operating costs (eliminating external environmental costs, reducing tax pressure)
Anticipated financial impact	Operating costs (simplified material structure, avoiding regulatory taxes); operating revenue (expanding green market share, optimizing product mix); net profit before tax (reducing the potential impact of carbon fees and international carbon border tariffs)
Anticipated impact period	Medium term

3. Global Distributed Low-Carbon Production Capacity Layout - High Opportunity

Opportunity category	Resilience
Stakeholders	Customers, suppliers and partners, government agencies
Value chain segment	Own operations; downstream customers
Impact description and response strategy	As global industry chains shift from long globalized chains to shorter regionalized chains, carbon reduction capability in logistics has become a core threshold for winning orders from major companies. Arizon currently has four core production regions - Taipei, China, Vietnam, and Texas, U.S. - a layout that serves not only capacity expansion but also a key climate adaptation strategy. Conventional cross-border transportation generates significant Scope 3 (Categories 4 and 9) transportation emissions; by locating production bases close to end markets (for example, the Texas plant processes and supplies North America, and the Vietnam plant supplies Southeast Asia), Arizon can effectively shorten physical logistics distances and directly help customers reduce their supply chain carbon footprints. This strategic layout is also deeply aligned with current international policy trends: the U.S. National Blueprint for Transportation Decarbonization is driving the low-carbon transformation of nearshore supply chains, while Vietnam's National Green Growth Strategy provides substantive tax and financing incentives for low-carbon manufacturing. Combining these policy dividends with Arizon's multinational distributed capacity enables the Company to dynamically allocate capacity according to each country's carbon prices and climate risks, optimizing cross-border taxes and operating costs while ensuring an unbroken supply chain and building strong financial and green competitive advantages.
Current financial impact	Operating revenue (localized supply advantages driving growth in North American orders); capital expenditures (plant automation construction, investment in low-carbon R&D facilities)
Anticipated financial impact	Operating costs (reducing cross-border tax burdens, safeguarding gross margins); operating expenses (cutting cross-border logistics expenditures, optimizing operational efficiency)
Anticipated impact period	Medium term

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

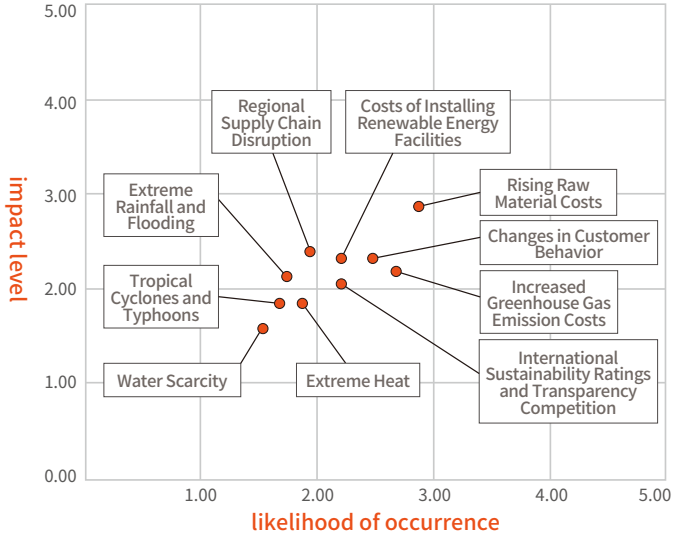
4. Smart Retail Carbon Reduction Solutions and Supply Chain Data-as-a-Service (DaaS) - Moderate Opportunity

Opportunity category	Products and services / Markets
Stakeholders	Shareholders and investors, customers, government agencies
Value chain segment	Own operations - R&D Center; downstream - customer regulatory compliance
Impact description and response strategy	As the EU Ecodesign for Sustainable Products Regulation (ESPR) and California's Climate Corporate Data Accountability Act (SB 253) successively take effect from 2026, the traceability of supply chain data has become a hard requirement for major global companies. Arizon is actively developing the Digital Product Passport (DPP) carbon emissions traceability and data exchange system, which aims to integrate Product Carbon Footprint Rules (PCR) emission factors to achieve precise calculation and transparent management of carbon emissions information. The system can effectively interface information exchange between suppliers and production plants, advancing RFID technology into a key data carrier compliant with the EU DPP requirements. This R&D initiative aims to use precise monitoring to reduce inventory write-off losses in the retail sector by approximately 8%, cutting at the source the implicit carbon emissions caused by resource waste. Through an ESG Data-as-a-Service (DaaS) model, Arizon deeply integrates back-end digital data with its front-end low-carbon hardware advantages (tag carbon footprints reduced by 70% to 90% compared with conventional processes), and relies on its long-held Auburn University ARC quality certification to ensure that everything from hardware specifications to data formats meets mainstream international standards. By providing this core solution, Arizon can effectively help customers substantially lower the compliance thresholds and costs of climate disclosure, converting regulatory pressure into supply chain competitive advantages, thereby targeting the high-end green procurement market and increasing market share.
Current financial impact	Operating expenses (R&D expenditures, consulting fees); intangible assets (software copyrights or patent applications)
Anticipated financial impact	Operating revenue (higher product unit prices, new data service fees); accounts receivable (enhancing customer stickiness, strengthening bargaining terms)
Anticipated impact period	Short term

6. Risk Identification

Following the TCFD and IFRS S2 frameworks, Arizon actively builds a climate-resilient operating system by taking stock of the climate-related impacts faced by its own operations and its upstream and downstream supply chain (from highly concentrated upstream procurement of chips and antennas, to its own multinational production bases spanning Taipei, China, and Vietnam, to the green compliance requirements of downstream international brand customers). In the face of intensifying extreme weather worldwide and the rapid advancement of net-zero regulations in various countries, climate change is no longer merely an environmental issue but a core challenge that directly affects operating costs, asset security, and market competitiveness. Through systematic identification and quantitative assessment, Arizon is committed to the early warning and control of potential climate threats. Accordingly, Arizon's identification of climate-related risks comprehensively covers two core aspects: for transition risks, it focuses on the policy, market, and technology challenges arising from greenhouse gas emission pricing, green energy transition pressure, and increasingly stringent international supply chain standards; for physical risks, it pays close attention to the acute and chronic impacts of extreme weather and water scarcity on the assets of global operating sites, capacity continuity, and supply chain disruption.

Arizon 2025 Risk Matrix



▲ Arizon Climate-related Risk Matrix for 2025

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

Explanation of Risk Matrix Results

Arizon plotted the Arizon Climate-related Risk Matrix for 2025 along the two dimensions of the financial impact level and likelihood of occurrence of each risk. This matrix helps us concentrate resources on controlling key threats with high financial impact and high probability of occurrence, turning climate challenges into opportunities to strengthen operational resilience.

Based on the assessment, the high risk in the upper right of the matrix is the core challenge currently affecting Arizon's operating costs and gross margin structure, concentrated mainly in the upstream supply chain and market price volatility, namely the item Rising Raw Material Costs. This item carries strong market linkage and cost escalation pressure that could erode product profits, and it is our top priority for deploying resources in supply chain management and the development of alternative materials.

The moderate risks in the middle range focus on regulatory transition, market demand, and supply chain stability, including Increased Greenhouse Gas Emission Costs, Changes in Customer Behavior, Costs of Installing Renewable Energy Facilities, International Sustainability Ratings and Transparency Competition, and Regional Supply Chain Disruption.

The low risks in the lower left are mainly acute and chronic physical climate hazards, including Water Scarcity, Extreme Rainfall and Flooding, Tropical Cyclones and Typhoons, and Extreme Heat. Although the short-term financial impact of physical risks is relatively small, they remain the protective foundation for uninterrupted operations; we will continue to track and manage them to ensure that the protection network for our global production capacity remains solid.

Description of Risk Items

1. Rising Raw Material Costs - High Risk

Risk category	Market risk (transition risk)
Stakeholders	Suppliers, investors and shareholders
Value chain segment	Upstream suppliers
Impact description	The core raw materials of the RFID industry (chips, antennas, conductive adhesives, and paper materials) are dominated by a small number of large foreign manufacturers. As global suppliers invest in low-energy-consumption process development in response to national carbon reduction regulations, or are affected by electricity price inflation driven by the energy transition, they are highly likely to pass the associated green transition costs on to midstream manufacturers through price adjustments. In 2025, Arizon's largest chip supplier accounted for as much as 59% of its purchases; this highly concentrated supply structure tends to limit the Company's bargaining power when facing supplier cost pass-through.
Current financial impact	Operating costs (increased raw material procurement expenditures, higher inventory stocking costs); operating expenses (administrative and verification costs of seeking alternative materials or developing localized supply chains)
Anticipated financial impact	Operating costs (higher unit product costs as suppliers pass through carbon costs); gross profit (shrinking profit margins as key component prices rise and cannot be fully passed on to customers); inventories (increased safety stock amounts in response to shortage or price increase risks, tying up working capital)
Anticipated impact period	Short term
Response strategies	**Leveraging economies of scale to maintain bargaining power** Although core raw materials are dominated by a few large foreign manufacturers, Arizon's world-leading market share and substantial raw material demand, together with long-term stable relationships with suppliers, give the Company relatively strong bargaining power in procurement. This economy-of-scale advantage helps the Company obtain raw materials at lower procurement costs, effectively mitigating the impact of supplier cost pass-through on gross profit. In addition, Arizon has actively introduced Chinese chips to enhance raw material backup flexibility, and the share of its purchases from its largest supplier accordingly fell from 72% in 2024 to 59%. **Streamlining material usage through R&D innovation and product design** The Company reduces material costs at the source through R&D. For example, it has developed special printing paper and printed antennas using eco-friendly conductive paste, achieving material cost savings by optimizing printing processes and reducing the number of process stations. In addition, Arizon has further optimized its RFID antenna design, shrinking the size of mainstream antenna products without compromising read performance, directly reducing the usage of raw materials in each layer and energy consumption.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

2. Increased Greenhouse Gas Emission Costs - Moderate Risk

Risk category	Policy and legal risk (transition risk)
Stakeholders	Government agencies, investors and shareholders, customers
Value chain segment	Own operations
Impact description	Arizon has explicitly committed to the carbon reduction pathway of the Science Based Targets initiative (SBTi). Production of its core product, RFID tags, is highly dependent on electricity, with Scope 2 electricity emissions accounting for at least 95% of total (Scope 1 + 2) emissions, making the shift to renewable energy the most essential means of achieving the reduction targets. Given the limited share of self-generated solar power for self-consumption at its plants (currently only about 10% of the China plant's electricity comes from solar power), purchasing renewable energy certificates (RECs) or signing green power purchase agreements (PPAs) to offset the remaining emissions has become the most reasonable means of complying with the green procurement requirements of major international retailers (such as Walmart and Uniqlo). As Arizon's global capacity continues to rise, total electricity consumption at the China plant and the soon-to-commence new Vietnam plant will grow by leaps and bounds. It is estimated that by 2035, the combined cost of purchasing green power for the China and Vietnam plants will be approximately NT$215,000.
Current financial impact	Operating costs (electricity expenses, costs of purchasing external renewable energy certificates); operating expenses (GHG inventory execution, external assurance, and carbon asset management consulting fees)
Anticipated financial impact	Operating costs (direct carbon fee payments, expenditures on purchasing allowances for excess emissions)
Anticipated impact period	Short term
Response strategies	**Carbon emissions management** Since 2023, Arizon has established a standardized GHG inventory mechanism in accordance with ISO 14064-1 and Ministry of Environment guidelines, rigorously inventorying Scope 1, Scope 2, and Scope 3 GHG emissions. By identifying emission hotspots through GHG inventories, the Company plans reduction measures early to lower greenhouse gas emission costs. **Smart management and daily energy conservation** The Company actively introduces a smart manufacturing execution system (MES) to improve energy efficiency through digital management. All plant lighting has been converted to LED fixtures, and daily air-conditioning temperature controls and daily inspections to switch off idle equipment are strictly implemented.

3. Changes in Customer Behavior - Moderate Risk

Risk category	Market risk (transition risk)	Stakeholders	Customers, investors and shareholders, suppliers
Value chain segment	Upstream suppliers; own operations; downstream customers		
Impact description	As major international brands such as Uniqlo and Walmart successively set science-based targets (SBTi), their procurement policies have shifted from a traditional cost orientation to a low-carbon-first approach. Arizon's top ten customers together account for more than 80% of net revenue, meaning that changes in customers' ESG procurement standards will impact Arizon's revenue. In 2024, Arizon's first Scope 3 inventory recorded emissions of 28,680 metric tons of carbon dioxide equivalent, significantly higher than the sum of Scopes 1 and 2. Given the high concentration of Arizon's chip suppliers (the largest supplier accounts for more than 59%), if upstream suppliers fail to decarbonize in tandem, Arizon will find it difficult to reduce its product carbon footprint to meet downstream customers' carbon reduction pathways, which could cause its ranking on high-end green procurement lists to slip and even expose it to the risk of order losses.		
Current financial impact	Operating expenses (customer relationship management expenditures, green marketing and low-carbon technology exchange fees, employee ESG training costs); operating costs (initial procurement premiums from developing low-carbon material alternatives in response to customer requirements)		
Anticipated financial impact	Operating revenue (order losses, declining market share, or compressed unit prices due to failure to meet customers' ESG standards); gross profit (inability to maintain green premiums on high-quality products if the pace of the low-carbon transition falls short of market expectations)		
Anticipated impact period	Long term		
Response strategies	**Commitment to SBTi science-based targets** Arizon has reviewed the carbon reduction target strategies of its major customers and has committed to following the Science Based Targets initiative (SBTi) 1.5 ° C pathway, formally setting specific reduction targets for Scope 1, Scope 2, and Scope 3. Through concrete action, Arizon demonstrates its carbon reduction resolve to customers, which further helps substantively advance carbon reduction practices across the upstream and downstream value chain. **Developing green products and promoting the circular economy** To help customers reduce product carbon footprints, Arizon actively invests in green product and process R&D. It has developed passive (RFID) products that do not rely on external power sources and is advancing paper-based antenna technology to reduce energy consumption. In addition, recyclable aluminum alloy is used for product housings to improve material circularity, and all-paper packaging has been adopted across packaging materials to reduce the use of plastic cushioning and cut waste at the source. **Planning to develop sustainable low-carbon labels and standardize calculation** Arizon plans to further develop low-carbon eco-structured labels and to promote the standardization of low-carbon label calculation, aiming to enhance the competitiveness of its products on green procurement lists and to use standardized data to help major customers such as Walmart and Uniqlo smoothly achieve their SBTi reduction pathways.		

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

4. Costs of Installing Renewable Energy Facilities - Moderate Risk

Risk category	Technology risk (transition risk
Value chain segment	Own operations
Stakeholders	Shareholders and investors, suppliers, customers

Impact description

Arizon has explicitly committed to carbon reduction practices in line with the Science Based Targets initiative (SBTi) 1.5° C pathway. As electricity consumption accounts for at least 95% of the Company's total Scope 1 and Scope 2 emissions, increasing the share of renewable energy has become the technological core of achieving the net-zero target. As leading global retail brand partners (such as Walmart and Uniqlo) impose increasingly rigid requirements for supply chain decarbonization, Arizon must accelerate its green energy transition.

Arizon plans to progressively achieve its strategic goal of global total capacity exceeding 10 billion tags. This substantial capacity expansion will cause total electricity demand to surge; although more than 10% of the China plant's electricity already comes from its own solar systems, the overall renewable energy usage rate in 2025 was only approximately 18.37%. To stay on its reduction pathway, the Company must maximize solar installations within limited plant space or face pressure to invest larger sums in upgrading energy storage equipment and its energy management system (MES). The Vietnam plant, which began production in 2025, must also be incorporated into green energy planning. If renewable energy cannot be effectively integrated during the initial construction phase, transition costs will multiply in the future as operations scale up, owing to the retrofitting of existing facilities.

Based on Arizon's SBTi pathway projections, if the China and Vietnam plants were to achieve reductions entirely through solar self-generation for self-consumption by 2035, the scenario assumptions are as follows:

China plant
- Average power generation calculated at 1,100 kWh/kWp/year
- Required installed capacity = 6,045,000 kWh / 1,100 kWh/kWp = approximately 5,495 kWp
- Assuming an average unit installation cost of RMB 3,000 per kWp
- 5,495 kWp x RMB 3,000 = RMB 16,485,000.

Vietnam plant
- Average power generation calculated at 1,400 kWh/kWp/year
- Required installed capacity = 6,843,000 kWh / 1,400 kWh/kWp = approximately 4,888 kWp
- Assuming an average unit installation cost of US$600 per kWp
- 4,888 kWp x US$600 = US$2,932,800.

Total
- Total equipment installation costs are estimated at approximately US$5.322 million (approximately NT$171 million or approximately RMB 36.72 million).

Current financial impact	Capital expenditures (optimization of plant energy-saving systems, early-stage construction of solar power facilities, introduction of energy metering and MES systems); operating expenses (energy conservation and carbon reduction strategy consulting, SBTi target setting and validation fees, energy audit fees)	**Anticipated impact period**	Medium term
Anticipated financial impact	Capital expenditures (expansion of high-efficiency energy storage equipment, cross-plant smart energy monitoring systems, investment in green energy facilities at the Vietnam plant); operating costs (premiums on long-term renewable energy certificate purchases, operation and maintenance of renewable energy facilities, higher unit electricity prices driven by the energy transition)		

Response strategies

Expanding renewable energy installations and green power procurement
To mitigate the financial impact of surging total electricity demand and peak power expenditures caused by extreme heat, Arizon continues to increase its share of renewable energy use, and its plants have installed their own solar power systems (for example, more than 10% of the China plant's electricity comes from solar power). At the same time, the Company has been actively planning purchases of renewable energy certificates to support the energy transition and strengthen its carbon reduction and cost control capabilities.

Raising funds through convertible bond issuance
In October 2024, Arizon officially issued its first domestic unsecured convertible bonds in Taiwan, with a total issuance amount of NT$1,000 million. The proceeds are dedicated to the Vietnam plant Expansion Project, including plant construction and the purchase of machinery and equipment. This prudent advance financing ensures that the new plant has sufficient funds to introduce plant facilities and production equipment during the initial construction phase.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

5. International Sustainability Ratings and Transparency Competition - Moderate Risk

Risk category	Reputation risk (transition risk)	Stakeholders	Shareholders and investors, customers, government agencies
Value chain segment	Own operations		

Impact description

As a global RFID leader, Arizon published its first sustainability report in 2024 and initiated its SBTi science-based target commitment in 2025. As the Taiwan Stock Exchange deepens its Corporate Governance Evaluation requirements and major brand customers tie ESG performance to supplier ratings, maintaining disclosure transparency consistent with international standards (such as GRI, SASB, TCFD, and the IFRS Sustainability Disclosure Standards) has become a core threshold for safeguarding corporate reputation.

Arizon is currently in a period of rapid capacity expansion; underperformance or insufficient transparency in international ESG ratings (such as MSCI ESG and CDP) would directly affect capital markets' willingness to invest and could even raise future financing costs (such as sustainability-linked loan interest rates). The newly established Vietnam production lines will face higher-standard data traceability requirements such as the EU Digital Product Passport (DPP). If disclosed information cannot promptly reflect the low-carbon compliance of overseas sites, Arizon's competitiveness in the global green value chain will be weakened.

Transparency competition is not merely a compliance issue but also a matter of brand positioning. If Arizon fails to fulfill its ESG commitments or cannot provide better-than-peer transparency in product carbon footprint data, its existing gross margin advantages could be threatened by low-price competition or by brands turning to competitors with better sustainability ratings.

Current financial impact

Capital expenditures (ESG information system purchases, award application and promotional expenditures)

Anticipated financial impact

Operating expenses (ongoing brand enhancement and green marketing expenditures, legal consulting fees for responding to regulatory changes); finance costs (effects on financing rates or fundraising); operating revenue (changes in international rating levels affecting long-term supply agreements with leading companies)

Anticipated impact period

Medium term

Response strategies

Strengthening sustainability disclosure and third-party assurance mechanisms

To improve the transparency and quality of ESG information, Arizon prepares its sustainability report in accordance with the GRI, SASB, and TCFD frameworks and with reference to IFRS S2, and engages an accounting firm to perform third-party limited assurance in accordance with assurance standards, strengthening the reliability of information and responding to investors' requirements for disclosure quality. Relevant sustainability information is also disclosed on the Company's website, in its annual report, and on the Market Observation Post System (MOPS) to improve the accessibility and completeness of disclosure.

Developing the DPP carbon emissions traceability and data exchange system

To respond to increasingly stringent data traceability requirements such as the EU Digital Product Passport (DPP), Arizon has designated the development of the DPP carbon emissions traceability and data exchange system as a key future R&D program. The system will not only fully comply with DPP requirements but also integrate Product Carbon Footprint Rules (PCR) emission factors to achieve precise calculation and transparent management of carbon emissions information. It will also establish an efficient carbon data exchange mechanism between suppliers and production plants, ensuring that low-carbon data from overseas sites (such as the new Vietnam plant) can be presented promptly and transparently.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

6. Regional Supply Chain Disruption - Moderate Risk

Risk category	Acute (physical risk)
Value chain segment	Upstream - suppliers; own operations - global operating sites
Stakeholders	Suppliers, customers, shareholders and investors
Impact description	Extreme natural disasters triggered by climate change (such as super typhoons and catastrophic floods) could shut down the production bases of key component suppliers or disrupt global shipping hubs. The key raw materials for Arizon's core product, RFID tags (chips, antennas, and conductive adhesives), are controlled mainly by a few large foreign manufacturers, making supply sources highly geographically concentrated. In 2025, purchases from Arizon's largest chip supplier accounted for as much as 59%. If the regions where this major supplier's wafer fabs or packaging and testing plants are located were struck by acute climate disasters, Arizon would face a severe risk of material supply disruption, bringing large-scale production standstills at the Taipei, China, and Vietnam plants.
Current financial impact	Operating expenses (administrative costs of seeking alternative suppliers); prepayments (procurement deposits paid to secure capacity allocations)
Anticipated financial impact	Operating costs (soaring procurement unit prices due to material shortages, higher safety stock holding costs to guard against supply disruption); operating revenue (penalty losses from delayed deliveries due to capacity interruptions, revenue losses from the loss of major customers); inventories (precautionary stockpiling against climate risks, increasing the risk of inventory write-down losses)
Anticipated impact period	Short term
Response strategies	**Promoting the transition to a shorter supply chain** Shifting from a traditional long supply chain to regional short chains (local production, local sales) to reduce freight transportation distances, lowering the risk of natural disaster impacts during shipping as well as greenhouse gas emissions in the transportation phase. **Diversifying key raw materials and increasing local procurement** Arizon adopts a diversification strategy for key raw materials, maintaining at least three suppliers for each major material and building stable relationships with large manufacturers. For chip procurement, it increases the share of other suppliers through project collaborations and by expanding the range of ARC-certified product configurations, while introducing chips made in China as an alternative source to enhance backup flexibility; it also actively raises the local procurement ratio to strengthen supply chain stability and resilience. **Strengthening supplier management** Progressively requiring suppliers to assess climate risks such as floods and droughts facing their operating facilities, and requiring them to implement relevant disaster reduction measures and audit systems. The Company also maintains good cooperative relationships and ongoing engagement with suppliers to respond in advance to potential crises such as shortages and supply disruptions.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

7. Water Scarcity - Low Risk

Risk category	Chronic (physical risk)
Stakeholders	Local communities, government agencies, employees, customers
Affected locations	Own operations - China plant and Vietnam plant (Hung Yen)
Impact description	Climate change is altering rainfall patterns and increasing the frequency of extreme droughts. According to the WRI Aqueduct water risk analysis, the China plant, where Arizon's core capacity is located, falls within a medium-to-high risk area. With the Vietnam plant commencing production in 2025, its location in Hung Yen Province is also subject to seasonal low-water pressure in the Mekong River and Red River basins. Arizon is in a period of rapid capacity expansion: water withdrawal at the China plant grew by more than 50% year on year in 2024, and although it declined slightly to 25.08 million liters in 2025, it remained approximately 40% higher than in 2023, keeping overall water use at a high level; as global capacity sprints toward the 10 billion tag target, baseline water use is expected to climb further. Although the production process does not use large volumes of water, if the air-conditioning cooling of precision cleanrooms and the domestic and sanitary water for several hundred direct employees were subject to government quotas, smart automated production lines would slow down or even temporarily halt.
Current financial impact	Operating costs (water fees, rental fees for temporary water truck replenishment, purchases of clean water)
Anticipated financial impact	Operating revenue (lower capacity utilization due to water rationing, penalty losses from delayed deliveries); capital expenditures (installation of high-efficiency chilled water recovery systems and wastewater reuse filtration equipment)
Anticipated impact period	Long term
Response strategies	**Emergency water allocation and backup mechanisms** For the medium-to-high water scarcity risk at the China plant, the Company has built a three-line-of-defense strategy; through a multi-layered, multi-source water resource allocation system, it can effectively reduce the risk of operational interruption. Considering the Vietnam plant's exposure to seasonal low water, Arizon will, under its overall water resource management strategy, strengthen water allocation and monitoring to improve supply stability and use efficiency, and will introduce water-saving measures and evaluate diversified water source arrangements (such as recycled water) as operational needs require, reducing reliance on any single water source and ensuring operational continuity and the sustainable use of water resources.

8. Extreme Rainfall and Flooding - Low Risk

Risk category	Acute (physical risk)	Stakeholders	Local communities, government agencies, employees, investors and shareholders
Affected locations	Own operations - Vietnam plant (Hung Yen) and Taipei		
Impact description	With the global warming trend, the frequency and intensity of heavy rainfall events have increased markedly. According to TCCIP data, under the most severe warming scenario, RCP 8.5, the maximum consecutive five-day rainfall in the Taipei area is projected to increase by 36% from current levels. The Vietnam plant is located in Hung Yen Province in the lower Red River Delta, an area that is geographically a floodplain with high seasonal flooding risk. The Vietnam plant came on line at the end of 2025; if extreme flooding were to inundate the plant, in addition to directly damaging smart automated production line equipment, blocked employee commutes and power supply interruptions (the Company's smart automated production is highly dependent on electricity) could stall the site's supply momentum to the Americas market (31.88% of revenue). This risk is closely linked to the Company's business continuity plan (BCM). In addition to pushing up current repair and logistics rerouting costs, extreme rainfall will also lead to higher insurance premium rates over the long term as risk factors increase.		
Current financial impact	Operating costs (facility repair costs for damaged assets, material write-offs and plant cleanup expenditures, emergency logistics dispatch fees); operating expenses (inspection of plant drainage facilities, purchases of disaster preparedness and emergency equipment)		
Anticipated financial impact	Operating revenue (delayed deliveries due to logistics and capacity interruptions, facing customer penalty claims or order losses); capital expenditures (flood-control works at the new Vietnam plant, raising foundation elevations, purchasing high-efficiency drainage and backup power systems); operating costs (higher annual insurance premiums due to climate risk premiums)		
Anticipated impact period	Short term		
Response strategies	**Flood defense at the Vietnam plant** In addition to basic flood risk assessments and mitigation measures, the Company plans to strengthen the flood-control design of the Vietnam plant (such as installing drainage systems and waterproofing facilities) and to place key equipment in elevated or protected configurations to reduce the risk of equipment damage; it is also establishing a business continuity plan (BCM) to ensure stable supply through cross-plant capacity allocation and safety stock mechanisms. Backup power systems are also planned to address power outages that flooding may cause, and insurance arrangements are continuously evaluated. **Flexible allocation across multiple production bases for cross-regional backup** If a single site (such as the Vietnam plant) were shut down by extreme flooding, creating a business continuity risk of stalled supply momentum to the Americas market, Arizon's advantage of multinational production bases allows it to flexibly arrange shipments from multiple production bases, including the Taipei, China, and Vietnam plants, according to customer needs, ensuring that product supply remains stable and uninterrupted when global climate disasters occur.		

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

9. Tropical Cyclones and Typhoons - Low Risk

Risk category	Acute (physical risk)	Stakeholders	Investors and shareholders, employees, customers
Value chain segment	Own operations - Taipei, China plant, and Vietnam plant (Hung Yen)		
Impact description	Under the influence of global warming, the intensity and frequency of tropical cyclones (typhoons) in the Asia-Pacific region have increased significantly. Arizon's core production bases in Taipei and China, together with the Vietnam plant that began production at the end of 2025, all lie on the main paths of typhoon activity in the Northwest Pacific, facing direct threats of asset damage from strong winds and of torrential rain. In particular, more than 10% of the China plant's electricity currently comes from its own solar power systems. Strong winds could directly damage rooftop solar panels, lowering the renewable energy usage rate and forcing a shift to purchasing high-priced grid electricity, thereby raising production costs and affecting reduction pathway targets.		
Current financial impact	Operating expenses (disaster emergency response expenditures, facility cleanup and temporary maintenance fees, insurance premiums raised for climate risk)		
Anticipated financial impact	Capital expenditures (reinforcement of external plant structures, rebuilding and wind-proofing of solar power systems, purchase of emergency backup power generation systems); operating revenue (delayed deliveries, order losses, or penalty losses due to logistics stoppages or work suspensions)		
Anticipated impact period	Short term		
Response strategies	**Implementing plant physical risk assessments and disaster drills** To reduce the direct threats of strong winds and torrential rain to production bases (such as the Taipei and China plants) and equipment, Arizon conducts climate risk assessments, including flood and drought risks, for its manufacturing sites and formulates and implements risk mitigation measures accordingly. In daily management, the Company regularly conducts disaster drills, convenes occupational safety and health management meetings, and strengthens equipment safety inspections and improvements to protective facilities. Employees also receive general emergency response training, including emergency evacuation procedures, to ensure response capability when disasters occur. **Green power backup** In addition to rooftop solar self-generation for self-consumption, Arizon has progressively planned purchases of renewable energy certificates as a backup mechanism to ensure an uninterrupted renewable energy supply; it also continues to strengthen equipment maintenance and risk management to reduce operational and financial impacts and keep the energy transition on track.		

10. Extreme Heat - Low Risk

Risk category	Chronic (physical risk)	Stakeholders	Employees, government agencies, investors and shareholders
Value chain segment	Own operations - global operating sites		
Impact description	As global warming drives up the frequency of heat waves, Jiangsu Province and Hung Yen Province, Vietnam, where Arizon's main capacity is located, face persistent summer heat. Some production processes for RFID tags must be carried out in cleanroom environments with strictly controlled temperature and humidity, and rising outdoor temperatures will directly intensify the heat load on air-conditioning systems. Arizon's Scope 2 (electricity) emissions currently account for at least 95% of total emissions, and electricity is used mainly for production processes and plant facility systems. High temperatures will cause total electricity demand and peak power expenditures to grow nonlinearly.		
Current financial impact	Operating costs (increased electricity expenditures, air-conditioning equipment maintenance and consumables)		
Anticipated financial impact	Operating costs (production costs responding to electricity price increases, annual insurance premium adjustments); capital expenditures (investment in high-performance air-conditioning MES systems, upgrades of cooling recovery equipment, smart building energy-saving projects at plants)		
Anticipated impact period	Long term		
Response strategies	**Optimizing air-conditioning and chilled water system performance to reduce heat load** To reduce the air-conditioning energy consumption caused by high temperatures, Arizon optimizes the operation of its chilled water and air-conditioning systems, flexibly adjusting operating parameters by season and load, and has introduced variable-frequency drives for air handling units and cooling water pumps to improve energy efficiency; it also shortens filter replacement cycles and cleans equipment regularly to enhance heat dissipation and reduce energy consumption. **Expanding renewable energy installations and green power procurement** To mitigate the financial impact of surging total electricity demand and peak power expenditures caused by extreme heat, Arizon continues to increase its share of renewable energy use, and its plants have installed their own solar power systems. At the same time, the Company has been actively planning purchases of renewable energy certificates to support the energy transition and strengthen its carbon reduction and cost control capabilities. **Implementing daily energy conservation management and temperature control** Air-conditioning temperature standards are set for plant facility and office areas, and daily inspections are carried out to ensure that air conditioning and equipment in unused areas are switched off, reducing unnecessary electricity consumption.		

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

7. Metrics and Targets

(1) GHG Emissions

Greenhouse gas (GHG) emissions are a primary driver of the climate emergency, and corporate GHG management is one of the key issues of concern for stakeholders. Since 2023, the Company has established a standardized mechanism for GHG inventories in accordance with the GHG Protocol and the Guidelines for GHG Verification of the Environmental Protection Administration, Executive Yuan (now the Ministry of Environment), and conducts annual inventories of GHG emissions across all of its plants.

Greenhouse Gas and Other Emissions

Unit: metric tons CO2e; emission intensity unit: metric tons CO_2e per NT$ million of revenue

Item / Year		2023	2024	2025
Scope 1: Direct GHG Emissions		160.65	214.09	253.2655
Scope 2: Indirect GHG Emissions	Location-based	3,839.97	5,514.70	6,302.2932
	Market-based	3,839.97	5,514.70	5,293.6290
Scope 3: Other Indirect GHG Emissions		-	28,680.01	21,115.3008
Scope 3 Category 1: Purchased Goods and Services		-	20,066.4312	12,617.1390
Scope 3 Category 2: Capital Goods		-	3,058.5816	2,707.3141
Scope 3 Category 3: Fuel- and Energy-Related Activities		-	1,039.7630	1,059.8081
Scope 3 Category 4: Upstream Transportation and Distribution		-	1,369.6069	435.9147
Scope 3 Category 5: Waste Generated in Operations		-	386.9482	1,748.5560
Scope 3 Category 6: Business Travel		-	279.9464	282.4915
Scope 3 Category 7: Employee Commuting		-	201.7412	67.9496
Scope 3 Category 8: Upstream Leased Assets		-	2.1773	14.3805
Scope 3 Category 9: Downstream Transportation and Distribution		-	667.6059	506.4354
Scope 3 Category 10: Processing of Sold Products		-	754.3533	1,020.0491
Scope 3 Category 11: Use of Sold Products		-	47.4873	17.4801
Scope 3 Category 12: End-of-Life Treatment of Sold Products		-	802.4212	635.1668
Scope 3 Category 13: Downstream Leased Assets		-	2.9465	2.6159
Scope 3 Category 14: Franchises		-	0.0000	0.0000
Scope 3 Category 15: Investments		-	0.0000	0.0000
Total Emissions (Scope 1 + 2)	Location-based	4,000.62	5,728.79	6,555.559
	Market-based	4,000.62	5,728.79	5,546.895
Total Emissions (Scope 1 + 2 + 3)	Location-based	-	34,408.80	27,670.860
	Market-based	-	34,408.80	26,662.195
GHG Emission Intensity (Scope 1 + 2)	Location-based	1.49	1.24	1.66
	Market-based	1.49	1.24	1.40
GHG Emission Intensity (Scope 1 + 2 + 3)	Location-based	-	7.46	7.00
	Market-based	-	7.46	6.75

Note 1: Based on statistics for 2023, 2024, and 2025 emissions.
Note 2: GHG emission intensity = total emissions (metric tons CO_2e) / revenue in NT$ millions; revenue figures are sourced from the consolidated statement of comprehensive income in the annual report.
Note 3: Scope 3 emissions were not inventoried in 2023; therefore, no data is available for that year.
Note 4: The 2023 inventory boundary covered Taipei Headquarters, the Taipei plant, the China plant, and the Japan office; the inventory boundary for 2024 and 2025 covers the entire Arizon Group, comprising Taipei Headquarters, the Taipei plant, the China plant, the Japan office, the U.S. plant, and the Vietnam plant.
Note 5: Data source: Energy Administration, Ministry of Economic Affairs (https://www.moeaea.gov.tw/).
Note 6: Scope 3 emissions and total emissions for 2024 have been revised substantially downward compared with the previous year's report, mainly because historical data were restated and corrected following third-party assurance; after the adjustment, Scope 3 GHG emissions were 28,680.01 metric tons CO_2e, and total Scope 1 to Scope 3 emissions were 34,408.80 metric tons CO_2e.

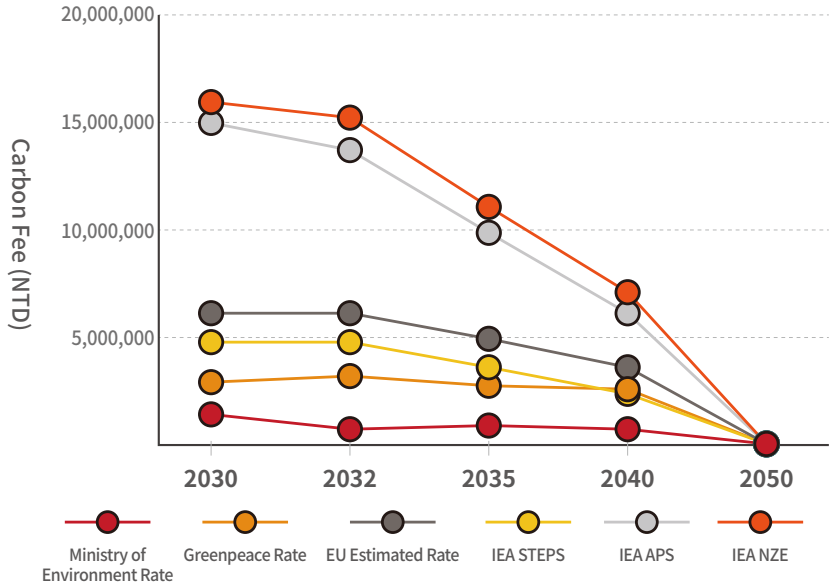
To better understand other indirect GHG emissions, identify major emission sources, and develop carbon reduction strategies, Arizon plans to conduct future inventories in accordance with the GHG Protocol (jointly issued by the WBCSD and the WRI) and to calculate key categories of other indirect GHG emissions with reference to data sources such as the Ministry of Environment's carbon footprint database.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

(2) Carbon Fee / Carbon Tax Projection Analysis

In response to the global net-zero transition, more than 130 countries have announced net-zero emission targets. To achieve these goals, countries around the world have begun developing carbon trading markets. According to the World Bank's State and Trends of Carbon Pricing 2026, 87 direct carbon pricing instruments have been implemented worldwide, covering nearly 30% of global GHG emissions; global carbon pricing revenues reached a record high of US$107 billion in 2025, and the global average carbon price also rose to US$21 per metric ton (approximately NT$650), an increase of 7% from the previous year. In addition, according to the recommendations of the High-Level Commission on Carbon Prices, after adjusting for inflation, the global carbon price must reach US$63 to US$127 per metric ton (approximately NT$1,900 to NT$3,900) by 2030 to be sufficient to support the temperature goals of the Paris Agreement. Arizon has calculated the potential financial impacts on its global plants, offices, and other operating sites in accordance with the carbon reduction targets it has set under the SBTi.

Analysis of Estimated Carbon Fees Based on the SBTi Decarbonization Pathway



▲ Projected Potential Financial Impact of Carbon Fees / Carbon Taxes

Unit: NT$ per metric ton of CO_2e.

Rate	2030	2032	2035	2040	2050
Ministry of Environment Recommended Rate	1,375,880	567,797	904,357	559,130	-
Greenpeace Recommended Rate	2,902,129	3,223,720	2,766,021	2,530,982	-
EU Carbon Tax Estimated Rate	6,014,775	5,923,081	4,697,576	3,524,355	-
IEA Estimated Rate (STEPS)	4,736,635	4,685,098	3,462,821	2,302,976	-
IEA Estimated Rate (APS)	15,224,899	13,807,077	9,848,389	6,015,236	-
IEA Estimated Rate (NZE)	15,788,784	15,048,162	10,960,304	7,046,419	-

▲ Projected Carbon Fee Rates under Each Scenario

Note 1: The Ministry of Environment's carbon fee rate is calculated at NT$300.
Note 2: This analysis assumes that the Ministry of Environment's carbon fee will only be adjusted annually based on the core CPI year-on-year growth rate published in February 2024 (2.90% per year).
Note 3: This analysis assumes that when Taiwan implements carbon pricing, a carbon border adjustment mechanism will also be applied to overseas emissions.
Note 4: The IEA (International Energy Agency) estimated rate (STEPS) is assumed to be aligned with South Korea's projected rate for Taiwan.
Note 5: The exchange rate is assumed to be NT$30 per US$1.
Note 6: Unit: NT$ per metric ton of CO_2e.
Note 7: References: Greenpeace, "The Net-Zero Game Arrives: Taiwan's Impact Report on International Carbon Border Tax" and IEA (2022), "Global Energy and Climate Model Documentation."

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

(3) Reduction Strategies and Targets

Since 2023, the Company has been committed to advancing its greenhouse gas (GHG) inventory processes, systematically evaluating energy and material use at each stage of production, along with the associated carbon emissions. In addition, we have set strategic short-, medium-, and long-term carbon reduction targets, which serve as an important basis for the Company's operational decision-making. Currently, Arizon's primary source of carbon emissions is electricity use, with GHG emissions from electricity consumption accounting for at least 95% of total emissions (including Scope 1 and Scope 2). To reduce carbon emissions, Arizon will continue to promote its "Sustainable Manufacturing" strategy to improve production efficiency and energy use efficiency, and to promote greater use of renewable energy across its plants. In addition, Arizon actively participates in the green electricity certificate trading platform in China, proactively expanding external sources of green power. In 2025, the China plant not only successfully completed its first pilot green electricity certificate transaction, but also expanded its purchases to as many as 1,746 green electricity certificates in the same year.

To accelerate its low-carbon transition, the Company is committed to following the Science Based Targets initiative (SBTi) 1.5° C pathway, setting reduction targets for Scope 1, Scope 2, and Scope 3. In May 2026, the SBTi approved Arizon RFID Technology's near-term science-based targets. The Company commits to reduce absolute Scope 1 and Scope 2 GHG emissions by 63.0% by 2035 from a 2024 base year. In addition, Arizon RFID Technology also commits to reduce the intensity of Scope 3 GHG emissions from purchased goods and services by 66.33% per NT$ of value added within the same timeframe.


Validation Statement

NEAR-TERM SCIENCE-BASED TARGETS

SCIENCE BASED TARGETS

SBTi Services has validated that the greenhouse gas emissions reduction target(s) submitted by Arizon RFID Technology (Cayman) Co., Ltd. conform with the SBTi Criteria and Recommendations (Near-Term Criteria V5.3).

The official validated target language:

Near-Term

Arizon RFID Technology commits to reduce absolute scope 1 and 2 GHG emissions 63.0% by 2035 from a 2024 base year. Arizon RFID Technology also commits to reduce scope 3 GHG emissions from purchased goods and services 66.33% per TWD value added within the same timeframe.

SBTi SERVICES

Arizon demonstrates its determination to reduce carbon emissions through concrete actions, driving decarbonization practices within the Company and across its upstream and downstream value chain. As a leading brand in global RFID tag ODM manufacturing, Arizon, through a flexible, diversified, and resilient green energy deployment, is taking concrete action to lead the entire RFID industry chain in accelerating the green transition, doing its part to help create a low-carbon and sustainable future.



Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

4.2 Energy Management

With the growing severity of global warming and adjustments in Taiwan's power system, energy management and carbon reduction have increasingly become focal issues of public concern. Arizon is committed to achieving net-zero carbon emissions. To this end, the Company integrates energy-saving and carbon-reduction strategies and plans across all plants each year, holds regular review meetings to evaluate the effectiveness of these measures, and adjusts reduction targets and strategies as needed. In 2025, Arizon's total energy consumption amounted to 52,300.97 GJ, with an energy intensity of 13.23 GJ per million NTD. Of the total energy consumption, purchased electricity accounted for 71.24%, steam 9.78%, gasoline and diesel 0.61%, and renewable energy 18.37%.

Electricity is the primary energy source for production processes and plant systems, while diesel is mainly used for power generation, and gasoline is used for company vehicles. In light of the rising trend of energy consumption, improving equipment efficiency and increasing the use of low-carbon energy will be key strategies. In addition, the Company is promoting energy-saving management initiatives in offices and public areas, and enhancing employee awareness and behavior related to energy conservation and carbon reduction through advocacy and training programs.

Management Policy

To achieve sustainable operations and fulfill corporate social responsibility, the Company, although it has not yet implemented the ISO 50001 energy management system, has formulated an energy management policy in line with this standard. Through scientific and rational strategies for energy use, the Company is committed to reducing energy consumption, improving energy efficiency, and lowering operating costs, thereby strengthening energy governance and supporting environmental sustainability. The Company's energy management is guided by the principles of "conservation first, substitution first, efficiency first, and safety first." While meeting production and service needs, the Company seeks to minimize energy consumption through technological upgrades and management measures, while prioritizing the use of renewable energy to reduce reliance on fossil fuels. At the same time, the Company actively promotes technological innovation and equipment upgrades to enhance energy efficiency, control costs, and ensure the stability and safety of energy supply, thereby preventing accidents and safeguarding lives and property.

The core objectives of the Company's energy management are to continuously reduce annual energy consumption, ensuring that the yearly reduction rate is not lower than that of the previous year, and to steadily increase the proportion of renewable energy in total energy use. In addition, the energy efficiency of all critical equipment is required to meet or exceed industry benchmark standards. To achieve these objectives, the Company is also dedicated to establishing a comprehensive energy management system to ensure that energy use is traceable, monitorable, and controllable.

At the organizational level, the responsible departments serve as the primary executing units for daily energy management tasks, including data collection, analysis, report preparation, and the implementation of energy-saving projects. Department heads are required to ensure that energy consumption within their units does not exceed budget limits and to support the implementation of relevant energy-saving measures in line with Company policies. In addition, the responsible departments are also responsible for formulating and revising policies, overseeing the implementation of energy management programs, and evaluating their effectiveness. All employees also share the obligation to conserve energy, actively participating in energy-saving initiatives, promptly reporting any wasteful behavior, and offering improvement suggestions.

In terms of execution processes, the Company first sets specific, measurable, and time-bound energy-saving targets - such as annual reductions in energy consumption or efficiency upgrades for specific equipment - based on the results of energy audits, operational strategies, and regulatory requirements. These targets are reviewed and approved by management before serving as the foundation for implementation. The strategic planning stage covers technical measures (e.g., the adoption of high-efficiency equipment and the deployment of smart control systems), the development of management systems, and employee training to raise energy-saving awareness, with budget allocation aligned with resource planning. During the implementation phase, energy-saving programs are carried out step by step in accordance with phased plans, while interdepartmental communication and coordination mechanisms are used to overcome barriers and ensure timely completion.

For subsequent monitoring and evaluation, the Company regularly collects energy consumption data through energy measurement systems and conducts performance analyses by comparing pre- and post-implementation results. Any shortfalls against expected targets are identified and corrected accordingly. Finally, based on the overall evaluation results, the Company continuously reviews and refines its energy management measures, adjusting goals, strategies, and technical solutions as needed. This creates a virtuous internal cycle that drives ongoing improvement and upgrades in energy management practices.



Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

Statistics of Energy Consumption in the Past Three Years

Unit: GJ

Energy Type		2023	2024	2025
Non-renewable Energy	Gasoline	303.85	336.08	286.98
	Diesel	1.48	2.46	29.98
	Steam	3,555.17	4,473.89	5,116.99
	Purchased Electricity	22,625.86	34,865.87	37,259.83
Total Non-renewable Energy Consumption (a)		**26,486.36**	**39,678.29**	**42,693.78**
Renewable Energy	Solar Power Generation	3,292.79	3,291.83	3,321.59
	Purchased Green Power	0	0	6,285.60
Total Renewable Energy Consumption (b)		**3,292.79**	**3,291.83**	**9,607.19**
Total Energy Consumption (a+b)		**29,779.15**	**42,970.12**	**52,300.97**
Percentage of Renewable Energy (b/a+b)		**11.06 %**	**7.66 %**	**18.37%**
Revenue (NT$ million)		2,685.95	4,612.42	3,952.72
Energy Intensity		11.09	9.32	13.23

Note 1: 1 ton of steam = 2.784 GJ; 1 liter of diesel = 8,400 kcal = 35.16 MJ; 1 kWh of electricity = 3,600 kJ.
Note 2: Conversion factors for fuel calorific values are based on Taiwan Ministry of Environment's GHG Emission Factor Management Table, Version 6.0.4: Gasoline = 7,800 kcal/L; Diesel = 8,400 kcal/L. (Gasoline 1 L = 0.0326 GJ; Diesel 1 L = 0.0351 GJ.)
Note 3: Data for 2023 and 2024 cover the Taipei Headquarters, Taipei plant, and China plant.
Note 4: Data for 2025 cover the Taipei Headquarters, Taipei plant, China plant, Japan office, U.S. plant, and Vietnam plant.

In 2025, Arizon's total energy consumption and energy intensity both increased compared with 2024, primarily due to two major operational changes. First, to enhance the completeness of information disclosure, we substantially expanded the inventory boundary in 2025 to include the Japan office, the U.S. plant, and the Vietnam plant. For the first time, this year's energy statistics fully cover all of Arizon's operating and activity sites worldwide, presenting a true and transparent picture of the Group's overall energy consumption. Second, in response to global market demand, Arizon is actively advancing plant and capacity expansion plans across its regions; as plant scale and equipment operation have increased, overall energy demand has also grown. Going forward, on an inventory basis covering 100% of all sites, we will continue to deepen our energy conservation and carbon reduction projects.

Energy Management Targets

To implement the policy directions described above, the Company has set the following quantitative management targets based on the operational characteristics of each site:

The Taipei site has adopted "reducing electricity intensity" as its core energy efficiency target. Using 2026 as the base year, it aims to achieve a cumulative 3% reduction in electricity consumption per unit of output value by 2030. To this end, the following implementation targets have been set:

- Equipment Energy Efficiency Improvement
  Comprehensively review the electricity use of all equipment, and propose and implement at least one energy efficiency improvement program within one year.
- Air Compressor System Optimization
  Within the next two years, reduce air compressor electricity consumption in the relevant areas through regular inspections of compressed air piping to prevent leakage, optimized supply air pressure settings, and the replacement of aging air compressors.
- Office Air Conditioning and Public Area Lighting Control
  During non-office hours (nights and holidays), mandatory zone-based power control is implemented to reduce idle electricity waste in office and public areas.
- Energy Conservation Advocacy and Audits
  Conduct at least two energy audit and energy conservation advocacy sessions on a regular basis each year.

The China site continues its strategy of "self-owned power generation, internal energy conservation, and external green power," aiming to maintain annual rooftop solar power generation of no less than 920,000 kWh and annual purchases of no fewer than 1,746 green electricity certificates, increasing the share of renewable energy use year by year.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

Energy Reduction Initiatives

Arizon actively promotes energy reduction strategies, regarding the enhancement of energy efficiency as a key step toward sustainable operations. In response to rising energy costs and the dual challenge of carbon emissions management, the Company strengthens power monitoring, equipment maintenance, and behavioral guidance through a comprehensive energy management system and cross-functional management approach. Step by step, the Company has built a systematic energy-saving management framework. By continuously optimizing energy usage, Arizon strives to reduce the environmental impact of its operations and fulfill its commitment to green manufacturing and environmental responsibility.

Energy-saving measures

1. **Chilled Water and Air Conditioning System Management**
   Established seasonal operating rules (summer and non-summer) and adjustments based on weather conditions and chilled water demand.
2. **Office Area Air-conditioning Temperature Settings**
   In winter, heating temperature must not exceed 20° C; in summer, cooling temperature must not be set below 26° C; to avoid excessive energy use. Unoccupied work areas must be inspected daily by team leaders, who sign off to confirm that lighting and standby equipment are switched off.
3. Winter Workshop Cooling: Use of cold recovery equipment to reduce chiller power consumption and achieve energy savings.
4. **Chiller and Air Conditioning Equipment Maintenance**
   - Regular cleaning of coils and air boxes to enhance heat dissipation efficiency and reduce energy consumption.
   - Adjustment of chiller operating parameters according to load conditions, with scheduled maintenance.
   - Filter replacement cycle shortened from every two months to once per month.
5. **General Air Conditioning Management**
   Regular maintenance includes annual cleaning of indoor and outdoor units and quarterly cleaning of return air filters.
6. **Lighting Improvements**
   All indoor lighting fixtures replaced with LED lamps; outdoor lighting adjusted according to daylight, breaks, and work hours.
7. **Electricity Management Measures**
   Unoccupied work areas are inspected daily by supervisors or team leaders, who sign off to confirm that lighting and standby equipment are switched off. Air conditioning and power supplies in non-critical equipment areas are shut down when no personnel are present, with daily inspections conducted by supervisors and engineers.
8. In September 2025, Plant I of the China plant launched a lighting system upgrade, replacing 1,200 old lighting fixtures with high-efficiency 10 W LED tubes, saving 24,964 kWh of electricity and approximately RMB 15,566 in electricity costs.
9. In October 2025, the China plant upgraded the air compressor system at Plant I, converting fixed-frequency air compressor water pumps to automatic start-stop control based on compressed air pressure, saving 9,184 kWh of electricity and approximately RMB 5,753 in electricity costs.

Renewable energy usage

Since 2023, the China plant has generated approximately 910,000 kWh of renewable solar power annually, reducing carbon emissions by approximately 468 metric tons per year. Renewable energy accounted for 7.66% of total energy consumption in 2024 and rose to 18.37% in 2025, showing a continued increase in the share of renewable energy use.

Since 2022, the China plant has installed rooftop solar photovoltaic systems with a capacity of 756 kWp at Plants I and II, operating under a "self-generation for self-consumption with surplus power fed to the grid" model, generating 922,790 kWh of green power in 2025. In addition, the Company has simultaneously developed external sources of green power, participating in green electricity certificate trading on a pilot basis in 2025, with an annual purchase of 1,746 green electricity certificates. Through a diversified energy portfolio and improved energy efficiency, Arizon continues to strengthen the resilience of its energy use and advance toward its long-term vision of sustainable operations.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

4.3 Water Resource Management

In recent years, climate change has led to an increase in extreme weather events, raising the likelihood of droughts and floods worldwide. This has made water resource management a critical issue in Arizon's operations. According to a water risk assessment conducted using Aqueduct, the water risk analysis tool developed by the World Resources Institute (WRI), the Taipei and U.S. sites currently face low to medium risk, the China site is exposed to medium to high risk, and the Vietnam site faces a relatively high physical risk (high risk). To mitigate the potential risks of water shortages driven by climate change, Arizon will continue to review its water usage and monitor potential water scarcity risks, while also evaluating strategies to improve water use efficiency.

To address the medium-to-high water scarcity risks at the China plant, the Company has developed a "three lines of defense" strategy to strengthen the resilience of its business continuity. The first line of defense is local water storage facilities such as tanks and reservoirs, which provide basic water supply support during short-term emergencies. The second line of defense is regional emergency water transfer arrangements, ensuring that when local supply is constrained, nearby water sources can be quickly mobilized as backup. The third line of defense is the integration of remote water supply programs, establishing cooperation mechanisms with external water resource organizations to bring in stable water sources when necessary in response to larger-scale water shortages. Through this multi-tier, multi-source water resource allocation system, the Company effectively reduces the risk of operational disruptions.

The Company's overseas site, the Vietnam plant, officially commenced operations in 2025 and is currently in the stage of capacity integration and establishing data monitoring mechanisms, so complete annual data are not yet available. The U.S. site is an outsourced warehouse, and complete annual data are unavailable due to limited access to environmental data. The relevant environmental data will be gradually incorporated into the scope of statistics and disclosure in subsequent years, once operations have stabilized and data collection mechanisms are in place. Water for both the Taipei plant and the China plant is sourced entirely from municipal water supplies; their water withdrawal, water discharge, and water consumption are summarized in the table below:

Water Resource Usage

Unit: million liters / thousand cubic meters

	2023		2024		2025	
	Taipei	Mainland China	Taipei	Mainland China	Taipei	Mainland China
Municipal Water Withdrawal	1.909	17.73	1.75	26.63	1.82	25.08
Groundwater Withdrawal	-	-	-	-	-	-
Surface Water Withdrawal	-	-	-	-	-	-
Seawater Withdrawal	-	-	-	-	-	-
Total Water Withdrawal	1.909	17.73	1.75	26.63	1.82	25.08
Recycled Water Reuse	-	-	-	-	-	-
Water Discharge	1.909	17.73	1.75	26.63	1.82	25.08
Water Consumption	0	0	0	0	0	0

Note 1: Data coverage: Taipei Headquarters, Taipei plant, and China plant.

Water Intensity in the Past Three Years

Item / Year	Unit	2023	2024	2025
Total Water Withdrawal	Million liters	19.639	28.38	26.90
Revenue	NT$ million	2,685.95	4,612.42	3,952.72
Intensity	Million liters per NT$ million	0.0073	0.0062	0.0068

Note 1: Revenue is disclosed based on the Company's consolidated financial statements.

At both the Taipei plant and the China plant, water is not required in the production process, and water usage is primarily limited to domestic sewage. The Company will strengthen efforts to promote personal water-saving awareness by placing reminder signs near washbasins and water dispensers to encourage employees to develop water conservation habits in their daily routines. At the China plant, domestic wastewater is treated through septic tanks and then discharged into the municipal sewer network, where it is sent to wastewater treatment plants for centralized processing.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

Water Resource Management Policy

To enhance water use efficiency and ensure the sustainable utilization of water resources, the Company has formulated clear strategies and objectives for water resource management. First, in terms of management, the Company will establish a comprehensive water resource allocation and management system to ensure the stability and security of supply, while leveraging smart technologies to achieve precise control of water resources. To improve supply efficiency, the Company will continue to optimize water supply systems and related facilities to reduce losses during distribution. At the same time, the Company promotes the adoption of water-saving devices and technologies, encouraging employees and departments to use water responsibly, achieving conservation through both equipment improvements and behavioral changes.

In addition, the Company emphasizes the integrated utilization of water resources and the development of a circular economy. It actively promotes diversified research and applications in water use to increase the overall value of water resources. By advancing "green water services" and water recycling initiatives, the Company is committed to resource regeneration, waste reduction, and sustainable development. To strengthen execution, the Company has established a dedicated Water Resource Management Team responsible for daily management and supervision. A comprehensive monitoring system for both water quantity and quality has also been developed to provide scientific data for decision-making. Through the creation of an information platform, the Company not only monitors water resources in real time but also raises awareness and engagement among employees and stakeholders regarding water resources.

Water Resource Management Performance

Arizon is committed to improving the overall efficiency of water use, continuously reducing water waste through optimized water use planning, technological upgrades, and water conservation management. In 2025, facing the challenges of simultaneous expansion in business scale and production capacity, the Company reviewed its targets and adjusted its strategies based on actual operating conditions, upholding the principles of transparency and pragmatism.

On the production side, increases in capacity and plant floor area at the China plant in 2025 drove up water demand from equipment such as chillers; nevertheless, under strict water conservation controls, total annual water consumption was successfully kept on par with 2024. To progressively achieve water source diversification and recycling, the China plant introduced a steam condensate recovery unit during the year. Since the unit began operating, overall water usage has declined significantly, and water meter installation was completed at year-end, with quantified data on actual recycling and reuse expected to be available in 2026.

On the office operations side, the Taipei plant, where water use mainly consists of employees' daily domestic use, saw its headcount increase by approximately 15% in 2025 and experienced an abnormal leakage incident caused by a pipe rupture in September (properly repaired in October), and as a result did not achieve its original target of a 10% reduction in water use. Given that the Taipei plant's water consumption was already minimal and offered little room for substantial adjustment, its annual water reduction target has been pragmatically revised to "a 5% reduction per year," with resources directed toward infrastructure improvements, including a newly added specific action to replace all faucets with water-saving faucets. Going forward, Arizon will continue to ensure the sustainable use of water resources through diverse water conservation projects and real-time anomaly prevention mechanisms.

Water Conservation Policy

The Company is committed to becoming a model in water conservation and supporting cities in their transition toward sustainable development. Each site sets water management targets based on its operational characteristics: the Taipei site targets a 5% reduction in annual water consumption compared with the previous year, while the China plant sets water control targets that take into account factors such as production volume and headcount, continuously improving water use efficiency.

In practice, the Company actively promotes a range of initiatives, including the comprehensive replacement of water-saving equipment, the installation of rainwater harvesting systems, and the adoption of smart water meters to precisely monitor water usage, along with strengthened awareness campaigns on conserving domestic wastewater and discouraging excessive or private use. In 2025, the China plant replaced some faucets with automatic sensor faucets and introduced a steam condensate recovery and reuse system. In addition, the Company responds to government policies by proactively participating in local water resource protection initiatives, hoping that, while implementing water conservation management, it can also drive industries and communities toward a shared vision of sustainable resource use.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

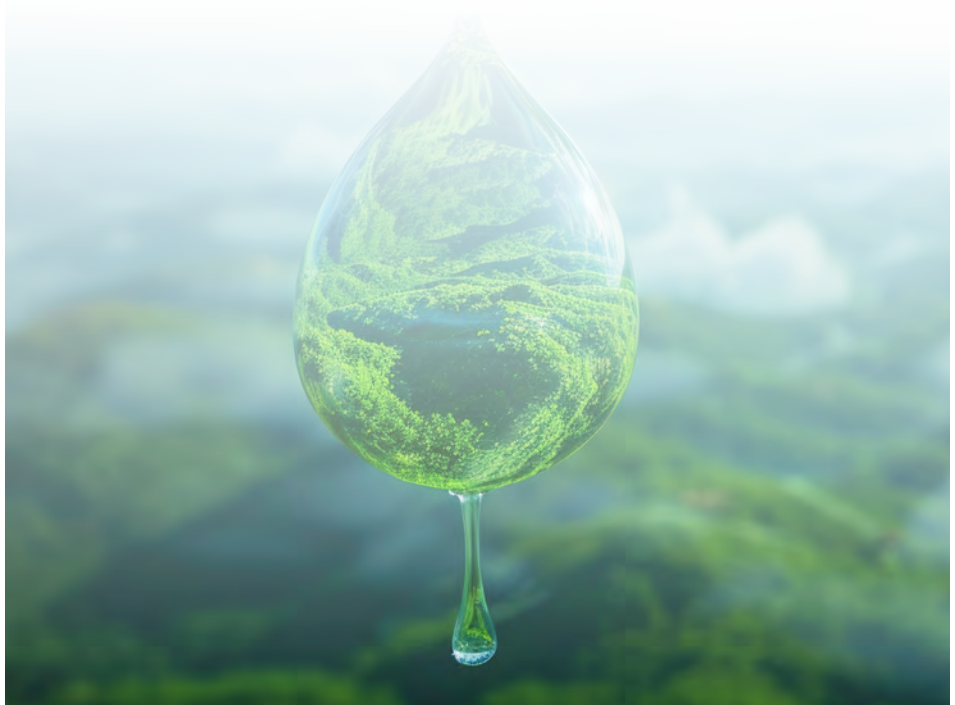
4.4 Waste Management

Waste Management Assessment

To minimize environmental impacts, Arizon continuously improves its waste recycling and reuse technologies, striving to reduce waste from the very beginning of the production process. The Company follows the principles of the circular economy, focusing on sustainable resource utilization, strengthening waste management practices, and ensuring that resources are effectively reused. Furthermore, the Company conducts a comprehensive assessment of the impacts associated with inputs, activities, and waste outputs, including the following aspects:

1. **Resource Consumption**
   Waste handling requires resources such as manpower and equipment.
2. **Expenditure**
   Waste disposal involves costs, such as waste treatment fees, which increase the Company's financial burden.
3. **Activities**
   Production interruptions caused by events such as power outages or batch changes may require halts for cleaning and waste handling, affecting production efficiency and schedules and generating additional waste.
4. **Increased Management Workload**
   Waste storage requires sufficient space; when space is limited, compression or reduction measures must be implemented. Tasks such as collection, classification, and treatment increase the management burden and labor costs.
5. **Outputs**
   Improper product generation or insufficient recycling measures during production can increase waste generation, such as from sample testing before production runs.
6. **Corporate Image and Reputation**
   Proper waste disposal prevents illegal dumping and helps avoid reputational risks.
7. **Regulatory Compliance**
   The Company identifies applicable environmental laws and examines compliance across its facilities to ensure legal conformity.
8. **Waste Generation**
   In accordance with the Waste Disposal Act, waste is classified, collected, and treated, with proper labeling, recording, and reporting to ensure that waste generation complies with legal requirements.
9. **Waste Storage**
   Waste storage conditions and methods must comply with Ministry of Environment(MOENV) standards, ensuring no harm to the environment or human health.

Regulations stipulate time limits for waste storage to prevent potential risks arising from long-term accumulation. The priority hierarchy in waste management - avoid waste generation > reduce waste production > reuse and recycle waste > dispose of waste - forms the basis of government guidelines. Waste impacts inputs, activities, and outputs to varying degrees, with consequences not only on economic aspects such as cost and efficiency but also on environmental and social dimensions. Therefore, effective waste management is essential to corporate sustainability. Regulations provide clear requirements and standards for waste generation and storage, and the Company complies with these provisions to ensure that its waste management practices meet legal requirements.



Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

Waste Management Mechanism

In terms of environmental management, Arizon is committed to promoting environmental sustainability. The Company has obtained relevant management system certifications and established institutionalized management procedures, balancing environmental protection with operational efficiency. Through systematic improvement mechanisms and cross-departmental collaboration, the Company continuously reviews the environmental impacts of its operations and promotes optimization measures in core areas such as waste management, resource recycling, and pollution prevention.



The Company complies with applicable environmental protection laws and regulations, has established waste management operating procedures, and continues to promote the ISO 14001 environmental management system, strengthening environmental risk identification, regulatory compliance, and continuous improvement mechanisms. Waste management focuses primarily on source reduction, sorting and recycling, and improving the resource reuse rate, so as to reduce waste generation and the amount of waste directed to final disposal, thereby lowering the pollution risks and greenhouse gas emissions arising from operations. Through continued waste reduction and resource circulation measures, the Company is committed to reducing the environmental impact of its operations and fulfilling its corporate environmental responsibility and commitment to sustainable development.

The Taipei plant obtained third-party certification of the ISO 14001:2015 environmental management system on November 2, 2024 (certificate no. TW21/10525, valid from November 2, 2024 to November 2, 2027). Upholding the core principles of "preventing global warming" and "protecting natural resources," the plant has listed "reducing waste volume" as a short- and medium-term environmental performance indicator, subject to continuous monitoring and improvement. In 2025, one environmental management program was completed, focusing on reducing waste discarded and increasing the recycling rate to lower environmental pollution risks. In addition, in preparation for the revised version of ISO 14001 expected in 2026, the Taipei plant has begun training and internal preparations ahead of schedule and expects to pass certification against the revised standard in 2027, ensuring the continued effective operation of its environmental management system.

The China plant has established and continues to deepen its ISO 14001 environmental management system, with a complete set of documentation including the management manual, procedural documents, and various management rules. To ensure the effectiveness of the system, an annual implementation plan is formulated at the beginning of each year, covering core tasks such as the collection of environmental regulations, compliance evaluation, identification and assessment of environmental aspects, internal audits, and management reviews. In August 2025, the China plant successfully passed the surveillance audit conducted by a third-party certification body, maintaining the validity of its ISO 14001 certification (certificate no. CN15/21204, valid from September 2, 2024 to September 1, 2027). During the operation of the system, the China plant strictly implements all environmental management requirements. Qualified third-party institutions are engaged regularly each year to conduct annual environmental testing, ensuring that all pollutant emissions comply with regulatory standards; there were no environmental violations or administrative penalties throughout 2025. In addition, with respect to waste management, the China plant strictly regulates its hazardous waste treatment processes, entrusting all hazardous waste to legally qualified professional vendors for compliant disposal, with a proper disposal rate of hazardous waste of 100%, concretely fulfilling its commitment to environmental protection.



ISO 14001 management system certificates of the Taipei plant and the China plant

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

Arizon also takes appropriate actions to address waste management and its significant impacts, in order to avoid unnecessary management or other operational costs, as well as environmental damage. In recent years, growing awareness of climate change and environmental protection has led governments to place greater emphasis on disclosure regarding waste-related issues and the potential impacts arising from inputs, activities, and outputs. Accordingly, waste monitoring is carried out through legally compliant weighing methods, with oversight provided by government-approved incineration plants. The Taipei plant reports and collects relevant data through the Ministry of Environment's EMS system, while the China plant reports hazardous waste data through the Jiangsu Provincial Department of Ecology and Environment's Solid Waste Management Information System. To implement waste source reduction and resource circulation, the Company continues to promote the reuse of general industrial waste. For release paper generated in the manufacturing process, a recycling and reuse pilot program has been formally launched, and the Company is actively evaluating its introduction into recycling processes on the premise that product quality is not affected, so as to further reduce waste generation and put the circular economy into practice.

Waste Classification and Treatment Process

Classification		Treatment Method	Internal Management Unit	External Management Unit
Domestic Waste		Concentrated and transferred to the sanitation department for treatment	Administrative Department, General Affairs Section	Sanitation Department
General Industrial Waste	Recyclable	Sold after concentration	Administrative Department, General Affairs Section	Waste Recycling Unit
	Non-recyclable	Concentrated and transferred to the sanitation department for treatment	Administrative Department, General Affairs Section	Sanitation Department
Hazardous Waste		Concentrated and transferred to a qualified unit for treatment	Environmental Safety and Health	Qualified Unit







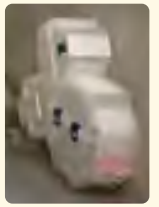


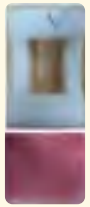
Other Occupational Safety and Health Knowledge Related to Labor Operations

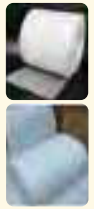
Explanation of Disputed Recyclable Waste

For production waste materials or other packaging waste, please refer to the images below to confirm whether they can be recycled.
Note: If the new waste or other items cannot be identified, please contact the EHS unit.

✓ Recyclable Waste


PE Plastic Containers


Colored and regular bubble bags


Bubble Wrap and Pearl Cotton (EPE)


PE Stretch Film


Coated Paper (C2S Paper)

X Non-recyclable Waste


PET Bubble Wrap

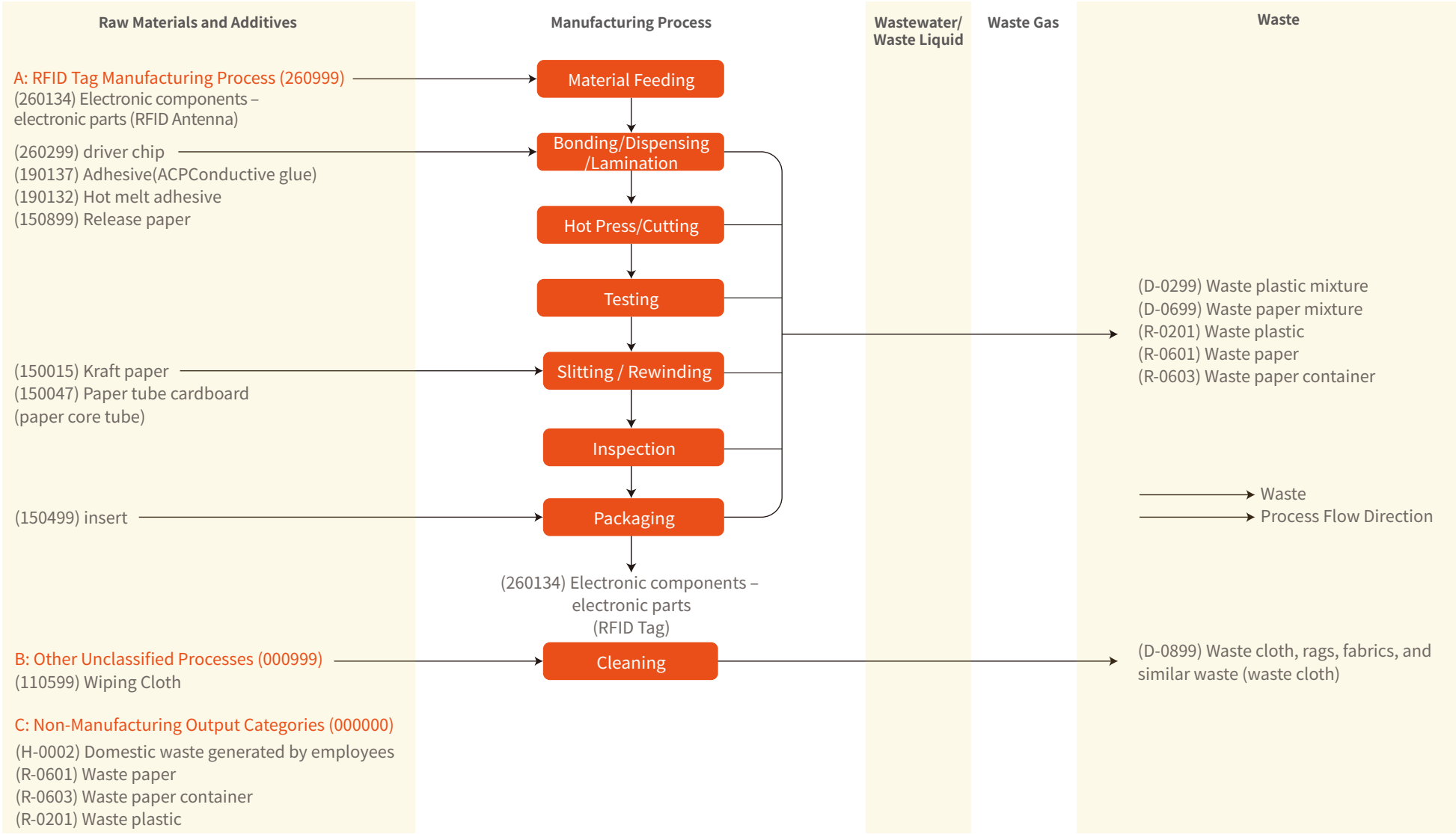

Antistatic Bags


PET Strapping Tape


Release Paper

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

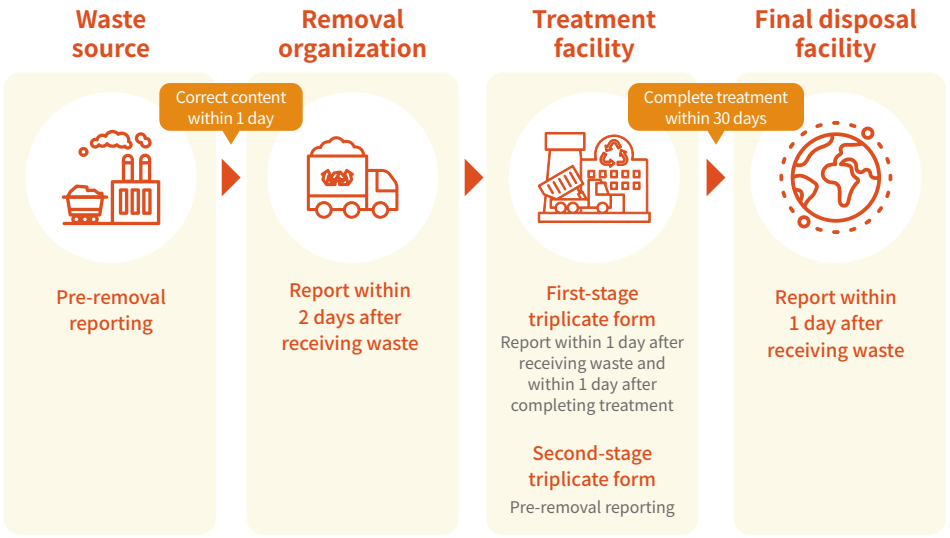
Taipei plant Waste Generation Flowchart



Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

Waste Disposal Flowchart

Arizon Taipei Plant Waste Disposal EMS Reporting Flowchart



Transport to treatment facility within 2 days
Waste generator confirms manifest content online within 4 days
Within 35 days, waste generator proactively checks removal, treatment, and reuse status

Hazardous Waste Disposal Flowchart









Other Occupational Safety and Health Management Items

✓ Storage Location of Recyclable Waste and General Industrial Waste

Description of Recyclable Waste

Discarded items: Paper, including kraft paper (if mixed with release paper, classify as waste), general paper, cartons, cleaned paper tableware, etc. Iron, aluminum – generally refers to beverage cans and bottles Glass and plastics – mainly household recyclable items

Control time: None **Placement location:** As indicated in the blue circle

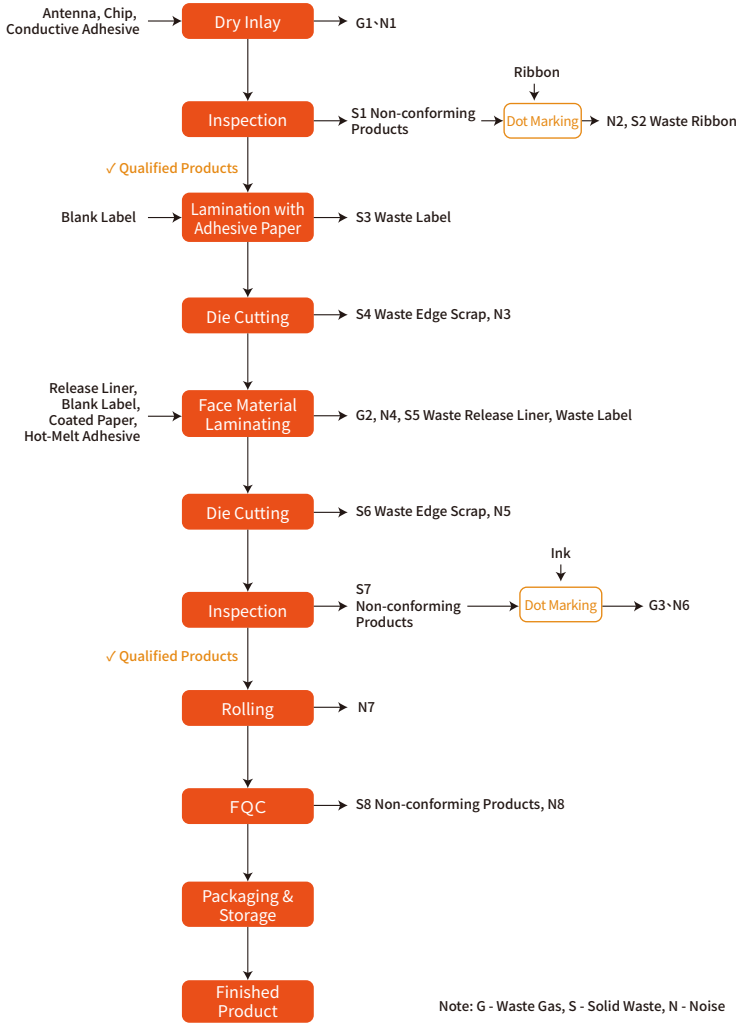
Note: Place neatly. If in bags, they should be tied securely; paper should be placed neatly in cartons, etc.



Description: Appearance of recyclable waste storage

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

Environmental Impact Assessment (EIA) Process Flowchart of the China plant



Note: G - Waste Gas, S - Solid Waste, N - Noise

Waste Classified by Composition

	Waste Composition	2023 Taipei	2023 Mainland China	2024 Taipei	2024 Mainland China	2025 Taipei	2025 Mainland China
Non-hazardous	General Waste	11.48	394.71	14.99	3,480	16.69	3,203.84
	Paper Recycling	4.31	262.67	26.25	40.44	47.85	54.68
	Plastic Recycling	10.05	0	5.25	0	4.15	0
	Scrap Metal Recycling	0	0	3.01	0	0.95	0
	Other General Waste (D-0899)	0.02	0	0.02	0	0.02	0
	General Waste (D-0299)	9.47	0	18.42	0	14.34	0
	General Waste (D-0699)	10.89	0	35.10	0	31.01	0
	Kitchen Waste / Food Waste	0	256.77	0	190.75	0	225.45
Hazardous	Waste Packaging Containers	0	0.52	0	0.41	0	0.50
	Waste Cleanroom Cloths, Gloves, etc. Contaminated with Organic Solvents or Ink	0	0.52	0	0.61	0	1.05
	Waste Ink	0	0.17	0	0.25	0	0.17
	Waste Lubricating Oil	0	0.13	0	0.23	0	0.19
	Waste Organic Solvent	0	0.04	0	0.02	0	0.00
	Waste Butyl Acetate	0	0	0	0.05	0	0.06
	Waste Alcohol	0	0.12	0	0.10	0	0.06
	Waste Activated Carbon	0	7.07	0	4.53	0	4.24
	Waste Cleaning Solution	0	2.32	0	1.91	0	2.19
	Non-conforming Products	0	5.89	0	9.21	0	12.71
	Waste Lead-acid Batteries	0	0.20	0	0.25	0	0.69
	Total	46.22	931.12	103.04	3,728.76	115.01	3,505.83

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

Arizon's Waste Data for the Past Three Years

Unit: Metric Tons

Outside of Plant		2023		2024		2025	
		Taipei	Mainland China	Taipei	Mainland China	Taipei	Mainland China
General Industrial	Recycling	14.36	0	34.51	0	52.95	0
	Incineration (excluding energy recovery)	20.38	0	53.54	0	45.37	0
Total General Industrial Waste		**34.73**	**0**	**88.05**	**0**	**98.32**	**0**
Hazardous	Incineration (excluding energy recovery)	0	16.77	0	3.57	0	4.54
	Other Disposal Operations	0	0.20	0	14.00	0	17.32
Total Hazardous Waste		**0**	**16.97**	**0**	**17.57**	**0**	**21.86**
Non-hazardous	Incineration (excluding energy recovery)	11.48	907.77	14.99	3,670.75	16.69	3,429.29
	Landfilling	0	6.38	0	40.44	0	54.68
	Other Disposal Operations	0	0	0	0	0	0
Total Non-hazardous Waste		**11.48**	**914.15**	**14.99**	**3,711.19**	**16.69**	**3,483.97**
Total Waste (Metric Tons)		**46.22**	**931.12**	**103.04**	**3,728.76**	**115.01**	**3,505.83**
Total Reused Waste (Metric Tons)		**14.35**	**0**	**34.51**	**0**	**52.95**	**0**
Recycling / Reuse Rate (%)		**31.05%**	**-**	**33.49 %**	**-**	**46.04 %**	**-**

Note 1: The scope of waste data covers the Taipei Headquarters, Taipei plant, and China plant.
Note 2: Recycling / Reuse Rate (%) = (Total Reused Waste / Total Waste) x 100
Note 3: Other disposal operations of hazardous waste at the China plant refer to recycling after collection.
Note 4: The Company's overseas site, the Vietnam plant, officially commenced operations in 2025 and is currently in the stage of capacity integration and establishing data monitoring mechanisms, so complete annual data are not yet available. The U.S. site is an outsourced warehouse, and complete annual data are unavailable due to limited access to environmental data. The relevant environmental data will be gradually incorporated into the scope of statistics and disclosure in subsequent years, once operations have stabilized and data collection mechanisms are in place.
Note 5: The waste generation and disposal data in this table are compiled on the basis of the actual amount generated in the reporting year. Where waste is generated near the end of a year and its actual removal and final disposal are completed at the beginning of the following year, the amount is attributed to the year of generation, which may result in a cross-year timing difference relative to when removal is carried out.

Waste Intensity

Item / Year	Unit	2023	2024	2025
Waste Generated	Metric tons	977.34	3,831.80	3,620.84
Revenue	NT$ million	2,685.95	4,612.42	3,952.72
Intensity	Metric tons per NT$ million	0.36	0.83	0.92

Note 1: Revenue is disclosed based on the Company's consolidated financial statements.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

Waste Reduction Management Policy

The Company's waste reduction management is primarily planned and implemented under two main categories: resource recycling and source reduction.

1. Recycling Management

A. Clearly classify recycling items into recyclable waste, food waste, and reusable items, with recycling and processing assisted by Tzu Chi volunteers.

B. Expand waste-sorting rules and garbage bin allocation standards to make full use of available space. Cleaning personnel proactively conduct preliminary sorting of general household waste by category to reduce misclassification rates.

C. Strengthen administrative management and employee awareness of waste sorting by integrating group campaigns and appropriate training programs, thereby improving overall recycling efficiency.

2. Source Reduction Measures

A. Reduce the use of disposable products by encouraging employees to bring reusable cups and utensils, thereby lowering the consumption of paper cups and disposable tableware.

B. Promote the reduction of hazardous substance use, such as replacing battery-powered equipment with plug-in devices to minimize battery consumption and subsequent pollution risks.

C. Reduce packaging waste by advocating simplified product packaging and plastic reduction initiatives. Encourage the use of reusable paper bags and containers to conserve resources and achieve source reduction.

2025 Waste Reduction Results

In 2025, the China plant adopted high-quality activated carbon for waste gas adsorption treatment, reducing waste activated carbon by approximately 0.29 metric tons and effectively lowering operating costs and environmental burden. In addition, ink-dot marking of non-conforming products on some die bonders was replaced with carbon ribbon marking, reducing waste ink by approximately 0.08 metric tons and cutting VOC emissions, in continued pursuit of green and environmentally friendly production.

Hazardous Waste Resource Recovery Project: Promoting the Circular Economy to Achieve Waste Reduction and Recycling

To fulfill its commitment to sustainable development and embed the concept of the circular economy in its daily operations, Arizon formally launched the Hazardous Waste Resource Recovery Project in November 2024, shifting non-conforming products that had previously been incinerated by contracted vendors to the recovery and reuse of metals and metal compounds by a new supplier with specialized technology. In the past, some of the hazardous waste generated in the production process was treated by incineration. Based on the concept of shifting from end-of-pipe treatment to source reduction and resource circulation, the Company's management drove this resource recovery transition. Following rigorous supplier review and technical evaluation, a partner qualified in recycled metal recovery was engaged, redefining waste as a reusable "misplaced resource."



Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

As of December 31, 2025, the project had successfully completed resource recovery treatment of 15.5524 metric tons of hazardous waste, achieving the following significant environmental benefits:

- **Resource circulation and carbon reduction benefits**
  Through the recovery and reuse of metal components, the project has reduced reliance on virgin ore mining and metal smelting, thereby lowering carbon emissions and energy consumption. It helps form a closed-loop management model of "reduction - regeneration - reuse," maximizing resource use efficiency.

- **Pollution reduction and environmental risk mitigation**
  Compared with incineration, the resource recovery process completely avoids the greenhouse gases, fly ash, and other secondary pollutants that incineration may generate. It effectively mitigates the potential impacts of final waste treatment on the atmosphere and soil, further enhancing the Company's environmental management performance.

- **Overall benefits and sustainability significance**
  The successful implementation of this project marks a major breakthrough for Arizon in hazardous waste management and resource circulation, concretely fulfilling the Company's core commitment to environmental (E) responsibility within its ESG framework. By shifting hazardous waste from end-of-pipe treatment to recycling and reuse, the Company has not only reduced its environmental burden but also created both environmental and economic value, demonstrating its determination to drive green transformation through innovative thinking.

Arizon is committed to deepening its experience in hazardous waste resource recovery, expanding recycling to more process stages through a well-developed tiered recycling management system, with "Zero Waste to Landfill" as its long-term vision. From 2028 onward, the Company plans to continue promoting process-side reduction and material substitution, strengthen the co-creation of a green supply chain ecosystem, and incorporate the recycled resource utilization rate and carbon reduction volume into its core performance indicators. By optimizing resource recovery processes and expanding its green partnership network, Arizon aims to achieve zero incineration of hazardous waste across its operations by 2030, comprehensively building a circular manufacturing value chain and fulfilling its commitment to sustainable transformation of "turning waste into materials for green regeneration."

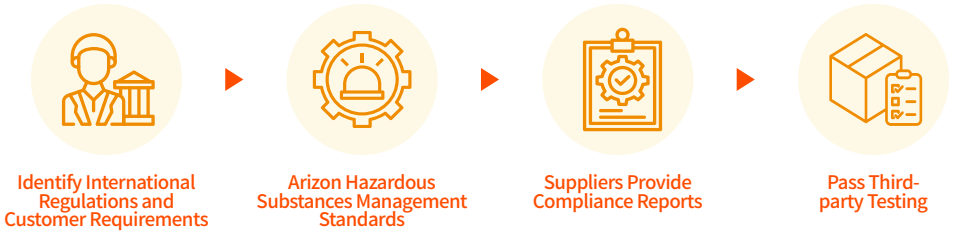


Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

4.5 Hazardous Substances Management

Arizon is committed to environmental sustainability and health and safety by strictly controlling chemical substances in its products to comply with global environmental regulations and customer requirements. We pledge to:

- Ensure that all products comply with regulations such as RoHS (Restriction of Hazardous Substances Directive), REACH (Registration, Evaluation, Authorisation, and Restriction of Chemicals), and TSCA (Toxic Substances Control Act).
- Adopt green materials and non-toxic alternatives to minimize impacts on the environment and human health.
- Ensure that products are free from regulated hazardous substances through supply chain management and third-party verification.



We implement stringent controls on the following chemicals and regulated substances:

- Chemicals and toxic substances imported (self-imported) by the plant, managed in accordance with environmental protection regulations.
- Chemicals regulated under labor laws that comply with national standard CNS15030 classification, including substances with physical hazards and those with health hazards.
- Other chemicals not covered above but determined by the plant to pose significant risks to human health or the environment.
- Substances of Concern, as defined under the Toxic and Concerned Chemical Substances Control Act, announced by the central competent authority as potentially polluting the environment or endangering human health.

Operational Procedures

Management of Chemical Introduction

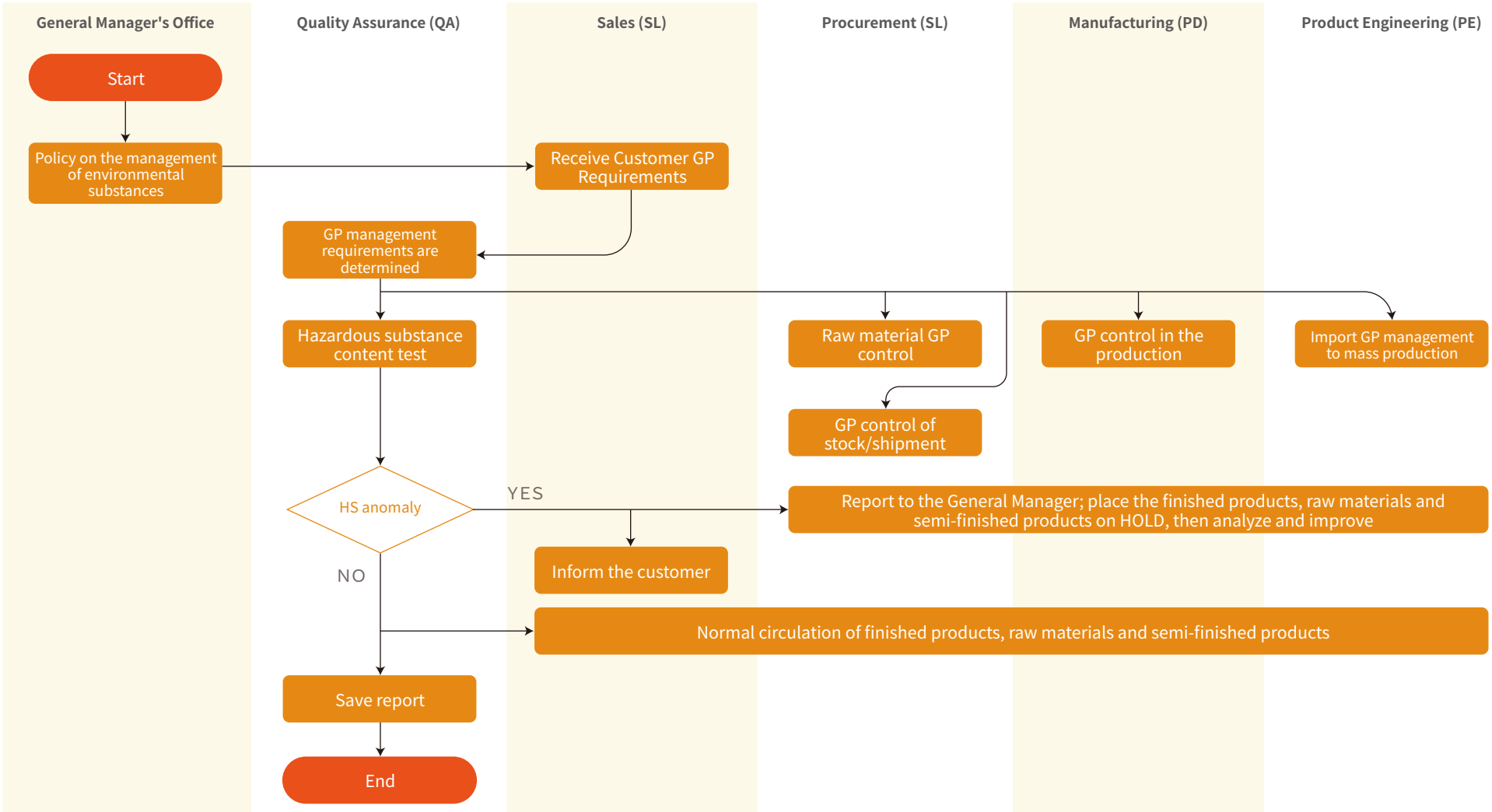
1. User department: Before providing new chemicals to employees, a local-language version of the Safety Data Sheet (SDS) must be submitted to the EHS unit for classification and planning of safety management measures.
2. For new chemicals introduced through the procurement department, the procurement unit must be informed in advance that the item is a new chemical, so that suppliers can be requested to provide a Chinese version of the SDS and ensure containers are labeled with hazard warnings in the local language.
3. The user department must provide appropriate safety equipment (e.g., eyewash stations, protective masks, goggles, and protective gloves) near workstations where employees may be exposed to hazardous chemicals.
4. The user department must establish appropriate measures to prevent leakage of chemicals based on their properties.
5. The user department must ensure that workplaces and storage areas where chemicals are used are equipped with adequate ventilation systems, and that these systems remain functional.



Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

Hazardous Substances Management Flowchart

Environmental material management process



Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

Hazard Communication Management (Inventory, Safety Data Sheets, Labeling)

A. Establishment of Hazardous Chemicals Inventory: The EHS unit updates usage records annually based on information from user departments. The records include chemical name, supplier information, usage location, average usage, and storage location.

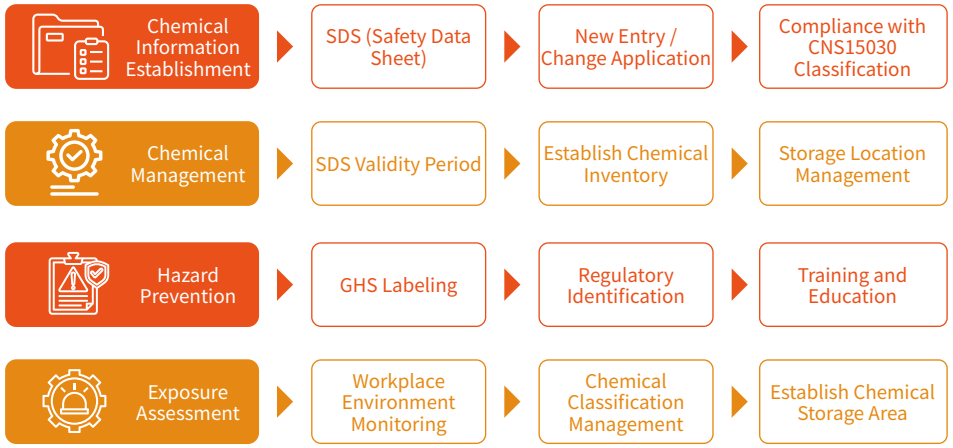
B. The EHS unit updates at least once a year the "Chemical Substance Usage List" for the Taipei plant and the "Hazardous Chemicals Inventory" for the China plant. These are consolidated into a comprehensive hazardous chemicals inventory, which must be reviewed and confirmed by the Occupational Safety Management Representative.

C. Safety Data Sheets (SDS): The procurement department is responsible for obtaining the SDS of each chemical from client-designated suppliers and purchasing vendors, and forwarding them to the EHS unit to distribute to the respective user departments.

D. SDSs are updated when new chemicals are provided by procurement or client-designated suppliers (including changes in supplier or composition), during the regular three-year updates, or when government regulations require updates to the SDS format or content.

E. User departments storing or using hazardous chemicals must place the corresponding SDSs in visible and easily accessible locations.

Chemical Hazard Communication and Management



2025 Hazardous Substances Management Results for Taipei and Mainland China

Indicator	2024 Management Target	Achievement Status	2025 Management Target	Achievement Status
Product RoHS Compliance Rate	100%	Achieved	100%	Achieved
REACH SVHC (Substances of Very High Concern) Compliance Rate	100%	Achieved	100%	Achieved
Halogen-Free Product Compliance Rate	100%	Achieved	100%	Achieved
Supplier Compliance Document Submission	100%	Achieved	100%	Achieved
Products Passing Third-Party Hazardous Substance Testing	100%	Achieved, 38 items	100%	Achieved, 39 items
HFS Non-Compliance Incidents	0 cases	0 cases	0 cases	0 cases

General Chemical Safety Training

- **Basic Knowledge of Chemicals**
  Provide trainees with an understanding of the basic properties, classifications, and hazards of chemicals, including common types of chemicals, their physical and chemical properties, and safe handling methods.
- **Hazard Awareness and Labeling**
  Train personnel to identify hazardous chemicals and understand the meaning and use of chemical labeling, including safety labels, hazard symbols, and Safety Data Sheets (SDS).
- **Safe Operating Procedures**
  Educate on proper operating procedures, including the correct use, storage, disposal, mixing, and cleaning of chemicals, to minimize the possibility of accidents and hazards.
- **Emergency Response Procedures**
  Cover response measures for chemical accidents and emergencies, including incident reporting and notification procedures, evacuation processes, and first aid measures.
- **Personal Protective Measures**
  Instruct personnel on the correct use of appropriate personal protective equipment (PPE), such as safety goggles and gloves, to reduce the risk of exposure to chemicals.
- **Environmental Protection Awareness**
  Promote practices to reduce chemical pollution and environmental impact, including minimizing waste generation and implementing effective recycling and disposal methods.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

Hazard Awareness Training

To safeguard employees' health and safety, all new hires or employees transferred to positions with potential exposure to hazardous chemicals must complete a three-hour introductory training on hazard identification and preventive measures before commencing work. Existing employees are required to undergo a three-hour refresher training every three years to strengthen their knowledge of hazardous chemicals and their emergency response capabilities. The training is organized and managed by the responsible unit, and covers topics such as the properties and potential risks of chemicals, including the hazards of chemical mixtures and the physical and health risks from exposure. It also includes the correct use of personal protective equipment, response measures for chemical spills or leaks, proper storage and access to Safety Data Sheets (SDS), as well as methods for acquiring and applying hazard information.

For units that use organic solvents, supervisors are required to complete the Organic Solvent Operation Supervisor training and obtain the relevant certification, thereby assuming responsibility for on-site management and safety. If specific chemical substance operations are involved, although none are currently in place, supervisors must also complete the corresponding training and obtain certification to ensure safe operations and compliance with regulations.

In addition, hazardous substance management coordinators at both the China plant and the Taipei plant compile annual updates on the latest domestic and international hazardous substance regulations at the end of each year. They also conduct specialized training on hazardous substance control for personnel in the research and development, sales, procurement, and quality assurance departments, thereby enhancing their ability to identify, manage, and comply with regulatory requirements related to hazardous substances in products.

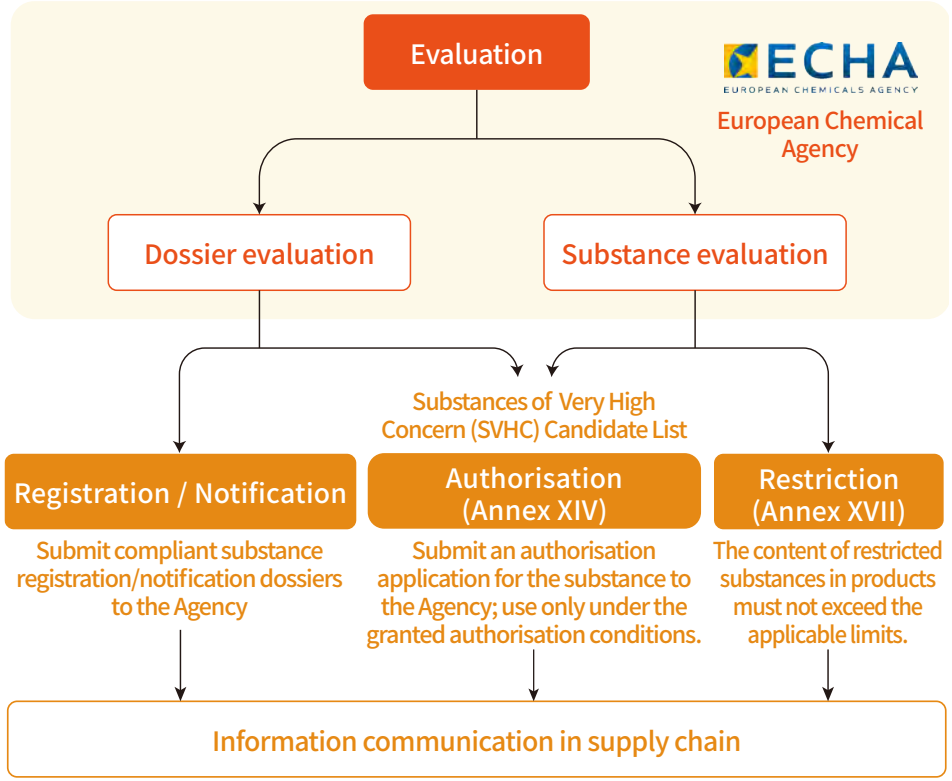
2025 Training Programs and Implementation Status at the China plant

In September 2025, a training session on "Latest Environmental Developments and Corporate Response Measures" was organized. Participants came from departments including Quality Assurance, Sales, Procurement, and Product R&D, with a total of 29 attendees.



EU REACH

REACH：Registration, Evaluation, Authorization and Restriction of Chemicals— entered into force on 1 June 2007



Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

Hazard Warning Labels

A. Manufacturers, importers, or suppliers shall affix hazard warning labels on hazardous chemical containers provided to the Company in accordance with the information on the Safety Data Sheet (SDS).

B. Storage and user units shall affix hazard warning labels on repackaged containers, storage vessels, and operational sites of hazardous chemicals in accordance with the SDS.

C. Before hazardous chemicals can be transported, used, or stored within the plant, the user unit must verify that the Chinese-language hazard warning labels on the containers are accurate and complete by cross-checking them against the local-language version of the SDS reviewed by the EHS unit.

D. Hazard warning labels on chemical containers shall be consistent with the SDS. The label format and content are as specified below; the formats for repackaged containers and auxiliary tanks shall comply with the Regulations Governing the Labelling and Hazard Communication of Hazardous Chemicals.

E. The size of the labels shall be determined based on workplace and container dimensions, with clear legibility as the guiding principle.

F. Pipelines transporting chemicals must, at a minimum, be labeled with the chemical name and flow direction; additional signage may be used if necessary.

G. Pipelines transporting chemical waste must, at a minimum, be labeled with the type of hazard and flow direction; additional signage may be used if necessary.






Emergency Response Measures

When a chemical accident occurs, the following emergency response measures should be taken:

A. Incident Reporting and Notification
Immediately notify department supervisors and responsible personnel, and report according to the Company's notification procedures.

B. Evacuation and Escape
Promptly evacuate the workplace in accordance with the Company's evacuation procedures to ensure all personnel are safely relocated to a secure location.

C. First Aid Measures
If there are any injuries, provide appropriate first aid immediately, including bleeding control, rescue breathing, and cardiopulmonary resuscitation (CPR).

D. Containment of Accident Spread
Take measures to control the spread of the accident as much as possible, such as stopping the leakage and sealing off hazardous areas.

E. Waste Disposal
Properly dispose of waste generated by the accident to prevent further pollution and harm.

F. Coordination with Relevant Authorities
Cooperate with relevant authorities such as the fire department and environmental protection bureau to conduct emergency handling and follow-up investigations.

Implementation of the above measures helps to minimize the damage caused by chemical accidents, protect life and health, and reduce environmental impact. In accordance with the Occupational Safety and Health Act and the Toxic and Concerned Chemical Substances Control Act, since the Company does not handle toxic chemical substances, emergency drills are conducted jointly with fire evacuation drills.

2025 Emergency Response and Drill Statistics

Drill Item	Taipei	Mainland China
Personnel emergency response and drills	2	2
Fire alarm and firefighting equipment drills	2	2
Total	**4**	**4**

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
4.1 Climate Change Response (TCFD / IFRS S2)
4.2 Energy Management
4.3 Water Resource Management
4.4 Waste Management
4.5 Hazardous Substances Management
4.6 Green Products and Circular Economy
Appendix

4.6 Green Products and Circular Economy

We are continuously committed to the development of green products and the application of eco-friendly packaging, optimizing material selection to minimize environmental impacts throughout the product life cycle. The product casing is made of recyclable aluminum alloy to enhance material recyclability and reduce resource waste. In terms of packaging materials, we use all-paper packaging, effectively reducing the use of plastic foam cushioning and minimizing the generation of non-degradable waste. Through these measures, we realize more environmentally friendly product design and manufacturing.

Green Product Development

In pursuit of environmental sustainability, our company actively promotes the research and development of green products to reduce environmental impacts and promote efficient resource utilization. Our strategy focuses on two major areas: the development of passive products and the advancement of paper-based antenna technology.

1. **Innovation in Passive Products**
   Our core product line consists of passive products, which operate without relying on external power sources. They resonate with electromagnetic waves within the antenna to generate sufficient current to activate the chip on the tag. This reduces energy consumption and battery waste, lowers environmental impact, while maintaining product performance and reliability.
2. **Advancement of Paper-Based Antenna Technology**
   To further enhance the eco-friendly features of our products, we have expanded the implementation of paper-based antenna technology, replacing traditional PET (polyethylene terephthalate) plastic materials. By directly integrating antenna circuits with paper materials, the paper functions both as the antenna substrate and the tag surface layer. This innovation reduces the use of face stock and adhesive in RFID tag production, simplifying the structure from seven layers to five, thereby significantly lowering the carbon footprint and improving material utilization efficiency. The adoption of paper-based antennas demonstrates our efforts in pursuing renewable resources and reducing dependence on petrochemical products. In addition, we continue to introduce and develop environmentally friendly processes for paper-based antennas, replacing conventional antenna etching with laser die-cutting, which avoids the extensive use of chemicals and the generation of waste liquid from the etching process, while improving material utilization - making it a greener production method.
3. In terms of product design, we further optimized RFID antenna design. While ensuring no reduction in reading performance, we reduced the size of mainstream antenna products from 70mm x 14mm to 42mm x 16mm, decreasing material consumption across the layers and further lowering energy use.

Circular Economy Concept and Policy

Arizon is committed to integrating circular economy concepts into product design and process management, guided by the principles of "reduction at the source, material circulation, and resource reuse." The Company gives priority to recycled and recyclable materials, improves material use efficiency, and requires its supply chain to jointly implement the recycling and reuse of packaging materials, gradually reducing reliance on virgin resources and the environmental impacts of its operations. Specific practices are as follows:

1. Arizon's RFID products contain chips that can be read and rewritten up to 100,000 times, creating the possibility of assigning different content to the same tag multiple times, thereby improving tag utilization efficiency.
2. Continuously simplifying packaging by reducing the use of packaging materials at the source of packaging design, thereby decreasing waste generation.
3. Continuously working with suppliers to promote the recycling and reuse of packaging materials such as pallets, antenna protection plates, and paper cores, supported by circulation control and collection to facilitate supplier recycling and reuse.

Circular Economy Implementation Results

The specific circular economy implementation results at each site in 2025 are as follows:

Taipei

The casings of reader products are made of ADC12 recycled aluminum alloy with high recyclability, with recyclable aluminum accounting for at least 85% of the casing material. By using eco-friendly recycled aluminum ingots to replace carbon-intensive primary electrolytic aluminum, the carbon emissions of the casing material at the source manufacturing stage are reduced by approximately 90% compared with using 100% primary aluminum, reducing reliance on virgin resources while maintaining product quality.

Mainland China

Promoted the recycling and reuse of incoming packaging materials: 100% recycling was achieved for incoming plastic sleeves and plastic trays, reducing the use of single-use packaging materials and waste generation.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
Appendix
- GRI Standards Index
- SASB Index Table
- Independent Auditors' Limited Assurance Report

Appendix



Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
Appendix
• GRI Standards Index
• SASB Index Table
• Independent Auditors' Limited Assurance Report

GRI Standards Index

Statement of Use	Arizon RFID Technology has reported the content for the period from January 1, 2025, to December 31, 2025, in accordance with the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	No applicable GRI Sector Standards

GRI Standard	Disclosure Item	Disclosure Section / Notes	Page Number
GRI 2: General Disclosures 2021			
Organization and Reporting Practices			
GRI 2: General Disclosures 2021	2-1 Organizational details	1.1 Company Overview and History	5
	2-2 Entities included in the organization's sustainability reporting	About This Report	2
	2-3 Reporting period, frequency and contact point		
	2-4 Restatements of information	1. Average training hours: Due to a revision of the calculation method, the average training hours for 2024 were restated (see Section 3.1.2).	75
		2. Scope 3 GHG emissions: Following the third-party assurance process, the calculation of certain emission sources in the 2024 data was adjusted and restated (see Section 4.1).	123
	2-5 External assurance	About This Report	2
Activities and Workers			
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	1.1 Company Overview and History	7
		2.4 Supply Chain Management	34
	2-7 Employees	3.1 Happy Workplace	65
	2-8 Workers who are not employees		

GRI Standard	Disclosure Item	Disclosure Section / Notes	Page Number
Governance			
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	2.1 Corporate Governance Structure	20
	2-10 Nomination and selection of the highest governance body		
	2-11 Chair of the highest governance body		
	2-12 Role of the highest governance body in overseeing the management of impacts	1.3 Sustainability Governance	11
	2-13 Delegation of responsibility for managing impacts		
	2-14 Role of the highest governance body in sustainability reporting		
	2-15 Conflicts of interest	2.1 Corporate Governance Structure	22
	2-16 Communication of critical concerns	1.3 Sustainability Governance	11
	2-17 Collective knowledge of the highest governance body	2.1 Corporate Governance Structure	25
	2-18 Evaluation of the performance of the highest governance body		24
	2-19 Remuneration policies	2.1 Corporate Governance Structure	27
	2-20 Process to determine remuneration	3.1 Happy Workplace	68
	2-21 Annual total compensation ratio	Due to the confidentiality of remuneration information, the compensation ratio is not disclosed.	
Strategies, Policies, and Practices			
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	Message from the Chairman	3
	2-23 Policy commitments	3.3 Human Rights Protection	93
	2-24 Embedding policy commitments		

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
Appendix
• GRI Standards Index
• SASB Index Table
• Independent Auditors' Limited Assurance Report

GRI Standard	Disclosure Item	Disclosure Section / Notes	Page Number
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	1.4 Stakeholder Identification and Engagement	12
	2-26 Mechanisms for seeking advice and raising concerns		
	2-27 Compliance with laws and regulations	2.3 Legal Compliance and Integrity Management	31
	2-28 Membership associations	1.1 Company Overview and History	8
Stakeholder Engagement			
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	1.4 Stakeholder Identification and Engagement	12
	2-30 Collective bargaining agreements	The Company has not entered into a collective agreement. However, in accordance with the law, a "Labor-Management Meeting" has been established, with any additions or changes in personnel duly filed and approved by the government, and regular meetings are convened every three months.	
GRI 3: Material Topics 2021			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	1.5 Identification of Material Sustainability Topics	14
	3-2 List of material topics		
Supply Chain Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	2.4 Supply Chain Management	33
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		40
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria		37
	308-2 Negative environmental impacts in the supply chain and actions taken		38
GRI 414: Supplier Social Assessment 2016	414-1 New Suppliers That Were Screened Using Social Criteria		37
	414-2 Negative Social Impacts in the Supply Chain and Actions Taken		38
Product Quality and Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	2.5 Product Quality and Safety	42
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories		45
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling		47
	417-2 Incidents of non-compliance concerning product and service information and labeling		
	417-3 Incidents of non-compliance concerning marketing communications		
Innovation and R&D			
GRI 3: Material Topics 2021	3-3 Management of material topics	2.6 Innovation and R&D	48
Customer Relationship Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	2.7 Customer Relationship Management	54
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		55
Information Security Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	2.8 Information Security Management	57

GRI Standard	Disclosure Item	Disclosure Section / Notes	Page Number
Talent Attraction and Retention, Talent Cultivation and Development			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Happy Workplace	63
			74
GRI 401: Employment 2016	401-1 New employee hires and employee turnover		66
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		70
	401-3 Parental leave		69
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes		67
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee		75
	404-2 Programs for upgrading employee skills and transition assistance programs		77
	404-3 Percentage of employees receiving regular performance and career development reviews		78
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2.1 Corporate Governance Structure	22
		3.1 Happy Workplace	65
	405-2 Ratio of basic salary and remuneration of women to men	3.1 Happy Workplace	68
Occupational Safety and Health			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.2 Occupational Safety and Health	79
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system		81
	403-2 Hazard identification, risk assessment, and incident investigation		84
	403-3 Occupational health services		90
	403-4 Worker participation, consultation, and communication on occupational health and safety		83
	403-5 Worker training on occupational health and safety		86
	403-6 Promotion of worker health		90
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		88
	403-8 Workers covered by an occupational health and safety management system		82
	403-9 Work-related injuries		91
	403-10 Work-related ill health		91
Human Rights Protection			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.3 Human Rights Protection	92
Climate Change Response			
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	4.1 Climate Change Response (TCFD / IFRS S2)	112
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions		123
	305-2 Energy indirect (Scope 2) GHG emissions		
	305-3 Other indirect (Scope 3) GHG emissions		
	305-4 GHG emissions intensity		
	305-5 Reduction of GHG emissions		125

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
Appendix
• GRI Standards Index
• SASB Index Table
• Independent Auditors' Limited Assurance Report

GRI Standard	Disclosure Item	Disclosure Section / Notes	Page Number
General Topics			
Business Performance			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	1.2 Business Performance	9
	201-4 Financial assistance received from government		10
Energy Management			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	4.2 Energy Management	127
	302-3 Energy intensity		
	302-4 Reduction of energy consumption		128
Water Resource Management			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	4.3 Water Resource Management	129
	303-2 Management of water discharge-related impacts		
	303-3 Water withdrawal		
	303-4 Water discharge		
	303-5 Water consumption		
Waste Management			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	4.4 Waste Management	131
	306-2 Management of significant waste-related impacts		132
	306-3 Waste generated		136
	306-4 Waste diverted from disposal		
	306-5 Waste directed to disposal		137



Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
Appendix
- GRI Standards Index
- SASB Index Table
- Independent Auditors' Limited Assurance Report

SASB Index Table

Industry Sector: Hardware

Disclosure Topic	Code	Accounting Metric	Measurement Unit	Description / Index Section
Product Security	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	N/A	2.5 Product Quality and Safety
Employee Diversity & Inclusion	TC-HW-330a.1	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) technical employees and (d) all other employees	Percentage (%)	Executive management: female 32%, male 68%; Non-executive management (middle management): female 47%, male 53%; Technical/professional staff: job grades and internal statistics are classified into "executive management, middle management, and general employees," with no separate category for "technical employees"; All other employees (general employees): female 49%, male 51%; Employees with disabilities account for 0.25% of total employees (2% of the workforce in Taiwan)
Product Lifecycle Management	TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Percentage (%)	0%. Based on international environmental regulations and customer hazardous substance control standards, the Company has established a hazardous substance management policy, which covers the control of substances such as RoHS, REACH, halogens, TSCA, PFOS, and PFOA. From the development stage, products are designed and materials selected according to these standards. Subsequently, supplier materials and quality requirements, as well as product manufacturing and sales, are strictly controlled based on these standards to ensure that the supplied products are environmentally friendly, healthy, and safe, and comply with international environmental regulations.
	TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Percentage (%)	Not applicable
	TC-HW-410a.3	Percentage of eligible products, by revenue, certified to an energy efficiency certification	Percentage (%)	0%
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	Metric tons (t), Percentage (%)	Not applicable. This product is a consumable item, and it is not easily disassembled nor are its components easily separated (due to reliability requirements, the layers of the product must be tightly integrated). Therefore, it does not meet the requirements for recycling end-of-life products or refurbishing and regenerating electronic products.

Preface
CH1 Sustainable Management
CH2 Corporate Governance
CH3 Corporate Care
CH4 Environment
Appendix
- GRI Standards Index
- SASB Index Table
- Independent Auditors' Limited Assurance Report

Disclosure Topic	Code	Accounting Metric	Measurement Unit	Description / Index Section
Supply Chain Management	TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	Percentage (%)	0%. In 2025, the Company had not yet conducted audits of Tier 1 suppliers under the RBA Validated Audit Process (VAP) or an equivalent process; therefore, the audit coverage for both (a) all facilities and (b) high-risk facilities was 0%.
	TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	Rate	0%. Among Tier 1 suppliers, neither Arizon's Taipei plant nor its partnering suppliers have undergone the RBA Validated Audit Process (VAP) or an equivalent audit certification; therefore, the percentage of audited suppliers cannot be provided. Under these circumstances, the audit status of all suppliers has not yet met the RBA VAP standards. In addition, regarding the improvement of major and other non-conformances, Arizon has not yet conducted the relevant audit assessments and thus cannot provide specific improvement rate data. We are actively engaging with suppliers and striving to promote audit processes and corrective measures in line with the standards, with the aim of achieving higher levels of compliance and improvement in the future.
Materials Sourcing	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	N/A	2.4 Supply Chain Management

Code	Activity Metric	Measurement Unit	Description/Index Section
TC-HW-000.A	Number of units produced by product category	Number	Not disclosed at this time
TC-HW-000.B	Area of manufacturing facilities	Square meters (m^2)	Taipei plant: 3,656.59 m^2 (Plant 1: 978.52 m^2, Plant 2: 2,678.07 m^2); China plant: 33,167.31 m^2
TC-HW-000.C	Percentage of production from owned facilities	Percentage (%)	100%; all production comes from in-house facilities

Independent Auditors' Limited Assurance Report

Crowe

國富浩華聯合會計師事務所
Crowe (TW) CPAs
105405 台北市松山區
敦化北路 122 號 8 樓
8F, No. 122, Dunhua N. Rd.,
Songshan Dist.,
Taipei City 105405, Taiwan
Tel +886 2 87705181
Fax +886 2 87705191
www.crowe.tw

INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

To Arizon RFID Technology (Cayman) Co., Ltd.

We have conducted a limited assurance engagement on the selected performance indicators in the Sustainability Report ("the Report") of Arizon RFID Technology (Cayman) Co., Ltd. ("the Company") for the year ended December 31, 2025.

Subject Matter Information and Applicable Criteria

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

Management's Responsibility

Management of the Company is responsible for preparing the Subject Matter Information in accordance with the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, and the Universal Standards, Sector Standards and Topic Standards published by the Global Reporting Initiative (GRI). Management is also responsible for such internal control as it determines is necessary to enable the preparation of Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to plan and perform a limited assurance engagement in accordance with Assurance Standard No. 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and, based on the procedures performed and the evidence obtained, to obtain limited assurance about whether the Subject Matter Information (see Appendix 1) is free from material misstatement and to issue a limited assurance report thereon. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than, those performed in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

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

- Inquiring of management and the personnel responsible for the Subject Matter Information to obtain an understanding of the policies, procedures, internal control, and information systems relevant to the Subject Matter Information and to identify areas where a material misstatement of the Subject Matter Information is likely to arise.
- Selecting sample items from the Subject Matter Information and performing procedures such as inspection, re-calculation, re-performance, and analytical procedures to obtain evidence supporting limited assurance.

Inherent Limitations

The Subject Matter Information involves non-financial information, which is subject to more inherent limitations than financial information. The interpretation of the relevance, materiality and accuracy of such information may involve significant judgments, assumptions and interpretations by management, and different stakeholders may have different interpretations of such information.

Independence and Quality Management

We and our firm have complied with the provisions regarding independence and other ethical standards as stipulated in the Code of Ethics for Professional Accountants and other applicable ethical standards. The fundamental principles of this code include integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies Standard on Quality Management No. 1, Quality Management for Firms, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information is not prepared, in all material respects, in accordance with the applicable criteria.

Other Matter

We are not responsible for performing any further assurance procedures in respect of any changes to the Subject Matter Information or the applicable criteria after the date of this report.

The engagement partner responsible for the assurance engagement resulting in this independent limited assurance report is Lin, Pin Yen.

Crowe (TW) CPAs

Taipei, Taiwan (Republic of China)

August 11, 2026

Notice to Readers

For the convenience of readers and for informational purposes only, the independent auditors' limited assurance report has been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language independent auditors' limited assurance report shall prevail.

APPENDIX 1

SUMMARY OF SUBJECT MATTER INFORMATION

#	Assurance Item	Metric Description	Corresponding Section	Applicable Criteria
1	Total energy consumed, percentage of purchased electricity, and renewable energy utilization rate	In 2025, total energy consumption was 52,300.97 GJ, percentage grid electricity was 71.24%, and renewable energy utilization rate was 18.37%.	4.2 Energy Management	-
2	Total water withdrawn, total water consumption	In 2025, total water withdrawal was 26.90 thousand cubic meters and total water consumption was 0 thousand cubic meters.	4.3 Water Resource Management	-
3	Weight of hazardous waste generated and percentage recycled	The weight of waste generated was 21.86 metric tons, with a percentage recycled of 0%.	4.4 Waste Management	-
4	Types of, number of persons in and rate of occupational accidents	Number of occupational accidents: 1 person; rate of occupational accidents: 0.10	3.2 Occupational Safety and Health	-
5	Description of the management of risks associated with the use of critical materials	In 2025, 100% of suppliers passed the supplier evaluation; 100% passed the periodic supplier assessment; and 100% passed the annual supplier audit.	2.4 Supply Chain Management	TC-HW-440a.1
6	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	In 2025, the Company had no legal proceedings or monetary losses arising from anti-competitive behavior.	2.3 Legal Compliance and Business Integrity	-