



2023 ARBOR Technology Sustainability Report

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Chairman's Words

Since its establishment in 1993, Arbor Technology has entered its 31st year of operation. During this period, we have experienced economic fluctuations, financial crises, international pandemics, and even the demand slowdown caused by inflation, interest rate hikes in 2023, and adjustments of customers' inventories. Despite these challenges, Arbor Technology has successfully persevered. Reflecting on the past, Arbor Technology is filled with gratitude and places great importance on interactions and development with stakeholders. Since the publication of its first Corporate Social Responsibility (CSR) report in 2012, Arbor Technology has annually demonstrated its efforts and achievements in sustainable development through these reports, which have been renamed ESG Sustainability Reports since 2021.

Collaborative Alliances for Industrial IoT with the flying-geese model

In recent years, the accelerated development of Industrial IoT (IIoT) has witnessed industrial computer (IPC) manufacturers eagerly seizing future business opportunities. However, due to the fragmented nature of the industry, it is challenging for individual companies to dominate the market alone. To address this, I proposed “the flying-geese model,” advocating for cross-disciplinary alliances. By collaborating with the most competitive strategic partners in various application fields, we can not only achieve complementary benefits but also create more opportunities than ever before. By introducing this concept, Arbor Technology has formed strategic partnerships with Wistron, MediaTek, and Ennoconn. These alliances have facilitated industry peer resources, cross-disciplinary expertise, and international collaborations. The benefits span R&D, product design, and manufacturing, with designated brands serving as outlets for the resulting products. Consequently, the company has experienced continuous advantages from these partnerships, enhancing product value while reducing production costs.

Environmentally Friendly Sustainable Development

Facing global challenges of resource depletion and environmental degradation, eco-friendly business strategies are not only an environmental responsibility but also the cornerstone of sustainable corporate development. Achieving net-zero carbon emissions by 2050 is a global consensus and goal. Therefore, while considering corporate social responsibility, Arbor Technology actively explores various energy-saving and carbon-reduction solutions from operational perspectives, aiming to contribute to the sustainable development of the planet and humanity. In addition to installing energy-saving equipment in its factories and optimizing production electricity usage through real-time energy consumption monitoring, Arbor Technology completed a full transition to LED lighting in 2024 and introduced ISO 14064-1:2018 for carbon inventory. This allows Arbor Technology to effectively manage its greenhouse gas emissions and implement energy-saving and carbon reduction measures, achieving dual benefits of reduced operational costs and lower greenhouse gas emissions. Furthermore, Arbor Technology continues to implement the concept of a circular economy by introducing recycled packaging materials and promoting waste reduction and resource reuse, which significantly reduced waste weight by 71.86% in 2023.

Arbor Group has ventured into carbon management and inspection opportunities, developing products such as smart distribution panels and smart water meters. By integrating NB-IoT technology with traditional water meters, Arbor Technology has developed smart water meters that reduce the carbon emissions associated with manual meter readings. As of 2023, these smart water meters have been installed at thousands of locations across Taiwan, including major corporate campuses, government agencies, and schools (e.g., TSMC, ITRI, Tainan Art Museum, Dayeh University, Longchen Paper & Packaging, Cheng Shin Rubber, and International Textile..). For smart distribution panels, thermal imaging

monitoring components are used to provide real-time monitoring of high-temperature, high-risk distribution panel equipment, preventing environmental hazards and reducing inspection labor costs, thereby effectively lowering carbon emissions and environmental impact. These devices will also be gradually deployed in major power plants. Arbor Group will continue to develop green-friendly products based on this model, fulfilling its ESG sustainability and social responsibility.

Ethical Governance and Social Care

Cybersecurity resilience is a crucial aspect of sustainable ESG governance. Arbor Technology will obtain ISO/IEC 27001:2013 certification for its information security management system in 2024, enhancing stakeholder confidence in Arbor Technology' s risk management and sustainable operations.

Incorporating ESG into supplier management is a key goal for Arbor Technology' s sustainable development. With over 70% of local suppliers, Arbor Technology requires qualified suppliers to sign a "Sustainability Commitment," incorporating human rights and environmental regulations and conducts regular supplier audits to jointly practice the social responsibility of sustainable green product development.

Employee well-being is also a vital part of Arbor Technology' s sustainable operations. In addition to implementing the ISO 45001 occupational safety management system, Arbor Technology organizes domestic and international travel, family days, scholarships for employees' children, encourages participation in public welfare activities, and leads employees in various charitable activities. Annual employee health check-ups, carbon reduction activities, cultural and artistic courses, and the establishment of various sports clubs and ball games are planned to enhance employees' physical and mental health. Additionally, Arbor Technology has created an "Art Corridor" in the office area, featuring wood sculpture art exhibitions based on the concept of sustainable recycling, allowing employees to

naturally engage with and learn about art, guiding them towards the path of ESG.

Arbor Technology has long been committed to children' s education and caring for the underprivileged. In addition to donations, we sponsor computers for children in remote areas and participate in the Ministry of Culture' s subsidized short film "Stop Motion Life," using vivid films to encourage patients and raise public awareness of rare diseases such as ALS.

Green Innovation and Sustainable Operations

Arbor Technology ranks among the top 21-35% of all listed companies in corporate governance evaluations and has specially recruited independent directors with extensive experience in the ESG field to continuously enhance its governance capabilities. Over the past 30 years, Arbor Technology has steadily cultivated its core business, continuously strengthened its R&D capabilities, and provided customers with comprehensive services from design to production and sales. To embrace the AI market, we will invest more effort and resources in energy management applications, Edge AI, and Industry 4.0 solutions, working hand in hand with partners towards the vision of "Industrial Control Communication and Communication Industrialization," creating greater and more profound sustainable corporate value for all stakeholders, and striving to become a solid force as a green enterprise.

About this report



✦ REPORTING SCOPE AND DISCLOSURE BOUNDARIES



This report applies the sustainability actions and operational performance of Taiwan Arbor Technology from January 01, 2023 to December 31, 2023 as the scope of disclosure, which is not entirely the same as the scope covered by the financial annual report.

The financial data disclosed in the report refers to the Parent Company Only Financial Statement and does not cover data related to subsidiaries, while the organization's greenhouse gas inventory data only covers the headquarters and Health Plant. The scope of disclosure for other sustainability indicators will be detailed in the report.

✦ Report writing and reference guidelines



This report is prepared in accordance with the latest version of the GRI Standards, Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Financial Supervisory Commission sustainability disclosure indicators, to compile and disclose Arbor Technology's sustainability commitments, strategies, and performance during the reporting period.

✦ Issuance



Since 2011, Arbor Technology has uploaded the sustainability report on the company website and the Market Observation Post System every year, allowing stakeholders concerned about Arbor

Technology to understand the efforts and achievements of Arbor Technology in sustainable development.

This report's release date: August, 2024

Last release date: 01 July, 2023

Next release date: Scheduled for 08 August, 2025

 **Report verification and data quality management**

- This report is prepared by Arbor and has not been verified by a third-party organization.
- Financial data: Referencing the financial report certified by the accounting firm, PricewaterhouseCoopers
- Quality Management (ISO 9001:2015)
Universal Certification Service Co., Ltd.
- Environmental Management (ISO 14001:2018)
Universal Certification Service Co., Ltd.
- Occupational Safety (ISO 45001:2018)
Universal Certification Service Co., Ltd.

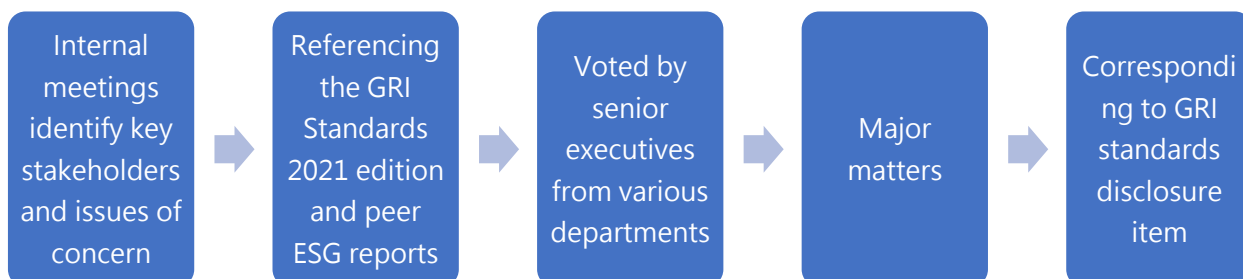
 **Report Feedback**

Organized by: Ms. Tang from the Sustainable Development
Committee

Email: esg@arbor.com.tw

1. Stakeholders agree

✕ Identification Process of Stakeholders and Major Matters

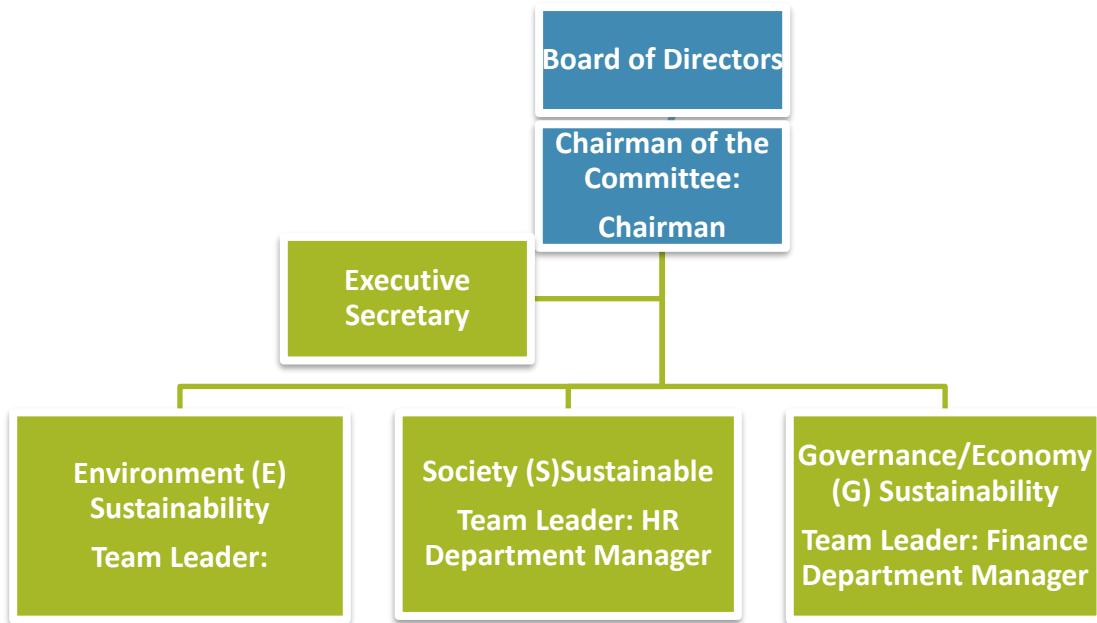


1.1 Sustainable Development Council

1.1.1 Organization

Our company's 24 February, 2012 Board of Directors approved the addition of "Corporate Social Responsibility Best Practice Principles" and subsequently revised it. The current version is 24 March, 2022. The Board of Directors approved changing "Corporate Social Responsibility Best Practice Principles" to "Sustainable Development Best-Practice Principles".

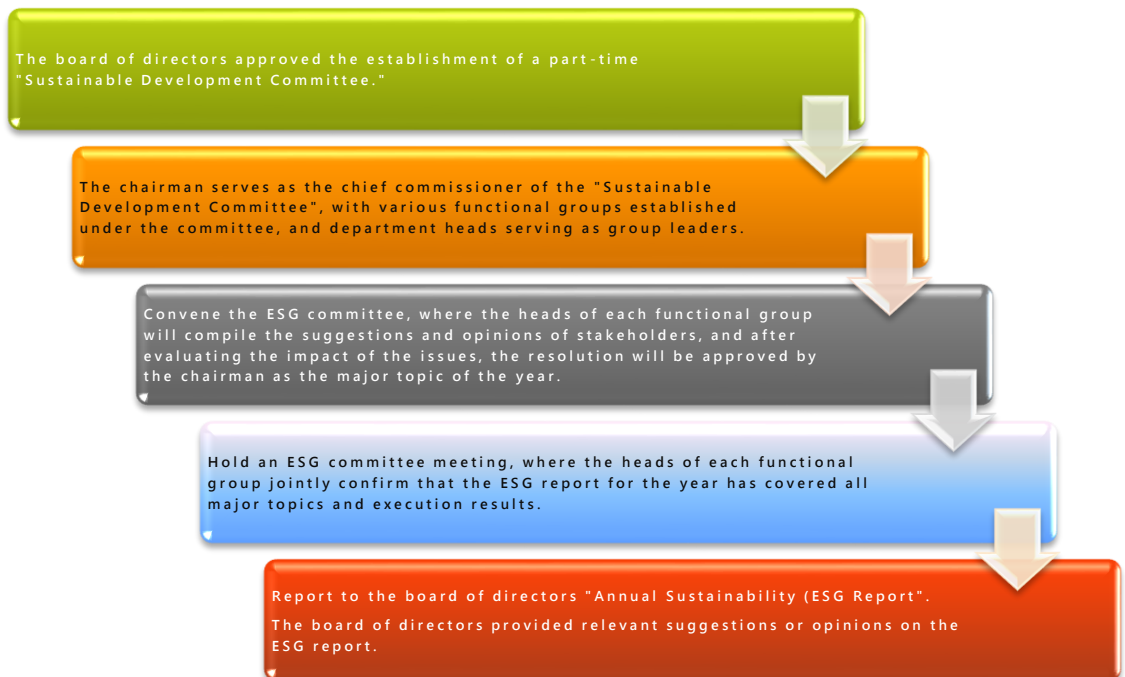
Our company, in accordance with "Sustainable Development Best-Practice Principles", established the "Sustainable Development Committee", and authorized the chairman of the Board to serve as the committee chairman. The tasks are divided into groups, categorized into three subgroups: "Environmental (E) Sustainability", "Social (S) Sustainability", and "Governance/Economic (G) Sustainability", led respectively by the heads of the manufacturing department, human resources department, and finance department.



1.1.2 Take responsibility

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

1.1.3 Operation Overview



1.2 Confirm stakeholders

✦ Confirm main stakeholders



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

1.3 Communication channels and focus issues

The identity of Arbor Technology's major stakeholders varies, which makes the issues of concern to Arbor Technology vary from one stakeholder to another. Arbor Technology's departments take the initiative to maintain positive interactions with stakeholders through multiple channels, so that stakeholders who are concerned about Arbor Technology can have a timely understanding of the Company's operation, and Arbor Technology is able to grasp the demands and expectations of stakeholders and respond to them in a timely manner. The company reports to the Board of Directors at least once a year on the two-way communication between major stakeholders and the company.

Arbor Technology's departments collect concerns raised by key stakeholders in the course of routine business dealings, which are then gathered and consolidated by the ESG Committee. At the same time, Arbor

Technology also refers to the 2021 edition of the GRI Sustainability Reporting Guidelines and the ESG reports of its peers to summarize 9 major sustainability issues, covering the economy, the environment, and the people (including human rights), etc., so as to ensure that the sustainability information disclosed by Arbor Technology fulfills the completeness and diversity of the requirements of the GRI Guidelines.

✘ The status of communication with stakeholders, issues of concern, and the contents of the report for the year 2023 are as follows:

Stakeholders	Concern Issue	Contact Information	Communication and Response Channels	Communication frequency	Communication situation in 2023 Board of Directors Report:15 March, 2024
Shareholder Investment institution	Operational strategy and policy Corporate Governance Business performance Dividend policy	Miss Kwok from the Finance Department Email: investor@arbor.com.tw	Shareholders' meeting	Every year	Once a year
			Financial statements	Every season	4 times a year
			Annual Report	Every year	Once a year
			Official website information revealed	Update anytime	Announce relevant information
			Corporate briefing	Irregular	Hold on 23 August, 2023 and can be viewed on the Company's website.
			Press conference/Release news statement	Irregular	Announce company industry information through a press release
			Market Observation Post System	Update anytime	Announce relevant information
			Respond to investor inquiries via phone and email	Irregular	Responded by the spokesperson
Government and securities	Compliance with laws	Miss Kwok from the	Correspondence	Irregular	Reply within the specified date and list the control of document reception.

Stakeholders	Concern Issue	Contact Information	Communication and Response Channels	Communication frequency	Communication situation in 2023 Board of Directors Report:15 March, 2024
regulatory authorities	Supervision and Inspection	Finance Department Email: investor@arbor.com.tw	Market Observation Post System	Irregular	Report regularly according to the law
			Coordinate with the promotion of amendments to the law	Immediate	In coordination with the amendments to the law, the regulatory compliance unit will conduct timely promotions. In the fourth quarter of each year, the legal unit will compile and revise the compliance manual for the reference of the entire company.
Non-profit Organization	Environmental Protection Weak support Arts and cultural sponsorship	Ms. Chan from HR Department Email: Cindy @arbor.com.tw	ESG report	Every year	01 July, 2023 Published the 2022 ESG report on the company website and uploaded it to the Market Observation Post System
Customer	Product quality and delivery time Product compliance Customer satisfaction	Company website_ online customer service	Customer Audit	Irregular	Track the deficiencies and continuously improve
			Customer Satisfaction Survey	Every year	Collect customer feedback surveys and conduct statistical analysis
			Corporate website	Anytime	Services are provided by online customer service according to the type of issue (sales, technical service, repair, etc.).
			Provided by the customer are restricted substances and related regulatory requirements	According to customer requirements	Address customer specifications, incorporate into management, and execute according to regulations.
Supplier Outsourcing	Original Supplies	Manufacturing	Regular evaluation	Twice a year	Implement regular supplier evaluations according to the plan

Stakeholders	Concern Issue	Contact Information	Communication and Response Channels	Communication frequency	Communication situation in 2023 Board of Directors Report:15 March, 2024
vendor	quality and delivery time	Operations Mr. Cheng	Factory visit audit	Irregular	Execute supplier audits according to the plan
	Original Supplies compliance	Email: Jesselai @arbor.com.tw	Original Supplies quality inspection	Every time we restock	Execute sampling and quality inspection according to this inspection standard as the basis for acceptance.
Employee	Salary and benefits On-the-job training and development Workplace environment	Miss Chan from HR Department Email: Cindy@arbor.com.tw	Labor- Management Meeting	Every season	Composed of employees from various units, allowing employee opinions to be heard and responded to.
			Employee benefits/welfare Committee	At least every season	The welfare committee members selected by each unit jointly discuss and execute the planning of welfare activities, as well as budget review.
			Employee Annual Training	Multiple times a year	At the end of the year, each unit will propose the training plan for the coming year. The HR unit will coordinate and track the execution status according to the annual education and training plan. The execution rate of the 2023 annual education and training plan is 88%.
			New Employee Counseling	Every season	On the date of reporting, the HR department will introduce the company organization and environment, allowing employees to understand the company more quickly. In addition to arranging online courses, new employee training will be arranged within 3 months of joining to understand the situation of new employees and provide timely assistance.
			Performance communication	Every half year	In 2023, performance evaluations will be conducted separately in mid-year and at the end of the year. Supervisors and subordinates will have performance

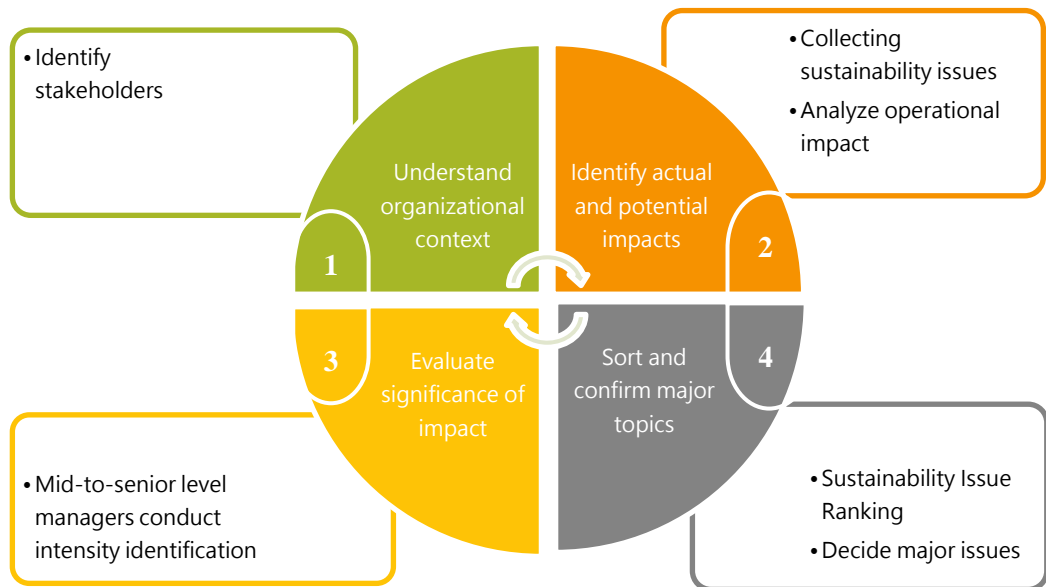
Stakeholders	Concern Issue	Contact Information	Communication and Response Channels	Communi-cation frequency	Communication situation in 2023 Board of Directors Report:15 March, 2024
					review meetings, allowing both supervisors and colleagues to understand the status of performance achievements and directions for improvement.
			Employee Health Care	Every year	Every year, arrange company-wide health checks for all employees, allowing them to understand their own health status, and hire contracted medical staff as required by occupational safety regulations to handle health management, occupational disease prevention, and health promotion for labor protection. The health check for 2023 was completed on 10 October, 2023.
			Occupational Safety	Anytime	Establish a "Department of Occupational Safety and Health" directly under the Chairman, with dedicated personnel responsible for promoting the maintenance and management model of occupational safety and health; and pass the ISO 45001:2018 Occupational Health and Safety Management System (validity period 30 November, 2022~29 November, 2025) and ISO 14001:2015 Environmental Management System (validity period 27 November, 2022~27 November, 2025).
Director Supervisor	Operational strategy and policy	Miss Kwok from the Finance Department Email:	Board of Directors	At least every season	Immediately report the Board meeting attendance status to the Market Observation Post System after the meeting and publish the Board meeting attendance status in the annual report and on the company's website every

Stakeholders	Concern Issue	Contact Information	Communication and Response Channels	Communi- cation frequency	Communication situation in 2023 Board of Directors Report:15 March, 2024
		investor@arbor.com.tw			year.

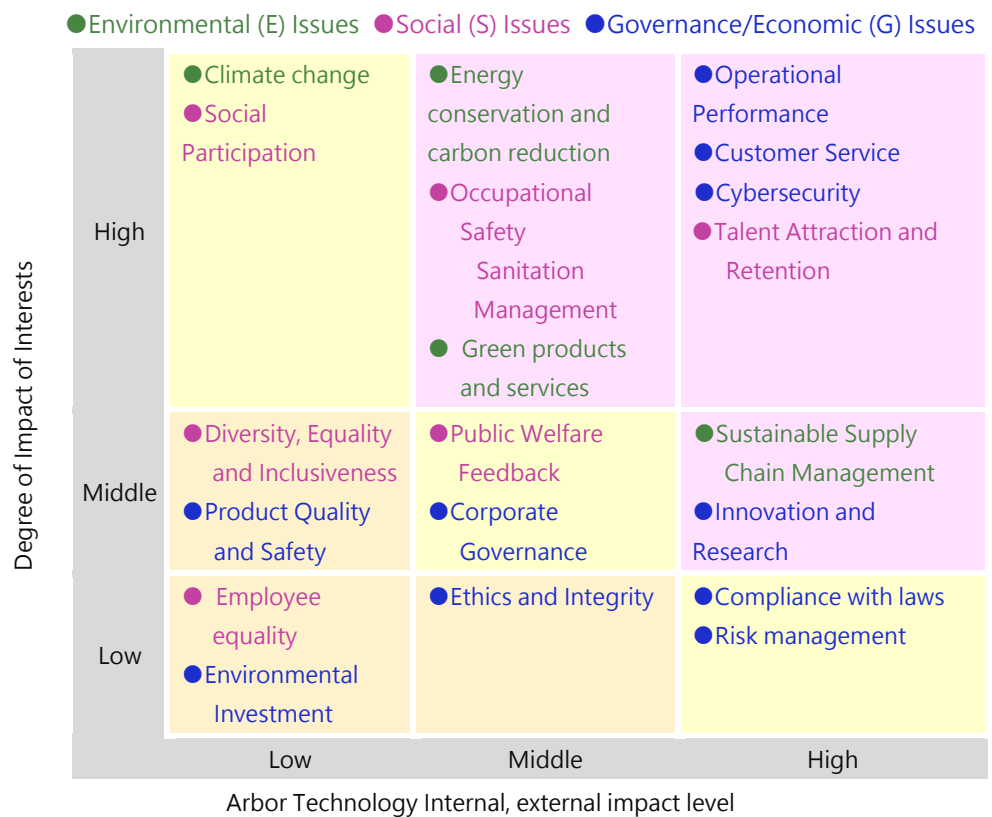
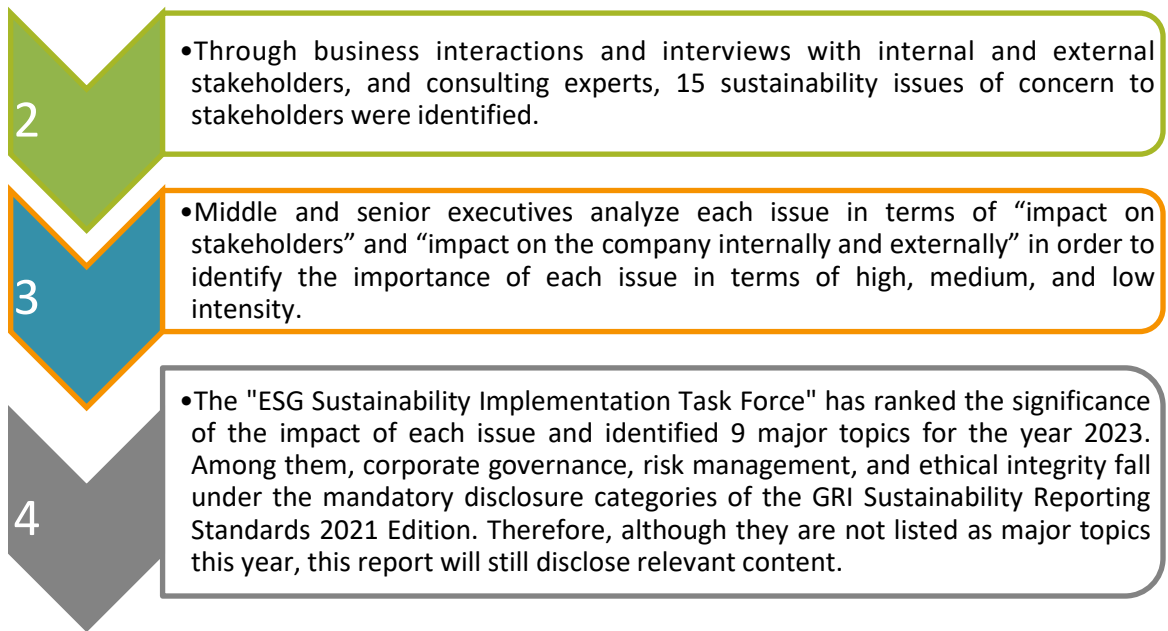
1.4 Identification Major Theme

Major Theme Identification Process

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



Major Matter Matrix Diagram

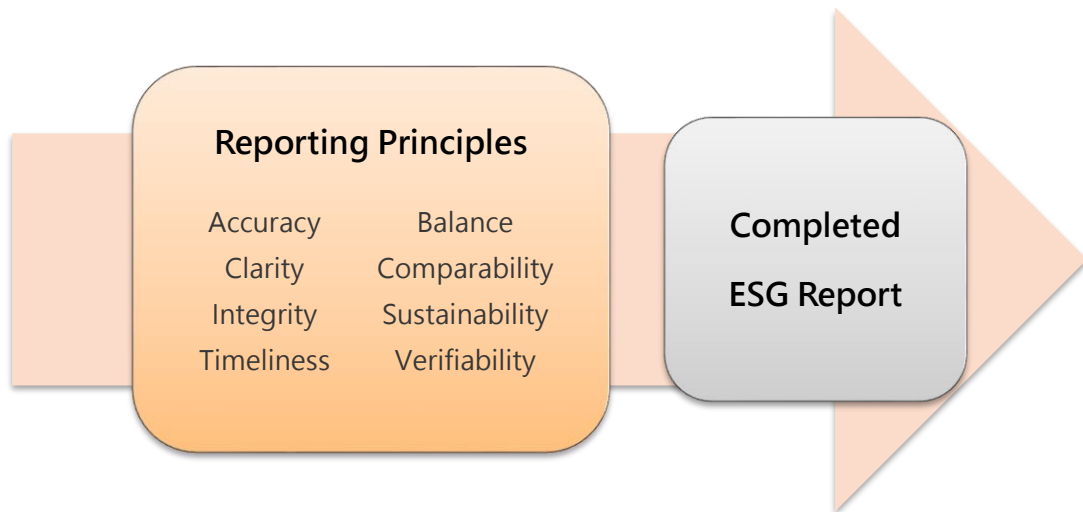


Major Matters Change Situation

In recent years, environmental issues have received a lot of attention, and cybersecurity threats have become increasingly serious. Therefore, "green products and services" have been added, and the impact of "information and personal data security" has been increased.

Sort	Major matters of 2022	Major matters of 2023	Change situation
1	Financial performance	Operating performance	Rename, same ranking
2	Customer Service	Customer Service	Same ranking
3	Innovation in Research and Development	Cybersecurity protection	Renaming, ranking rises
4	Reduce environmental impact Supplies provided by Supplies	Talent attraction and retention	Ranking rises Items 5, 6, and 7 combined in 2022
5	Occupational Safety	Sustainable supply chain	Renaming, ranking dropped
6	Talent cultivation	Innovation in Research and Development	Ranking dropped
7	Employee benefits	Energy saving and carbon reduction	Renaming, ranking dropped
8	Information Security	Occupational Safety	Ranking dropped
9	Climate change	Green products and services	Newly added
10	Compliance with laws		Supplementary Disclosure
11	Corporate Governance		Necessary Disclosure
12	Public Welfare Feedback		Supplementary Disclosure

Principles of Writing Reports



Arbor Technology follows the GRI guidelines to compile the ESG report

- ✦ According to the principle of sustainability: Transparently disclose how the company takes measures to improve or mitigate negative impacts on the economy, environment, and people (including human rights) in the local area and surrounding regions where it operates;
- ✦ According to the principle of completeness: The information disclosed in the report should adequately reflect the company's significant impacts on the economy, environment, and people (including human rights);
- ✦ According to the principle of accuracy: The information in the report should be fully accurate and detailed, providing stakeholders with the means to assess the company's ESG performance;
- ✦ According to the principle of balance: The information in the report should fairly reflect both positive and negative performance, allowing stakeholders to make a reasonable assessment of Arbor Technology's ESG performance;

- ✦ According to the principle of clarity: The report presents information in a way that makes it easy for stakeholders to understand and access;
- ✦ According to the principle of comparability: The report discloses ESG information using internationally accepted standards, while the method of information disclosure allows stakeholders to analyze the company's long-term performance;
- ✦ According to the principle of timeliness: The company regularly issues ESG reports, providing timely ESG information for stakeholders to make correct decisions;
- ✦ According to the principle of verifiability: The company ensures the accuracy of the report information through internal personnel review.

Major Themes, Boundaries, and Impacts

Category	Major Matter	The importance to the company	Impact aspect	Value chain impact				Corresponding to GRI_2021 General Disclosures / Theme Guidelines	Report Reveal Chapter
				(Internal) Arbor	(External) Investor	(External) Supplier	(External) Customer		
Governance/ Economy (G)	Operating performance	Accurate market positioning helps improve company performance. Good operational performance is the foundation for sustainable growth of an enterprise, and it can increase employee cohesion and investors' willingness to invest. It is also the key to sustainable operation.	⊕Enhance competitive-ness ⊖Foreign exchange loss/Investment failure	●	●	●		Economic Performance (201-1)	3.4 Operational Performance
	Customer Service	Maintain customer relationships, handle customer needs appropriately and timely, increase customer loyalty, and indirectly attract new customers.	⊕Increase customer loyalty ⊖Impact on service quality	●		●	●	Custom Theme	4.2 Customer Relations
	Cybersecurity protection	Security vulnerabilities will lead to business losses, not only affecting the company's reputation and image but also causing customers to lose trust in the company if their data is stolen, which in turn will make them doubt the company's products or services.	The customers have lost trust in the company	●		●	●	Custom Theme 418 Customer Privacy	3.5 Cybersecurity

Category	Major Matter	The importance to the company	Impact aspect	Value chain impact				Corresponding to GRI_2021 General Disclosures / Theme Guidelines	Report Reveal Chapter
				(Internal) Arbor	(External) Investor	(External) Supplier	(External) Customer		
	Innovation in Research and Development	Continuous innovation, identifying the potential and critical needs of 'customers', and bringing new products or market development directions for the enterprise are the driving forces for growth and sustainable operation	⊕Developing new products increases revenue ⊖unable to meet customer needs	●		●	●	Custom Theme	4.1 Innovation and Research
Society (S)	Talent attraction and retention	In addition to complying with human rights regulations to protect employee equity, we also provide comprehensive compensation and benefits that are superior to those provided by the law, as well as opportunities for employee growth and development, in order to attract employees and enhance their centripetal force, as well as to minimize the rate of talent turnover.	⊕Increase employee engagement ⊖Talent attrition	●			●	GRI 401 Labor-Management Relations GRI 404 Training and Education GRI 405 Employee Diversity and Equal Opportunity GRI 406-408 Human Rights	6.4 Talent Development
	Occupational Safety and Health Management	Employees are the most important assets of the company. Only with healthy employees can there be good productivity. To promote employee safety and physical and mental	⊖ Operations and	●			●	GRI 403: Occupational Safety and Health	6.5 Occupational Safety Management

Category	Major Matter	The importance to the company	Impact aspect	Value chain impact				Corresponding to GRI_2021 General Disclosures / Theme Guidelines	Report Reveal Chapter
				(Internal) Arbor	(External) Investor	(External) Supplier	(External) Customer		
		health, Arbor Technology has passed the ISO 45001 occupational health and safety management system and organizes various physical and mental courses and activities to encourage employees to achieve a work-life balance.	productivity are affected						System Hygiene
Environment (E)	Energy saving and carbon reduction	Carbon dioxide is the main cause of global warming and climate change. In addition, with the EU Carbon Border Adjustment Mechanism and the trend of carbon reduction in the supply chain, Arbor Technology hopes to enhance Arbor's market competitiveness by planning carbon reduction actions to reduce energy consumption.	⊕Increase market competitiveness ⊖ cannot meet policy and customer requirements	●		●	●	GRI 302	5.1 Energy Saving and Carbon Reduction
	Sustainable supply chain management	Establish a supplier management system, implement supplier management to meet international trends and customer requirements, and enhance company benefits through mutual prosperity with supplier partners.	⊕Supply is stable ⊖shortage of materials	●		●		GRI 308 GRI 414	5.4 Sustainable Supply Chain

Category	Major Matter	The importance to the company	Impact aspect	Value chain impact				Corresponding to GRI_2021 General Disclosures / Theme Guidelines	Report Reveal Chapter
				(Internal) Arbor	(External) Investor	(External) Supplier	(External) Customer		
	Green products and services	To reduce the impact of packaging materials on the environment, the governments of Europe, America, and other countries have issued relevant regulations. Arbor Technology selects green packaging materials from the design stage. Through the improvement of packaging materials, environmental benefits are enhanced to meet international trends.	⊕ Reduce packaging waste ⊖ Violation of regulations	●		●	●	Custom Theme GRI 301-3	5.5 Green Products/Services


Arbor Technology departments interact with stakeholders regularly and irregularly through routine channels. In case stakeholders or sustainability issues potentially cause significant negative impacts on company operations, the responsible department will conduct due diligence on stakeholders or sustainability issues in aspects such as finance, company operations, compliance records, and labor equity and safety health. The specific investigation results will be reported to the General Manager and Chairman. The Chairman will assess whether the results have a significant impact on overall company operations. If there are key significant events, the Chairman will explain the content in the Board meeting and submit the due diligence report to the Board for resolution, which will then be executed by the responsible department of the company.



In 2023, there were no significant potential negative impact events between Arbor Technology and stakeholders, so there is no record of reporting to the Board of Directors . This practice completes Arbor Technology's due diligence on stakeholders and the role of the Board of Directors in dealing with potential negative materiality impacts.




1.5 Sustainable Development Goals


The United Nations Sustainable Development Goals (SDGs) is a plan released in 2015, proposing 17 sustainable development goals and 169 targets to serve as guiding principles for member countries and global enterprises to practice sustainable development by 2030.

Arbor Technology integrates sustainable development goals into the company's business strategy, expanding the company's previous focus on economic performance to also encompass environmental protection and other regulatory compliance. It aims to improve employee benefits to retain outstanding talent, eliminate unequal conditions in the workplace, reduce greenhouse gas emissions, and invite suppliers to work together on improving the environment and workplace benefits. Looking ahead, Arbor Technology will continue to contribute more to the goal of sustainable development and fulfill its corporate social responsibility.

SDGs	Target	Arbor Technology Response
	1.4 Ensure that everyone, especially the poor and vulnerable, has equal rights and access to financial resources.	<ul style="list-style-type: none"> ● Provide salary conditions that are superior to the law and competitive in the market, along with comprehensive welfare measures, allowing employees to work with dignity and improve the quality of lives of themselves and their families. ● Adjust employee salaries appropriately based on the company's profitability, increasing colleagues' cohesion towards the company.

SDGs	Target	Arbor Technology Response
	<p>4.5 Eliminate educational disparities, and ensure that disadvantaged groups have access to education at all levels and vocational training, including people with disabilities, indigenous people, and disadvantaged children.</p> <p>4.7 Promote education for sustainable development, sustainable lifestyles, human rights, gender equality, peace, and non-violence.</p>	<ul style="list-style-type: none"> ● Arrange employees with different business attributes to undergo functional training, ensuring that every colleague has the opportunity to receive vocational training. ● Planning sustainable development, workplace gender equality, and labor rights courses, encouraging colleagues to participate.
	<p>5.1 Eliminate all forms of discrimination against women.</p> <p>5.4 Recognizing and valuing women's family care through social protection policies</p>	<ul style="list-style-type: none"> ● Do not use gender as a factor for employee hiring, evaluation, and promotion. ● Providing colleagues, regardless of gender, the right to apply for parental leave.
	<p>8.4 Improve energy use and production efficiency.</p> <p>8.5 Achieve full and productive employment, with a decent job for everyone, including the young and the physically and mentally challenged, and achieve equal pay for equal work.</p> <p>8.7 Prohibit child labor, and eliminate oppressed workers.</p> <p>8.8 Protect workers' rights and interests, and promote a safe working environment,</p>	<ul style="list-style-type: none"> ● Purchase energy-saving equipment to gradually reduce external electricity purchases (kwh); a 6.6% reduction was reported in 2023 compared to 2022. ● Do not use gender as a factor for employee hiring, evaluation, and promotion. ● Adjust employee salaries appropriately based on the company's profitability, increasing colleagues' cohesion towards the company.

SDGs	Target	Arbor Technology Response
	especially for women and those who perform hazardous work.	<ul style="list-style-type: none"> ● Respect labor right, including the prohibiting child labor and any form of workplace discrimination. ● Appropriately adjust the duties of female employees in accordance with the law, reduce workload, and provide substantial protection for female employees. ● Implement the occupational safety and health management system to effectively enhance employee workplace safety.
	9.5 Encourage innovation, and increase the number of R&D personnel, and increase R&D expense.	<ul style="list-style-type: none"> ● Increase the number of R&D team members, and maintain the R&D expense to revenue ratio between 5% and 7% each year. R&D expenditures as a percentage of revenue were 0.21% higher in 2023 than in 2022.
	<p>10.2 Promote socio-economic and political integration, regardless of age, gender, physical or mental disability, religion, economic status, or other identity.</p> <p>10.3 Ensure equal opportunities, and reduce inequalities, including eliminating discriminatory practices.</p>	<ul style="list-style-type: none"> ● The company's recruitment, assessment, and promotion mechanisms do not consider employees' physiological or psychological differences. ● Establish a comprehensive reporting system to protect whistleblowers.
	12.5 Through prevention, reduction, recycling, and reuse, significantly reduce the generation of waste.	<ul style="list-style-type: none"> ● Continuously improving production processes to reduce waste output.

SDGs	Target	Arbor Technology Response
	<p>16.6 Develop effective, responsible, and transparent systems at all levels.</p> <p>16.7 Ensure that decision-making at all levels is responsive to public opinion, inclusive, participatory, and representative.</p>	<ul style="list-style-type: none"> Strengthen corporate governance, ensure compliance of employees with various company regulations through internal controls, and establish independent reporting channels and comprehensive reporting procedures. Through stakeholder communication, understand their requirements and expectations for the company, and report to the Board of Directors regularly.

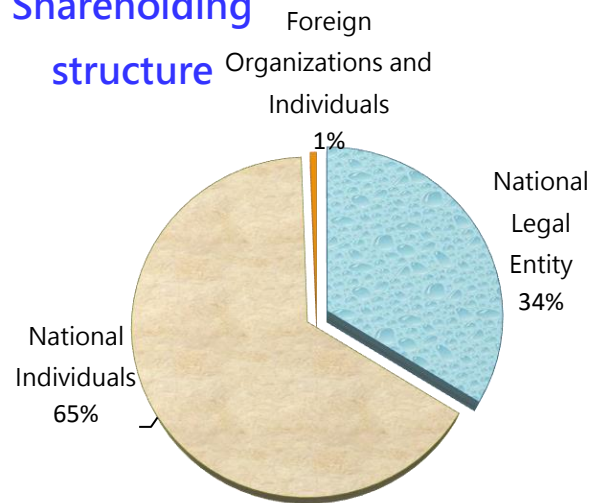
2. Regarding Arbor

2.1 Company Profile

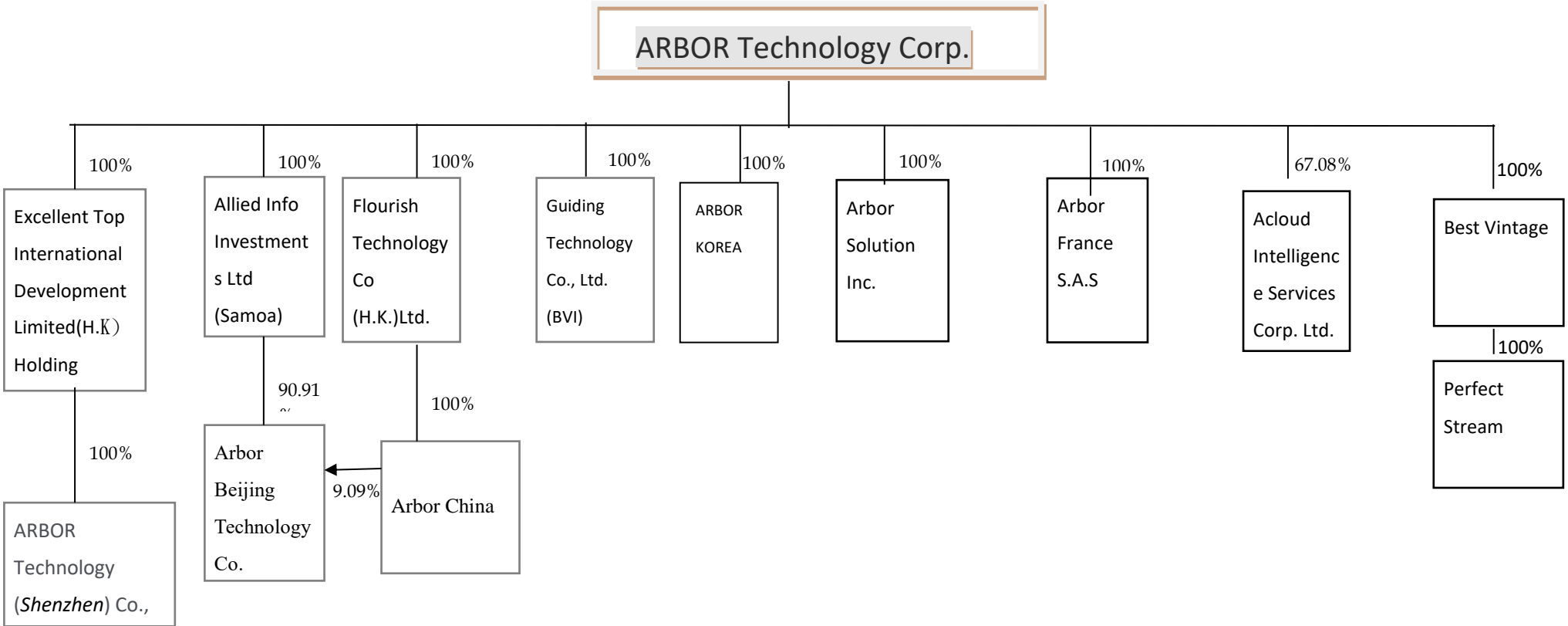
The company is named Arbor Technology Corp., inspired by the phrase "the cornerstone of the industrial control and measurement instrument industry"

Company Name: Arbor Technology Corp.
Stock code: 3594
Headquarters Location: 10th Floor, No. 700, Zhongzheng Road, Zhonghe District, New Taipei City
Date of Establishment: 19 October 1993
Capital amount on 31.12.2023: NTD 954.394 million
Number of employees (headquarters and health factory) _End of 2023: 185 people
Operating locations: Taiwan, China, United States, South Korea, United Kingdom, France

Shareholding structure



Affiliated Enterprises Chart



✦ Recent Major Events of the Company

2023

- ARBOR Technology was invited to the Taiwan Internet Of Thing Association (TIOTA), and ARBOR's chairman Eric Lee was appointed as the new chairman of TIOTA

2022

- ARBOR become a certified supplier in the Taiwan Railways Administration.
- Strategic Alliance with Ennconn, focus on cloud industrial solutions

2021

- Factory Relocated to Zhonghe, JiangKang Rd smart factory with new MES, APS system implemented.
- ARBOR builds next-generation anti-pandemic technology - Unibody temperature and face mask screening solution
- Taiwan Railway Project
- Taiwan Water Corporation Smart Water Meter Reader Project Completed and Finalized
- ARBOR Technology Factory (Shenzhen) upgrade SMT Equipment, Production Improve 40%

2020

- M1923 wins Taiwan Excellence Award 2019
- ARBOR partners up with National Cheng Kung University for smart med wristband

2019

- FPC-9002-P6, ARES-1965, FPC-9000-V1, M1160, PC1167 MRS, and SCP Cube were awarded by Taiwan Excellence 2019
- ARBOR combines AI and IIoT, with the development of AMobile ARM-Based development boards and NB-IoT technology, as well as Intel plus Nvidia's deep learning systems to provide advanced AI Solutions
- ARBOR continues to provide Smart Meter Reading System, anti-pandemic technology, and gas detection solutions

2018

- ARBOR introduces the ARM-based embedded solution line of products to expand the IIoT strategy
- ARBOR introduces New-Generation Supercapacitor Industrial Power Backup Solution to build IIoT
- ARBOR cooperates with Honeywell to develop the bedside medication information system
- The IIoT handheld device of ARBOR wins the CAIMRS Award 2018 in China

2.2 Business Philosophy

Founded in 1993, Arbor Technology Corp. is a global leader in industrial computing, providing customers with comprehensive Industrial Internet of Things (IIoT) and mobile solutions. Committed to providing customer-centric embedded solutions for the long-term, with professional integrated system service experience and closely supported global service locations. Arbor works closely with strategic partners to develop value-added products for customers in various fields of application, and to realize the concept of "Smart City, Smart Life" through mobilization, automation and intelligence in R&D, manufacturing and application.

2.3 Corporate Glory

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

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



2.4 Industry Overview and Operational Performance

✦ Product Category

In the early days, our company's main R&D project was embedded single-board computers, coinciding with the launch of the ETX standard CPU module specification by Kontron, a major foreign industrial computer manufacturer, and we were the first domestic manufacturer to launch this type of product. After several years of research and development, in addition to continuously introducing new single-board computers with modular CPUs, we have also developed embedded controllers, portable rugged tablets, medical tablets, and many other major product lines.

Industrial Computers



Embedded Computing



Rugged Mobile Computing



Panel PCs & Monitors



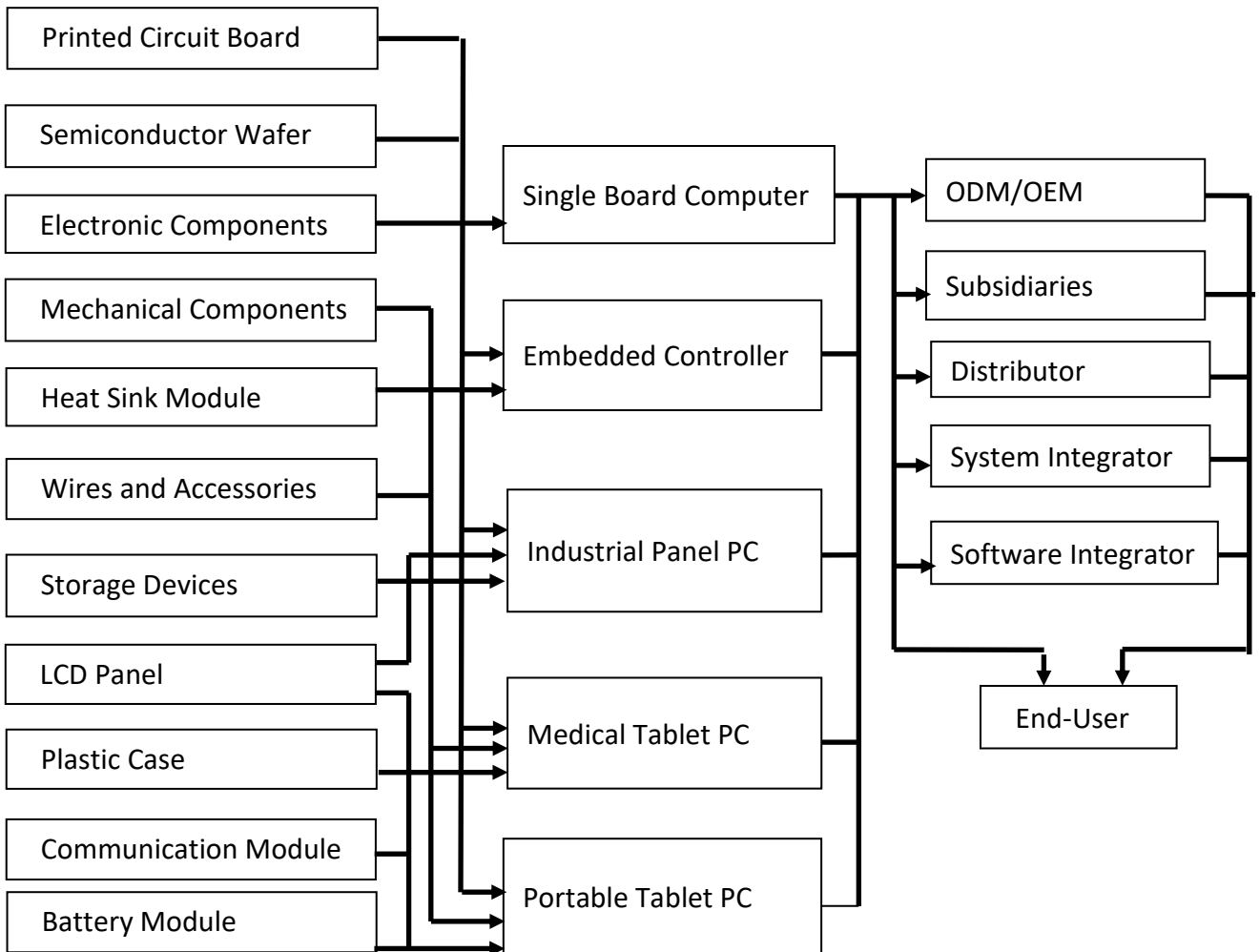
The relationship between the upstream, midstream, and downstream of the industry

Our company's products belong to the midstream industry

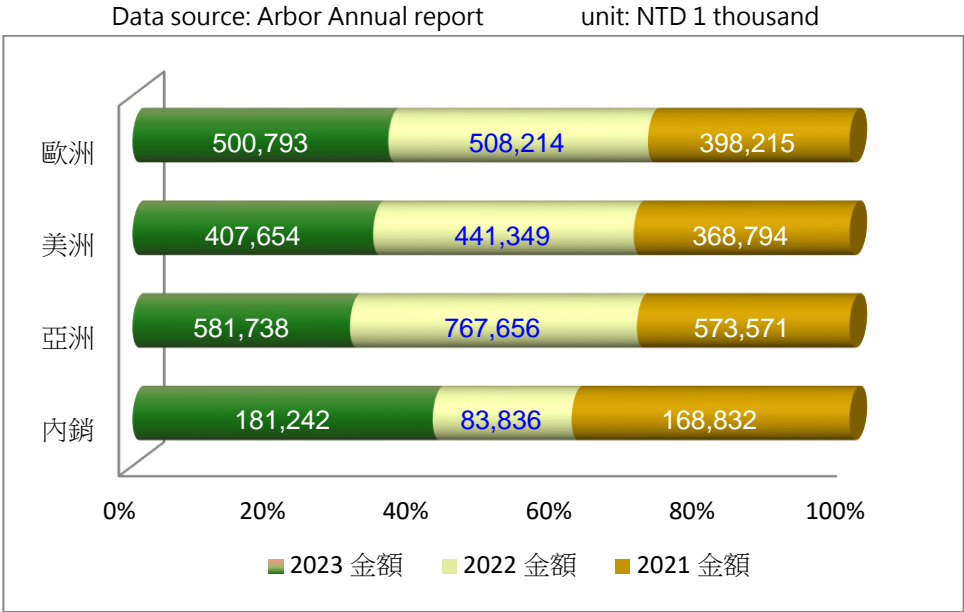
Upstream

Midstream

Downstream



Sales amount and share in each region in the past 3 years

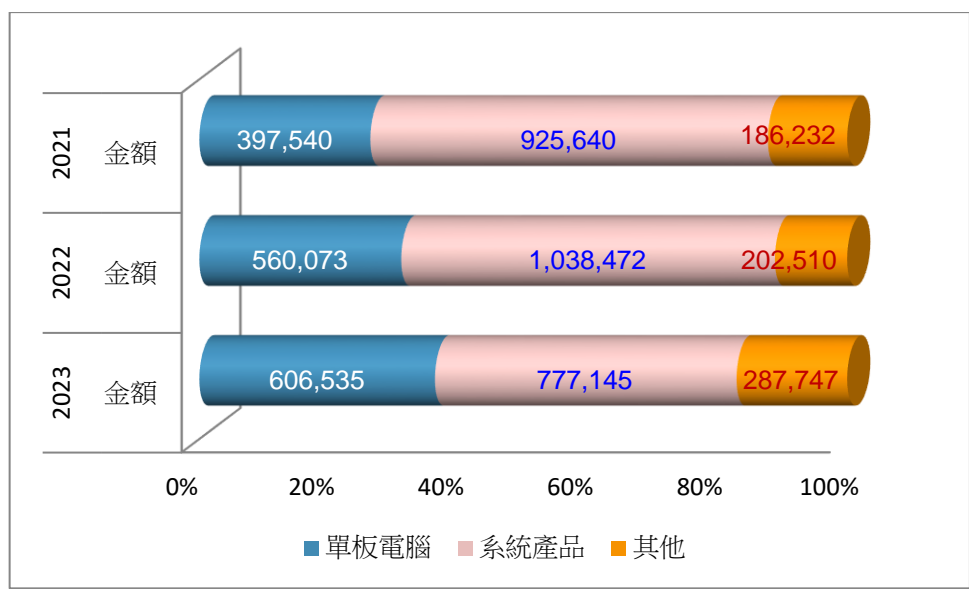


Product output and value in the past 3 years

Data source: Arbor Annual report Unit: NTD thousand

Main Products	2023		2022		2021	
	Production	Output	Production	Output	Production	Output
Single board/ embedded board products	118,633	111,399	169,775	125,060	130,023	432,678
System product	46,707	474,511	60,328	530,361	31,625	466,553
total	165,340	585,910	230,103	655,421	161,648	899,231

Product revenue proportion in the past 3 years



2.5 Participate in external organizations

Arbor Technology, in addition to enhancing its own product competitiveness, also actively communicates with various stakeholders. By participating in industry-related associations, it has positive interactions with association members and understands the latest industry development trends.



Lee Min, chairman of Taiwan Internet of Things Association



PICMG | Open Standards for Embedded Computing Applications



3. Integrity governance

Sound corporate governance, including a sound Board of Directors, a strict internal control system, and stable financial control, not only helps reduce the company's operational risks but also enhances the company's competitiveness and creates brand value. It also helps build a corporate culture of integrity and responsibility and abides by various laws to implement honest operations. At the same time, a well-functioning corporate governance framework can ensure the healthy development of the company's operations and protect the rights and interests of investors and other stakeholders.

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

Arbor Technology has also established a diverse complaint mechanism by setting up different contact windows and channels for different categories of stakeholders. Through two-way communication, the company understands the

demands and expectations of stakeholders and strives to meet their expectations.

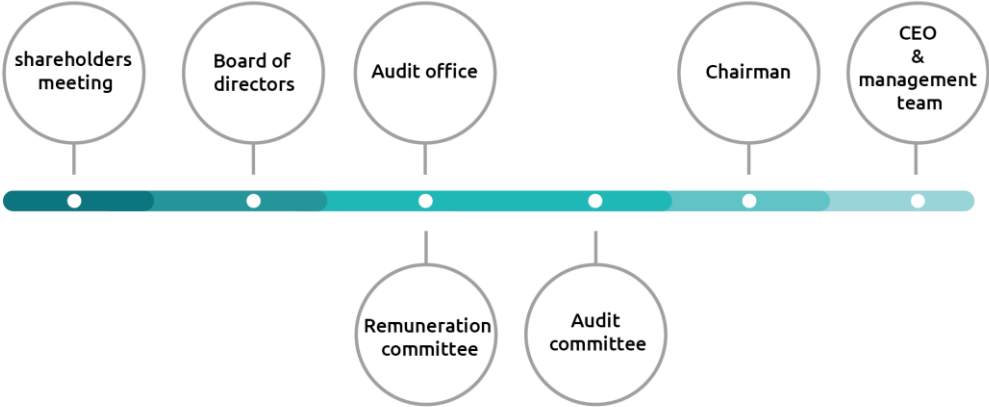
Corporate Governance Code

Stakeholder Area



3.1 Governance Practices

3.1.1 Corporate governance structure and governance unit setup



The shareholders' meeting of Shareholders, composed of all shareholders, makes decisions on significant company matters and regularly receives reports from the Board of Directors. It is the highest decision-making body of the company. The Board of Directors, as the highest governance body, ensures that all its members fulfill their duties with the utmost care and diligence. The general manager assists the chairman in planning the company's business policies and formulating sustainable development strategies. The Board of Directors reviews financial performance, and sustainability strategies, and ensures that the company's operations comply with various laws and regulations. To improve corporate governance operations and enhance the company's competitiveness, the Board of Directors has established an audit committee and a compensation committee to ensure the proper functioning of the Board. Additionally, an independent Audit Office operates under the Board, conducting regular audits and reporting the results to the Audit Committee and the Board of Directors..

Arbor Technology values corporate governance, pursuing sustainable growth and integrity in operations. The company continuously strengthens its governance framework, upholds information transparency, and implements an effective internal control system to protect stakeholder equity. In accordance with the Rules for Handling the Establishment of Internal Control Systems by Public Offering Company, Arbor Technology designs and implements internal control systems by considering the overall business activities of the company. These systems are regularly reviewed to adapt to changes in internal and external environments, ensuring the continuous effectiveness of the design and execution of internal control systems; and enhancing operational performance through a sound management mechanism to achieve the goal of sustainable operation.

Corporate governance

- ✂ In March, 2023, the Finance Department appointed Assistant Vice President as the Head of Corporate Governance.
- ✂ In the 10th Corporate Governance Evaluation in 2023, the ranking of listed companies is 21%~35%.
- ✂ The performance evaluation results of the board of directors and functional committees are marked above 4.8 points (full score: 5 points).
- ✂ Independent directors make up 50% of the board.

To strengthen the support provided by the company for directors to perform their duties and to enhance the effectiveness of the Board of Directors, the Board resolved in March 2023 to appoint the Assistant Vice President of the finance department as the corporate governance officer. This officer is responsible for assisting directors in performing their duties, providing necessary information, arranging training matters, handling meeting-related matters of the Board of Directors and shareholders' meetings according to the law, and assisting the company in complying with board and shareholders' meeting resolutions and maintaining investor relations; The corporate

governance supervisor has completed 18 hours of initial training in professional courses related to corporate governance.

In the 10th Corporate Governance Evaluation Results of 2023, Arbor Technology is ranked among the OTC companies from 21% to 35, demonstrating effective and well-functioning corporate governance under the leadership of the Corporate Governance Officer. In the future, the company will also continue to strive to enhance the overall corporate governance efficiency and strengthen stakeholders' trust in Arbor Technology.

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

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

3.1.2 Board of Directors

Code of Conduct for Board Meetings
Board Performance Evaluation Method



Official Website of Board
of Directors' Operations



Board Management and Performance Evaluation

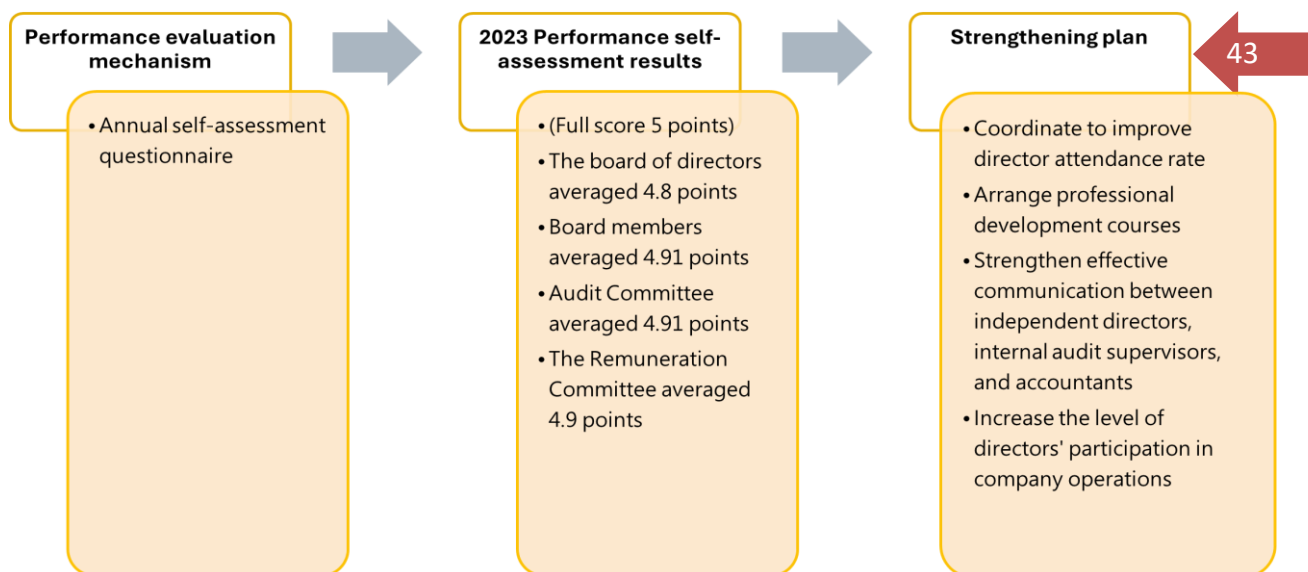
To establish a good board operation system, improve the supervision function, and ensure that independent directors can maintain independence in the execution of business, Arbor Technology's Board of Directors has adopted the "Board Meeting Regulations" to clearly define the scope of responsibilities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

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

follows to implement corporate governance and enhance the function of the Board of Directors :

Specific management objectives	Achievement status (term: 05 July 2021~04 July 2024)
There is at least 1 female director on the Board.	Achieved (a total of 1 female director elected)
The actual attendance rate of the Board of Directors for the entire year averaged above 85%.	The actual attendance rate of all directors for the year 2023 is 94.59%
The professional background of board members should cover fields such as business management, industry knowledge, and accounting, with at least 1 member in each field. And among them, at least 1 independent director should have expertise in accounting or finance.	Independent Director Ming De, Wang is skilled in business management and financial expertise
Complete the performance evaluation of the Board of Directors (including functional committees) before the end of the first quarter of the next year	15 March 2024 Board of Directors Report_2023 Annual Internal Performance Evaluation of the Board of Directors and Functional Committees.

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



Board members Diverse policies and succession planning

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

crisis management, industry knowledge, international market perspective, leadership ability, and decision-making ability, etc.

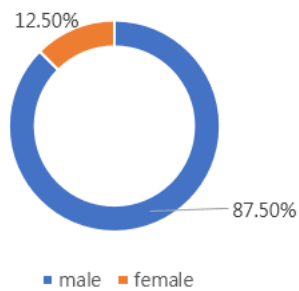
The Board of Directors currently has 8 directors (including 4 independent directors), with a term of 3 years. The chairman and general manager are not the same person. The Board of Directors is legally required to hold at least one meeting per quarter. In 2023, a total of 5 board meetings were held, with an average attendance rate of 94.59%.

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

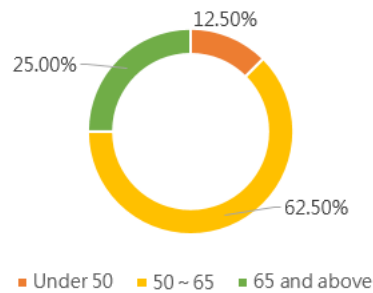
Demographics of the Directors		2021.12.31		2022.12.31		2023.12.31	
		Number	Percentage	Number	Percentage	Number	Percentage
Gender	Man	5	71.43%	6	85.71%	7	87.50%
	Female	2	28.57%	1	14.29%	1	12.50%
Age	Under 50	2	28.57%	2	28.57%	1	12.50%
	51 ~ 60	4	57.14%	4	57.14%	4	50.00%
	60 or above	1	14.29%	1	14.29%	3	37.50%
Education	Doctor	2	28.57%	2	28.57%	3	37.50%
	Master	4	57.14%	5	71.43%	5	62.50%
	Tertiary institutions	1	14.29%	0	0.00%	0	0.00%
	Other	0	0.00%	0	0.00%	0	0.00%

Note:
 The percentage of female directors = (Number of female directors at the end of the year / Number of directors at the end of the year) * 100%.
 The percentage of male directors = (Number of male directors at year-end / Number of directors at year-end) * 100%.
 The percentage of female directors plus the percentage of male directors should be 100%.

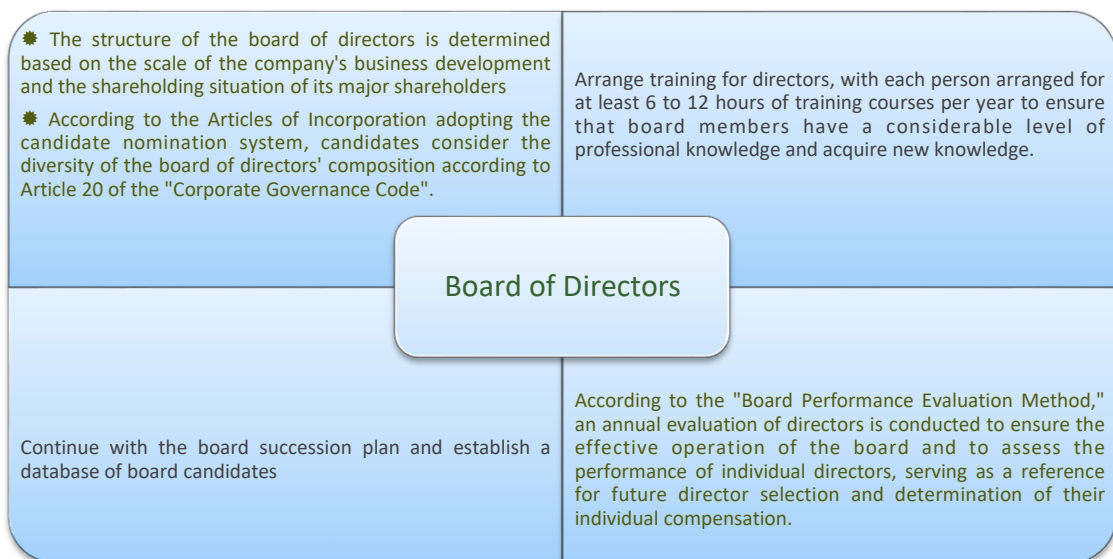
2023 Percentage of Directors by Gender



2023 Percentage of Directors by Age



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



Arbor Technology' s continuing education content for technology directors covers professional capabilities and financial topics related to corporate governance, risk management, business, commerce, legal affairs, accounting, sustainable development, internal control systems, and other ESG courses. It is believed that under the leadership of a Board of Directors with integrity in governance and abundant industry experience, the company's

operations will become more prosperous and continue to make great strides on the path of sustainable management. The total training hours for all directors in 2023 amounted to 48 hours.

The collective intelligence of the highest governing body	
Total training hours of the entire Board of Directors	48
Total hours related to ESG courses	48
Director ESG-related course weighting	100.00%

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

Audit Committee

The Audit Committee assists the Board of Directors in supervising the quality of the company's performance of accounting, auditing, financial reporting processes, and financial controls, and submits the evaluation results to the Board of Directors for discussion. Arbor Technology's Board of Directors approved the "Audit Committee Charter", establishing an Audit Committee within the Board of Directors, with 4 independent directors serving as audit committee members, one of whom is the convener, and at least one person has expertise in accounting or finance. Meetings are held at least once every quarter. In 2023, a total of 5 audit committee meetings were held, with an overall attendance rate of 94.12%.

The discussion topics of the Audit Committee meetings in 2023 and resolution



✘ Communication policy between independent directors, internal audit supervisors, and accountants:

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

✧ Communication between independent directors and internal audit supervisors and accountants

Date	Participant	Topics discussed with the accountant	Topics discussed with the internal audit supervisor	Independent Director Suggestion	Company handling result
2023.03.28 Audit Committee Pre-meeting	Independent Director Accountant Audit	<ul style="list-style-type: none"> • The explanation of the year 2022 Key audit matters. • The impact of the pandemic on audits. 	Explanation of the Effectiveness Evaluation of the Internal Control System for the Year 2022	None	Not applicable

Remuneration Committee

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

2023 Discussion topics of the Remuneration Committee meetings and resolution



- ✘ The main responsibilities of the Remuneration Committee are as follows, and the recommendations will be submitted to the Board of Directors for discussion.
- Establish and regularly review the policies, systems, standards, and structures for performance evaluation and compensation of directors, supervisors, and managerial officers.
 - Regularly evaluate and set the salary and compensation for directors, supervisors, and managerial officers.

✦ The remuneration committee should total consider the following principles when conducting the assessment:

- The company's salary and compensation comply with relevant laws and are sufficient to attract outstanding talent;
- The performance evaluation and salary remuneration of directors and managerial officers should refer to the usual standards in the industry and should also take into account the amount of time invested by the individual, their responsibilities, the achievement of personal goals, the performance in other positions, the salary remuneration offered to individuals in comparable positions by the company in recent years, and the achievement of the company's short-term and long-term business goals, the company's financial status, etc., to evaluate the reasonableness of the correlation between individual performance and the company's operational performance and future risks;
- Directors and managers should not be encouraged to engage in activities that exceed the company's risk appetite in pursuit of compensation;
- The proportion of remuneration to be paid to directors and senior managers for short-term performance and the timing of payment of part of the variable remuneration should be determined in consideration of the characteristics of the industry and the nature of the company's business.

✦ Directors and Managerial officers performance evaluation linked with remuneration

- According to Article 19 of the Articles of Incorporation, if the company has profits in the fiscal year (defined as pre-tax profits before the distribution of employee and director/supervisor remuneration), up to 5% may be allocated as director/supervisor compensation. Additionally, Article 16 of the Articles of Incorporation stipulates that the remuneration of the company's directors is authorized by the Board of

Directors based on their participation in company operations and the value of their contributions, with reference to industry standards.

- Managerial remuneration includes salary and bonus. Salaries are determined with reference to industry standards, job title, rank, academic (experience) background, professional ability, and responsibilities. The bonus is highly linked to the company's performance targets, with financial indicators (such as company revenue, profit before tax, and the achievement rate of after-tax Net profit) and personal performance achievement being included in the evaluation. The distribution principles recommended by the Compensation Committee will be adopted, and the final approval will be made by the Board of Directors.
- Currently, Arbor Technology is still in the stage of implementing ESG. At present, ESG development goals and performance are not linked to the personal remuneration of board members and managerial officers. However, Arbor Technology will continue to monitor ESG trends. Once the internal implementation of ESG matures in the future, the remuneration committee will evaluate and establish relevant measures.

✦ Internal control system and internal audit

The internal audit of Advantech Technology is an independent department that reports directly to the Board of Directors. According to the "Rules for Handling the Establishment of Internal Control Systems by Public Offering Company", the internal audit system is formulated based on the overall operational activities of the company and its subsidiaries, as designed by each responsible unit. This system assists the Board of Directors and management in inspecting and reviewing deficiencies in the internal control system, evaluating operational effectiveness and efficiency, and providing timely improvement suggestions. Based on the annual audit and self-assessment results, it identifies the risk levels of each cycle and formulates the audit plan for the next year, which is executed after approval by the Board of Directors.

The audit supervisor attends the Board of Directors' meetings to report on the execution of audit operations as required and attends the audit committee meetings at least once every quarter to report to the independent directors on the company's internal audit execution status and internal control operations. Through continuous monitoring by audit personnel, the company ensures the implementation of various operational systems, establishes good governance practices and risk control mechanisms, and creates a sustainable development operating environment. In 2023, the audit office conducted a total of 43 audit operations, with an audit compliance rate of 100%, and no major non-compliance item.



✦ Internal Audit Staff

The "Audit Committee Charter" of Arbor Technology stipulates that the appointment and dismissal of the chief auditor must be approved by the Audit Committee and submitted to the Board of Directors resolution. Additionally, the appointment, evaluation, and salary remuneration of internal audit personnel are to be signed and reported by the chief auditor for the chairman's approval.

To enhance the professional capabilities of audit personnel, arrangements are made for continuous education and participation in internal audit training sessions organized by designated institutions of the competent authorities, to improve and maintain audit quality and execution effectiveness. In the current year, two members of the audit personnel received a total of 24 hours of training

✦ Internal control Self-check procedure

Arbor Technology conducts an annual self-assessment of its internal control system in the first quarter. After self-assessment by personnel from each unit (supervisors at the department level or above), the results are submitted to the audit office for review and

compilation of internal control system self-assessment reports from all units and subsidiaries of the company to evaluate the overall effectiveness of the company's internal control system.

✦ Internal Control Statement

The Audit Office reviews the self-assessment reports of each unit, along with the improvement status of internal control deficiencies and anomalies discovered by the audit unit. The consolidated results are reported to the Board of Directors and senior management, serving as a basis for the Board and management to evaluate the overall effectiveness of the internal control system and issue an internal control system statement.

3.1.5 Ethics and Integrity

Results

- ✦ **Integrity and Honesty Commitment Letter**
In 2023, all 41 new employees have completed the signing of the "Employment Contract_Fiduciary Duty and Integrity Principles".
- ✦ **Integrity and Ethics Training Course**
In the current year, a total of 169 employees participated in the "Insider Trading Prevention and Integrity Management Promotion" course, with a total training time of 84.5 hours.
- ✦ No records of any violations of ethics and integrity were received during the year

✦ Integrity Management Policy and Plan

- Our company passed the establishment of the "Integrity Management Operating Procedures" at the shareholders' meeting

on 24 June 2013, with the last revision date being the Board of Directors on 01 February 2021.

- Our company engages in business activities based on the principles of fairness, honesty, trustworthiness, and transparency. To implement the integrity management policy and actively prevent dishonest behavior, we have established the "Integrity Management Operating Procedures," "Code of Ethical Conduct for Directors and Managerial Officers," and "Code of Ethical Conduct for Employees," which are disclosed on the Market Observation Post System and the company's website. The aforementioned documents apply to directors, managerial officers, employees, and individuals with substantial control. The Human Resources Department is designated as the responsible unit, overseeing implementation and reporting regularly to the Board of Directors; The 2023 annual integrity management implementation status was reported on 15 March 2024 in the meeting of the Board of Directors.

"Integrity Management Operating Procedures", "Directors and Managerial officers Code of Ethical Conduct", "Employee Code of Ethical Conduct"



✦ Anti-Fraud Scheme

- The assessment of corruption risks is initiated regularly in the first quarter of each year, together with the internal control self-assessment. Supervisors of each unit evaluate high-risk business activities for potential corruption within their business scope and

review the appropriateness and effectiveness of their preventive measures, subsequently revising the anti-corruption measures and plans accordingly.

- The company' s "Integrity Management Procedures" define the scope of anti-corruption measures, including prohibiting bribery and accepting bribes, providing illegal political donations; improper charitable donation expense or sponsorships, offering or accepting unreasonable gifts, hospitality or other improper benefits, infringing on trade secrets, trademarks, patents, copyright and other intellectual property rights, engaging in unfair competition practices, and directly or indirectly harming the equity, health, and safety of consumers or other stakeholders during the research and development, procurement, manufacturing, provision, or sale of products and services.
- The company's "Integrity Management Operating Procedures" define the types of interests and dishonest behaviors, clearly stipulate the guidelines for providing or receiving benefits and avoiding conflicts of interest, establish a reward and complaint system, and outline the procedures for handling dishonest behaviors. When company personnel are involved in dishonest behavior, the dedicated unit should report the dishonest behavior, its handling methods, and subsequent review and improvement measures to the Board of Directors. In 2023, there were no incidents of company personnel involved in dishonest behavior.

✧ Implement the integrity management policy, the execution situation in 2023 is as follows:

- **Legal Compliance Promotion and Training**
 - Disclose company regulations related to integrity management issues on the company website.

- New employees must sign the "Employment Contract" on their first day of work. The contract includes clauses on not infringing on others' intellectual property rights, not using pirated software, and maintaining business confidentiality. In 2023, all 41 new employees have completed the signing of the "Employment Contract - Duty of Loyalty, Principle of Integrity, and Confidentiality Agreement."
- Since 2020, all Arbor employees have been required to complete the online internal training course on "Prevention of Insider Trading and Integrity Management Promotion" by the end of March each year. The course covers the causes, the identification process, penalties, examples of transactions and explanations of dishonest behavior patterns. The course materials, including presentations and videos, are available in the internal employee training system for reference. In 2023, 169 employees completed the "Insider Trading Prevention and Integrity Management Promotion" course and passed the test (each person must complete at least 30 minutes of training).

➤ **Establish a supervision mechanism**

Our company has established the "Integrity Management Procedures" and the "Code of Ethical Conduct for Directors and Managerial officers", which regulate the obligations of directors, Managerial officers, and employees towards the company, external business activities, financial transactions, conflict of interest avoidance, and confidential information management. An accounting system and internal control system are also in place for the effectiveness of financial reporting processes and internal controls.

According to the "2023 Internal Control System Statement" issued by the audit office of our company and the "2023 Internal

Control System Report" issued by the accountant, the design and implementation of internal control for the year 2022 were effective.

➤ **Establish a reporting mechanism**

Our company has clearly stipulated specific reporting and reward systems in the 'Integrity Management Operating Procedures', and disclosed them on the Market Observation Post System and the company's website, establishing convenient and confidential reporting channels. In 2023, there were no reported cases both internally and externally at Arbor Technology.

- The company's reporting procedure has a confidentiality mechanism, prohibiting retaliation against good-faith whistleblowers. The informant can submit an application to the 'Personnel Evaluation Committee' in writing via the 'Complaint Mailbox' or by 'Email' (the email address is inform@Arbor.com.tw). After the 'Personnel Evaluation Committee' investigates, a resolution document will be produced. If the investigation reveals significant violations or if the group is at risk of substantial loss, a report should be made immediately and the independent directors should be notified in writing.
- To encourage internal and external personnel to report dishonest or improper behavior, if the reported dishonest or improper behavior is verified to be true, a reporting bonus will be awarded based on 1% of the reported amount, with the maximum reporting bonus not exceeding NTD 50 thousand.

3.2 Risk management

3.2.1 Policies and Organizational Structure

To strengthen corporate governance and establish an effective risk management system for stable operation and sustainable development, Arbor Technology approved the "Risk Management Policy" at the Board meeting on 12 August, 2013, and it was reviewed by the audit committee and approved by the Board to be changed to the "Risk Management Policy and Procedures" on 15 March, 2024, disclosed on the company website, establishing a sound risk management mechanism.

Arbor Technology The risk management organizational structure is divided into four levels. The Board of Directors is the highest decision-making body for risk management, approving overall risk management policies. The highest executives of each functional organization form a risk management team, chaired by the Chairman, responsible for promoting and implementing risk management, reviewing various risk management issues proposed by each operational unit, and reporting to the Board of Directors at least once a year.



3.2.2 Risk management operations

Arbor Technology Sustainable Development Committee identifies major themes related to the company's operations in the areas of Environment (E), Social Human Rights (S), and Governance Economy (G) through the ESG materiality principles. They propose response strategies for potential negative impacts on Arbor Technology caused by these major themes. At the same time, the company's risk management framework centers on various responsible departments to carry out subsequent risk control operations, allowing the corporate governance unit to further supervise the effectiveness of the company's internal control system and monitor the management of actual or potential risks.

In 2023, the risk management policies and procedures formulated for ESG risk assessment were reported to the Board of Directors on 28 March 2023.

Category	Major Matters	Negative impact	Risk management strategies/response measures
Governance/ Economy (G)	Operating performance	Foreign exchange loss/ Investment failure	<ul style="list-style-type: none"> ● Interest rate: Continuously monitor market interest rate fluctuations and adjust fund utilization accordingly. ● Exchange rate: The natural hedging effect is achieved by invoicing in foreign currencies; referring to market information and future trends to mitigate exchange rate risks through currency exchange or forward contracts; monitoring changes in the foreign exchange market to provide relevant supervisors with timely adjustments to exchange rate fluctuations, while serving as a basis for the company's business units to adjust product prices; and depending on the level of foreign currency positions, conducting relevant foreign exchange hedging operations when necessary according to the "Acquisition or Disposal assets Handling Procedures". ● Avoid high-leverage investments, and establish systems such as "Procedures for Lending Funds to Others," "Endorsement Guarantee Procedures," and "Procedures for Acquiring or Disposing of assets," to handle financial-related operations.
	Customer Service	Affecting service quality	<ul style="list-style-type: none"> ● Set quantitative targets based on quality management policies, regulatory requirements, and service quality demands. ● Systematic quality control with annual review and monitoring of the management of hazardous substances in accordance with international environmental regulations, customer requirements, and environmental trends, and implementing an environmental prohibited substances control plan. ● Immediately report to management any identified hazardous substance abnormalities that pose potential harm and follow the instructions and procedures for product returns and exchanges.

Category	Major Matters	Negative impact	Risk management strategies/response measures
	Information and personal data security	Customers have lost trust in the company	<ul style="list-style-type: none"> ● Establish the Information Office, with the General Manager serving as the supervisor, the Information Security Center executing directive tasks, and holding quarterly meetings to review the current status of the company's information security protection. ● Plan to implement the ISO 27001 information security management system and obtain certification. ● Conduct an annual information security risk assessment, and implement risk improvement plans for high-risk information security items. ● Conduct an annual Information Security Incident Reporting and Drills.
	Innovation in Research and Development	Unable to meet customer needs	<ul style="list-style-type: none"> ● Staying Current: Through the monthly global business unit review, understand customer needs for new products or new technologies and provide timely solutions to ensure that newly developed products still meet market demands in the future. ● Meeting customer needs: Conduct biannual key customer surveys to ensure needs and satisfaction are met, allowing for strategic adjustments to strengthen the company's ESG strategy response in key markets. ● Ensure strategic outcomes and set business performance, review periodically on a monthly, quarterly, or yearly basis, and adjust or decide on the next period's plan to increase market share in key markets.
Society (S)	Talent attraction and retention	Brain drain	<ul style="list-style-type: none"> ● Provide fair and competitive compensation and benefits, and implement performance management and training development policies. Annually review employee salaries to ensure they meet the job market standards, and provide feedback based on the company's operational performance to maintain salary competitiveness. In addition, for personnel with relevant professional and work experience, the remuneration will be determined based on the recruit's academic background, expertise, and certifications, without any differences due to gender or ethnicity. Various bonuses, profit sharing, and stock option systems are set up to incentivize outstanding employees.

Category	Major Matters	Negative impact	Risk management strategies/response measures
			<ul style="list-style-type: none"> ● Establish the "Employee benefits/welfare Committee", with representatives appointed by both labor and management, organizing various activities every quarter, and handling diverse welfare measures such as employee health checks. ● Conduct regular anti-discrimination and anti-harassment advocacy and provide multiple complaint/reporting channels. If employees experience improper discrimination and harassment, they can respond and file complaints through the dedicated channels assigned by the company. ● Organize a management consensus camp through brainstorming and group discussions to cultivate managerial thinking and capabilities among the cadres. ● Provide external training courses for colleagues with development potential to continuously enhance their professional capabilities; also establish an on-the-job training subsidy program to encourage employees to pursue diverse learning. ● Establish the "Outstanding Talent Recommendation Method," encourage colleagues to recommend external outstanding talents to join and provide referral bonuses. ● Enhance company visibility and attract talent by participating in talent bank activities (e.g., 104 Manpower Bank Employer Brand Awards) or obtaining awards (e.g., 1111 Manpower Bank Happy Enterprise Award).
	Occupational Safety and Health Management	Operations and productivity are affected	<ul style="list-style-type: none"> ● Provide a workplace environment with health care and safety superior to legal requirements (obtained ISO 14001:2015 certification, valid from 27.11.2022 to 27.11.2025), (obtained ISO 45001:2018 certification, valid from 30.11.2022 to 29.11.2025) to ensure employees can fully commit to their work. ● Establish an Occupational Safety and Health Department in compliance with the "Occupational Safety and Health Act," holding quarterly meetings with top management and labor representatives to discuss safety and health matters.

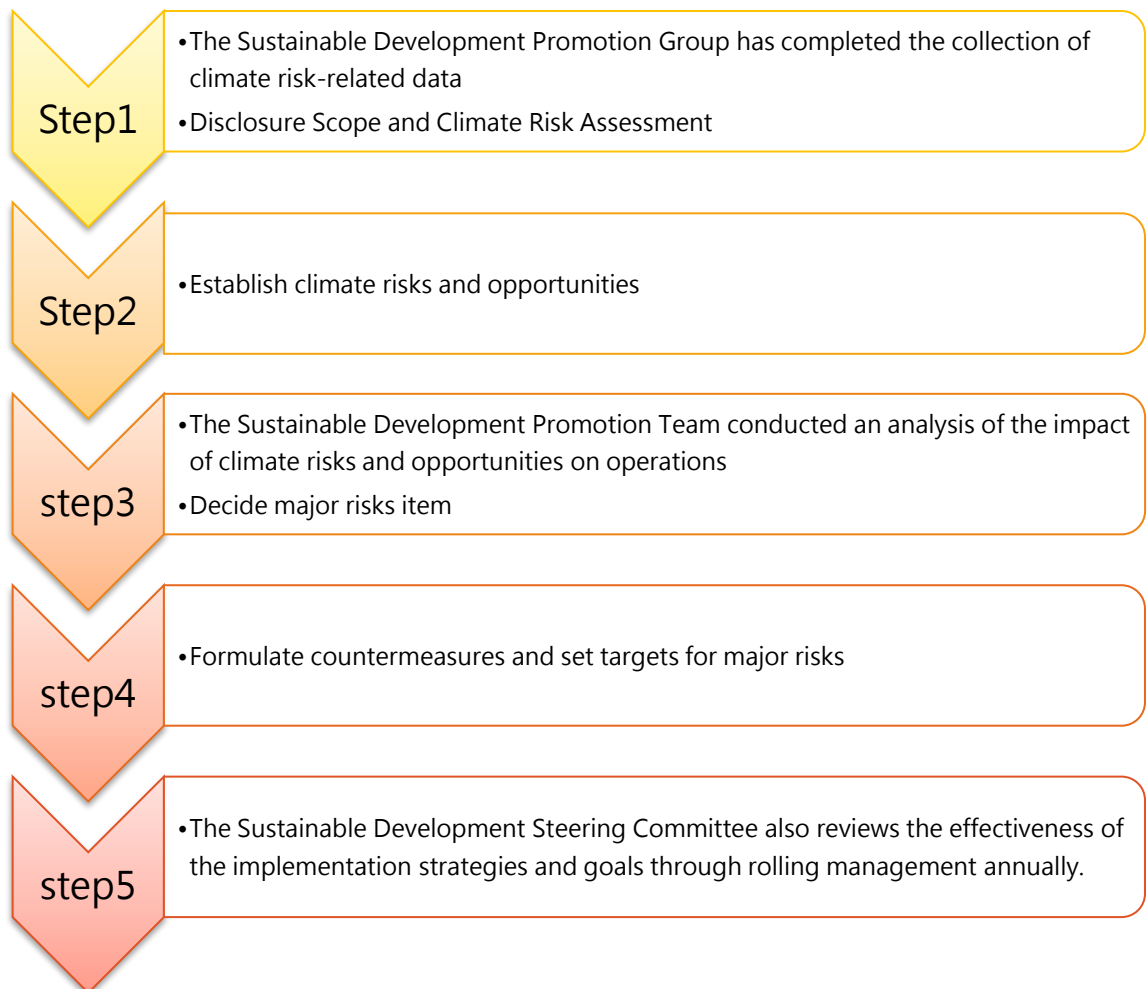
Category	Major Matters	Negative impact	Risk management strategies/response measures
Environment (E)	Energy saving and carbon reduction	Unable to meet policy and customer needs	<ul style="list-style-type: none"> ● Incorporate climate change risks into the overall risk management system, proposing effective strategies to mitigate the impact of climate change. ● To create a low-carbon operating environment, we established a “Greenhouse Gas Inventory Committee” based on Taiwan’s Climate Change Response Act and ISO 14064-1 standards for the quantification, monitoring, reporting, and verification procedures related greenhouse gas inventory and verification activities. According to the plan, formulate talent training, strategic objectives, control mechanisms, internal verification, and external verification planning. We plan to complete the greenhouse gas inventory by 2026 and external verification by 2028. ● Energy-saving and carbon reduction project execution: Improve energy efficiency, and reduce energy consumption. (e.g., Comprehensive replacement of LED energy-saving lamps) ● Promote data inspection. (e.g., energy management projects with Huakang to increase digital meter control of power usage in May 2023)
	Sustainable supply chain management	Out of stock	<ul style="list-style-type: none"> ● Conduct an early investigation of the production status and closely monitor the transportation progress. ● Establish a substitution mechanism and stay updated with the news. In case of uncontrollable factors, immediately activate the supplier BCP investigation mechanism and prepare for substitution supply in advance. ● Establish a safe stock mechanism, and use multi-source procurement to reduce reliance on a single supplier and enhance overall flexibility.

Category	Major Matters	Negative impact	Risk management strategies/response measures
	Green products and services	Violation of regulations	<ul style="list-style-type: none"> ● Strengthen the management of hazardous substances through the adoption material management system platform, to ensure that the original Supplies and products comply with regulatory requirements, and strictly adhere to international regulations such as RoHS, REACH, TSCA, and CP65. ● Promote packaging optimization, source reduction, easy disassembly, and recycling principles while complying with international and environmental regulations to enhance overall competitiveness.

3.2.3 Climate Change Governance

To promote climate change management, Arbor Technology actively understands the potential impact scope of climate change to assess the expected impact of climate change on the company and upstream suppliers and downstream customers' operations. According to the framework of the Task Force on Climate-related Financial Disclosures (TCFD), it is categorized into governance, strategy, risk management, metrics, and targets. The management identifies climate-related risks and opportunities and formulates subsequent response strategies.

TCFD Risk Management Process



<p>Governance</p>	<p>In order to fulfill corporate social responsibility, our company has established a Sustainability Development Task Force responsible for coordinating corporate governance, environmental protection, climate change, and labor-related issues. Regular meetings on environmental, social, and governance matters. and the heads of various sustainability development groups report execution performance and necessary improvement suggestions to senior management, with an annual report presented to the Board of Directors. The chairman serves as the committee chair, leading the Sustainability Development Task Force in implementing risk identification and formulating strategies, risk management processes, and evaluating management indicators and targets at different levels.</p>
<p>Strategy</p>	<p>Climate-related risks and opportunities are integrated into our company' s strategies and plans. Arbor refers to the climate-related scenario analysis of the Task Force on Climate-related Financial Disclosures (TCFD) and uses quantitative and qualitative analysis to take corresponding measures. Our company discusses short-, medium-, and long-term definitions based on the 2 scenarios (2DS) in Sustainability Development Committee, setting "1-3 years" as short-term, "3-5 years" as medium-term, and "6-10 years" as long-term, and conducted climate risk and opportunity assessments accordingly. Climate risk types include two major categories: transition risk and physical risk, which are further divided into policy and regulation, market, and reputation, as well as immediate and long-term. Opportunities are divided into resource efficiency, products, and services.</p>

Risk Management	<ol style="list-style-type: none">1. Arbor Completed risk identification through the Sustainable Development Promotion Team during the Task Force on Climate-related Financial Disclosures (TCFD) discussion meeting, based on the potential operational transformation and physical risks and opportunities caused by climate change factors provided by each unit.2. We identify five potential operational transition and physical risks and two potential opportunities due to climate change factors.
Metrics and Targets	<ol style="list-style-type: none">1. To reduce the impact of operational processes on the surrounding environment, we focus on all environmental indicators, such as initiating energy saving and carbon reduction, water resource use efficiency, pollution prevention, and hazardous substance management, to achieve the goal of sustainable development.2. Establish the "ISO14064-1:2018 Arbor Group Implementation Team" to conduct carbon inventory operations.3. Choose suppliers with social and environmental responsibility.

Climate Risk Identification

Type	Issue	Climate-related risks	Potential financial risk	Risk Mitigation	Indicators and targets 2023 Implementation situation
Transformation risk	Policies and regulations	<ul style="list-style-type: none"> Carbon fee, carbon tax Add new relevant regulations 	<ul style="list-style-type: none"> Increased operating costs (such as compliance costs and increased premiums) Increased costs due to fines and judgments 	<ul style="list-style-type: none"> Implementing ISO14064_1, expected to complete the 2023 Arbor group inventory and Arbor Technology verification in 2024. 	Establish the "ISO14064-1:2018 Arbor Group Implementation Team" to conduct carbon inventory operations.
	Market	Increase in raw material costs	Operating costs increased, and profits decreased	<ul style="list-style-type: none"> Choose suppliers that meet social responsibility, and sign the "Supplier Corporate Social and Environmental Responsibility Commitment." Reduce regional and customs risks, increase the proportion of the number of local suppliers to 75% 	<ul style="list-style-type: none"> In 2023, 100% of new suppliers of important raw materials have signed the "Supplier Corporate Social and Environmental Responsibility Commitment" The local supplier procurement (number of companies) ratio 70%.
	Reputation	Stakeholders' concerns and negative feedback are increasing	<ul style="list-style-type: none"> Demand for goods/services is decreasing Affecting corporate financial credit rating 	Committed to effective strategic transformation, and in line with the "Climate Change Response Act", and we plan to achieve net-zero greenhouse gas emissions by 2050.	In 2023, carbon dioxide emissions from electricity consumption were reduced by 6.6% compared to 2022 due to the effectiveness of energy-saving equipment.
Physical risk	Short-term	The severity of extreme weather events such as typhoons and floods has increased	<ul style="list-style-type: none"> Production capacity decline or interruption (such as shutdowns, transportation difficulties, supply chain disruption) Affect labor management and planning (such as health, safety, and absenteeism) 	<ul style="list-style-type: none"> Increase the proportion of local suppliers' procurement (number of suppliers). Establish the "Occupational Safety and Health Department", and introduce the ISO45001 occupational safety and health management system. 	<ul style="list-style-type: none"> The local supplier procurement (number of companies) ratio 70%. Zero occupational injuries (FR=0/SR=0)
	Long-term	<ul style="list-style-type: none"> The probability of extreme weather events is increasing The average temperature is rising 	<ul style="list-style-type: none"> Higher asset premiums increase operating costs Water and electricity bills increase 	<ul style="list-style-type: none"> The management office evaluates the assets insurance coverage, types, and amounts annually. Set carbon emission reduction targets. Planning to upgrade Uninterruptible Power Supply (UPS) 	<ul style="list-style-type: none"> Insure cargo transportation. Install energy-saving equipment, and monitor energy consumption in real-time.
Opportunity	Resource efficiency	Adopt a more efficient mode of transportation	<ul style="list-style-type: none"> Reduce operating costs Increase production capacity and revenue 	<ul style="list-style-type: none"> Increase the proportion of local suppliers' procurement. 	The local supplier procurement (number of companies) ratio is 70%.
		Use more efficient production and distribution processes		<ul style="list-style-type: none"> Production process optimization by IE Establish an energy management system Replace the old with new, and upgrade to energy-saving equipment. 	Install energy-saving equipment, and monitor energy consumption in real-time.
		Using new technology		<ul style="list-style-type: none"> Innovative products and services 	By combining smart water meters and distribution panel equipment, we can integrate water resource management and industrial safety into carbon management and carbon inventory to seize green energy transformation opportunities.
	Product and services	<ul style="list-style-type: none"> Consumer preferences are changing. The product's carbon reduction benefits enhance the company's image. 	<ul style="list-style-type: none"> The demand for goods/services has decreased. 	<ul style="list-style-type: none"> Select 100% recyclable packaging material. 	Choose a product line for continuous generational development, using 100% recyclable packaging materials.

3.3 Compliance with regulations

Arbor Technology promises to operate with integrity and honesty and in full compliance with all applicable regulations. Arbor Technology employees, supervisors, and directors must not engage in illegal or unethical behavior. In 2023, our company has not been penalized for violating government laws (regulations); and there have been no corruption cases or actions that suppress free market monopoly and unfair competition. To comply with regulatory requirements, we will closely monitor any activities that may adversely affect us.

3.4 Operating performance

Policy/ Commitment	<p>Continuously create Innovative Value in Industrial Communication and Communication Industrialization to build an IoT ecosystem as a mission, enabling industrial computers to have IPC with connectivity.</p> <p>Through the integration and application of the internet, communication, software, optoelectronics, and cloud big data, the industrial computer applications that were originally inclined towards factory automation have been expanded to various aspects of smart living, forming a truly intelligent industry.</p>
Goal	<ul style="list-style-type: none"> By optimizing the production environment, training personnel, updating testing equipment, and adjusting the organizational structure, we provide customers with superior and stable quality and one-stop service solutions. <p>Actively expanding overseas markets: The company has business and production sites in Korea, the United States, the United Kingdom, France, Mainland China, and other locations to develop and serve local customers. In recent years, we have deeply cultivated markets in Mainland China, Southeast Asia, Europe, and the United States to strengthen distribution agency methods and expand sales markets. By 2024, we plan to increase global distributors by at least 20-30 and add at least 3-5 ODM opportunities.</p>
	<p>Promoting the "Flying Geese" concept. Through cross-disciplinary alliances and collaborations, we advance in different application fields with the most competitive strategic partners, not only can complementary benefits be realized, but even more opportunities can</p>

	<p>be created than before.</p> <p>We have successively engaged in strategic collaborations with Wistron, MediaTek, and Avalue. With resources from industry peers, cross-field collaborations, and major domestic and international companies in place, not only do we have R&D design and production manufacturing at the front end, but we also have brand channel partners as product outlets downstream. Driven by the enhancement of product value and reduction of production costs, the company creates greater value for shareholders.</p>
Responsible Department/ Complaint Mechanism	Shareholder/Investor Contact Window: investor@arbor.com.tw
2023 Invest resources	<p>Strengthen competitiveness, increase customer base, integrate upstream and downstream, grasp global logistics capabilities, expand VIP customers.</p> <p>Continue investing in expanding the R&D team, accelerating new product development.</p> <p>By leveraging the cost advantages of third-party vendors, increase profitability.</p> <p>The research and development center has 65 people, with a proportion of 18% holding research institute degrees.</p> <p>The R&D expenditure for the year accounted for more than 6% of the company's revenue.</p>
Management plan Evaluation mechanism	<p>Optimize overseas layout, successfully develop the number of overseas distributors and ODM pieces.</p> <p>Achieve resource integration through strategic alliances.</p>

Arbor strives to meet customers' design and quality requirements for products and has a complete global sales network and engineering service team to solve customer needs locally in real-time and with new technologies, becoming an important partner for global customers. Arbor

always aims to satisfy customers with high-quality products and to reward shareholders with excellent business performance.

Item	Basic elements	2021	2022	2023
Direct economic value generated (A)	Revenue (Note 1)	1,059,735	1,257,706	1,146,979
Economic value of allocation (B)	Operating costs (B1_Note 2)	875,048	984,671	858,333
	Employee salaries and benefits (B2_Note 3)	174,332	191,348	190,249
	Payment to the investor (B3_Note 4)	8,909	75,609	56,861
	Pay the government's funds (B4_Note 5)	993	9,487	28,678
	Community investment	0	0	0
Retained economic value (C)=A-B		453	-3,409	12,858

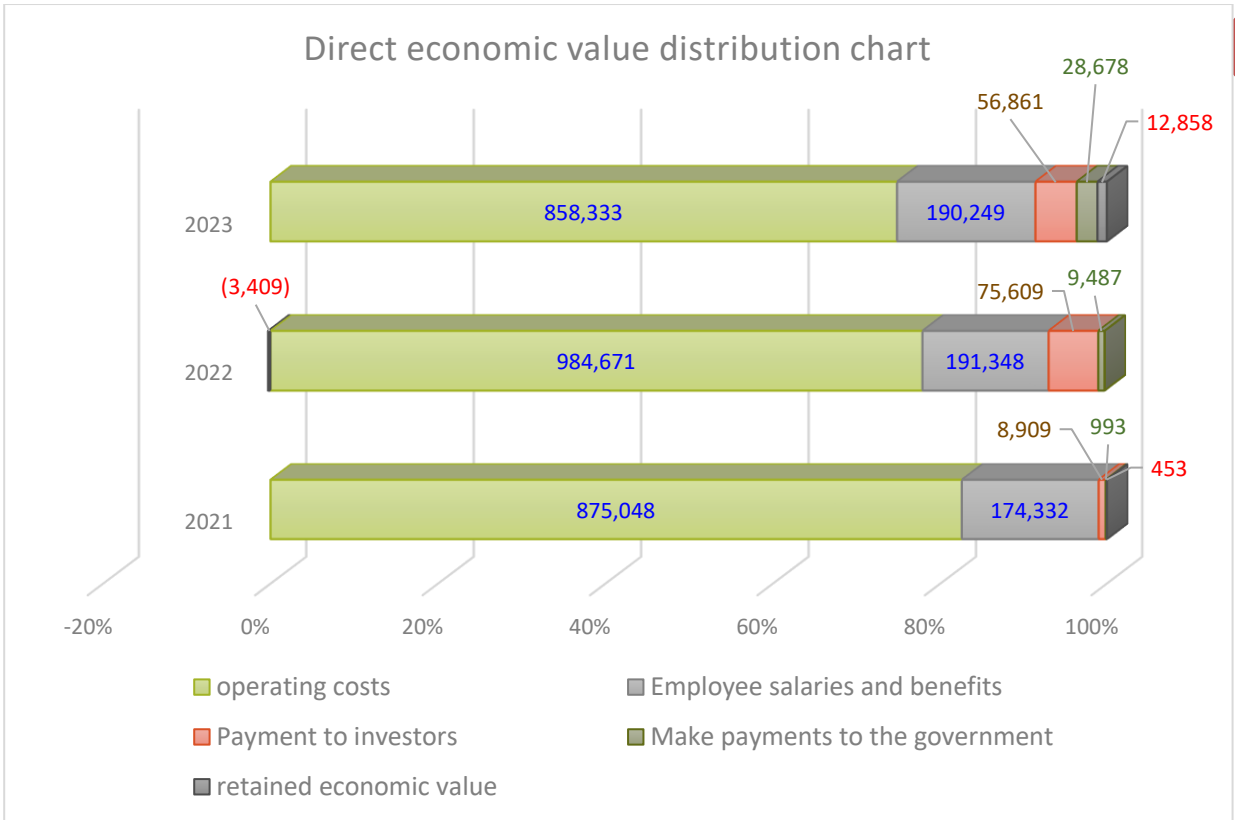
Note 1: Includes net sales plus revenue from financial investments and revenue from the sale of assets.

Note 2: Includes the purchase of raw materials, product parts, site facilities, and services paid to external organizations in cash expense.

Note 3: Includes total salary (including employee salary and payment to the government on behalf of employees) plus total benefits (excluding education training, protective equipment costs, or other costs directly related to employee job duties)

Note 4: Includes dividends paid to all shareholders, plus interest paid to lenders.

Note 5: Includes all taxes and fines paid by the organization according to international, national, and local standards. Tax payments may include business tax, income tax, and property tax.



3.5 Cybersecurity protection

Policy/ Commitment	A thorough implementation of more stringent information security control to demonstrate Arbor Technology's high regard for information security and its policy and commitment to protecting customer information.	
Goal	Short term	Implement ISO 27001 to obtain information security certification
	Medium to long-term	Control and prevent the spread of internal computer viruses, block continuous internal transmission and infiltration, effectively prevent external hackers from accessing internal sensitive data, and block ransomware and other hacker attacks to ensure uninterrupted business operations. Each employee should receive 3 hours of cybersecurity training per year; disaster drills are conducted annually to assess the occurrence of information security incidents.
Responsible Department/ Complaint Mechanism	e-mail:esg@arbor.com.tw /Information Department	

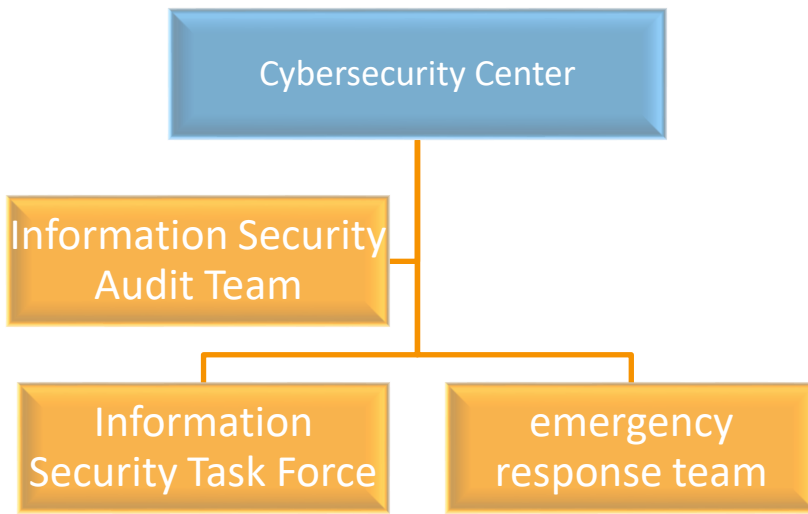
<p>2023 Invest resources</p>	<p>The information department is comprised of 6 members, with an investment of NT\$1,273,550 in 2023 to implement the ISO 27001 Information Security Management System. and expected to obtain the certificate in July 2024.</p> <p>Regularly conduct information security risk management, prioritize identifying unacceptable risks, and implement subsequent improvement measures.</p> <p>Complete the inventory of existing assets, including hardware and software systems such as computers, networks, system permissions, and databases, as a baseline for continuous improvement in 2024.</p> <p>Complete the system upgrade, integration and access control of document files to prevent confidential document leakage, and perform file backup and offsite storage mechanism.</p> <p>Complete the inventory and backup of the database, and restore the ERP database to the test area at least every 6 months to ensure the feasibility of disaster recovery.</p> <p>Conduct vulnerability scans, penetration tests, social engineering drills, and emergency incident response.</p>
<p>Management plan Evaluation mechanism</p>	<p>Conduct safety inspections, information security health checks, social security, and information security incident drills every year.</p> <p>Strengthen the awareness of information security crises among employees and the response capabilities of information security personnel to prevent in advance and effectively detect and block the spread at the first moment.</p> <p>Conduct vulnerability scanning, penetration testing, social engineering drills, and emergency incident response 1 time.</p> <p>The company regularly announces and promotes information security policies every year, and trains colleagues with information security certifications.</p> <p>Provide information security education and training to all staff, with each person receiving at least 3 hours per year.</p> <p>Report to the Board of Directors at least once a year, summarizing the annual execution of information security risk status.</p> <p>There were no cybersecurity incidents during the year that impacted company operations or infringed on customer privacy.</p>

In the digital age, information security is a major issue for Arbor enterprises' continuous operations. Establishing secure information and business processes, protecting sensitive corporate documents from leaks, and providing a safe and high-quality cybersecurity environment have always been the core values of Arbor Technology to become a trustworthy partner for clients.

Arbor Technology values information security and has established comprehensive information security protection and data protection mechanisms to prevent risks such as confidential information leakage or data damage. Internally, relevant information security control mechanisms are formulated, applying technology and data security standards. A data backup mechanism is established for important company systems, with annual ad-hoc restoration tests conducted to ensure that information systems can be normally restored, thereby reducing the risk of system interruption caused by unforeseen natural disasters or human errors, and ensuring compliance with the company's set system recovery objectives.

The current cybersecurity protection measures of Arbor are executed in accordance with the group's cybersecurity policy. The group regularly holds online cybersecurity control meetings, which are attended by cybersecurity personnel from each subsidiary. Each meeting has specific cybersecurity topics, and subsidiaries are required to submit relevant topic documents and provide reports during the meetings. Arbor Technology joins the group's information security management system, which can effectively enhance the company's information security protection capabilities to ensure the confidentiality, integrity, and availability of company information. This prevents improper use, leakage, tampering, damage, or loss of company assets due to human error, intentional sabotage, or natural disasters, thereby affecting company operations or damaging company equity. No cybersecurity incidents occurred during the year.



3.5.1 Information and Communication Security Risk Management Framework



Cybersecurity Center
Arbor Technology's Board of Directors approved the establishment of the "Information Security Center" and the appointment of the Information Security Officer on 13 November 2023. The Information Security is headed by the Associate Director of the Information Security Center as the Information Security Director, with the Vice Presidents and the Director of Information Technology as the members of the committee. Regular meetings will be held to review important information security policies, information security risk assessments and enhancement plans, information security indicators, and global information security trends and threats to ensure the achievement of Arbor Technology's information security policies and management objectives.

Information Security Task Force
Arbor Technology established the "Information Security Team", with members from the HR Department, Management Department, Factory Affairs, Information Center, and Document Management Center. They hold regular meetings to review and resolution important information security and information protection policies and plans, ensuring the achievement of Arbor

3.5.2 Information Security Policy

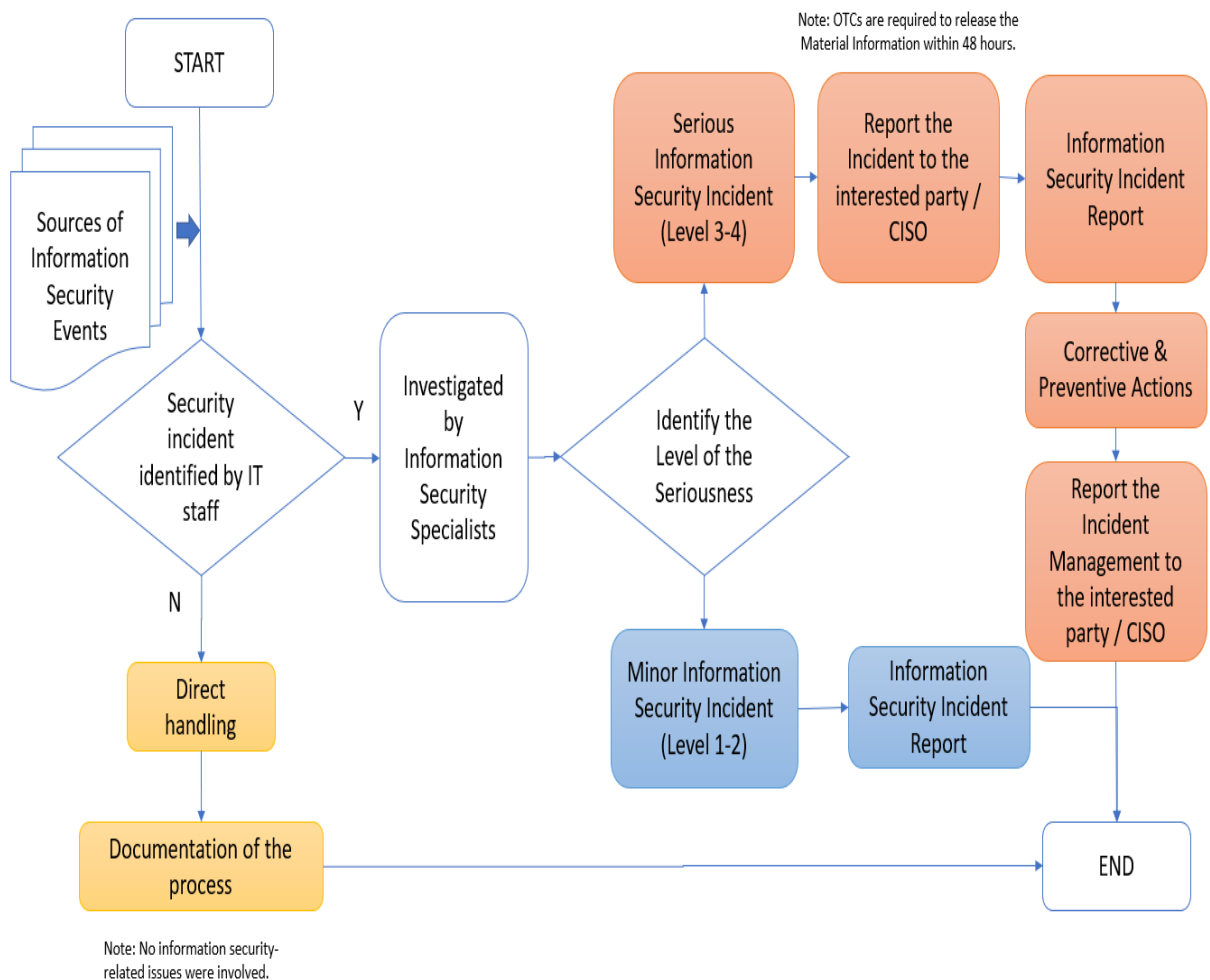
Item	Board report date	Company website
2023 Information Security Policy and Specific Management Plan	2023.03.28	
2023 Annual Performance Report	2024.03.15	

3.5.3 Information Security Management and Execution Focus

Management direction	Key Focus
<p>Arbor Technology to prevent and reduce external information security risks, implement and continuously update rigorous information security measures as follows:</p> <ul style="list-style-type: none"> ● Establish advanced virus scanning tools to prevent the information systems used by the company from being infected by viruses; ● Strengthen network firewalls and network control to prevent computer viruses from spreading across plant areas; ● Implement antivirus measures and advanced malware detection solutions on company computers; ● Improve the deployment time of information security to enhance data center security. Establish and regularly review cybersecurity performance indicators; ● Introduce new technology to enhance data protection; strengthen phishing email detection and conduct regular employee awareness tests; ● Establish an integrated automated cybersecurity maintenance and operation platform, and enhance the automation of cybersecurity incident detection and handling; ● Continuously practice the procedures for handling cybersecurity attacks; ● Engage external experts to conduct cybersecurity assessments, etc. 	<p>The key points of cybersecurity implementation that continue every year are as follows:</p> <ul style="list-style-type: none"> ● Information security management. ● Information security policy management. ● Information Security Organization Management. ● Human Resources Safety Management. ● Information assets management. ● Access control management. ● Password management. ● Physical and Environmental Safety Management. ● Work safety management. ● Communication Security Management. ● Information system acquisition, development, and maintenance management. ● Supplier relationship management. ● Information security incident management. ● Business continuity management. ● Compliance (legality) management. ● Data security management. ● Change and Configuration Management. ● Cloud Service Management

3.5.4 Incident Handling and Reporting

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



3.5.5 Cybersecurity Awareness


- ✘ shared on the company's intranet, allowing all colleagues to quickly grasp cybersecurity skills
- ✘ Regularly organize educational training to promote basic cybersecurity concepts

Course Name: Computer Skills/Information Security		
Training Date	Information security training hours	Number of participants
2023.06.14	1	12
2023.08.09	1	12
2023.12.13	1	11

4. Product Service

Arbor Technology has a smooth communication channel with customers, maintaining a stable and good cooperative relationship. For customer feedback, the Arbor Technology marketing team promptly responds to the R&D and quality assurance departments for subsequent improvements to gain customer trust with high-quality service.

4.1 Innovation and Research

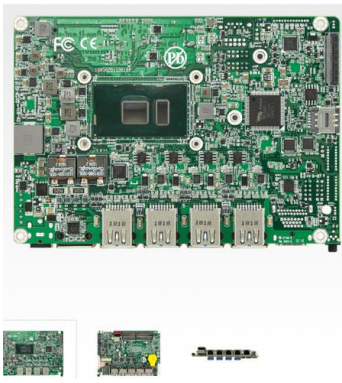
Policy/ Commitment		Every year, new products corresponding to the new process CPUs are introduced, and continuous development of new products is carried out on computer on module products.
Goal	Short term	● The main product line of computer on module is updated in sync with the CPU release. (Plan execution rate 100%)
	Medium to long-term	The performance of product development will result in a per capita output growth of 30% after 03 years, and will continue to enhance the market share of new products. The sales of new products will account for more than 30% of the company's revenue.
Responsible Department/ Complaint Mechanism		Online customer service e-mail:esg@arbor.com.tw 
2023 Invest resources		The research and development center has 65 people, with a percentage of research institute education at 18.46%. The research and development expenditure for the year accounted for 6.76% of the company's revenue.
Management plan Evaluation mechanism		The number of patents granted in the year, with a total of 3 valid patents. The sales of the new product account for a percentage of the company's revenue.

4.1.1 New product development

Arbor Technology is committed to AIOT development, developing new products every year, and improving the performance/energy consumption ratio of products. The modular design of product R&D not only benefits the company's product line development but also assists customers in developing products under the same concept.

Products/technologies
successfully developed
from 2021 to 2023

Item	Brief description
EmCORE-a10R2	The 3.5-inch SBC designed with the AMD Ryzen V1000 platform is used in the retail industry application field
EmSMK-i2403	The SMARC module designed with the Intel Apollo Lake platform is used in harsh environments such as military applications
EmETXe-i92U1	The COM Express Compact Type 6 Module designed with the Intel Tiger Lake-UP3 platform is used to upgrade the needs of wide-temperature application customers
IEC-3904	BOX integrates the use of the Intel Tiger Lake-UP3 platform, and the miniaturized design meets customer applications in large indoor high-resolution digital playback systems
ITC HMI	Using Intel® Elkhart Lake processor, significantly enhancing AI capabilities, meeting future demands for energy efficiency/high AI computing power
ARES-1980	Intel® 11th Generation Processor (Tiger Lake UP3) Fanless Design Rugged Controller with Power Delay Switch Support and Hailo AI Accelerator Card Compatibility



EmCORE-i90U2

7th Generation Intel® Core™ i7/ i5/ i3 U-series Processor 3.5" Compact Board

Features

- Soldered onboard 7th Generation Intel® Core™ U-series Processor
- Five Gigabit Ethernet ports (4 ports support PoE, 802.3af)
- HDMI, DisplayPort and LVDS
- Integrated micro SIM Socket for mobile telecommunication
- Support Intel® vPro & AMT (for Core i7 & i5 only)
- Wide Range Temperature: -40 ~85°C

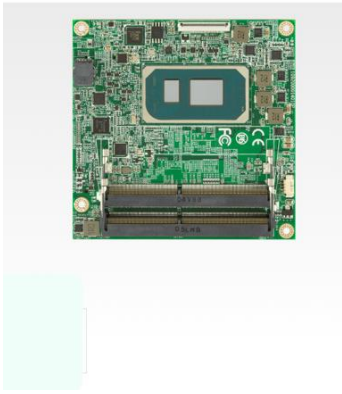


EmSMK-i2403

Intel® Atom™ x7-3950, x5-3940, x5-E3930 Processor, SMARC 2.0 CPU Module

主要特點

- Onboard Intel® Atom E3950, E3940, E3930 processor
- Support 4 x PCIe lanes
- Support one Ethernet
- Support 1 x eDP, 1 x HDMI, 1 x DP++
- Extended Range Operating Temperature: -20 ~85°C



EmETXe-i92U1

11th Generation Intel® Core™ i7-1185G7E/ i5-1145G7E/ i3-1115G4E/ Celeron 6305E Processor COM Express® Compact Type 6 CPU Module

Features

- Soldered onboard 11th Generation Intel® Core™ i7-1185G7E/ i5-1145G7E/ i3-1115G4E/ Celeron 6305E processor
- Intel I219LM PCIe GbE PHY w/ iAMT
- Dual Channels 24-bit LVDS, Analog RGB and 3 x DDI ports
- Support 4 independent displays
- 8.5V~20V Wide Range Voltage Input
- Wide Range Operating Temp.: -40 ~ 85°C



IEC-3904

Digital Signage Player with Intel® 11th Gen. Core™ i7/i5/i3/ Celeron processor

Features

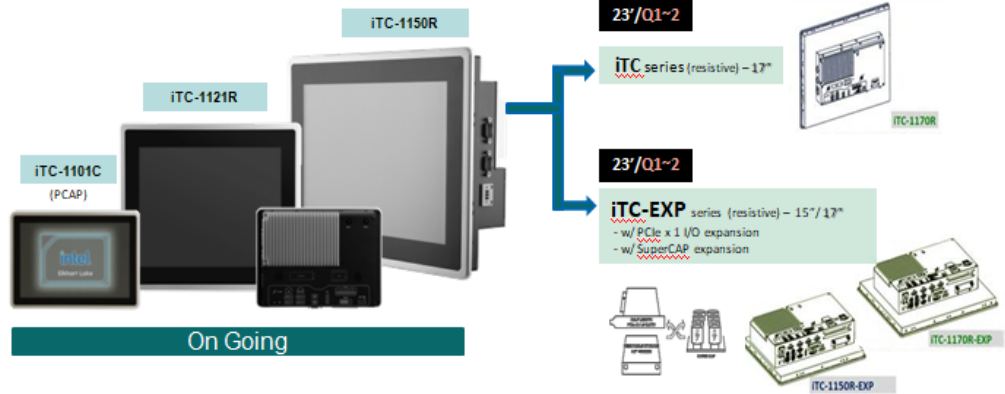
- Intel® 11th Generation Core i7/i5/i3/ Celeron processor
- Support 2 x HDMI with independent video outputs
- Support 1 x COM, 4 x USB3.0, 1 x GbE port
- Support Intel® vPro & AMT
- Extended operating temperature: -20 ~ 70°C



ELKHART LAKE

All new ARBOR's Industrial HMI solution

- Intel® Celeron® Processor J6413 (quad-core 1.5M Cache, up to 3.00 GHz)
- Memory: DDR4 50-DIMM Slot x 1
- Touch: Flat Resistive Touch (for 12.1" & 15" & 17")/ PCAPTch (for 10.1")
- Size: 10.1" / 12.1" / 15" / 17"
- I/O optimization: COM/ USB 3.2 Gen1 / 2.5 GbE LAN/ 8-bit D I/O
- 9-36 VDC Input and remote power switch
- Fanless design & target at -10~55°C Operation Temperature.
- Wireless connectivity: WiFi6/ Bluetooth/ 3G/ 4G LTE
- Scalable design for fast OEM transformation.



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ARES-1980 Automation/ Machine Vision/ In-vehicle

Tiger Lake UP3 Intel® 11th Gen i7/ i5/ i3 U Processor (Default: i5 CPU Tiger Lake-U)

ORDER NOW



210 x 180 x 70 mm

ARES-1980 Key Features

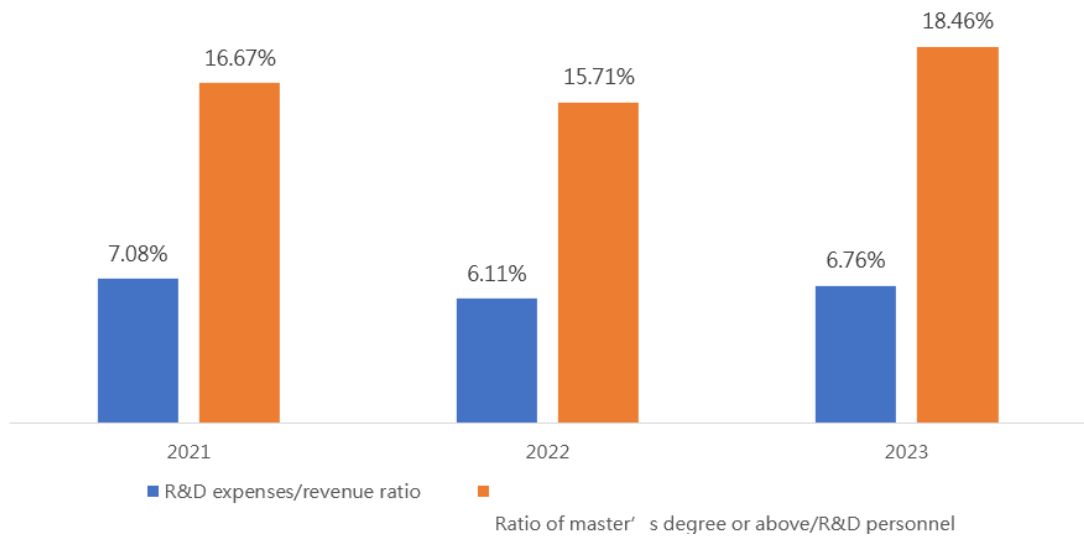
- D/I/O response time up to 33MHz
- 4 x USB 3.2 Gen 2 (10 Gb/s) – two are independent.
- 2 x independent PoE in RJ45
- 2.5G LAN: WiFi 6 expansion to support ultra-high speed data transmission.
- Ignition power control & Dual SIM support Fleet management.
- Multi-Serial Bus - I2C/SPI/UART/GPIO (w/ 3.3 or 5V) via DB-26
- User friendly LED indicator panel
- Fanless w/ O.T.: -20~60°C
- Compatible with Hailo-8™ M.2 AI accelerator, up to 26 TOPS (typ. 2.5W)



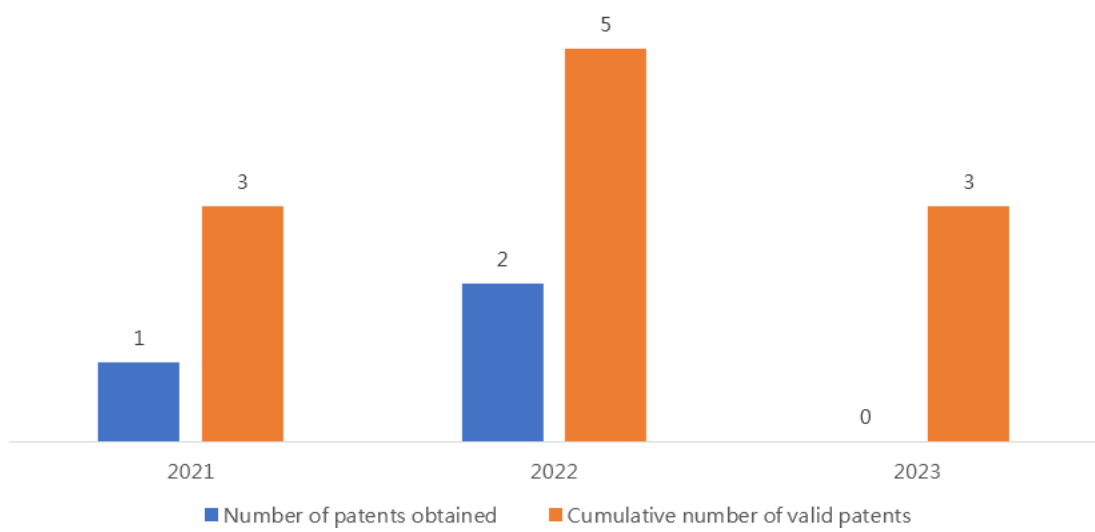
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4.1.2 Research and development investment situation

Invest resources in R&D



Patent Statistics



4.2 Customer relationship


Arbor Technology provides specific professional advice and solutions, actively communicates with clients, confirms client needs, and provides specific technologies and solutions to meet client needs.

Policy/ Commitment		<p>Arbor advocates "Customer First," "Dare to Take Responsibility," "Insightful Vision," and "Pursuit of Excellence," to meet customer needs and improve quality and customer service.</p> <p>Arbor Joining hands with customers and partners, with the aim of enhancing 'customer satisfaction' through smart strategies, committed to strengthening customer relationships, optimizing online technical services, and improving service efficiency.</p>
Goal	Short term	Observe the four aspects of customer feedback quarterly on Arbor's "product launch time," "quality," "delivery time," and "technical support and service" to enhance trust with customers and partners, aiming to achieve a customer satisfaction score of 80 or above, and promptly propose corrections and improvements.
	Medium to long-term	Design the annual customer satisfaction survey, using a satisfaction scale for investigation and collection. For those who score below 80 points, understand their expectations and goals to enhance the customer's trust in Arbor.
Responsible Department/ Complaint Mechanism		<p>Internet platform</p> <p>Customer Complaint Hotline</p>
2023 Invest resources		<p>In 2023, a total of 19 customer satisfaction surveys were issued.</p> <p>Survey return rate 84.2%.</p>
Management plan Evaluation mechanism		<p>The average customer satisfaction survey score for the past 3 years has been above 84.3 points.</p> <p>Resources are integrated through strategic alliances.</p>

4.2.1 Service channels

Internet platform

- e-MAIL
- Website



Customer Complaint Hotline

- esg@arbor.com.tw
- <https://www.arbor-technology.com/en/contact>

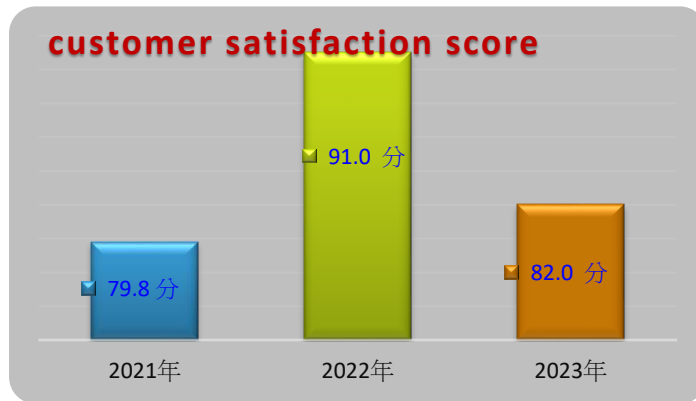
Global Sales Network



4.2.2 Customer service process



4.2.3 Customer satisfaction



Year	Score	Source (Customer Information Confidential)	Improvement explanation
2021	79.8	VIP Customer	<p>Out of stock problem:</p> <ol style="list-style-type: none"> 1. Pull in the agent's delivery date. the agent was asked to attend a meeting and discuss the solution for the material shortage pull-in. 2. The agent was asked to invite the manufacturer to discuss the planner's proposed delivery countermeasures. 3. Confirm with the original manufacturer the possibility of coordinating the supply of goods (transferring from the client side/other agents) 4. Looking for in-stock items for price comparison
2022	91	VIP Customer	The satisfaction level of each item has met the standard, no improvement is needed
2023	82	VIP Customer	<p>Time-To-Market Production Release:</p> <ol style="list-style-type: none"> 1. Adjust and optimize the organizational structure 2. Regular weekly project review meetings are held to control project execution progress

5. Green Sustainability

5.1 Energy saving and carbon reduction

Arbor Technology has already planned to implement a series of energy-saving and carbon-reduction methods, including future improvements in energy efficiency and waste reduction. Improving energy efficiency is one of the most direct and effective ways to save energy and reduce carbon emissions. We will continuously explore and introduce more advanced energy-saving methods.

<p>The significance to the company</p>	<p>Facing the climate crisis, as a member of the Earth, we should be committed to the practice of environmental sustainability. In the major trend of energy saving and carbon reduction, reducing carbon is an important effort for us to move towards net zero.</p>				
<p>Policy/ Commitment</p>	<p>From the original supplies and their product production, transportation, and use to product disposal, all processes that may impact the environment are taken into consideration.</p> <p>Continuously promote the 14064-1 management strategy, through procurement to purchase facilities and equipment with environmental labels. Establish a complete green design process.</p>				
<p>Goal</p>	<table border="1"> <tr> <td data-bbox="416 1193 555 1485"> <p>Short term</p> </td> <td data-bbox="563 1193 1394 1485"> <p>Implement ISO 14064-1 to inventory carbon emissions and develop reduction plans for high-emission sources.</p> <p>The short-term goal is to maintain the temperature rise at 1.5°C.</p> <p>By 2025, Scope 1 and Scope 2 emissions are expected to drop by 8% compared to the baseline year of 2023.</p> </td> </tr> <tr> <td data-bbox="416 1496 555 1720"> <p>Medium to long-term</p> </td> <td data-bbox="563 1496 1394 1720"> <p>By 2030, Scope 1 and Scope 2 emissions are expected to drop by 46% compared to the baseline year of 2023.</p> <p>In line with the "Climate Change Response Act," the plan aims to achieve net-zero greenhouse gas emissions by the year 2050.</p> </td> </tr> </table>	<p>Short term</p>	<p>Implement ISO 14064-1 to inventory carbon emissions and develop reduction plans for high-emission sources.</p> <p>The short-term goal is to maintain the temperature rise at 1.5°C.</p> <p>By 2025, Scope 1 and Scope 2 emissions are expected to drop by 8% compared to the baseline year of 2023.</p>	<p>Medium to long-term</p>	<p>By 2030, Scope 1 and Scope 2 emissions are expected to drop by 46% compared to the baseline year of 2023.</p> <p>In line with the "Climate Change Response Act," the plan aims to achieve net-zero greenhouse gas emissions by the year 2050.</p>
<p>Short term</p>	<p>Implement ISO 14064-1 to inventory carbon emissions and develop reduction plans for high-emission sources.</p> <p>The short-term goal is to maintain the temperature rise at 1.5°C.</p> <p>By 2025, Scope 1 and Scope 2 emissions are expected to drop by 8% compared to the baseline year of 2023.</p>				
<p>Medium to long-term</p>	<p>By 2030, Scope 1 and Scope 2 emissions are expected to drop by 46% compared to the baseline year of 2023.</p> <p>In line with the "Climate Change Response Act," the plan aims to achieve net-zero greenhouse gas emissions by the year 2050.</p>				
<p>Responsible Department/ Complaint Mechanism</p>	<p>e-mail: esg@arbor.com.tw /Human Resources Department</p>				

<p style="text-align: center;">2023 Invest resources</p>	<p>Zhonghe Headquarters - Replace T5 fluorescent tubes with flat panel LED fixtures. In 2023, electricity usage was reduced by 28,536 kilowatt-hours.</p> <p>The air conditioning is controlled at 26 degrees Celsius to be more efficient and reduce excessive carbon emissions.</p> <p>Annual air conditioning equipment maintenance. In 2023 cost NTD 102.165 thousand to maintain the high-efficiency operation of the air conditioning equipment.</p> <p>Encourage employees to use the stairs for distances within 2 floors up and 2 floors down, reduce electricity usage, and turn off office area lights during lunch break to save energy.</p> <p>Continue to promote electronic documentation to cut paper use.</p>
<p style="text-align: center;">Management Plan/Assessment Mechanism</p>	<p style="text-align: center;">Carbon emission reduction target</p>

5.1.1 Energy Management

Energy management is a major challenge that all enterprises face today, and it is also an important issue that Arbor Technology must address seriously. With the rapid development of the economy, energy demand continues to rise, increasing the pressure on energy resources. The core of energy management lies in improving energy efficiency and reducing energy waste.

Our company focuses on office marketing, research and development, and factory assembly, which are not high-energy-consuming industries. The main energy consumption is for air conditioning and lighting. In addition to adopting energy-saving technologies and establishing an energy monitoring system, we propose more efficient energy use methods through reasonable energy planning, while reducing energy dependence. At the same time, we have established policies for "energy saving and carbon reduction, greenhouse gas reduction, and reduction of water or other waste management.", allowing us to better manage energy

usage and simultaneously disclose it on the company website, thereby achieving the goal of sustainable development.

✧ Energy-saving measures:

- Our company introduced the "Invacon_Energy Saving Equipment" in 2022, and officially put it into use on 01 March 2023. Two "digital meters" were installed in the generator room of the Jiankang plant, named "East Side" and "West Side" respectively, to monitor energy consumption in real-time, effectively adjust electricity usage behavior, and improve energy use efficiency.



- We use T5 energy-saving lighting fixtures, maintain an air conditioning temperature setting above 26 degrees Celsius, turn off the lights during lunch break and after work, and establish an inspection mechanism.
- Implement paperless measures to reduce the use of paper and toner, thereby reducing electricity consumption and carbon dioxide emissions.
 - ▼ Use the electronic document exchange system
 - ▼ Use the electronic signature system

- Arbor Technology in the production process does not use water only for daily living needs. However, many measures are still taken to save water, including installing water-saving devices, posting water-saving slogans, and reminding colleagues to conserve water.

5.1.2 Internal and external energy consumption

Arbor Technology focuses on office marketing, research and development, and factory assembly. Due to the nature of the industry, the overall energy usage structure mainly involves air conditioning, lighting, and production equipment electricity. The total electricity consumption in 2023 was 403,862 kWh, a slight decrease of 28,536 kWh compared to 432,398 kWh in 2022. This reduction is mainly due to enhanced administrative management in 2023, promoting the shutdown of power and air conditioning during work hours, and implementing energy-saving and carbon reduction measures.

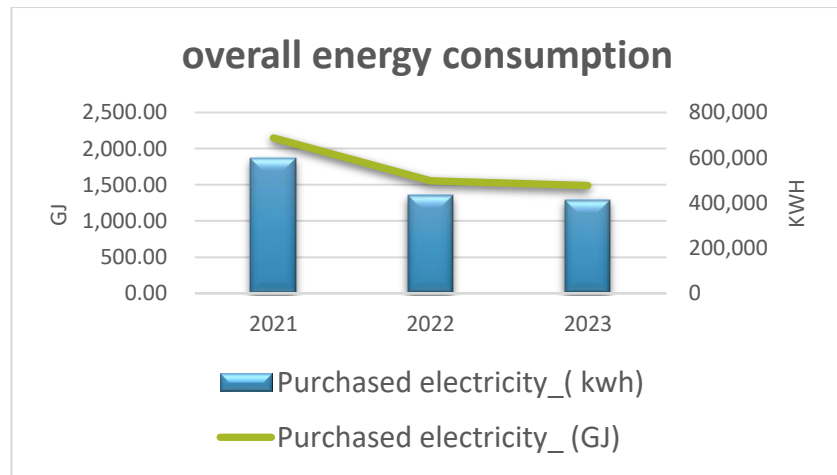
✂ Overall energy consumption for the year 2021 to 2023:

Year	2021	2022	2023
Purchased electricity (kwh)	596,570	432,398	413,911
Purchased electricity 1 billion gigajoules (GJ)	2,148.04	1,556.91	1,490.35

Note 1: Indirect electricity refers to the external energy consumption generated by purchasing electricity

Note 2: Each kWh is 3.6 million joules, 1 GJ = 1*10⁹ joules

Note 3: The standards, methodologies, assumptions, and/or calculation tools used: The energy consumption figures are all derived from the measured values on the billing receipts.

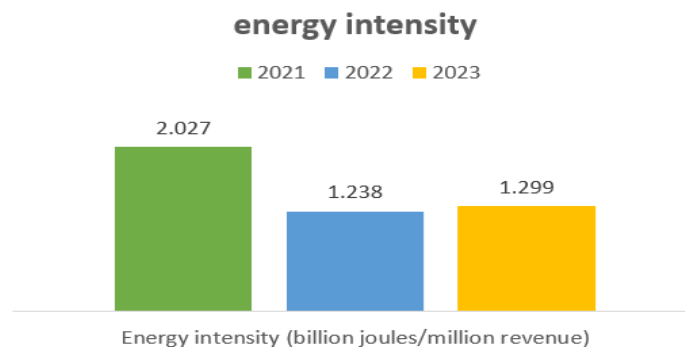


5.1.3 Energy Intensity

Arbor Technology discusses specific metrics for energy density. The metrics are chosen to be the company's annual operating revenue (in millions of NTD) as the basis for calculation, and the energy intensity of electricity use is calculated from the company's full-year energy consumption activity data, thereby understanding the company's energy density usage to facilitate subsequent energy use reference directions.

✦ Energy-saving measures:

Year	2021	2022	2023
Energy consumption 1 billion joules (GJ)	2,148.04	1,556.91	1,490.35
Revenue (million of NTD)	1,059.735	1,257.706	1,146.979
Energy Intensity (1 billion joules/1 million revenue)	2.027	1.238	1.299



5.1.4 Greenhouse Gas Emissions Management

The global climate and environment are undergoing drastic changes due to the increase in greenhouse gases. Arbor Technology, as a part of the Earth, has set 2023 as the baseline year for greenhouse gas emissions and promotes greenhouse gas inventory operations. At the same time, we follow the ISO14064-1 verification standard to establish an internal inventory mechanism, actively conduct voluntary greenhouse gas emission inventories, accurately grasp the status of greenhouse gas emissions, and further discuss and propose feasible greenhouse gas reduction plans, and effectively implement reduction plans to achieve sustainable development goals.

5.1.5 Direct greenhouse gas emissions (Scope 1) & indirect energy (Scope 2) and other indirect greenhouse gas emissions (Scope 3)

The carbon inventory data for 2022 is self-checked by our company, which only includes Scope 2 purchased electricity. The data for 2023 is for the introduction of ISO 14064-1 to check Scope 1 and Scope 2 data, to facilitate subsequent carbon reduction and provide relevant execution directions.

Greenhouse Gas Emission Scope		
Types	Direct Emissions (Scope 1)	Fixed Emissions: Emergency Generator
	Indirect emissions (Scope 2)	Mobile Emissions: Government Vehicles
		Emissions: septic tank, constant temperature and humidity machine, refrigerator, fire extinguisher, dehumidifier, government vehicle refrigerant, water dispenser
		Energy Emissions: Purchased Electricity

Statistics Table of Greenhouse Gas Emissions by Category in 2023 Arbor Technology (Location Basis: Zhongzheng Road Headquarters and Health Plant)						
Emission source	Scope 1				Scope 2	Total Emissions Equivalent (Category 1/2)
	Fixed emissions	Mobile Emissions	Process emissions	Fugitive Emissions	Indirect energy emissions	
Emissions equivalent (tons CO ₂ e/year)	35.5165				204.4717	239.9882
	0.0307	2.6229	0.0000	32.8629		
Gas composition (%)	14.6276%				85.2007%	100.0000%
	0.0128%	1.0929%	0.0000%	13.6935%		

5.1.6 Greenhouse gas emission intensity

Through the calculation results, Arbor Technology can understand the current situation of greenhouse gas emissions and set the company's annual operation revenue (in millions of NTD) as the calculation base. The greenhouse gas emission intensity is calculated as follows:

Greenhouse gas Emission intensity	Revenue (in millions of NTD)	Scope 1 Emissions (metric tons CO ₂ e/year)	Emission intensity (Emissions metric tons CO ₂ e/year/ millions of NTD)
2023	1,146.979	35.5165	0.0310

Greenhouse gas Emission intensity	Revenue (in millions of NTD)	Scope 2 Emissions (metric tons CO ₂ e/year)	Emission intensity (Emissions metric tons CO ₂ e/year/ millions of NTD)
2023	1,146.979	204.4717	0.1783

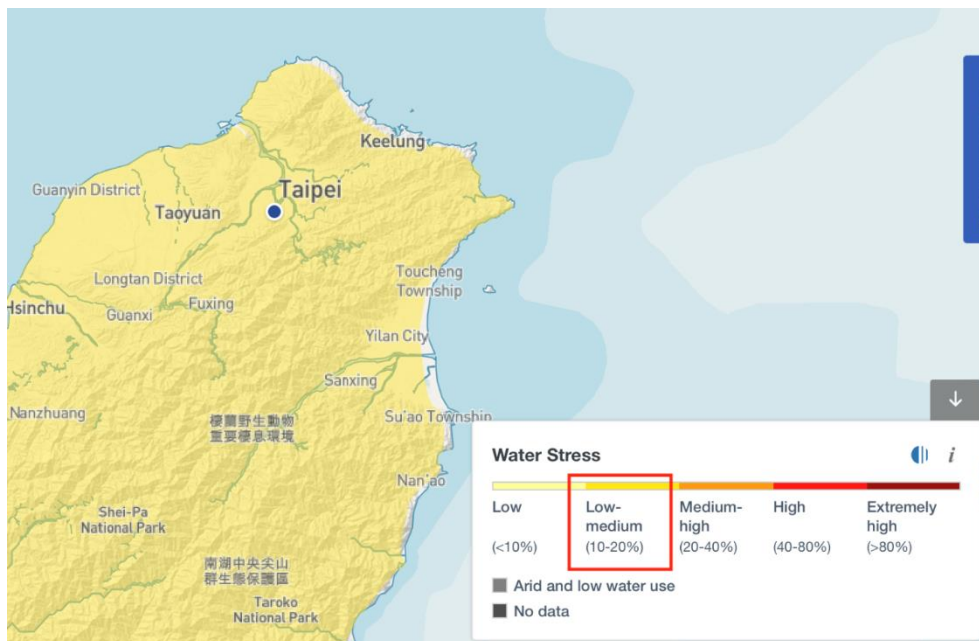
5.2 Water Resources Management

In recent years, the development and distribution of water resources have become important issues for countries around the world due to the impact of global climate change. The variation in rainfall between seasons in Taiwan is becoming increasingly extreme, with higher risks of water shortages and floods. The water source used by the Company is 100% from the local water supply plant. The Company does not directly draw groundwater and river water to supply the office. Our domestic sewage is handled by our underground sewage treatment and then discharged into the public sanitary sewer, with no significant impact on environmental pollution.

According to the World Resources Institute (WRI)'s Water Risk Atlas, the pressure on water resources in the locations where the Group operates is not considered to be a high-pressure area.

Stronghold	Address	Water Resource Stress Level
Head Office	10th Floor, No. 700, Zhongzheng Road, Zhonghe District, New Taipei City	Low-medium

5.2.1 Water Conservation Plan



Although Advantech Technology does not use water in its production process, the company has long been committed to water conservation and environmental protection. The water conservation plan starts with implementing water-saving measures in daily life to maximize resource efficiency. Many measures have been adopted, including installing water-saving devices to reduce water usage and posting water-saving slogans to remind colleagues to save water.

The company's water usage statistics only cover the headquarters on Zhongzheng Road and the Health Factory, which are respectively managed by Far East Century Plaza and Hualong Times Square. Water fees for these locations are proportionally shared based on the company's occupied floor area. Since the water fees are calculated based on the total usage of all building occupants, it is not possible to compare the company's annual water usage.

5.2.2 Business combination

Arbor Group has developed applications combining NB-IoT with smart water meters, not only saving time and manpower for manual meter



reading but also collecting and integrating water meter data to the cloud platform. Using AI machine vision and distributed processing, the collected water usage data is monitored and analyzed to detect abnormal water usage in real-time and to provide timely alerts. This allows for inspection, verification, and repair work to avoid unnecessary water resource waste. We combine smart water meters, distribution board equipment, water resource management, and industrial safety into carbon management, carbon inventory, and other green energy transformation opportunities.

5.3 Waste disposal

Arbor, an innovator in industrial computer manufacturing and industrial IoT solutions, aims to reduce the environmental impact of waste. We follow the concept of environmental resource regeneration and comply with the Occupational Health and Safety Management System (ISO-45001:2018 ISO-14001:2015) standards to establish a "Waste Control Procedure" and set the waste disposal policy and strategy: target inspection, on-site diversion, recycling, and proper disposal. These four major aspects are being gradually implemented with the goal of reducing waste by 3% annually.

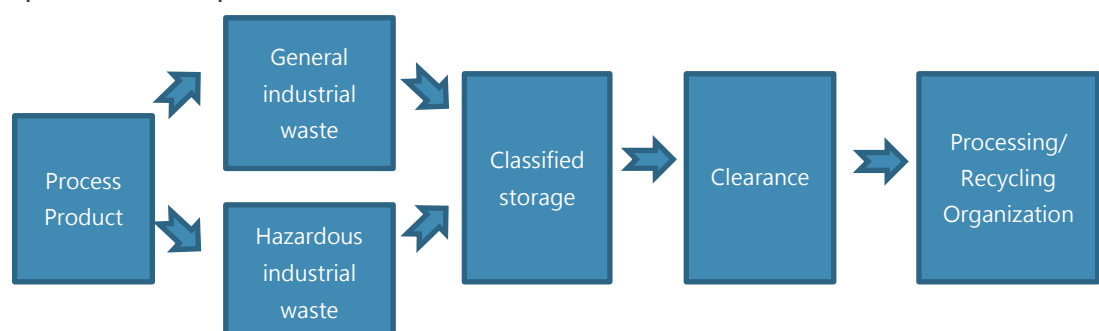


5.3.1 Waste disposal process

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

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

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



✦ Factory area waste disposal planning zone



5.3.2 Current Status of Waste Removal Target Achievement

In 2023, the company commissioned Blue Ocean Cleaning to produce the "Waste Disposal Report"; with a total of 1.19 tons of industrial waste disposed of, mainly consisting of waste photovoltaic components, scrap materials and defective products, scrap iron, scrap aluminum, etc.

Due to the relocation from the Lide Factory to the Jiankang Factory in 2021, all factory waste will be cleared at once before the relocation. So, the weight of waste in 2022, 4,240 kg, decreased by 3,037 kg compared to 2021, a decrease of 41.73%. In 2023, the weight of waste was 1,193 kg, a reduction of 3,047 kg (71.86%) compared to 2022.

✦ Waste Production Statistics Table

item	2021	2022	2023
Industrial waste (kg)	7,277	4,240	1,193



BOET

藍海環保科技
 府環審字第1110300360號
 111桃園市蘆竹字第0201號

磐儀科技股份有限公司

報廢品清運處理報告書

清運日期:112年12月19日

清運單位:藍海環保科技股份有限公司

BOET

藍海環保科技
 府環審字第1110300360號
 111桃園市蘆竹字第0201號

廢物料清運處理作業報告書

貴單位委託藍海環保科技股份有限公司清除上述所列報廢物料，藍海環保科技股份有限公司遵照事業廢棄物清除處理相關辦法規定，將磐儀科技股份有限公司委託清除之廢物料做噴漆、破碎處理作業並清運至處理場且妥善處理並附上處理照片。

附件一.光碟一片(報廢品處理粉碎照片)

5.3.3 Compliance with environmental regulations

Arbor Technology follows multiple international environmental protection standards such as RoHS, WEEE, and PPWD, helping to reduce the harmful chemicals in our company's manufacturing process, and strictly complies with various environmental regulations announced by government agencies. In 2023, our company did not receive any penalties for violating environmental standards or government laws and regulations.

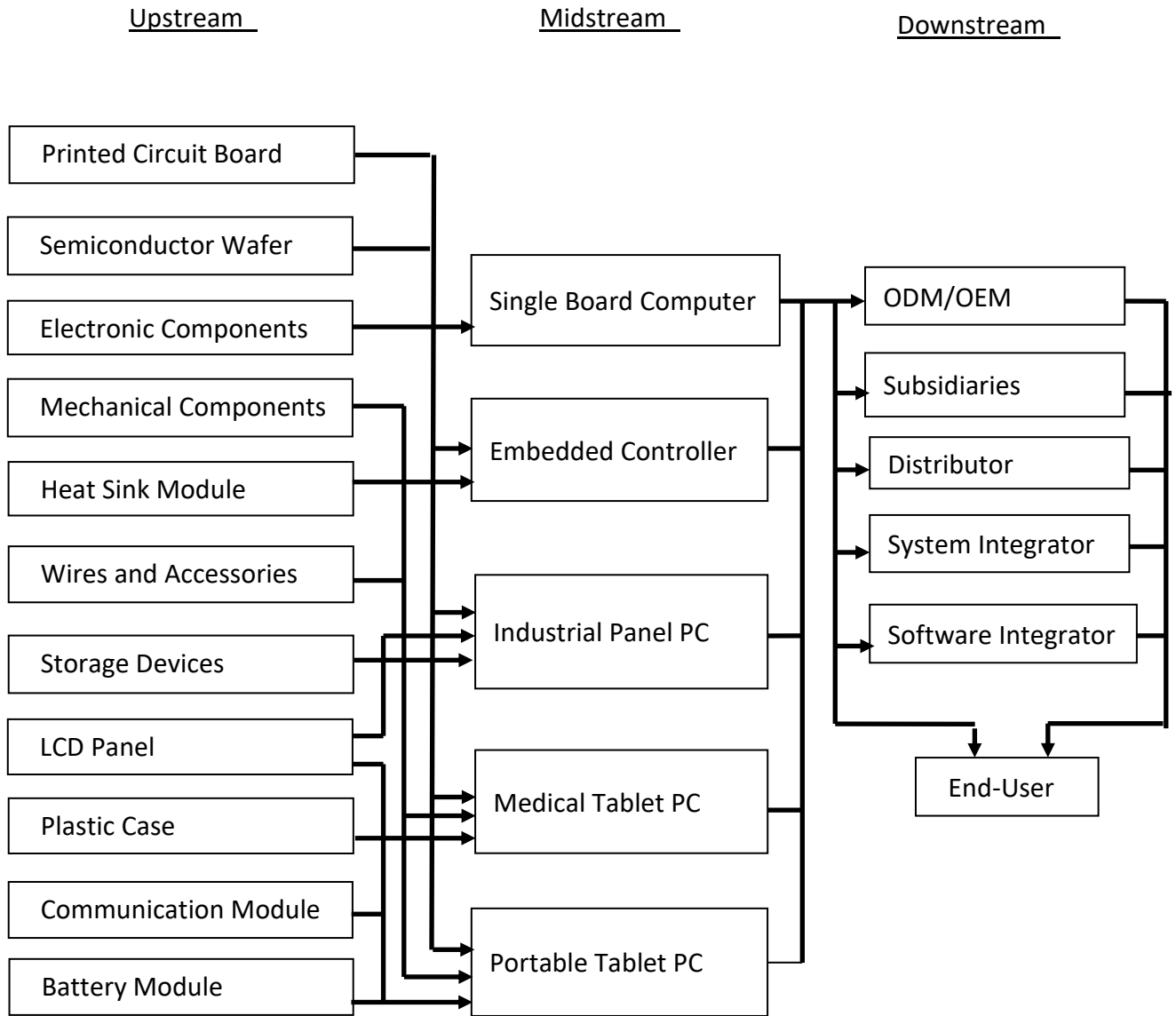
5.4 Sustainable supply chain

<p>The significance to the company</p>	<p>Arbor values corporate sustainability. In supply chain management, we adopt the "Supplier Management Procedure" to establish Arbor's supply ecosystem and use this as a concrete strategic direction.</p>
<p>Policy/Commitment</p>	<p>Our company has established a supplier management procedure to ensure not only the quality, delivery time, price, and service capability of suppliers, but also that suppliers comply with relevant regulations on safety, environmental protection, and human rights. We are committed to enhancing corporate social responsibility and creating a sustainable development partnership together.</p> <p>Our company evaluates new suppliers on quality, price, safety, and environmental criteria. Only those who pass the evaluation can become qualified suppliers.</p> <p>Our company requires that the products provided by suppliers comply with all relevant government regulations and do not pose any harm to consumer health, safety, and environmental protection.</p> <p>The company requires suppliers to adhere to the principles of honesty and integrity when fulfilling contracts, and not to violate relevant government regulations or public order and morals.</p> <p>If the supplier violates company agreements or government regulations, the company may require the supplier to make immediate improvements, terminate the contract, or compensate our company for damages.</p>
<p>Goal</p>	<p>Short term</p> <p>Optimize <Supplier Management Operations Manual>.</p> <p>For new suppliers, the evaluation criteria include human rights and environmental regulations to collectively create a safe and comprehensive workplace environment together and must comply with environmental regulations during production and service provision.</p> <p>Increase the proportion of local suppliers' procurement to 75%.</p> <p>All qualified suppliers are required to sign the ESG commitment letter, with a target signing rate of 50% by 2025.</p>

	<p>Medium to long-term</p>	<p>The supplier's on-site evaluation includes environmental regulations and human rights requirements, aiming to enhance local manufacturers' compliance with sustainability principles. It is expected that all manufacturers will pass the evaluation by 2028.</p> <p>Increase the proportion of local suppliers' procurement to 80%.</p> <p>All qualified suppliers are required to sign the ESG commitment letter, with a target signing rate of 70% by 2025.</p>
<p>Responsible Department/ Complaint Mechanism</p>		<p>Manufacturing Operations, Mr. Cheng</p> <p>Email: Jesselai@arbor.com.tw</p>
<p>Year 2023 Invest resources</p>		<p>50 suppliers have signed the "Supplier Sustainability Commitment."</p> <p>7 new suppliers have signed the 'Integrity Pledge'.</p>
<p>Management plan Evaluation mechanism</p>		<p>Internal audits did not find any major deficiencies.</p> <p>The supplier trading with Arbor has not been involved in any serious adverse impact on the environment and society during the transaction or cooperation period.</p> <p>The local procurement rate in 2023 was 70%</p>

5.4.1 Original Supplies supply status

✦ Supply chain upstream and downstream relationship diagram



✘ Main original Supplies supply status

Raw materials Name	Supplier
Central Processing Unit	Sertek, Synnex, Foxwell, WT Microelectronics, World Peace Industrial
Chipset	Yosun, Sertek, Fae Electronics, Synnex, MediaTek, WPG Group, Foxwell, Macnica, WT Microelectronics, Elecbay
Printed circuit board	Everlast Win, HannStar, Song Shang
Memory	Innodisk, Transcend, ADATA, Apacer, Phison, Jager, Team
Panel type	AcmePoint, Sanshin, 3AScreen, Emerging Display, G.M.I, Bunion Electronic,
Organization components	Han Chang, Ufon Nano-Chemical, Jhan Yu, Ching Hsin, Jointas, Chen Yi, EnRack, Good Mold

The main suppliers are well-known and have a good reputation in the industry, and maintain a stable and good cooperative relationship with our company. Raw materials supply is stable and sufficient.

✘ Main supply chain (suppliers with more than 10 percent of total purchases) change description

item	Year 2022				Year 2023			
	Name	Amount	Percentage of total annual net purchases [%]	Relationship with the issuer	Name	Amount	Percentage of total annual net purchases [%]	Relationship with the issuer
1	Hong Kong Amobile	290,320	21.71	Affiliated enterprises	Hong Kong Amobile	192,099	21.41	Affiliated enterprises
2	Sertek	136,872	10.24	No	Sertek	92,284	10.29	No
3	Other	909,797	68.05	-	Other	612,685	68.30	-
	Net purchase amount	1,336,989	100.00		Net purchase amount	897,068	100.00	

Change Description: The amount and proportion of purchases from Hong Kong Panxu have increased, mainly due to the growth in turnover. Furthermore, the purchase ratio from any single supplier has

not exceeded 30%, and there is no risk of concentrated purchases or unstable supply sources.

5.4.2 Supplier Management

Arbor Technology establishes a supplier evaluation system through appropriate supplier selection and management procedures to pre-screen suppliers that meet our company's requirements in terms of process, quality, technology, supply capability, environmental protection, human rights protection, and occupational safety, ensuring product quality standards and environmental management requirements.

- ✦ The technical management (representing RD) and quality control units, along with the procurement unit, select suppliers with price advantages, better quality, and good delivery cooperation from the list of qualified suppliers to be included in the PSL (Preferred Supplier List). When RD and PM introduce new models, they should prioritize selecting from the PSL.
- ✦ Supplier evaluation and "Supplier Sustainability Commitment" include content on human rights/environmental regulations, and gradually require all qualified suppliers to sign the ESG commitment.

A. Qualified Supplier Selection

✦ Evaluation Method

Sample evaluation	For the research and development of new products, the R&D personnel will submit the test results and the recognized documents to the purchasing unit, which will be included in the "Qualified Supplier List" together with the "Basic Information Sheet of Vendors" after the approval of the purchasing supervisor.
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<p>Site evaluation</p>	<ul style="list-style-type: none"> ● The procurement and production management units investigate the basic information, equipment scale, and manufacturing capabilities of professional manufacturers for purchasing supplies or processed products. If a supplier of important raw materials is identified as a local manufacturer or processor, the procurement/production management unit will take the lead, forming an evaluation team together with relevant units to conduct detailed evaluation operations according to the "Supplier Evaluation Report" or "Subcontractor Evaluation Report." ● The evaluation report includes the supplier's technical standards, quality control system, equipment, and compliance with environmental protection, occupational safety, and human rights laws.
<p>Exemption from on-site evaluation</p>	<ul style="list-style-type: none"> ● Customers designate manufacturers or have no independent R&D and production capabilities (such as agents). ● Goodwill outstanding suppliers (such as those certified by national or international quality standards) ● Suppliers of production equipment, consumables, or instruments.

Grade	Assessment results	Supplier (Raw material)	Supplier (Outsourced Processing)
<u>A grade</u>	Qualified	Above 80 points	Above 75 points
B grade	Observation period	60~79 points	60~74 points
C grade	Fail	Below 59 points	Below 59 points

B. Qualified Supplier Assessment

- Field audit: The quality assurance unit formulates an annual audit plan at the beginning of each year according to the "Quality Control Procedure", and executes it after approval by the quality assurance supervisor.
- Written audit: Suppliers are evaluated every half year, and outsourced processing plants are evaluated every year. The procurement/production control personnel will evaluate the suppliers' quality, delivery time, and cooperation. Before the evaluation, the quality control unit must provide the procurement/production control personnel with information on the suppliers' quality and delivery time. The procurement/production control personnel will then add the cooperation evaluation based on the information provided by the quality control unit and record it in the "Outsourcing/Supplier Regular Evaluation Form".

✦ Evaluation Standards

Quality 40%	<ul style="list-style-type: none"> ● Score by tier based on this rejection rate ● Rejection rate = Annual total rejected quantity / Annual total incoming quantity.
Delivery date 30%	<ul style="list-style-type: none"> ● The number of overdue deliveries ● Delivery score = (1 - number of overdue items / total number of items received) * 30
Compatibility 30%	<ul style="list-style-type: none"> ● Procurement is evaluated based on the service and willingness to cooperate of the supplier

✦ Assessment Results and Handling

Grade	Score	Reward and punishment system
A	Above 80 points	Increase procurement
B	65~79 points	Normal procurement
C	64~55 points	Reduce procurement
D	Below 55 points	<p>Listed for observation</p> <p>Suppliers who are listed for observation will be formally informed by the Purchasing/Human Resources Management team, with a deadline for improvement, and those who do not show improvement after counseling within the deadline will be recommended for disqualification.</p>

✦ 2023 Execution Situation

Manufacturer category		Supplier		
Audit Method		2021	2022	2023
On-site evaluation	Estimated number of on-site audits	8	7	14
	Actual number of on-site audits	8	7	14
	Achievement rate %	100%	100%	100%

Manufacturer category		Supplier			
Audit Method		First half of 2022	Second half of 2022	First half of 2023	Second half of 2023
Written evaluation	Expected Number	222	286	276	274
	Actually Completed Number	222	286	276	274
	A	147	186	203	224
	B	65	68	64	38
	C	10	32	6	5
	D	0	0	2	7

C. Implement a green supply chain

✂ For the selection of new suppliers, in addition to requiring ISO 9001 certification to ensure the company has a good quality system, suppliers with ISO 14001 environmental and OHSAS 18001 safety and health system certifications or green supply chain proof will be given priority. At the same time, a PSL (Preferred Supplier List) will be established, with excellent suppliers jointly selected by the procurement department and relevant units. When introducing new materials, suppliers on the PSL will be given priority, and cooperation with excellent suppliers will be strengthened. Additionally, when introducing new materials, suppliers must provide relevant certification documents to prove that their materials comply with RoHS and REACH regulations.

▼ Environmental requirements and management of environmentally related substances

The management of environmentally related substances (i.e., restricted hazardous substances) is a key task for the procurement department. We have consistently promoted EU green material standards, combining quality assurance and factory production units to jointly discuss related issues and establish management systems and standards, while reviewing the material adoption process, so that suppliers have guidelines to follow, ensuring that Arbor products meet relevant regulatory requirements.

To ensure the company complies with the related substance regulations, Arbor Technology clearly communicates our requirements for environmental-related substance regulations to suppliers. Suppliers are requested to commit to not introducing non-compliant materials, directly or indirectly, into our company. In addition to promotional reminders, suppliers are also required to sign a commitment letter guaranteeing full compliance, with non-compliance resulting in immediate elimination from our supply chain.

▼ Conflict-Free Mineral Policy

Given the increasing global focus on conflict minerals, and following the U.S. Securities and Exchange Commission (SEC) regulations announced on August 22, 2012, Arbor Technology, as a leading industrial computer manufacturer, is committed to this issue. We strictly prohibit the use of conflict minerals in our products and declare that we do not accept metals or minerals illegally sourced from conflict regions. This policy is also communicated and enforced with our suppliers.

✦ Local procurement

In addition to reducing the carbon emissions of the product life cycle; localized supply chains can create local employment opportunities and promote socio-economic development.

Arbor Technology's domestic procurement ratio in 2023 accounts for 70%, with the remaining procurement ratio undergoing risk assessment based on the overall supply situation, using suppliers from different regions to diversify supply risks, adjust supplies flexibly, and ensure the stability of the supply of the original supplies.

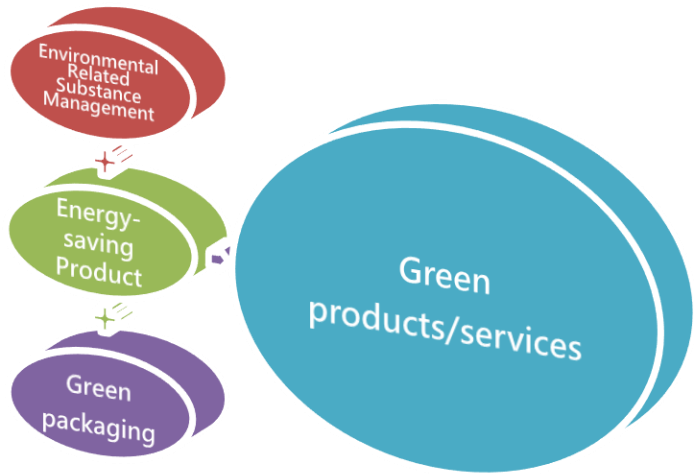
	2021	2022	2023
Local supplier count ratio	82.00%	77.00%	70.00%

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

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

5.5 Green products/services

Arbor Technology is setting goals and introducing various standards for the original supplies, product design, and manufacturing to fulfill the commitment to a sustainable environment. Our green product design and management focus on three main aspects: environmental related substance management, product energy saving, and green packaging, thereby addressing sustainability issues effectively



<p>The significance to the company</p>	<p>Enhance environmental protection through green product design and management, save energy consumption, and achieve sustainability issues by utilising recycled materials.</p>
<p>Policy/ Commitment</p>	<p>To fulfill the commitment to a sustainable environment and respond to global sustainable development goals. Arbor has set targets and implemented standards from raw materials, and product design, to manufacturing.</p>
<p>Goal</p>	<p>Short term</p> <p>Cooperate with raw material suppliers to comply with international mandatory regulations such as RoHS and REACH requirements, and introduce additional relevant regulations such as TSCA and CP65, to implement the goals of environmental protection and green design.</p> <p>Choose a product line with ongoing generational development, introduce relevant energy-saving design methods, and implement energy-saving issues for the product.</p> <p>Use 100% recyclable packaging materials in the product project to implement the green packaging design concept.</p>

	<p>Medium to long-term</p>	<p>Continuously ensure that all suppliers' raw materials comply 100% with international mandatory regulations.</p> <p>Continuously implement energy-saving technologies in all other company products.</p> <p>Continuously implement green packaging design in all other company products.</p>
<p>Responsible Department/ Complaint Mechanism</p>		<p>e-mail:esg@arbor.com.tw /</p> <p>Technical Services Office</p>
<p>Year 2023 Invest resources</p>		<p>Environmental substance management: 2 parts engineers and 2 procurement specialists from the Technical Service Office manage this.</p> <p>Product energy saving: 2 electronic engineers, 2 mechanical engineers, 1 BIOS engineer, 2 verification engineers, and 1 product specialist Human expenses are dedicated to green product energy-saving design projects. The invested equipment includes precision power measurement equipment, constant temperature and humidity machines, power supplies, and multimeters, among other design and development equipment.</p> <p>Green packaging: 1 ID engineer, 1 mechanical engineer, and 1 product specialist from the Technical Service Office are dedicated to this project. Design and development costs are approximately 100 thousand NTD for packaging molds and samples. The equipment investment item includes design software Pro/E Creo, drop test machine, vibration test machine, etc.</p>
<p>Management plan Evaluation mechanism</p>		<p>493 raw material suppliers comply 100% with international mandatory regulations, achieving the implementation of environmental-related substance management.</p> <p>Achieved 57% in green product energy-saving design.</p> <p>Implemented 100% recyclable packaging materials, saving 53% in related storage space.</p>

5.5.1 The company's efforts and achievements in investing in green products/services

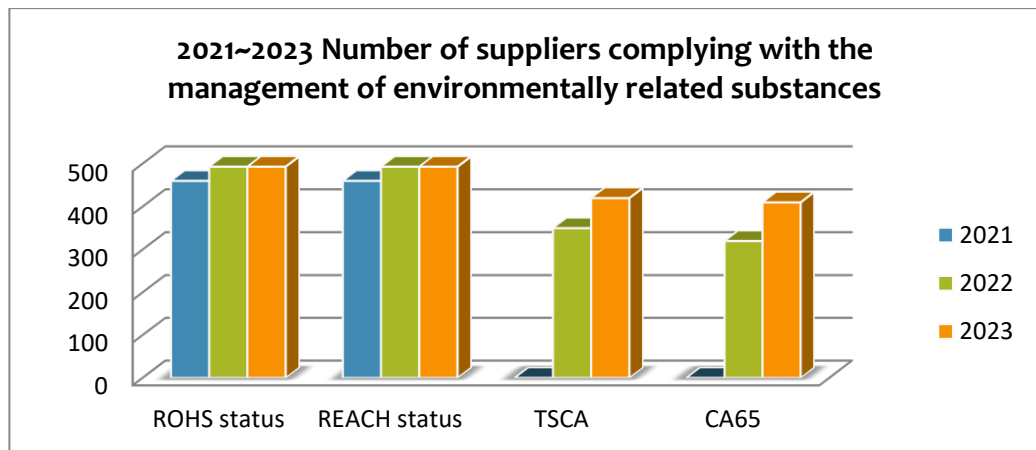
Arbor Technology business groups incorporate green design management during the product development phase, adhering to the three major green product design/service directions in various products applied in vertical market fields such as industrial automation, embedded computers, industrial mobile devices, and medical computers.



✂ The implementation status of environmental-related substance management is as follows:

Since 2013, Arbor Technology has referred to various international regulations such as the Restriction of Hazardous Substances Directive (ROHS), the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), the Toxic Substances Control Act (TSCA), and the California Proposition 65 (CP65), to define Arbor's restricted substances management procedures for all products and supplies for individual control. Suppliers and subcontractors are required to comply with the standards set by Arbor, provide third-party certification and sign related adoption documents.




By 2023, a total of 493 suppliers have complied with Arbor restricted substance management procedures, achieving 100% compliance with international mandatory regulations. This collective effort supports Arbor's direction towards sustainable green product development.



✘ Product energy saving:

In green product design, energy-efficient and high-conversion efficiency components are selected and continuously integrated into various products such as industrial automation, embedded computers, industrial mobile devices, medical computers and other products.

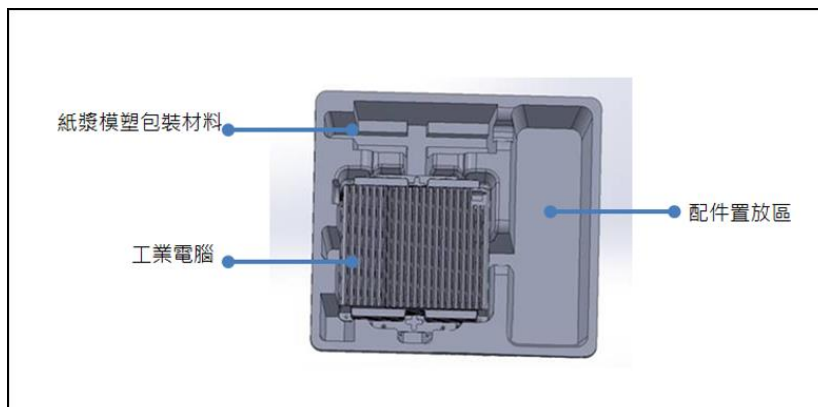
Under this strategic layout, taking the digital signage system series products as an example, it can demonstrate Arbor Technology's efforts to improve the environment through product energy saving. From 2015 to the present, Arbor Technology has started from the selection of materials and R&D technology levels, reducing the energy consumption of this digital signage vertical market application product from 15 watts to 6.5 watts, allowing Arbor Technology's customers to use the new generation products with various new technologies while simultaneously reducing energy consumption by nearly 57%.

Digital Signage System Series Product Energy-saving Design Trends			
Product release time	Product appearance	Design highlights	Power consumption
First Generation		Design system for industrial control-specific circuit boards	15Watts
Second generation		Introduce Arbor CPU energy-saving technology, reduce energy consumption	12Watts
Third generation		Use energy-saving materials and	6.5 Watts

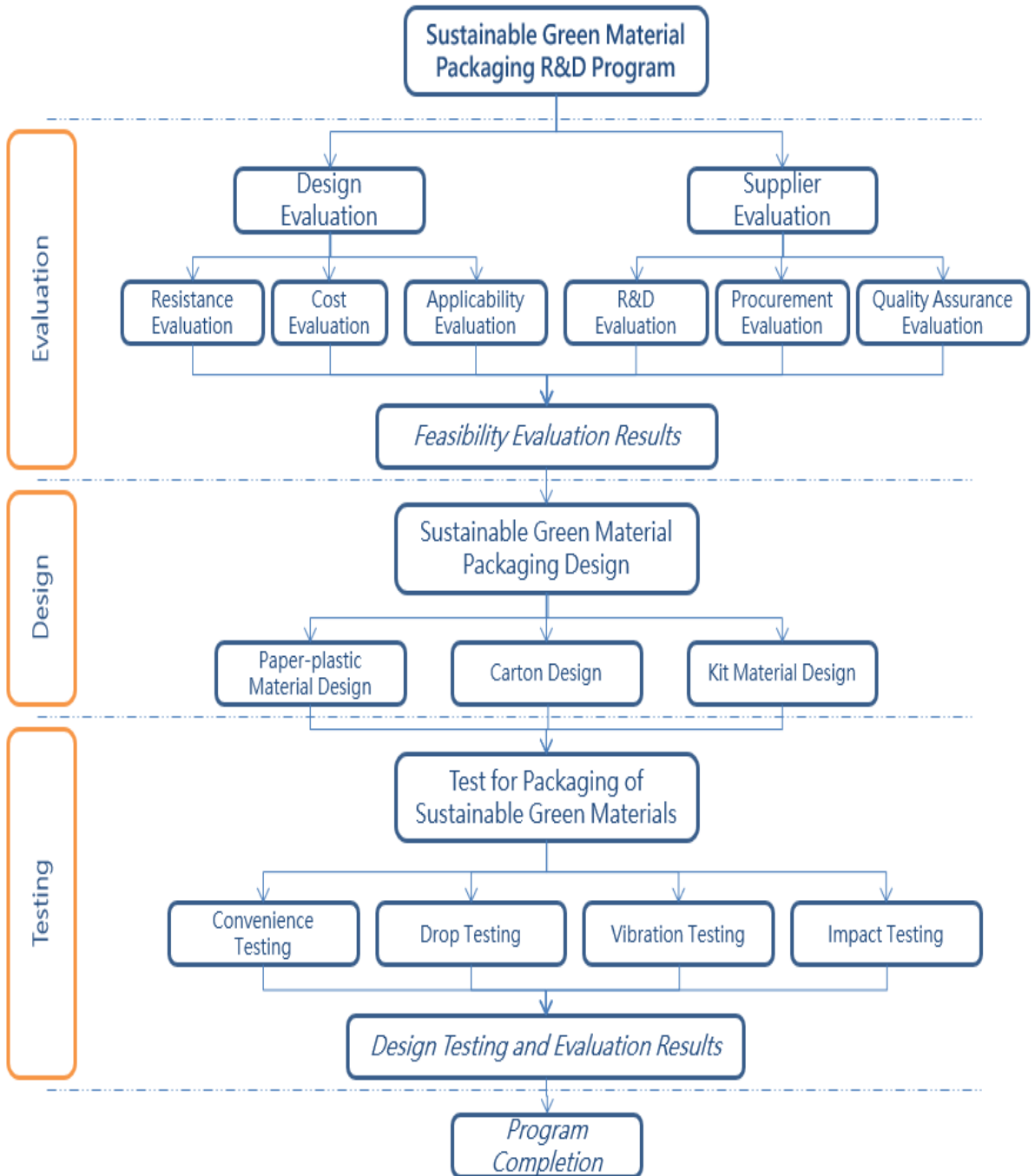
✘ Green packaging:

Arbor Technology investment in sustainable green material packaging design research and development, green energy environmental protection packaging materials use pulp molding to make cushioning packaging materials and cover products, achieving the purposes of packaging, anti-collision, and anti-drop. Pulp has 100% recyclability, non-toxicity, harmlessness, abundant sources, and high plasticity, which can reduce costs.

The green energy environmental packaging materials use molded pulp to create cushioning packaging materials and wrap products, achieving the purposes of packaging, shockproof, and drop-proof. Pulp is 100% recyclable, non-toxic, abundant, high plasticity, and cost-effective. Therefore, the principle of this project's new technology is to use recycled waste paper to make pulp, and then use molding to produce a packaging material with cushioning and toughness, in order to protect high-quality industrial computer products. The new material must still meet the reliability standards of the old material while reducing cushioning space, being able to independently shape the appearance of the product and its various accessories into unique storage spaces, and integrating them into a single pulp molded packaging material to achieve the goal of saving space and cost.



In the meticulous green packaging design process, Arbor Technology has introduced 100% recyclable packaging materials in green packaging design while simultaneously reducing 53% related storage space to meet the expectations of green product design for ESG sustainable operations.



6. Social Care

As a listed company, we actively fulfill our social responsibilities in ESG (Environmental, Social, Governance), with particular emphasis on social care. We offer employees a variety of physical and mental wellness activities and clubs, including weekly professional on-site nursing staff, various sports competitions, stress-relief courses, and other diverse benefits and competitive salary levels, creating a happy working environment. In terms of social welfare, through participating in beach cleanups, second-hand book collections, old shoe rescue plans, donation receipts, Mother's Day charity cakes, and blind massage activities, while committed to employee well-being, we also give back to society through diverse charitable actions and fulfill corporate social responsibility.

6.1 Human rights protection

Arbor values employee rights and shapes a friendly environment for human rights protection. The company formulates Arbor's human rights policy based on the principles outlined in the United Nations <Universal Declaration of Human Rights>, <UN Global Compact>, <UN Guiding Principles on Business and Human Rights>, and International Labor Organization<Declaration on Fundamental Principles and Rights at Work> and other human rights conventions. It adopts internationally recognized fundamental human rights, including but not limited to respecting employees' freedom of association, prohibiting child labor, banning forced labor, eliminating all forms of discrimination, eradicating any human rights violations, ensuring substantive gender equality, and treating all employees fairly.

6.1.1 ARBOR Human Rights Policy

A. Establish the purpose

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

formulate the company's human rights policy.

B. Scope of Application

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

C. Human Rights Management

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

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

(A) Human Rights Protection Training

Range	Content
Newcomer Training_ Promotion of relevant regulations	<ul style="list-style-type: none"> Prohibit forced labor, prohibit child labor Prevention of Workplace Bullying and Sexual Harassment: Concepts and Prevention Advocacy, and Explanation of Complaint Channels.
Occupational Safety Training	Firefighting training, emergency response course, first aid personnel training, general safety and health education training, and safety training for newly promoted supervisors.
Establish and Announce Operations Management Procedure	<ul style="list-style-type: none"> "Recruitment and Employment Management Measures", "Employee Health Protection Management Measures", "Workplace Sexual Harassment Prevention Measures, Complaint and Disciplinary Management Measures", etc. Planning to increase human rights item in the annual supplier evaluation

(B) Assessment and Mitigation Measures

Management principles	Assessment tool	Mitigation measures	2023 Execution status
Avoid harsh and inhumane treatment of employees, maintain a work environment free of violence, sexual harassment, intimidation, abuse, and corporal punishment, and respect the privacy and dignity of employees.	Government agency labor dispute correspondence	<ul style="list-style-type: none"> Timely adjust and modify relevant management systems in response to laws and regulations to reduce the occurrence of labor disputes. Regularly hold labor-management meetings, establish communication channels. 	No disputes occurred
Provide reasonable salary and labor benefits	Government agency labor dispute correspondence	<ul style="list-style-type: none"> According to the Labor Standards Act and related laws. Establish the Employee benefits/welfare committee. 	No disputes occurred
Prohibit forced labor	Attendance system	Execute according to the Labor Standards Act.	No forced labor
Prohibit any form of discrimination	Complaint case	According to the "Promotion and Salary Adjustment Management Method", respect professionalism, emphasize equal pay for equal work, and ensure equal promotion opportunities.	No appeal cases
No child labor	Identity proof	"Recruitment and Employment Methods" clearly stipulate that employees under 18 years old cannot be recruited.	No employees under 18 years old are hired
Respect the freedom of assembly and association for employees	Club Application	Handle according to the "Guidelines for Club Activity Management", and encourage the establishment of legitimate leisure activity clubs.	Provide funding for community organizations
Provide a safe, hygienic, and healthy working environment	Health check and human factors engineering inspection data	<ul style="list-style-type: none"> Arrange annual health checks for all employees Conduct investigations on maternal health, high-risk health checkups, human factors engineering, and abnormal workload. 	Apart from completing the health check and human factors engineering inspection, arrange for an explanation and consultation of the medical examination report.
Personal Data Protection	Personal data inventory information	Handle according to the "Personal Data Protection Management Measures".	Complete the personal data inventory

6.1.2 Gender Equality and Diversity

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

Regarding the work-life balance of employees, it is based on the Labor Standards Act to provide appropriate and flexible work arrangements and to grant male and female employees parental leave, female maternity leave, and menstrual leave measures. Additionally, establish measures for the prevention of sexual harassment and a complaint mechanism in the HR department to ensure the safety and dignity of all employees in the workplace. Promote gender equality through these specific measures, and also enhance the diversity and inclusiveness of the work environment.

Category	Percentage of total employees (%)	Percentage of management positions (%)
Taiwanese	91.90%	100%
Foreigner	8.10%	0%

6.1.3 Labor-management communication

Smooth communication between labor and management helps promote labor-management cooperation, allowing employees to understand the company's production plans, business overview, and market conditions, while also enabling the company's management to understand the employees' working conditions and construct better a friendly workplace based on employees' needs. Arbor Technology strictly abides by laws and regulations. Internal personnel and administrative management comply with local labor laws at each operational site. According to the law, a labor-management meeting should be held at least once every 3 months, chaired by the General Manager. The highest

level of employer representatives present is the General Manager. Through regular communication between both parties, labor-management cooperation is promoted, employees' opinions are conveyed, labor conditions are improved, thereby effectively enhancing labor rights.

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

6.2 Governance units and employee diversity

Arbor Technology 2023 annual number of employees is 185, due to the continuous growth of the company's operations, the number of has increased over the past three years. In 2023, there are 185 employees, of which 72 are female, accounting for 38.92%. The number of directors is 8, of which 1 is female, accounting for 12.5%. It is evident that our company prioritizes professional ability in recruitment, eliminates gender discrimination, and is committed to a workplace culture of gender equality.

Diverse Statistics/Year			2021		2022		2023	
			Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
Director	Gender	Man	5	71.43%	6	75.00%	7	87.50%
		Female	2	28.57%	2	25.00%	1	12.50%
	Age	Under 50	1	14.29%	1	12.50%	1	12.50%
		50~65	5	71.43%	6	75.00%	5	62.50%
		65 and above	1	14.29%	1	12.50%	2	25.00%
	Education	Doctor	2	28.57%	2	25.00%	3	37.50%

Diverse Statistics/Year			2021		2022		2023	
			Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
		Master's degree	4	57.14%	5	62.50%	5	62.50%
		Tertiary institutions	1	14.29%	1	12.50%	0	0.00%

Diversified Statistics/Year				2021		2022		2023	
				Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
Employee	Direct personnel	Gender	Man	32	15.76%	26	13.20%	7	3.78%
			Female	21	10.34%	22	11.17%	18	9.73%
		Age	Under 30	13	6.40%	10	5.08%	7	3.78%
			30-50	38	18.72%	36	18.27%	16	8.65%
			Above 50	2	0.99%	2	1.02%	2	1.08%
		Education	Research Institute	0	0.00%	0	0.00%	0	0.00%
			Tertiary institutions	31	15.27%	28	14.21%	5	2.70%
			Others	22	10.84%	20	10.15%	20	10.81%
		Indirect personnel	Gender	Man	102	50.25%	101	51.27%	106
	Female			48	23.65%	48	24.37%	54	29.19%
	Age		Under 30	8	3.94%	5	2.54%	6	3.24%
			30-50	121	59.61%	122	61.93%	127	68.65%
			Above 50	21	10.34%	22	11.17%	27	14.59%
	Education		Research Institute	27	13.30%	29	14.72%	29	15.68%
			Tertiary institutions	116	57.14%	116	58.88%	122	65.95%
			Others	7	3.45%	4	2.03%	9	4.86%

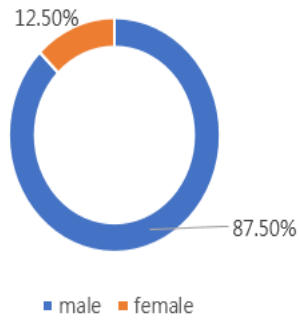
Note: Percentage of female directors = (Number of female directors in the year / Number of directors in the year) * 100%.

Note: Percentage of male directors = (Number of male directors for the year / Number of directors for the year) * 100%.

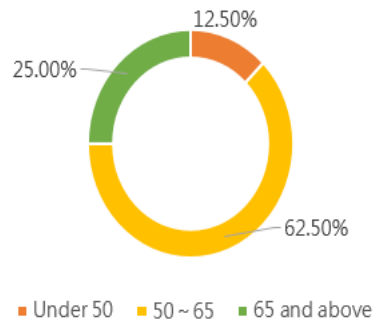
Note: Percentage of specific age range = (Total number of direct personnel in specific age range / Total number of employees in the year) * 100%.

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

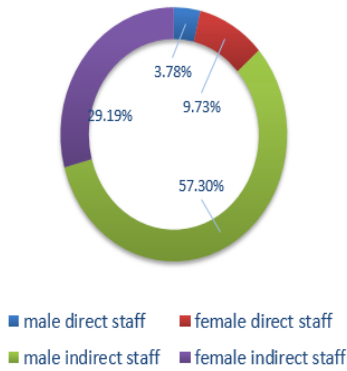
2023 Percentage of Directors by Gender



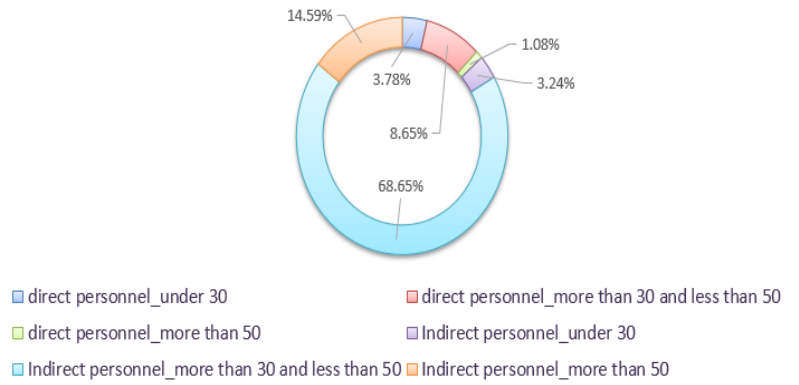
2023 Percentage of Directors by Age



Employee gender ratio in 2023



Employee age ratio in 2023



✧ Employ local residents as senior executives

Important Operational Locations	Total number of senior executives	Number of local residents employed as senior executives	Proportion
Taiwan	14	14	100.00%

✧ Proportion of female leadership employment

(Excluding project)	Assistant Manager Level (inclusive) and above	
	Number of people	Proportion
Female	9	24.32%
Male	28	75.68%
total	37	100%

✧ Statistics of the number of employees at the Taiwan headquarters

Statistics/Year		2021	2022	2023			
Total number of employees (Note 1)		203	197	185			
Employment Contract (Note 2)		Non-fixed	Non-fixed	Non-fixed			
Gender	Male	134	127	113			
	Female	69	70	72			
District	Taiwan	203	197	185			
Employment Type (Note 3)		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Gender	Male	134	0	127	0	113	0
	Female	69	0	70	0	72	0
District	Taiwan	203	0	197	0	185	0

Note 1: Based on the total number of employees at the end of the year (12/31).

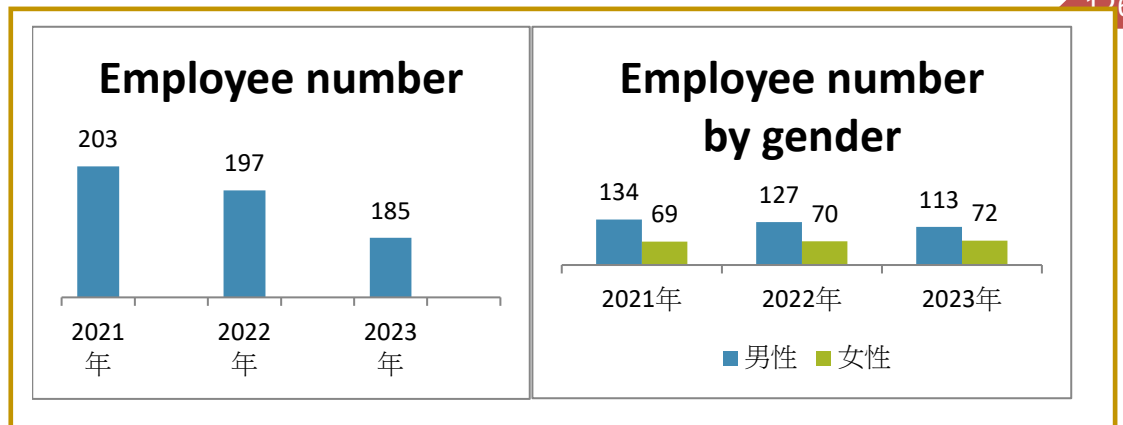
Note 2: Employees with non-fixed term labor contracts are full-time

Note 3: Types of employment are divided into full-time employees (working hours per week reach the legal limit) and part-time employees (working hours per week do not reach the legal limit, only partial hours personnel, such as student workers and hourly workers).

✧ Statistics of non-employee numbers at Taiwan headquarters

Statistics/Year		2021	2022	2023
Total number of workers (Note 1)		0	4	0
Contract Type		Dispatch personnel	Dispatch personnel	Dispatch personnel
Gender	Male	-	2	-
	Female	-	2	-
District	Taiwan	-	4	-
Job Type		Worker	Worker	Worker
Gender	Male	-	2	-
	Female	-	2	-
District	Taiwan	-	4	-

Note 1: Based on the total number of workers as of 31 December 2023.



6.3 Talent attraction and retention

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

<p>The significance to the company</p>	<p>Talent is the most important growth engine for the company. Industrial computers focus on providing comprehensive solutions for various industries, with Arbor offering an all-in-one service. The demand for talent is increasingly diverse (R&D, verification, engineering, production, sales, customer service, administration). By constructing competitive salary benefits and providing suitable training programs for outstanding talent, we create a win-win outcome for both the company and its employees.</p>
<p>Policy/Commitment</p>	<ul style="list-style-type: none"> Continuously integrate the company's development direction with resources from various industry partners (e.g., sales channels, R&D technology, core products, various associations) to build a united team (strategic alliance operation). By leveraging abundant industry

	<p>resources and an open authorization culture, we attract more outstanding talents to join.</p> <ul style="list-style-type: none"> ● Establish dedicated organizations and units (HR department), to provide corresponding training and learning resources for employees and supervisors at various levels and different positions, assisting in their job functions and career development.
<p>Target</p>	<p>Short term</p> <ul style="list-style-type: none"> ● Conduct at least two interactions with external industry experts annually to guide company supervisors in understanding market trends and industry operating strategies. ● Hire management consultants at least twice a year to conduct cadre education and training courses, stimulating the associative and creative abilities of mid-level cadres, which can then be applied to daily work management. ● Continuously optimize employee benefits annually and review whether the salaries of new and existing colleagues meet market standards. ● Aim to achieve a continuous growth rate of over 5% in company training completion within the next three years in order to continuously improve colleagues' essential skills.
	<p>Medium to long-term</p> <ul style="list-style-type: none"> ● We hope to unite employees' loyalty through a good system of selection, utilization, training, and retention system to build the company's competitiveness and let employees enjoy their work and life.
<p>Responsible Department/ Complaint mechanism</p>	<ul style="list-style-type: none"> ● e-mail:cindy@arbor.com.tw /HR Department
<p>2023 Invest resources</p>	<ul style="list-style-type: none"> ● The introduction of the online learning platform provides usage for supervisors at the class level and above. The platform offers a rich and diverse range of course topics, also enhancing the convenience for trainees. ● A total of 34 people participated in the management consensus camp, enhancing interaction and camaraderie through cross-

	<p>departmental group discussions and brainstorming on the topic.</p> <ul style="list-style-type: none"> ● Allow outstanding executives and potential talents to execute equity equity, attracting current talents to work hard with the company through additional rewards (equity).
<p>Management plan Evaluation mechanism</p>	<ul style="list-style-type: none"> ● Set HR department KPI (recruitment rate, turnover rate, training completion rate). ● Conduct 3-month probation period employee interview. ● In 2023, the company subsidized external training for a total of 15 employees; a total of 2 employees obtained professional work certifications.

6.3.1 New and departing staff

New Employee Statistics/Year		2021		2022		2023	
		Total	Proportion (Note)	Total	Proportion (Note)	Total	Proportion (Note)
Age	Under 30	15	7.39%	7	3.55%	6	3.24%
	30-50	44	21.67%	72	36.55%	31	16.76%
	Above 50	5	2.46%	4	2.03%	2	1.08%
Gender	Male	35	17.24%	39	19.80%	20	10.81%
	Female	29	14.29%	44	22.34%	19	10.27%
Education	Master's degree	3	1.48%	8	4.06%	6	3.24%
	Tertiary institutions	45	22.17%	64	32.49%	22	11.89%
	Others	16	7.88%	11	5.58%	11	5.95%
District	Taiwan	64	31.53%	83	42.13%	39	21.08%
	Others	0	0.00%	0	0.00%	0	0.00%

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

If the rate of new female employees = (total number of new female employees in the current year / total number of female employees at the end of the year) * 100%.

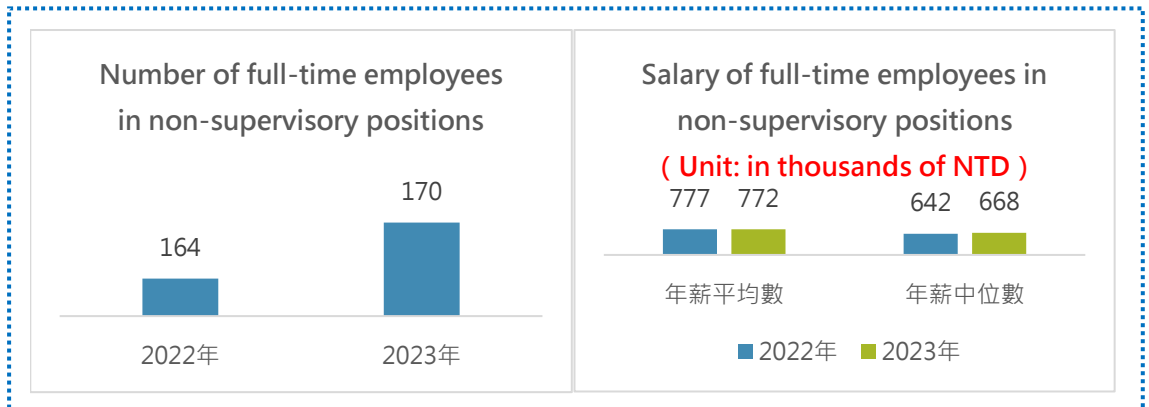
Resigned Employee Statistics/Year		2021		2022		2023	
		Total	Proportion (Note)	Total	Proportion (Note)	Total	Proportion (Note)
Age	Under 30	10	4.93%	9	4.57%	5	2.70%
	30-50	51	25.12%	73	37.06%	40	21.62%
	Above 50	6	2.96%	6	3.05%	7	3.78%
Gender	Male	31	15.27%	47	23.86%	33	17.84%
	Female	36	17.73%	41	20.81%	19	10.27%
Education	Master's degree	6	2.96%	6	3.05%	6	3.24%
	Tertiary institutions	37	18.23%	67	34.01%	39	21.08%
	Others	24	11.82%	15	7.61%	7	3.78%
District	Taiwan	67	33.00%	88	44.67%	52	28.11%
	Others	0	0.00%	0	0.00%	0	0.00%

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

If the turnover rate of employees under 30 years old = (total number of employees under 30 who left during the year / total number of employees under 30 at the end of the year) * 100%.

6.3.2 Salary and rewards

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



✂ Salary of full-time employees not holding supervisory positions

Full-time employees in non-supervisory positions	Number of employees	Average annual salary	Median annual salary
2022	164	777	642
2023	170	772	668
Difference	+6	-5	+26

✂ The ratio of standard wages of grassroots workers of different genders to the local minimum wage GRI 202-1

Grassroots employee category	Gender	Standard salary and local minimum wage ratio
Taiwan	Male	1.09
	Female	1.03

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

✂ The ratio of basic salary plus remuneration for females to males

The ratio of basic salary to remuneration			Ratio					
			2021		2022		2023	
Important Operational Locations	Employee Category	item	Man	Female	Man	Female	Man	Female
Taiwan	Direct	Basic salary (Note 1)	1.18	1	1.24	1	1.02	1
		Salary (Note 2)	1.11	1	1.18	1	1.12	1
	Indirect	Basic salary	1.32	1	1.33	1	1.28	1
		Salary	1.34	1	1.36	1	1.29	1

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

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

6.3.3 Employee benefits

Full-time employee Benefit item	Explanation
Insurance benefits	In addition to statutory insurance (labor insurance, health insurance), employees also join a comprehensive insurance system including free group insurance, accident insurance, accident medical insurance, and occupational hazard insurance, providing employees with more substantial and complete protection.
Various subsidies and benefits	Shop discounts, employee wedding bonuses, childbirth bonuses, housewarming presents, hospitalization condolence money, funeral condolence money for employees and their dependents, birthday gifts, departmental dinners, children's education scholarships, and subsidies for club activities.
Bonus benefits	Year-end bonus, multi-skilled bonus, production bonus, research and development bonus, business bonus, outstanding talent bonus, outstanding employee bonus, language certificate subsidy.
Health benefits	Provide employees with a free annual health check-up plan, in cooperation with large hospitals or health check-up centers, we care about every employee's physical and mental health. On-site nurse: Focus on employee health, special medical staff provide employee health management consultation.
Staff travel	Domestic and overseas tourism activities are offered annually and outdoor activities are held quarterly and occasionally by the Welfare Committee.
Other benefits	Free freshly ground coffee machine, exquisite afternoon tea every quarter, employee vending machine, nursing room



2023 Employee Trip_Vietnam Group



2023 Employee Trip_Penghu Group



20 August 2023_Xiangshan trip



Scholarship for Children for the Second Semester of the 111 Academic Year



22 November 2023_Table tennis game



21 December 2023_Christmas event



10 May 2023 Mother's Day event



Badminton Club



18 March 2023 - New Store Bitan and Meishan Trail



ARBOR 30 Domino Event

✦ Parental leave

<i>Employee Parental Leave/Year</i>	<i>Gender</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
<i>Number of employees eligible for parental leave</i>	Male	6	5	3
	Female	5	5	5
<i>Number of employees applying for parental leave</i>	Male	0	0	0
	Female	2	1	1
<i>Number of employees (A) who should return to work after the end of maternity leave</i>	Male	0	0	0
	Female	2	1	1
<i>Number of employees who actually returned to work after the parental leave period (B) (including early return to work)</i>	Male	0	0	0
	Female	2	0	0
<i>Reinstatement rate (B/A)</i>	Male	0.00%	0.00%	0.00%
	Female	100.00%	0.00%	0.00%
<i>Number of employees (C) who returned to work after the end of the parental leave period in the previous year and remained employed for twelve months</i>	Male	0	0	0
	Female	1	0	0
<i>Retention rate (C/previous year B)</i>	Male	0.00%	0.00%	0.00%
	Female	50.00%	0.00%	0.00%

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

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

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

6.3.4 Employee Retirement Benefits System

Pension system	Old system	New system
Applicable Law	Labor Standards Act	Labor Pension Act
How to allocate	Contribute 15% of the total salary and deposit it in the name of the company into the pension account of the Bank of Taiwan.	Contribute 6% to the individual account at the Labor Insurance Bureau according to the employee's insurance level
Appropriation amount	Accumulated amount of NTD 4.709 million	The allocation for the year 2023: NTD 7.586 million

6.4 Talent cultivation

The company is committed to talent cultivation and is fully aware that talent is the foundation of enterprise development. We have designed a diversified training program for newcomers, including product training, presentation skills, knowledge mapping, professional certification courses, etc., aiming to comprehensively enhance employee capabilities. Through these systematic trainings, not only are the professional qualities and practical skills of employees enhanced, but a solid foundation for future career development is also laid. Only by continuously investing in the growth of employees can we keep pushing the company forward and achieve the long-term goal of sustainable operation.

The company's educational training plans over the past 3 years have achieved a certain completion rate, with the total hours and number of classes steadily increasing. This shows that the company places great importance on the professional development of its employees, allowing them to learn more skills and improve their work capabilities through continuous education and training.

✧ Average training hours per employee in the past 3 years

Statistics/Year		2021	2022	2023
Average training hours per employee (Note 1)		9.25	12.22	14.14
Average training hours per employee by gender (Note 2)	Female	6.70	10.34	15.05
	Male	8.38	13.26	13.23
<p>Note 1: Average training hours per employee: Total training hours for all employees during the year / Total number of employees at the end of the year.</p> <p>Note 2: Average training hours per female employee: Total training hours for female employees during the year / Total number of female employees at the end of the year.</p>				

✧ 2023 Training Course Classification

<u>Training classification</u>	<u>Training Focus</u>	<u>Number of participants</u>	<u>Total class hours</u>
<u>Management course</u>	<ul style="list-style-type: none"> ● Consensus Camp ● Corporate Sharing 	70	405
<u>Professional course</u>	<ul style="list-style-type: none"> ● Product Introduction ● Quality System and Management ● Professional functions 	368	418.5
<u>General Studies</u>	<ul style="list-style-type: none"> ● Newcomer Training ● Information Security ● Integrity and Insider Trading ● Environmental Health and Safety ● Regulations 	276	405

✧ Employee Performance Evaluation

Our company has established employee performance evaluation methods to promote consistency between employees' development and achievements at work and the company's goals. All departments will review the goals set at the beginning of the year and adjust the strategies for the second half of the year accordingly to ensure the annual goals are met. Additionally, we encourage employees to propose innovative ideas for bonuses, which also helps in optimizing the company's systems or processes. At the year-end assessment, department heads must personally meet with employees to provide clear feedback on their annual performance, highlighting strengths and areas for improvement, with the aim of fostering a fair, objective, and innovation-driven work culture.

2023 assessment statistics		Actual number of examinees	The total number of employees	Percentage
Gender	Female	113	113	100.00%
	Male	72	72	100.00%
Not applicable to consultants, temporary workers, hourly workers, short-term contract employees, employees on unpaid leave, colleagues who have been employed for less than 3 months during the assessment period.				

6.5 Occupational Safety and Health Management System

The significance to the company		To implement occupational safety and health, establish an execution organization with divided responsibilities, and respond to the demands and expectations of internal and external stakeholders. In addition to continuously promoting and improving the existing safety and risk management measures, we establish the <Contractor Control Procedure>, strengthen the safety management system, and create a safe and friendly environment with contractors.
Policy		Following the ISO 45001:2018 occupational health and safety management system, our occupational health and safety and departmental personnel formulate the occupational health and safety policy, with 'compliance with regulations, risk assessment, full participation, enhanced communication, continuous improvement, zero hazards' as important goals and spirit. Additionally, regular annual tracking audits are conducted, and system certification is obtained.
Promise		Employees are the most valuable assets of the company. "Zero occupational accidents" is the goal of Arbor. The importance of workplace safety and health is highly emphasized. All employees work together to continuously improve and achieve "zero occupational accidents".
Target	Short term	Zero occupational accidents (FR=0/SR=0).
	Medium to long-term	Construct an organizational safety culture, maintain the safety and health of colleagues, promote and guide contractors to implement safety and health management, actively strive to achieve the important goal of zero accidents, and enhance the international image.
Responsible Department/ Complaint mechanism		e-mail:Cindy@arbor.com.tw /Human Resources Department

<p>2023 Invest resources</p>	<p>Implementation of environmental monitoring operations (Dian Shi Technology_ June and December 2023)</p> <p>Health check implemented in October 2023 (Hong En_health check number: 192).</p> <p>On-site health services provided by Sun Tai Hospital (Occupational doctor once per quarter, occupational nurse 4 times per month).</p>
<p>Management plan Evaluation mechanism</p>	<p>Conduct environmental monitoring operations every 6 months to ensure the safety and health of workers and prevent occupational hazards.</p> <p>Implement health check-up (once a year) 2. Hong Kong Adventist Hospital (Health check-up number: 192)</p> <p>Monthly on-site health services (occupational doctor once per quarter, occupational nurse 4 times per month)</p>

Arbor Technology established a dedicated "Occupational Safety and Health Department". Although our company is not classified as a manufacturing industry with significant risks by the Occupational Safety and Health Act, our company still aims to create a safe, friendly, and healthy workplace environment. In addition to implementing the ISO 45001 Occupational Safety and Health Management System, we hope to comprehensively reduce the risks that may arise during employees' work, to maintain and ensure employees' work safety. We also conduct evaluations based on the Occupational Safety and Health Act every quarter to meet the requirements of current occupational safety and health regulations. Additionally, we conduct irregular promotions and training so that all employees can work with peace of mind, safety, and comfort.



Providing a safe and healthy working environment for employees is one of the most basic obligations of Arbor as a company. Following the occupational safety and health management system's P-D-C-A spirit, we establish occupational safety and health policies with the important goals and spirit of 'compliance with regulations, risk assessment, full participation, enhanced communication, continuous improvement, and zero hazards.' These are implemented by the occupational safety and health promotion team and dedicated personnel from each department to ensure the effective operation of the system.

Occupational Safety Committee Labor-Management representative Statistics Table

Term of office	Labor representative	Employer representative	Total number of people
2022.04.01~2024.03.31	6 people	3 people	9 people

6.5.1 Hazard identification, risk assessment, and incident investigation

To effectively prevent the occurrence of occupational hazards, Arbor Technology has established the "Hazard Identification and Risk and Opportunity Assessment Procedure" for occupational safety and health. This procedure identifies potential hazard factors and assesses risks, processes, activities, products, and services. It sets unacceptable risk levels and prioritizes engineering control measures for unacceptable risks. The risks and assessments of contractors' operational personnel are discussed during construction meetings or toolbox meetings.

✂ Risk Level Assessment Scoring Criteria

➤ Exposure frequency (F):

Task Exposure Classification	Hazards generated by operations/tasks	Hazards generated by the tasks	Grading
Continuous operation (Exposure)	Continuous operation	Continuous exposure to this environment for at least 6 hours/day	10
Frequent	At least once a day on average	Continuous exposure to this environment for at least 4 hours/day	8
Occasional	More than once per month on average	Continuous exposure to this environment for at least 2 hours per day	6
Not often	More than once per quarter on average	Continuous exposure to this environment for at least 1 hour per day	4
Few	More than once a year	Continuous exposure to this environment for at least 2 hours per week or more	2
Very rare	At most once a year	Continuous exposure to this environment for at least 1 hour per week or more	1

➤ Probability (P)

Probability of occurrence	Occurrence description at the factory	Integrity of protective measures	Grading
Completely predictable	The accident/incident happened an average of 3 times per year (inclusive)	Protective measures are required, but not set up or unable to protect	10
Quite likely	The accident/incident happened an average of 1~3 times/year (inclusive)	Protective measures are implemented, but not regularly maintained or are ineffective.	8
Possibly, but not often	The accident/incident happened more than once in the past 3 years(inclusive), but less than once per year	hardware protection facility and software protection measures are implemented	6
Low possibility or purely accidental	The accident/incident happened more than once in the past 5 years(inclusive), but less than once per year	2 hardware protection facilities and software protection measures are implemented	4
Very unlikely, or theoretically	Never occurred at this factory and our partner factory	2 specific and effective hardware protection facilities installed are implemented	2
Almost impossible	No record of this type of accident/incident domestically or internationally	Set up multiple effective software and hardware protection with excellent results	1

➤ Severity of Consequences (S)

Occurrence description	Integrity of protective measures	Grading
➤ 1 person died or 3 people were sent to the hospital for emergency treatment	<ul style="list-style-type: none"> ➤ Fuels/Oils, chemical or organic solvent leakage, causing fire, requiring the use of an emergency fire system, and having immediate and ongoing impacts on the environment or public health ➤ The impact extends beyond the factory, possibly leading to conflicts 	A
1. Disability injury/illness	<ul style="list-style-type: none"> ➤ Fuels/Oils, chemical or organic solvent leakage, requiring the use of firefighting equipment, 	B

<ul style="list-style-type: none"> 2. Serious injuries (severe fractures, occupational cancer, third-degree burns, disabling injuries) 3. Require long-term hospitalization treatment or long-term rest/rehabilitation 	<ul style="list-style-type: none"> ➤ Medical treatment or restriction of work activities (requires referral for medical treatment or occupational disease) ➤ Moderate injury (fracture, third-degree burn) ➤ Cause employee complaints or reactions or sensory discomfort 	<ul style="list-style-type: none"> ➤ and having a temporary (within 03 days) impact on the environment or public health ➤ The impact extends beyond the factory, affecting the company's image 	C
<ul style="list-style-type: none"> ➤ Only requires simple first-aid on the site ➤ Minor injuries (surface wounds, minor cuts, pain or allergies) ➤ Traffic accident 	<ul style="list-style-type: none"> ➤ Fuels/Oils, Chemical or organic solvent leaks only require routine cleanup, no external reporting is needed ➤ Affecting limited local areas 		D
<ul style="list-style-type: none"> 1. Minor injuries can be self-delt with (temporary allergy) 2. Minor or unknown health impacts 		<ul style="list-style-type: none"> 3. Chemical or organic solvent leakage near local equipment 	E
<ul style="list-style-type: none"> ➤ No obvious harm 		<ul style="list-style-type: none"> ➤ Personal work environment, chemical or organic solvent leakage 	F

➤ Risk Matrix

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

Arbor conducts quarterly review of high-risk items for improvement through the Occupational Safety and Health Committee. In March, June, September, and December of each year, the Occupational Safety and Health Committee reviews whether there are any occupational safety

and health risks found in the operating environment that each committee member is responsible for during that quarter, and conducts improvement or tracking based on the severity of the risks found, and then proposes an analysis of the results of the improvement in the next quarter's meeting to determine whether or not the case should be closed or changes should be made to improve the program.

✂ Improvement cases for the year 2023

Subject: In Q3 2023, a foreign worker almost triggered the fire equipment by overheating food when using a microwave.

Improvement: Microwave instructions are translated and posted for foreign workers



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

again. In 2023, Arbor Technology did not experience any occupational hazards or accidents.

6.5.2 Occupational Health Services

Arbor Technology regards employees as the company's greatest assets, providing welfare measures superior to those stipulated by the "Occupational Safety and Health Act". It holds health examinations for all employees annually and provides medical care information and health consultation based on analysis of common diseases and abnormal items in employee health examinations. Services and preventive medicine are promoted to enhance colleagues' health awareness to achieve the goal of healthy living and health promotion.

2023 Health check



According to the Labor Health Protection Rules, Arbor Technology has contracted New Tai Hospital to conduct on-site health services (occupational doctor once per quarter, occupational nurse 4 times per month), to provide physical and psychological examinations for employees, and to keep records for future reference. Additionally, according to the provisions of the Occupational Safety and Health Act, four major plans are implemented, including prevention of human factor hazards, prevention of diseases induced by abnormal workload, prevention of unlawful harm during duty execution, and protection of maternal health for female workers.



Besides helping colleagues understand their physical condition, we also emphasize mental health issues. The Occupational Safety and Health Administration compiles various service resources provided by government agencies and non-profit organizations, and posts information on themes such as "psychological counseling," "medical prevention and treatment," and "care/other consultations" on the bulletin board to guide colleagues in quickly finding the necessary information.

6.5.3 Participation, consultation, and communication of occupational safety and health workers

Arbor Technology holds an occupational safety and health committee meeting every quarter, chaired by a senior manager of the production department or their representative, to discuss safety and health plans, including education and training, operational environment

improvement measures, hazard prevention management, audits, hazard identification and risk management, contractor management, and health promotion.

Meeting content	Labor-Management Meeting	Employee benefits/welfare Committee	Occupational Safety and Health Council	ISO 9001&45001 System Audit Committee
Meeting frequency	Every season	Every season	Every season	Every year
Participating Units	Representatives of both labor and management			
Appeal Channels	<i>email: cindy@arbor.com.tw</i>			



6.5.4 Occupational Safety and Health Worker Training

To enhance workers' safety and health knowledge and disaster response capabilities, we not only organize relevant safety and health education and training courses according to legal regulations and operational needs, but also use methods such as emails, bulletin board posters, or holding safety knowledge quizzes to increase colleagues' awareness of workplace hazards and the necessary safety and health knowledge and concepts to prevent occupational disasters. Conduct safety and health education and training for new and existing employees (courses include hazardous chemicals, electrical safety, respiratory protection, emergency response and fire training, etc.) with tests attached to assess the effectiveness of the education and training. In addition, to strengthen the safety management of contractors

entering the factory, the "Contractor Control Procedure" has been formulated, requiring contractors to comply with the Occupational Safety and Health Act order and Arbor regulations to ensure full compliance with safety, and health regulations and zero harm.

Course content	2023 participated hours/number of employee
Occupational Safety and Health Education Course for New Employees	1.5 hr/24 people
Self-defense fire brigade	2 fire drills every year

2023 Occupational Safety and Health Education Course



2023 Fire drill

避難逃生情形。



初期滅火（滅火器、室內消防栓）。



緊急救護處置情形。



演練後會議檢討。



6.5.5 Occupational Safety and Health Worker Health Promotion

Arbor has always been committed to promoting employee health and believes that the health of employees is the foundation for the company's long-term development.

To effectively monitor potential hazards during organizational operations, Arbor Technology commissions qualified companies to conduct work environment monitoring every six months. We aim to understand the actual environmental conditions and assess worker exposure, serving as the basis for the company's environmental management to ensure the safety and health of company colleagues and provide a sound working environment.

In 2023, we commissioned Data Test Scientific to monitor the concentrations of isopropanol, methylene chloride, and carbon dioxide

in June and December respectively, and the monitoring results showed that all monitoring points met the statutory permissible concentration standards.

In 2023, in addition to conducting on-site health services at New Tai Hospital according to labor health protection regulations, our company implemented multiple worker health promotion programs to help employees maintain physical and mental health. In addition to a wide variety of health education resources (including but not limited to diet, exercise, mental health, etc.), to help employees master the methods and techniques of a healthy lifestyle, we also launched a series of health promotion seminars and activities, such as singing bowl sound therapy and aromatherapy seminars, etc., to encourage employees to actively participate in healthy living practices, enhance communication and cooperation among employees, and at the same time improve employees' awareness and understanding of healthy living.

Singing bowl sound therapy + massage relaxation + warm DIY



Relax your body and mind~

Cultural and Artistic Feast

相揪來去看電影

時間：2023/5月
 內容：時間、片名另行公告
 必備：準時到場+歡樂的奇檬子



藝想新視界

繁忙的生活中，別忘了沈澱心靈的雜質，
與藝術來場深情對話

內容：(1) 補助每人最高500元參與國內藝文活動或展覽
 (2) 請同仁持票根及本人活動現場照片(須有活動名稱)
 向福委會財委函請

補助說明：(1) 限國內7-9月舉辦之藝文活動
 (2) 補助申請於10/31截止
 備註：不適用於旅遊展、美食展、看電影



Sports clubs and competitions



6.5.6 Workers covered by the occupational safety and health management system

Management System/Regulations	Check Type	Number of people	Ratio	Note
Occupational Safety and Health Act	Internal inspection	185	100%	
	Labor Inspection	185	100%	
ISO 45001 (2022.11.30~2025.11.29)	Internal Audit	185	100%	
	External Inspection	185	100%	Conducted by Global Verification Company involved 2 people for 02 days

6.5.7 Occupational Injury and Occupational Disease Statistics

✂ Arbor Technology Staff/Non-Staff--Occupational Injury and Occupational Disease Statistics

Statistics/Year		2021	2022	2023
Total working hours		389,820	376,378	348,925
Fatal accidents caused by occupational injuries	Number of people	0	0	0
	Proportion	0	0	0
Serious occupational injury	Number of people	1	1	0
	Proportion	0.5	0.49	0
Recordable occupational injuries	Number of people	0	0	0
	Proportion	0	0	0
Occupational disease	Number of people	0	0	0
	Proportion	0	0	0
Recordable occupational diseases	Number of people	0	0	0
	Proportion	0	0	0

✧ Occupational Safety and Health Worker Training

Occupational injury/Year		2021	2022	2023	Explanation of Hazards and Improvements
Injury Type	Other traffic accidents during commuting	0	1	0	1. Education training 2. Traffic safety promotion
	Fall	1	0	0	1. Education training 2. Wear personal protective equipment advocacy

6.6 Public Participation

We fulfill our corporate social responsibility through charity, arts sponsorship, etc. In 2023, we participated in many charity events, with donations amounting to about 300 thousand NTD. The results are as follows:

✧ Employee participation ~ Christmas event combined with invoices donation to disadvantaged groups



✧ Arts and Culture Sponsorship ~ Literary Corridor Event



✧ Support disadvantaged groups~



(1) Appendix 1, GRI Content Index

★For major themes

Terms of Use	Arbor Technology reported content under GRI guidelines from 01/01/2023 to 31/12/ 2023				
Using GRI 1	GRI 1: Foundation 2021				
Applicable GRI Guidelines	Currently, there are no applicable GRI industry standards.				
Subject	Reveal item	item explanation	Chapter	Page number	Remark
GRI 2: General Disclosures 2021					
Organization and Reporting Practices	2-1	Organization details	2, Regarding Arbor	25	
	2-2	Entities included in the organization's sustainability report	About this report	5	
	2-3	Reporting duration, frequency and contacts	About this report	5	
	2-4	Information Reorganization	-	NA	Not yet recompiled
	2-5	External assurance/conviction	About this report	6	
Activities and workers	2-6	Activities, value chain, and other business relationships	2.4 Industry Overview and Operational Performance	27	

	2-7	Employee	6.2 Governance units and employee diversity	118	
	2-8	Non-staff worker	6.2 Governance units and employee diversity	118	
Governance	2-9	Governance Structure and Composition	3.1 Governance Practices	34	
	2-10	Nomination and Selection of the Highest Governing Body	3.1 Governance Practices	34	
	2-11	Chairman of the highest governing body	3.1 Governance Practices	34	
	2-12	The highest governing body in the role of overseeing impact management	1.1 Sustainable Development Council	6	
	2-13	The person in charge of impact management	1.1 Sustainable Development Council	6	
	2-14	The highest governing body in the role of sustainability reporting	1.1 Sustainable Development Council	6	
	2-15	Conflict of interest	3.1 Governance Practices	34	
	2-16	Communication is key to major events	1, Stakeholders negotiate	6	
	2-17	The collective intelligence of the highest governing body	3.1.2 Board of Directors	37	
	2-18	Performance evaluation of the highest governing body	3.1.2 Board of Directors	37	
	2-19	Compensation policy	3.1.3 Functional	43	

			Committee		
	2-20	Salary determination process	3.1.3 Functional Committee	43	
	2-21	Annual Total Compensation Ratio	-		Confidentiality clause/salary not disclosed under the confidential policy
Strategy, Policy and Practice	2-22	Statement on Sustainable Development Strategy	Chairman's Words	3	
	2-23	Policy commitment	3, Integrity Governance 6.1 Human Rights Protection	32 114	
	2-24	Incorporate policy commitments	3, Integrity Governance 6.1 Human Rights Protection	32 114	
	2-25	The procedure to mitigate negative impacts	3.2 Risk Management	55	
	2-26	Mechanism for seeking advice and raising concerns	3.1 Governance Practices	34	
	2-27	Compliance with regulations	3.3 Compliance	66	
	2-28	Membership of the Association	2.5 Participate in external organizations	31	
	Stakeholders agree	2-29	Stakeholder agreement policy	1.2 Confirm Stakeholders	8
2-30		Collective agreement	-	NA	Not applicable/ Our employees do not sign

					collective agreements.
GRI 3: Major Matters 2021					
Major Theme	3-1	The process of deciding on major themes	1.4 Identification Major Theme	13	
	3-2	List of Major Topics	1.4 Identification Major Theme	13	
Economic aspect					
Economic performance					
GRI 3: Major Matters 2021	3-3	Major Theme Management	3.4 Operational Performance	50	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed by the organization	3.4 Operational Performance	66	
	201-2	The financial impacts and other risks and opportunities arising from climate change	3.2 Risk Management	55	
	201-3	Defined benefit obligation and other retirement plans	6.3 Talent Attraction and Retention	122	
	201-4	Taken from government financial assistance	--	--	Ministry of Economic Affairs Project Loan Subsidy_2023 total Interest Subsidy NTD 102 thousand
Cybersecurity Protection (Custom Topic)					
GRI 3: Major Matters 2021	3-3	Major Theme Management	3.5 Cybersecurity protection	69	

Cybersecurity protection		Information Security Protection Management Policy	3.5 Cybersecurity protection	69	
Innovation and Research & Development (Custom Topic)					
GRI 3: Major Matters 2021	3-3	Major Theme Management	4.1 Innovation and Research	76	
Innovation and Research		Innovative technology and products	4.1 Innovation and Research	76	
Customer Relationship (Custom Topic)					
GRI 3: Major Matters 2021	3-3	Major Theme Management	4.2 Customer Relationships	81	
Customer Relationship		Customer Relationship Maintenance	4.2 Customer Relationships	81	
Environment					
★Energy					
GRI 3: Major Matters 2021	3-3	Major Theme Management	5.1 Energy Saving and Carbon Reduction	84	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	5.1.2 Internal and External Energy Consumption	87	
	302-2	Energy consumption outside the organization	-		Not applicable / The company currently does not track external energy consumption
	302-3	Energy Intensity	5.1.3 Energy Intensity	88	
	302-4	Reduce energy consumption	5.1 Energy Saving and Carbon Reduction	84	

	302-5	Reduce the energy demand of products and services	-		Not applicable / The company currently has no relevant information available for disclosure
Water and effluent					
GRI 303: Water and Effluents 2018 Management Approach	303-1	Mutual Influence of Shared Water Resources	5.2 Water Resource Management	91	
★Emissions					
GRI 3: Major Matters 2021	3-3	Major Theme Management	5.1 Energy Saving and Carbon Reduction	84	
GRI 305: Emissions 2016	305-1	Directly (Scope 1) Greenhouse Gas Emissions	5.1.5 Greenhouse Gas Emissions	90	
	305-2	Energy Indirect (Scope 2) Greenhouse gas emissions	5.1.5 Greenhouse Gas Emissions	90	
	305-3	Other indirect (Scope 3) Greenhouse Gas Emissions	-	NA	Scope 3 Information acquisition is incomplete
	305-4	Greenhouse gas emission intensity	5.1.6 Greenhouse Gas Emission Intensity	91	
	305-5	Greenhouse gas emission reduction	5.1 Energy Saving and Carbon Reduction	84	
	305-6	Emissions of Ozone-Depleting Substances (ODS)	-	NA	Not applicable / No emissions of related substances recorded
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other	-	NA	Not applicable / No emissions of related

		significant gas emissions			substances recorded
Waste					
GRI 3: Major Matters 2021	3-3	Major Theme Management	5.4 Sustainable Supply Chain	97	
GRI 308: Supplier Environmental Assessment 2016	308-1	Adopt environmental standards to screen new suppliers	5.4 Sustainable Supply Chain	97	
	308-2	Negative environmental impacts in the supply chain and the actions taken	5.4 Sustainable Supply Chain	97	
★Green products/services					
GRI 3: Major Matters 2021	3-3	Major Theme Management	5.5 Green Products/Services	109	
Customer Customization Major Theme	Green packaging-1	Percentage of recyclable packaging materials in product projects	5.5 Green Products/Services	109	
The crowd (including human rights) side					
★Employment Relationship					
GRI 3: Major Matters 2021	3-3	Major Theme Management	6.3 Talent Attraction and Retention	122	
GRI 401: Labor Relations 2016	401-1	New employees and departing employees	6.3.1 New and Departing Staff	124	
	401-2	Benefits provided to full-time employees (excluding temporary or part-time employees)	6.3.3 Employee Benefits	128	

	401-3	Paternity leave	6.3 Talent Attraction and Retention	122	
	Salary	Should disclose the number of full-time employees not holding managerial positions, the average and median salary of full-time employees not holding managerial positions, and the differences between the top three and the previous year	6.3.2 Salary and Rewards	126	
Labor/management relations					
GRI 402: Labor/Management Relations 2016	402-1	The shortest notice period for operational changes	6.1.3 Labor-Management Communication	117	
Occupational Safety and Health					
GRI 3: Major Matters 2021	3-3	Major Theme Management	6.5 Occupational Safety and Health Management System	135	
GRI 403: Occupational Health and Safety 2018 Management Guidelines	403-1	Occupational Safety and Health Management System	6.5 Occupational Safety and Health Management System	135	
	403-2	Hazard identification, risk assessment, and incident investigation	6.5.1 Hazard Identification, Risk Assessment, and Incident Investigation	138	

	403-3	Occupational Health Services	6.5.2 Occupational Health Services	142		
	403-4	Participation, consultation, and communication of workers regarding occupational safety and health	6.5.3 Participation, Consultation, and Communication of Occupational Safety and Health Workers	143		
	403-5	Occupational Safety and Health Worker Training	6.5.4 Occupational Safety and Health Worker Training	144		
	403-6	Worker Health Promotion	6.5.5 Occupational Safety and Health Worker Health Promotion	146		
	403-7	Prevent and mitigate the impacts directly associated with occupational safety and health in business relationships	6.5 Occupational Safety and Health Management System	135		
	GRI 403: Occupational Health and Safety 2018	403-8	Workers covered by the occupational safety and health management system	6.5.6 Occupational Safety and Health Management System Covered Workers	149	
		403-9	Occupational injury	6.5.7 Occupational Injury and Occupational Disease Statistics	149	
403-10		Occupational disease	6.5.7 Occupational Injury and Occupational Disease Statistics	149		

★Training and Education					
GRI 3: Major Matters 2021	3-3	Major Theme Management	6.3 Talent Attraction and Retention	122	
GRI 404: Training and Education 2016	404-1	The average number of training hours per employee per year	6.4 Talent Development	132	
	404-2	Enhance employee skills and transition assistance program	6.4 Talent Development	132	
	404-3	Percentage of employees regularly receiving performance and career development reviews	6.4 Talent Development	132	
Diversity and equal opportunities for employees					
GRI 405: Employee Diversity and Equal Opportunity 2016	405-1	Diversity of governance units and employees	6.2 Governance units and employee diversity	118	
	405-2	The ratio of basic salary plus remuneration for females to males	6.3.2 Salary and Rewards	126	
★Supplier Social Assessment					
GRI 3: Major Matters 2021	3-3	Major Theme Management	5.4 Sustainable Supply Chain	97	
GRI 414: Supplier Social Assessment 2016	414-1	Use social criteria to screen new suppliers	5.4 Sustainable Supply Chain	97	
	414-2	Negative social impacts in the supply chain and actions taken	5.4 Sustainable Supply Chain	97	

(2) Appendix 2, Climate-related information of listed and OTC companies

I. The risks and opportunities posed by climate change to the company and the corresponding measures taken by the company

item	Execution situation
1. Describe the Board of Directors and management's oversight and governance of climate-related risks and opportunities.	Arbor Technology explains the climate change risk management policy of the company in section 3.2.3 of the report on climate change governance.
2. Explain how identified climate risks and opportunities affect the business, strategy, and finances of the enterprise (short-term, mid-term, long-term).	Arbor Technology explains the climate change risk management policy of the company in section 3.2.3 of the report on climate change governance.
3. Explain the impact of extreme weather events and transition actions on finance.	Arbor Technology explains the climate change risk management policy of the company in section 3.2.3 of the report on climate change governance.
4. Describe how the identification, assessment, and management processes of climate risks are integrated into the overall risk management system.	Arbor Technology explains the climate change risk management policy of the company in section 3.2.3 of the report on climate change governance.
5. If using scenario analysis to assess resilience to climate change risks, the scenarios, parameters, assumptions, analytical factors, and major financial impacts used should be explained.	No usage scenario analysis assessment yet.

item	Execution situation
<p>6. If there is a transition plan to manage climate-related risks, explain the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</p>	<p>Arbor Technology explains the climate change risk management policy of the company in section 3.2.3 of the report on climate change governance.</p>
<p>7. If using internal carbon pricing for planning, the basis for pricing should be explained.</p>	<p>No internal carbon pricing yet</p>
<p>8. If climate-related targets are set, the covered activities, greenhouse gas emission scopes, planning period, and annual progress should be explained. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve the related targets, the source and quantity of the offset carbon reduction or the number of Renewable Energy Certificates (RECs) should be explained.</p>	<p>Arbor Technology is not planning carbon pricing, carbon offsetting, and renewable energy certificates at the current stage, but by 2024, it will have completed the greenhouse gas inventory for the parent company.</p>
<p>9. Greenhouse gas inventory and assurance status, reduction targets, strategies, and specific action plans (separately filled in 1-1) and (1-2).</p>	<p>Arbor Technology has not yet completed the reduction plan. It is expected to disclose the reduction strategy and targets by 2027.</p>

A. The company's greenhouse gas inventory and assurance situation in the recent 2 years

(a) Greenhouse Gas Inventory Information

(State the greenhouse gas emissions for the most recent two years (metric tons CO2e), intensity metric tons CO2e/NTD 1 million) and data coverage scope.

Year	Scope 1 (ton CO2e)	Scope 2 (tons CO2e)	Data covers: Taiwan Headquarters Operation Base
2022	Pending investigation	214.0370	
2023	35.5165	204.4717	

Note: The carbon inventory data for 2022 is self-checked by the company and only includes scope 2 purchased electricity. The data for 2023 includes scope 1 and scope 2 data introduced by ISO 14064-1 inventory.

Year	Company revenue (million)	Scope 1 Emission intensity (tons CO2e per million revenue)	Scope 2 Emission intensity (tons CO2e per million revenue)	Data covers: Taiwan Headquarters Operation Base
2022	1,257.706	Pending investigation	0.1702	
2023	1,146.979	0.0310	0.1783	

(b) Greenhouse Gas Assurance Information

(Explanation of the assurance situation for the most recent two years, including the scope of assurance, assurance institutions, assurance criteria, and assurance opinions)

The company's current status of greenhouse gas emissions inventory is self-managed and voluntarily disclosed to understand the current trends and respond early, and has not yet been assured by an external third-party verification body.

II. Greenhouse gas reduction targets, strategies, and specific action plans

Emission reduction target	Strategic Action	Project Schedule
<p>Compared to the base year, 2023</p> <ul style="list-style-type: none"> ● The short-term goal is to maintain the temperature increase at 1.5°C. ● By 2025, reduce Scope 1 and Scope 2 emissions by 8% compared to 2023. ● By 2030, reduce Scope 1 and Scope 2 emissions by 46% compared to 2023. ● In line with the "Climate Change Response Act," the plan aims to achieve net-zero greenhouse gas emissions by 2050. 	<ol style="list-style-type: none"> 1. Through green procurement, purchase infrastructure equipment with eco-labels. 2. Implement energy-saving projects for facilities and equipment 	<ol style="list-style-type: none"> 1. Year 2024~2030 2. Year 2030~2050