ABICO

ABICO AVY

2025

Environmental Social Governance

Sustainability Report

ESG Report

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1、 Report Information

1.01 Message from the Chairman

In 2025, the global landscape remained fraught with uncertainty. The latest Emissions Gap Report published by the United Nations Environment Programme's (UNEP) indicates that, under the current policies scenario, global greenhouse gas emissions continue to rise and that a significant gap remains between current trajectories and the Paris Agreement's goal of limiting global warming to 1.5°C. The report further notes that, if current policy trends continue, global warming could reach approximately 2.8°C by the end of this century, underscoring the continued escalation of climate-related risks. Challenges such as extreme weather events, competition for resources, and supply chain disruptions are further intensifying global economic volatility. In addition, changes in the international political landscape, carbon border adjustment mechanisms such as the EU Carbon Border Adjustment Mechanism (CBAM), and inflationary pressures are creating additional challenges and uncertainties for business operations.

Against this rapidly changing external environment, addressing climate change and advancing sustainable development have become global imperatives. These priorities not only represent key directions for government policy, but are also essential for companies seeking to meet regulatory requirements and societal expectations, enhance operational resilience, strengthen competitiveness, and create long-term value. Only by responding to change with greater agility and integrating sustainability principles into business strategies, day-to-day operations, and risk management can companies continue to advance steadily amid the ongoing transformation of global industries.

On the environmental front, as the challenges posed by global warming and climate change intensify, we continue to strengthen our environmental management practices. We comply with the requirements of the relevant regulatory authorities and complete greenhouse gas inventories in accordance with statutory timelines, while advancing energy conservation and carbon reduction initiatives. We also continue to optimize our environmental management and control measures to minimize the adverse environmental impacts of our operations.

On the social front, we regard our employees as the Company's most important asset. We are committed to fostering a diverse, inclusive, and safe workplace and providing a fair and competitive compensation system aligned with market standards, while continuously enhancing employee well-being. Through sound business operations, we also strive to create value for shareholders and contribute to society, thereby fulfilling our corporate social responsibility.

In terms of governance, we continue to strengthen our corporate governance framework and enhance its operational effectiveness. We have appointed a Corporate Governance Officer to support Board operations, regulatory compliance, and the implementation of governance-related matters. We have also established a Board Performance Evaluation Policy to improve the quality of Board decision-making and strengthen the Board's oversight functions. In addition, the Company discloses relevant rules and regulations, corporate governance practices, and stakeholder communication channels on its official website, thereby continuously enhancing information transparency and ensuring the effective operation of its corporate governance system.

We fully recognize that ESG transparency has become a key indicator of corporate sustainability performance. We will continue to strengthen corporate governance, uphold high standards of quality management, and enhance value-added customer service to improve the Company's overall competitiveness and resilience. At the same time, through ongoing communication, awareness-building, and collaboration, we will work closely with all stakeholders to address ESG issues, expand our sustainability impact, and contribute to environmental protection and social well-being. Guided by our business philosophy of prudence, integrity, and innovation, we will continue to create long-term and sustainable value for our shareholders, employees, customers, and society.

ABICO AVY CO., LTD.

Chairman Tong, Chun-Jen

1.02 About ABICO AVY

- Company Profile

ABICO Group has been deeply rooted in the Japanese market for 60 years, connecting Japanese technology with Taiwanese production capacity, solidifying a trusting relationship and setting a benchmark for Taiwan-Japan cooperation. The Group continues its strategic focus on Japan. Led by ABICO AVY, the ABICO Group has recently focused on emerging business opportunities such as robotics, new energy vehicles, and artificial intelligence. By integrating the resources of its manufacturing and distribution businesses, and with the assistance of Abico Asia venture capital, the ABICO Group is identifying promising targets globally to enhance overall efficiency. ABICO Group's unique advantage lies in its emphasis on corporate financial health, which in turn focuses on operational development, transforming all business units for the better, and ultimately creating maximum value for stakeholders.

ABICO AVY's vision is to lay the foundation, foresee the overall situation, promote innovation, and lead the future. We understand that sustainable development is the key to safeguarding the future. We will continue to integrate group and social resources to build sustainable businesses that thrive with the environment and unlock infinite possibilities for the world.

Unit: NT$1,000;

Deadline: December 31, 2025

Organization Name	ABICO AVY CO., LTD.
Company Type	OTC companies
Stock Code	5392
Chairman	Tong, Chun-Jen
President	Hu, Shiang-Chi
Organization establishment time	December 29, 1994
Industry Category	Optoelectronics Industry
Main Products	various aluminum alloys, plastic die-castings, related molds, electric and pneumatic hand tool parts, and automotive precision plastic components.
Paid-in capital	1,765,622 thousand
Consolidated revenue	8,697,447 thousand
Number of employees	2,991
Operating areas	Taiwan, Mainland China, Japan, Vietnam, Thailand, Malaysia
Headquarters location	10F., No. 101, Fuxing N. Rd., Songshan Dist., Taipei City, Taiwan

- Value Chain Introduction

ABICO AVY specializes in the design, manufacturing, and integration of metal components, powder metallurgy components, and precision plastic injection molding products. Initially focused on manufacturing metalworking components for communications products, the company has expanded its services to encompass diverse fields such as 3C electronics, automotive, and residential applications, continuing to meet customer needs with high quality, precision, and customization.

ABICO AVY integrates its metal, plastic, and electronics manufacturing resources within the Group, collaborating closely with upstream suppliers and downstream end-brand customers to ensure a stable supply of raw materials, continuous process optimization, and consistent quality. This effectively supports global market supply and localized production, thereby consolidating its competitive advantage and driving value co-creation and sustainable growth.

1.03 Report Information

1.03.1 Basis for Preparation

This report references the 2021 edition of the GRI Sustainability Reporting Standards (GRI Standards) published by the Global Reporting Initiative (GRI). Furthermore, this report is also prepared in accordance with the “Regulations Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies” of the Taipei Exchange and the "Sustainable Development Best Practice Principles for TWSE/TPEx ", specifically detailing the Company's corporate social responsibility efforts and achievements for stakeholder disclosure. A comparison table is provided in the Appendix.

1.03.2 Report Coverage Period and Frequency

This report is the second published by ABICO AVY CO., LTD. ABICO AVY CO., LTD's sustainability report is published annually. This report covers the same period as the consolidated financial statements and discloses financial and non-financial information for fiscal year 2025 (January 1, 2025, to December 31, 2025). It includes management policies, major themes, performance, value chain management, and environmental and social initiatives. It is also published on the company's website.

- Date of previous report: August 2025.
- Date of publication of this report: August 2026

1.03.3 Report Boundaries and Scope

This report covers the headquarters of ABICO AVY CO., LTD. and its subsidiaries with significant operational impact, including: IKKA Holdings (Cayman) Limited and Subsidiaries, EKEEN PRECISION CO., LTD., HONLYNN CO., LTD., ABICO NetCom CO., LTD and Subsidiaries (hereinafter collectively referred to as "ABICO

AVY"), and does not include all information on other subsidiaries included in the consolidated financial statements.

1.03.4 Information Recompilation

There was no restatement of information in the 2025 Sustainability Report of ABICO AVY.

1.03.5 External Assurance/Guarantee Situations

This report has not been verified by an independent third-party verification agency.

1.03.6 Responsible Unit for Sustainability Reporting

If you have any questions about the content of this report, you can contact us through the following channels:

Contact: Sustainability Development Group, Hsieh, Wen-Ling

Tel: (02)2547-2089

Email: invest@avy.com.tw

Company ESG website: https://www.avy.com.tw/sustain_report.html

2、 Sustainable Operation

2.01 Sustainable Development Strategy

- Environmental Protection: In response to global climate change and the carbon emission crisis, we are actively introducing greenhouse gas inventories and implementing carbon inventory operations according to relevant legal timelines. We also implement waste sorting, resource recycling, and plastic reduction in daily operations to reduce environmental impact.
- Social Responsibility: We respect and treat every employee with care, viewing them as the company's most important asset. We are committed to creating a safe, healthy, inclusive, and diverse work environment, and we prioritize employee rights, workplace safety, and talent development. We continuously focus on employee well-being and career growth, aiming to foster mutual growth between the company and its employees through a supportive workplace and sound business practices.
- Corporate Governance: We continue to strengthen our governance systems, compliance, and risk management mechanisms. We have appointed a Corporate Governance Officer to assist with the Board of Directors' operations, ensure the fulfillment of directors' responsibilities, and promote related governance matters, with the aim of enhancing the quality of decision-making and operational transparency, and ensuring the effective functioning of corporate governance.

We continuously innovate and improve our products and services to meet our customers' needs while minimizing our negative impact on the environment. In addition, we are committed to giving back to society and promoting the development of social welfare initiatives. We aspire to be a company that contributes to society and the environment, and we will work hand in hand with our global partners to achieve our sustainable development goals.

2.02 Promoting Sustainable Development Mechanisms

2.02.1 Governance Structure and Operations to Promote Sustainable Development

ABICO AVY's Board of Directors serves as the highest oversight body for sustainability matters and is responsible for formulating the company's sustainability strategy and goals to ensure its operations align with current sustainability trends. The "Sustainability Team," convened by the General Manager, serves as a part-time unit dedicated to promoting sustainability within the company. This team promotes sustainability across all aspects of business management, environmental sustainability, and social responsibility, and reports to the Board of Directors on progress.

In response to the environmental, social and corporate governance (ESG) dimensions of sustainable development, the Sustainability Group collects stakeholders' concerns about environmental protection, labor rights, operational performance, and corporate governance. Based on respecting the interests of stakeholders, a dedicated stakeholder area is established on the company's website to appropriately respond to important sustainability issues of concern. ABICO AVY also plans to report ESG implementation results to the board of directors annually to strengthen the board's involvement in the company's promotion of ESG results.

2.03 Board of Directors and Functional Committees

2.03.1 The Role and Achievements of the Board of Directors in Sustainable Governance

2.03.1.1 Roles and Supervision of Sustainable Governance

The Board of Directors Oversees the Promotion of Sustainable Projects

The Board of Directors is responsible for guiding long-term business strategies and has oversight responsibilities. Each year, the Sustainability Development Team formulates sustainability strategy guidelines based on major issues and the company's business vision and reports to the Board of Directors.

The Sustainability Development Team is responsible for formulating various sustainability project policies, risk assessments, and response strategies. The team reviews risk changes and management status, and reports on the implementation status of sustainability projects. The team then compiles this information and submits it to the Board of Directors.

Sustainable Reporting Management

The Sustainability Team is responsible for regularly assessing major issues annually. Questionnaires on major issues are distributed to internal senior management and stakeholders to investigate the impact of various ESG issues on the economy, environment, and people. The team analyzes the major issues of the year and collects relevant content and data, verifies the information, and compiles it, and then reports it to the Board of Directors.

2.03.1.2 Supervise performance evaluation of sustainable management

Board Performance Evaluation

To strengthen corporate governance and enhance the Board's functions, the Company has established a Board Performance Evaluation Methodology. Annual self-evaluations are conducted by the Board and its functional committees (including the Audit Committee and the Compensation Committee), as well as individual Director performance evaluations. These evaluations cover areas such as responsibility awareness, involvement in company operations, internal controls, and continuous learning. The 2025 self-evaluation results for the entire Board and functional committees are available on page 23 of the Annual Shareholders' Meeting Report and will be submitted to the Board.

2.03.1.3 Continuing Education for Sustainable Development

Board of Directors Training

ABICO AVY arranges annual board training courses to enhance knowledge on corporate governance, economics, the environment, and social issues, strengthening the board's risk management capabilities. In 2025, the entire board of directors completed 81 hours of training, meeting or exceeding the regulatory recommendation of 6 hours. For details on the board's training, please refer to pages 47 of the Annual Shareholders' Meeting Report.

2.03.2 Board Structure and Operation

2.03.2.1 Membership and Diversity

Board Composition

The current board of directors of ABICO AVY consists of 9 directors (including 3 independent directors), of which 1 is a female director, accounting for 11 %.

The term of office of this Board of Directors is from June 21, 2024 to June 20, 2027. For detailed information of individual members (such as gender, age, concurrent positions in the Company or other companies, etc.), please refer to pages 3-4 of the Annual Report of the Shareholders' Meeting.

Project	Classification	Proportion
Gender	Male	89 %
	Female	11 %
Age	40-50 years old	11 %
	51-60 years old	11 %
	61-70 years old	56 %
	71 years old and above	22 %

2.03.2.2 Operation Status

Operation of the Board of Directors

To implement corporate governance and enhance the board's functions, ABICO AVY is committed to establishing performance goals to strengthen the board's operational effectiveness. This is done through board performance evaluations, a diverse board structure, and the appointment of a head of corporate governance. To ensure directors can fully perform their duties, ABICO AVY has secured liability insurance for directors, ensuring their responsibilities are rationalized and maximizing shareholder value. Furthermore, to ensure the independence of the board's oversight, all directors have recused themselves from participating in discussions and voting on resolutions in which they have a vested interest, and have not voted on behalf of other directors.

The Board of Directors is primarily responsible for overseeing the operations of the management team to ensure the company's proper operation and continued growth. To implement ABICO AVY's ESG policy, the Board of Directors approved the "Corporate Governance Best Practice Principles" and the "Regulations for Preventing Insider Trading" to further enhance corporate governance performance.

The board of directors of ABICO AVY meets at least once a quarter, with a total of five board meetings held in 2025, and the actual attendance rate of directors reaching 93%.

2.03.2.3 Nomination and Selection

ABICO AVY will consider the nominees' academic qualifications and experience, as well as relevant regulations such as the "Corporate Governance Best Practice Principles," and consider their diversity, independence, ability to cope with organizational challenges, and stakeholder opinions. After review by the Board of Directors, the slate of candidates will be submitted to the shareholders for a vote. Furthermore, in accordance with the Company Act, shareholders holding more than 1% of the company's total issued shares may submit written nominations for directorships to the company.

2.03.2.4 Conflict of Interest

ABICO AVY's directors exercise their powers in accordance with the Company's Articles of Incorporation, the Rules of Procedure for Board of Directors Meetings, and relevant laws and regulations. Pursuant to the relevant provisions on recusal of conflict of interest in the Rules of Procedure for Board of Directors Meetings, when a director, his or her spouse, a relative within the second degree of blood, or a company with which the director has a controlling interest has an interest in a meeting matter, the director must proactively disclose the material details of the conflict of interest at the meeting. If the conflict of interest could harm the interests of the company, the director must recuse himself or herself from the relevant discussion and voting, and may not exercise voting rights on behalf of other directors.

Furthermore, all relevant information regarding directors' recusations, including their names, descriptions of their interests, and the circumstances of their recusations, is clearly documented in meeting minutes to ensure transparency and compliance. According to the 2025 Board of Directors' minutes, no resolutions involved conflicts of interest among board members, fully demonstrating ABICO AVY's professionalism and impartiality in its board operations.

As for cross-holdings with other stakeholders or relevant information on controlling shareholders and related parties, they have been disclosed on the Public Information Observation Station.

2.03.2.5 Remuneration Policy

According to Article 17 of the Company's Articles of Association, the Board of Directors is authorized to determine director remuneration based on the director's level of involvement and contribution to the company's operations, in accordance with industry benchmarks. Furthermore, Article 20 of the Company's Articles of Incorporation stipulates that if the company makes a profit for the year and has accumulated losses, it shall retain a pre-distributed amount to cover the losses, with no more than 1.5% of the directors' remuneration allocated. The "Regulations Governing the Payment of Directors' Remuneration " serve as the basis for evaluation. In addition to considering the company's overall operating performance, future industry operating risks, and development trends, reasonable remuneration is determined. The performance evaluation and remuneration rationality are reviewed by the Compensation Committee and submitted to the Board of Directors for approval. For the 2025 Directors' Remuneration and Directors' Remuneration Bands, please refer to pages 10-11 of the Annual Shareholders' Meeting Report.

ABICO AVY has established a Compensation Committee. All senior management compensation (including salary and bonuses) must be reviewed by the Compensation Committee and then submitted to the Board of Directors for approval. The company's compensation payments are based on company regulations. In addition to individual performance (such as annual target achievement, revenue management, and operational management capabilities) and contribution to the company, the company's operational performance, future industry risks, and development trends are considered, along with reasonable compensation based on actual operating conditions. This balance is achieved between sustainable operations and risk management. For the 2025 senior management salary range, please refer to page 12 of the Annual Report to the Shareholders.

ABICO AVYs' employee compensation mainly includes the following items: basic salary (including base salary, food allowance, etc.), year-end bonus, etc. Employee salary standards are formulated based on salary market conditions, the company's financial situation and organizational structure, and gender equality is ensured.

Disclosure path for 2025 non-supervisory full-time employee salary information: Public Information Observatory -> Summary Report -> Corporate Governance -> Employee Benefits and Compensation Statistics -> Non-supervisory Full-time Employee Salaries/Non-supervisory Full-time Employee Salary Information.

2.03.3 Functional Committee Structure and Operation

Functional Committee

The term of office of the functional committees of the current session is from June 21, 2024 to June 20, 2027. For detailed information on individual members and the operation of the committees, please refer to pages 17 and 26 of the Annual Report of the Shareholders' Meeting.

1. Remuneration Committee

   The Compensation Committee, chaired by an independent director, meets at least twice annually. Its three members, all independent directors, assist the Board in developing and evaluating the compensation policies and systems for directors and executives. In 2025, the Compensation Committee held three meetings, with a 100% attendance rate.

2. Audit Committee

   The Audit Committee, composed of all independent directors, meets at least quarterly. The committee's objectives include overseeing the truthful presentation of the company's financial statements, the effective implementation of internal controls, compliance with laws and regulations, the management of existing and potential risks, and the appointment and dismissal, independence, and performance of the company's certified public accountants. In 2025, the Audit Committee held five meetings, with an attendance rate of 100%.

3、 Stakeholders and Major Topics

3.01 Stakeholders' consultation

Identify Stakeholders

ABICO AVY uses the five key principles of the AA1000 SES 2015 Stakeholder Engagement Standard (Dependency, Responsibility, Tension, Influence, and Diverse Perspectives) to identify groups or organizations that influence and are influenced by the company. The stakeholders identified as directly related to the company are shareholders/investors, customers, employees, banks, and regulatory authorities.

To understand and respond to stakeholder concerns, we provide various communication channels for stakeholder engagement and collaboration, allowing stakeholders to provide feedback at any time. This allows us to understand and respond to the sustainability issues of concern to different stakeholders. The table below summarizes the communication mechanisms and issues of concern for each stakeholder in 2025.

Pros and cons Related Person	Relationship Description	Focus on issues	Communication channels (Frequency of Communication)	Communication results
Shareholders/Investors	Shareholders are the investors of the company. The company should protect the rights and interests of shareholders and treat all shareholders fairly, ensuring that shareholders have the right to fully know, participate and decide on major matters of the company.	● Corporate Governance ● Business performance ● Sustainable Development	● Regular shareholders' meeting /annually ● Corporate briefing/every year ● Official website investor area/real-time ● Public Information Observation Station/Irregular	● Hold a shareholders' meeting ● Held one corporate briefing session
Client	Customers are the main source of the company's revenue. The company regards product quality, safety and after-sales service as its highest commitment to customers. Maintaining high customer satisfaction will help the	● Corporate Governance ● Regulatory Compliance ● operational performance	● Customer meetings/business visits /irregular ● Telephone and email communication/irregular	● Irregular meetings, phone calls, emails, and official correspondence ● Listen to customers' needs and ideas and satisfy them based on service

Pros and cons Related Person	Relationship Description	Focus on issues	Communication channels (Frequency of Communication)	Communication results
	company continue to gain customer recognition.			
Staff	Employees are the indispensable foundation of the company's operations. The company is committed to providing a workplace environment that is healthy and diverse for employees, so that colleagues can work without worries.	● Salary and Benefits ● Talent cultivation	● Announce employee welfare matters, welfare committee information, important company operation information, education and training course information, etc. from time to time ● Labor-Management Meeting	● Gift money for employee birthdays, Labor Day and three festivals (Spring Festival, Dragon Boat Festival and Mid-Autumn Festival) ● Irregular education and training courses
Bank	Banks are one of the important sources of working capital for a company, and cooperating with multiple banks to spread risk is essential for the company's operations.	● Regulatory Compliance ● operational performance ● Risk Management	● Establishment of annual credit lines for each bank ● Provide financial reports to correspondent banks regularly	● The company's application for credit line and endorsement guarantee must be approved by the board of directors ● Provide financial reports to correspondent banks every quarter and visit and communicate from time to time
Competent Authority	Government agencies supervise and audit companies' compliance with various laws and regulations	● Corporate Governance ● Regulatory Compliance ● Risk Management	● Application Materials ● Regulatory briefing	● Release important information in Chinese and English ● Irregular promotional meetings and seminars held by competent authorities

3.02 Process for Determining Major Topics

Materiality Theme Assessment

ABICO AVY follows GRI 3: Material Topics 2021 to further assess the significance of the impact of material topics in terms of economy, environment, and human rights. The implementation steps are as follows:

1. Understand the Organizational Context

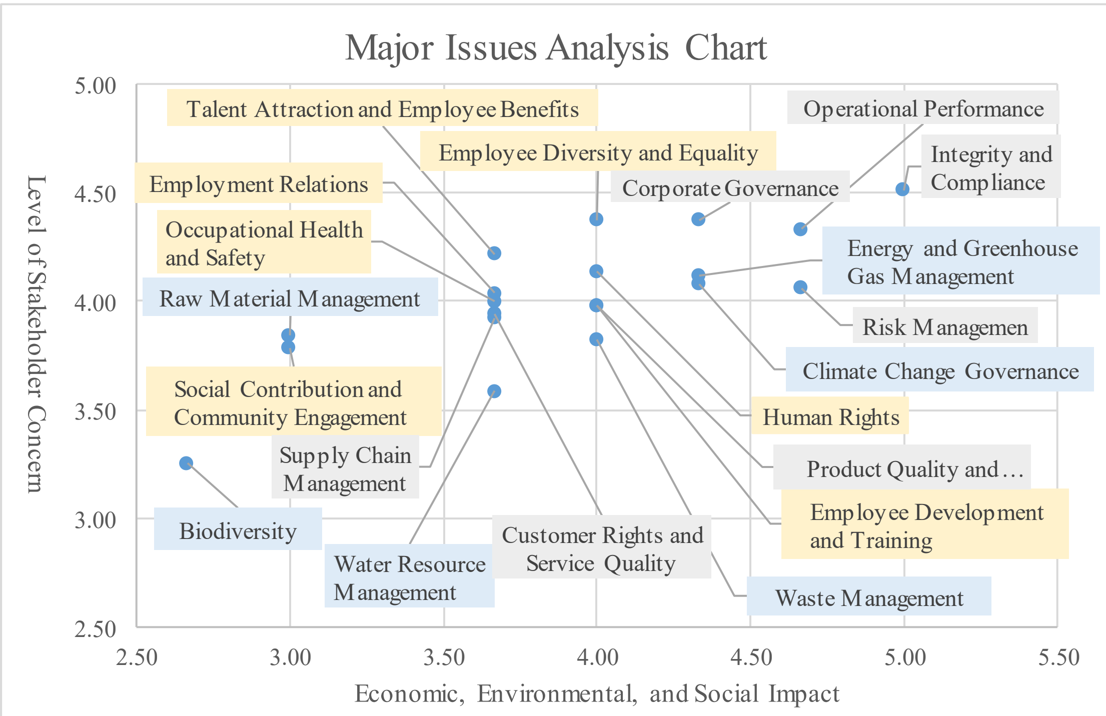
Refer to sustainability-related topics and industry standards, and review the organization's operational activities, business relationships, and stakeholder identification process to understand the organization's overall profile and related impacts, and identify sustainability stakeholders.

2. Identify actual and potential impacts

Based on the overall profile of the organization and its business relationships, the actual and potential impacts on the economy, environment and people are identified, including positive and negative, short-term and long-term, intentional and irreversible. Finally, a total of 20 sustainability issues covering 7 governance aspects, 7 social aspects and 6 environmental aspects are summarized.

3. Assess the significance of the impact

Through internal and external stakeholder questionnaires, we determine the scores for "stakeholder impact" and "economic environment and social impact" for materiality analysis.



4. Prioritize the Most Significant Impacts and Identify Key Themes

ABICO AVY's Sustainability Development Group developed 20 sustainability topics and sent online questionnaires to key stakeholders. A total of 42 valid questionnaires were collected, including 10 from shareholders/investors, 11 from employees, 20 from banks, and 1 from a customer. These questionnaires were then sent online to three executives to rate the impact of each sustainability topic on ABICO AVY. These scores were combined to create a major theme matrix. After discussion by the Sustainability Development Group, the top eight sustainability topics from the three environmental, social, and economic dimensions were selected as the company's major themes for the year. The eight major themes identified as priority for ABICO AVY's disclosure in the environmental, social, and economic dimensions this year are corporate governance, energy and greenhouse gas management, climate change governance, integrity and compliance, operational performance, employee diversity and equality, human rights policy, and risk management. This report details ABICO AVY's management approach and related disclosure items for each major theme.

3.03 List of Major Topics

List of Major Topics

Based on the analytical process, the Sustainability Development Team integrated the impact of sustainability issues and the level of stakeholder attention to identify eight key themes, including:

- Corporate Governance
- Integrity and Compliance
- Operational Performance
- Climate Change Governance
- Energy and Greenhouse Gas Management
- Employee Diversity and Equality
- Risk Management
- Human Rights

3.04 Management of Major Themes

<table>
<tr><th colspan="2">Major Themes</th><td>Corporate Governance</td></tr>
<tr><th colspan="2">Importance to the Company</th><td>Establish and improve the corporate governance structure, strengthen the functions of the board of directors, and focus on protecting the rights and interests of shareholders.</td></tr>
<tr><th colspan="2">Policy/ Commitment</th><td>Comply with the "Code of Corporate Governance Practices for Listed Companies" and relevant laws and regulations to enhance corporate governance effectiveness.</td></tr>
<tr><th rowspan="2">Target</th><th>Short Term</th><td>■ We adhere to the "Corporate Governance 3.0: Sustainable Development Blueprint" issued by the Financial Supervisory Commission to enhance corporate sustainability and strengthen market competitiveness.</td></tr>
<tr><th>Medium and Long Term</th><td>■ Conduct regular performance evaluations to ensure the diversity and independence of the board and implement the board's operational functions.
■ Comply with relevant laws and regulations to avoid penalties.</td></tr>
<tr><th colspan="2">Negotiation Channel</th><td>Head of Corporate Governance</td></tr>
<tr><th colspan="2">Take Action</th><td>■ Actively participate in corporate governance evaluation and improve information disclosure.
■ We offer continuing education courses on diversity for board members from time to time; incumbent board members must complete at least 6 hours of training.
■ Corporate governance supervisors must take at least 12 hours of courses related to corporate governance.</td></tr>
<tr><th colspan="2">Evaluation Results</th><td>■ In the 11th Corporate Governance Assessment in 2025, the OTC company group ranked 36% to 50%.
■ Female directors account for 11.11%; independent directors account for 33.33%.
■ In 2025, the attendance rate of board members at meetings reached 93%, ensuring actual participation in meetings and board operations.</td></tr>
</table>

<table>
<tr><th>Major Themes</th><td>Operational Performance</td></tr>
<tr><th>Importance to the company</th><td>Maintaining stable operating profits and risk management is the foundation of business operations. Improving operational performance can enhance a company's operational efficiency, strengthen its competitiveness, and enable immediate responses when faced with external risks.</td></tr>
</table>

<table>
<tr><th colspan="2">Major Themes</th><th>Operational Performance</th></tr>
<tr><td colspan="2">Policy/ Commitment</td><td>Effective management of operational performance and operational risks can enhance a company's competitiveness and achieve sustainable operations by pursuing the maximum interests of all shareholders and employees.</td></tr>
<tr><td rowspan="2">Target</td><td>Short Term</td><td>■ Sound financial structure.
■ Stable profit performance.</td></tr>
<tr><td>Medium and Long Term</td><td>■ Profits continue to grow every year.</td></tr>
<tr><td colspan="2">Negotiation Channel</td><td>■ Regular shareholders' meeting.
■ Investors’ Conference.</td></tr>
<tr><td colspan="2">Take Action</td><td>■ Actively utilize the Group’s tangible and intangible assets and continuously optimize resource allocation efficiency.
■ The business is diversifying and continuing to expand the market.</td></tr>
<tr><td colspan="2">Evaluation Results</td><td>■ In 2025, changes in overall market conditions resulted in an approximately 7.8% year-over-year decline in the Company’s revenue, while its gross profit margin also decreased slightly. The Company continued to strengthen cost controls and improve operational efficiency, while mitigating the impact of market volatility on its operations by optimizing its product portfolio, enhancing resource utilization efficiency, and integrating Group resources. Going forward, the Company will continue to strengthen operational management and resource integration, enhance its ability to respond to changing market conditions, and reinforce its long-term operational resilience.</td></tr>
</table>

Major Themes	Greenhouse Gas Management
Importance to the company	Faced with the challenges of global climate change and increasingly stringent regulations, companies are required to take active emission reduction measures to achieve the goal of global carbon neutrality, enable sustainable business operations, ensure that business activities comply with regulatory requirements, and thus achieve the goal of reducing greenhouse gas emissions.
Policy/ Commitment	We have formulated, continuously promoted, and implemented environmental sustainability policies. We are committed to effectively utilizing energy and resources and reducing pollutant emissions during operations. We implement energy conservation and environmental protection in our daily lives, and continue to contribute to

Major Themes		Greenhouse Gas Management
		environmental protection and sustainable development.
Target	**Short Term**	■ Continue to conduct greenhouse gas carbon inventories. ■ Continue to encourage colleagues to participate in the implementation of energy conservation. ■ Encourage employees to use public transportation more often.
	Medium and Long Term	■ Greenhouse gas carbon inventories are conducted continuously every year. ■ Continue to strengthen greening and improve air quality between offices.
Negotiation Channel		■ Sustainable Development Group
Invest Resources		■ greenhouse gas inventory and confirmation schedule implementation will be reported to the Board of Directors on a quarterly basis as required by the Financial Supervisory Commission.
Evaluation Mechanism/Outcomes		■ Replace equipment with energy-saving labels. ■ Inventory the company's overall emission sources.

4、 Governance

4.01 Economic Performance

Operating Performance

In 2025, ABICO AVY's consolidated revenue is expected to be NT$ 8.7 billion, representing a decrease of 7.8% compared with 2024. The Company reported a consolidated net loss after tax of NT$30 million for the year and a loss per share of NT$0.26. For further financial performance analysis, please refer to the company's consolidated financial statements.

2025 Financial Performance	
	Unit: NT$1,000
Total Assets	15,016,923
Debt Ratio	45.97%
Equity Ratio	54.03%
Direct Economic Value Generated	
Operating Income	8,697,447
Economic Value of Distribution	
Operating Costs	6,245,988
Employee Salary and Benefits	1,918,213
Payment to Investors	255,458
Payments to the Government	121,842
Social Investment	3,763
Retained Economic Value	**152,183**

Financial Assistance

In 2025, ABICO AVY's operations in Taiwan received NT$9 million in financial assistance under a government-sponsored industrial innovation program. The funding was primarily allocated to the "AI-Integrated Innovative Application Service Project for Smart Bicycle Displays." Using smart bicycle displays as the core platform, the project combines extensive practical experience in bicycle computer OEM/ODM manufacturing and system integration with PALM TECHNOLOGY (TAIWAN) CO., LTD.'s R&D capabilities in advanced display technologies and innovative display modules, together with the in-depth integration of AI-powered sports data analytics and application services. The project demonstrates comprehensive cross-disciplinary integration capabilities spanning hardware, firmware, algorithms, and application services. By combining highly visible, low-power smart display technologies suitable for outdoor use with real-time sports data analytics and personalized AI models, the solution provides cyclists with more intuitive, accurate, and valuable decision-making support for cycling and training.

4.02 Integrity Management

Integrity is the foundation of business operations. To foster an ethical work environment and atmosphere, ABICO AVY requires all employees to clearly understand and adhere to its Code of Ethics. ABICO AVY prioritizes compliance with the law and prioritizing integrity as its core corporate value. We conduct our business with integrity and compliance. To ensure the integrity of our employees is fully implemented within the company, we prioritize the moral integrity of our employees. We promote integrity during the onboarding phase of new employees and cultivate a sense of integrity within our team. We also require management to lead by example and adhere to the principles of integrity, subtly shaping the company's overall culture of integrity.

Internally, we have formulated a "Code of Business Integrity" and have adopted it through resolutions by the Board of Directors. This code of conduct is published on the company's official website for stakeholders to review, and corresponding contact windows are set up for stakeholders to express their opinions. If colleagues have questions about the company's integrity, in addition to checking the official website themselves, they can also contact the relevant windows through various channels such as email and phone.

At the same time, in accordance with the "Procedures for Reporting Illegal, Unethical, or Dishonest Conduct", the Company has established multiple reporting channels. Stakeholders may submit reports through the dedicated stakeholder section on the Company's official website. Reports will be investigated by designated personnel. In principle, whistleblowers are required to identify themselves and provide relevant details of the reported incident, including but not limited to the name of the reported party, the date and location of the incident, the nature of the case, and supporting evidence. However, if an anonymous whistleblower submits concrete and specific evidence, the designated personnel may also conduct subsequent investigations. Should a designated staff member have a conflict of interest with the whistleblower or the reported party, or any relationship that may affect the handling of the case, they shall proactively disclose it and recuse themselves, allowing another staff member to conduct the investigation. All investigations shall be conducted impartially and kept strictly confidential, and the identity of the whistleblower shall not be disclosed. The Company is committed to protecting whistleblowers from any improper treatment or retaliation arising from their report. All employees have a responsibility to report any unethical or improper behavior through the reporting channels. The Company also ensures that employees who report or participate in investigations are safeguarded against unfair retaliation or treatment.

In business interactions, colleagues should explain the company's integrity policy and related regulations to their trading partners during the execution of business, and explicitly refuse to directly or indirectly offer, promise, request, or accept any improper benefits in any form or name. They should also avoid engaging in business transactions with agents, suppliers, customers, or other business partners suspected of dishonest behavior. Upon discovery of dishonest behavior by a business partner or collaborator, the company should assess whether to designate them as a target for non-dealing partners to ensure compliance with the company's integrity policy. Finally, when entering into contracts with trading partners, the company should fully understand the other party's integrity practices and incorporate compliance with the company's integrity policy into the contractual terms. Contracts should include, but are not limited to, provisions regarding the possibility that either party becomes aware of a violation by the other party of a prohibition against accepting commissions, kickbacks, or other improper benefits. If either party engages in dishonest behavior in business activities, the other party reserves the right to terminate or rescind the contract at any time without condition.

To promote integrity and anti-corruption practices, we conduct annual awareness campaigns on integrity and anti-corruption, encouraging directors and employees to participate in relevant training, including courses on trade secrets and insider trading. In 2025, 1,490 employees participated in 4,444 hours of integrity and anti-corruption training. Results are reported annually to the Board of Directors. As of the end of 2025, ABICO AVY had not detected or received any reports of violations of professional ethics.

4.03 Risk Management

4.03.1 Risk Management

ABICO AVY Management Team is responsible for implementing risk management and taking appropriate measures within an acceptable range to prevent or reduce the company's possible losses, in order to protect the interests of stakeholders such as the company's employees, customers, shareholders or partners, and continuously improve and reduce the company's operational risks.

Risk Management Framework

Unit	Risky Business Matters
Board of Directors	The Board of Directors is the highest authority in the company's risk management. Its goal is to comply with laws and regulations, promote and implement the company's overall risk management, clearly understand the risks faced by the company's operations, ensure the effectiveness of risk management, and bear the ultimate responsibility for risk management.
Sustainable Development Group-Operation and Management Group	Plan and revise risk management systems in response to internal and external environments and legal adjustments, as well as conduct overall risk assessments and implement response strategies.

Unit	Risky Business Matters
Each Business and Management Unit	Heads of each unit conduct risk assessment and control in their daily management operations, emphasizing comprehensive risk control by all employees and implementing layered prevention measures on a regular basis to effectively manage risks.

Risk Management

Risk Category	Risk Description	Risk Management Strategy
Operational Risks	Business strategy	Hold management meetings from time to time to adjust operating strategies based on changes in the external environment.
	Long-term investment in the operation and management of investee companies	The management team pays attention to the long-term operation and management of the investee companies and provides appropriate assistance.
	Changes in policies and regulations	Understand changes in sales markets and production base regulations and respond in advance.
Economic Risks	Exchange rate risk	Maintain foreign currency positions in response to foreign exchange funding needs and adjust foreign exchange holdings in a timely manner based on exchange rate fluctuations.
	Interest rate risk	Regularly assess banks' interest rates and current account limits to obtain preferential market interest rates.
	Credit risk	Conduct credit limit management based on customer transaction limits and continuously collect accounts receivable to avoid huge bad debt losses.
Environmental Risks	Climate change and environmental risks	We identify potential climate change crises and address potential responses. We utilize energy-saving and water-saving equipment in the office environment, control cooling tower power input for intelligent energy conservation, reduce power usage, and continuously promote energy conservation and carbon reduction, improving energy efficiency. We also actively promote energy conservation and carbon reduction to ensure all employees have a certain level of awareness and understanding, and then implement energy conservation and carbon reduction measures in their lives and work.

4.03.2 Regulatory Compliance

Regulatory compliance is fundamental to business operations. Due to the wide variety of regulations, each unit at ABICO AVYs keeps abreast of regulatory revisions through interactions with government agencies and media reports. Each unit then conducts internal and external training for its employees to ensure compliance with all regulations. ABICO AVYs also regularly monitors laws and regulations that have a significant impact on operations to ensure compliance and enforce compliance. Established internal control systems prevent potential misconduct and suspected violations, mitigating related risks. According to the Procedures for Verification and Disclosure of Material Information of OTC Companies, a major incident is defined as a single incident resulting in a cumulative fine of NT$1 million or more. ABICO AVYs complies with relevant laws and regulations and enforces compliance through a robust management system, regulatory identification plans, and the implementation of promotional and educational training. ABICO AVYs reported no major violations (with fines exceeding NT$1 million) of social, environmental, or economic regulations in fiscal 2025.

4.04 Participate in Various Community Organizations

Participate in industry-related associations to understand the industry environment, absorb new knowledge, and exchange and share relevant experiences in order to accelerate the improvement and development of the industry.

Area	Name of Public Association	Membership
Taiwan	Taipei Office Machine Commercial Association	Member
Taiwan	New Taipei City Computer Association	Member
Taiwan	Hsinchu County Industrial Association	Member
Taiwan	Miaoli County Industrial Association	Member
Taiwan	Tongluo Industrial Park Manufacturers Association, Miaoli County	Member
Taiwan	GS1 Taiwan	Member
Taiwan	Chinese National Federation of Industries	Member
Taiwan	Taiwan Powder Metallurgy Association	Member
Taiwan	EO Taipei	Member
Taiwan	San San Youth Association	Member
Taiwan	Taiwan–Japan Business Exchange Promotion Association	Director
Taiwan	Taiwan–Japan Industrial Technology Cooperation Promotion Association	Member
Taiwan	Taipei Young Presidents Association	Member

Area	Name of Public Association	Membership
Taiwan	Taipei Opticians Association	Member
Taiwan	Importers and Exporters Association of Taipei	Member
Taiwan	Taiwan Industrial Technology Research and Innovation Association	Member
Taiwan	Taiwan Science Park Industries Association	Member
Taiwan	Taiwan Electrical and Electronic Manufacturers' Association	Member
Taiwan	Taiwan Mold and Die Industry Association	Member
Taiwan	Taiwan Industrial Holding Association	Director
Taiwan	San San Enterprise Exchange Association	Director
Mainland China	Shilong Town Federation of Trade Unions	Member
Mainland China	Shilong Branch of the Dongguan Association of Enterprises with Foreign Investment	Member
Vietnam	Hai Duong Provincial Federation of Labor	Member
Vietnam	Bac Ninh Branch of the Council of Taiwanese Chambers of Commerce in Vietnam	Member
Thailand	Federation of Thai Industries (FTI)	Member
Japan	Ishibashi Chamber of Commerce and Industry	Member
Japan	Tochigi Prefecture Corporate Association	Member
Japan	Hizumachi Chamber of Commerce	Member
Japan	Tochigi Prefecture Small and Medium Enterprise Promotion Cooperative Association	Member
Japan	Toy Park Association	Member
Japan	Ome City Corporate Association	Member
Japan	Tochigi Prefecture Plastics Industry Promotion Association	Member
Japan	Japan International Trainee & Skilled Worker Cooperation Organization (JITCO)	Supporting Member

5、 Social

5.01 Human Resources Development

5.01.1 Human Rights Policy

ABICO AVYs adheres to the labor laws and regulations of its global operations. We uphold the human rights of all employees by referencing the spirit and fundamental principles of human rights protection enshrined in international human rights conventions, such as the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the United Nations Global Compact, and the International Labor Convention. To raise awareness of human rights among all employees, we provide education and training on human rights protection to reduce the frequency of human rights incidents. In 2025, 2,983 employees participated in the courses, totaling 4,460 hours of training.

ABICO AVY is committed to creating a harmonious work environment, eliminating illegal discrimination and harassment, respecting the uniqueness of each individual, complying with relevant labor laws and international human rights conventions in the regions where we operate, and safeguarding the human rights of our employees. We also provide reasonable compensation, comprehensive benefits programs, a robust talent development system, and effective communication. In 2025, there were no incidents of human rights violations, including child labor, forced labor, labor-management disputes, violations of gender equality, discrimination, and sexual harassment.

5.01.2 Manpower Composition

5.01.2.1 Staff Structure

ABICO AVY is committed to fostering a spirit of inclusiveness and creating a diverse and inclusive workplace for all employees. ABICO AVY operates in Taiwan, Mainland China, Japan, Vietnam, Thailand, and Malaysia. As of the end of 2025, ABICO AVY employed a total of 2,991 people.

Global manpower distribution

Year		2024		2025	
Total Number of Employees (Note 1)		3,048		2,991	
Employment Contract (Note 2)		Non-fixed	Fixed	Non-fixed	Fixed
Gender	Male	1,251	26	694	396
	Female	1,723	38	1,188	713

Year		2024		2025	
Area	Taiwan	513	34	566	0
	Chinese Mainland	791	22	495	282
	Hongkong	1	0	1	0
	Japan	391	0	112	234
	Thailand	547	0	244	325
	Vietnam	595	8	339	268
	Malaysia	146	0	125	0
Employment Type (Note 3)		Full Time	Part Time	Full Time	Part Time
Gender	Male	1,259	18	1,080	10
	Female	1,733	38	1,891	10
Area	Taiwan	513	34	546	20
	Chinese Mainland	791	22	777	0
	Hongkong	1	0	1	0
	Japan	391	0	346	0
	Thailand	547	0	569	0
	Vietnam	603	0	607	0
	Malaysia	146	0	125	0

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

Note 2: Employment contracts are divided into non-fixed-term contract employees (full-time employees) and fixed-term contract employees (short-term, seasonal, specific project period, and maternity leave/parental leave for former employees).

Note 3: Employment types are divided into full-time employees (whose weekly working hours meet the statutory upper limit) and part-time employees (whose weekly working hours do not meet the statutory upper limit and only work part of the time, such as part-time students and hourly employees).

5.01.2.2 Non-Employee Structure

To meet the needs of business support and flexible employment in various regions, as of the end of 2025, ABICO AVY will employ a total of 1,106 non-employee workers in its operating locations in Taiwan, Mainland China and Vietnam, mainly technical consultants and dispatched personnel provided by external dispatch companies.

Global distribution of non-employee workers

Contract Type		Consultant		Dispatched Personnel	
Year		2024	2025	2024	2025
Total Non-Employee		1	1	71	1,105
Gender	Female	1	1	36	374
	Male	0	0	35	731

Area				
Taiwan	1	1	2	0
Chinese Mainland	0	0	53	300
Japan	0	0	0	234
Vietnam	0	0	16	247
Thailand	0	0	0	324
Job Type	Technical Consultant	Technical Consultant	Technician/Operator	Technicians/Operators: 1,095 Security Personnel: 6 Cafeteria Personnel: 4

Note 1: The reporting scope for 2024 did not include the subsidiaries of IKKA Holdings (Cayman) Limited.

Note 2: The reporting scope for 2025 is consistent with the reporting boundary of this Report.

5.01.3 Employee Diversity, Inclusion and Equality

ABICO AVY upholds the principles of diversity, equity, and inclusion and is committed to fostering an inclusive and safe workplace that respects differences among demographic groups and individuals while valuing cultural diversity and local integration. As of the end of 2025, ABICO AVY employed a total of 10 persons with disabilities across its operations in Taiwan, Mainland China, Vietnam, and Thailand, representing 0.3% of its total workforce. Employees from minority groups totaled 351, accounting for 11.7% of the total workforce. ABICO AVY continues to enhance employment opportunities for diverse groups through inclusive recruitment, localized management, and employee-friendly workplace initiatives, while providing appropriate support in accordance with local laws, regulations, and practical needs to foster a diverse and inclusive work environment.

Diverse distribution of employees

Category	Disabilities		Minority Groups	
Year	2024	2025	2024	2025
Area				
Taiwan	3	5	1	1
Chinese mainland	2	1	31	323
Vietnam	1	0	43	27
Thailand	0	4	0	0
Percentage of all employees (%)	0.2%	0.3%	2.5%	11.7%

Note 1: The reporting scope for 2024 did not include the subsidiaries of IKKA Holdings (Cayman) Limited.

Note 2: The reporting scope for 2025 is consistent with the reporting boundary of this Report.

ABICO AVY is committed to promoting a diverse and inclusive workplace and to increasing the representation of women across its workforce and in management positions. In 2025, the Company employed 1,756 women, representing 58.7% of its total workforce, broadly consistent with 58.1% in 2024. The number of women in management positions was 73, accounting for 32% of all management personnel, down from 44% in 2024. Going forward, the Company will continue to provide employees with equitable development opportunities through talent development, promotion, and career advancement initiatives. It will also continue to monitor and enhance the representation of women in management positions, thereby fostering a workplace culture grounded in equity, diversity, and inclusion.

Statistics of Employees by Age

Year	Gender	Under 30 years old	31-50 years old	51 years old or older	Total
2024	Female	460	1,128	183	1,771
	Male	207	749	321	1,277
2025	Female	510	1,031	215	1,756
	Male	201	704	330	1,235

Employee statistics by job level and gender

Year	Rank	Female		Male		Total	
		Number of people	%	Number of people	%	Number of people	%
2024	Manager	140	44%	179	56%	319	10%
	Non-Supervisory	1,631	60%	1,098	40%	2,729	90%
2025	Manager	73	32%	153	68%	226	8%
	Non-Supervisory	1,683	61%	1,082	39%	2,765	92%

Year	Area	Female		Male		Total	
		Manager	Non-Supervisory	Manager	Non-Supervisory	Manager	Non-Supervisory
2024	Taiwan	70	222	84	170	154	392
	Chinese Mainland	18	397	41	279	59	676
	Hongkong	0	0	0	1	0	1
	Japan	0	153	44	183	44	336
	Thailand	5	402	14	178	19	580
	Vietnam	37	399	36	167	73	566
	Malaysia	3	65	7	73	10	138

Year	Area	Female		Male		Total	
		Manager	Non-Supervisory	Manager	Non-Supervisory	Manager	Non-Supervisory
2025	Taiwan	62	239	70	195	132	434
	Chinese Mainland	3	394	25	320	28	714
	Hongkong	0	0	0	1	0	1
	Japan	0	154	25	202	25	356
	Thailand	0	399	20	150	20	549
	Vietnam	6	435	10	156	16	591
	Malaysia	2	62	3	58	5	120

Proportion of Senior Management Hired from the Local Community

2025	Number of Employees
Total Senior Management Personnel	75
Senior Management Personnel Hired Locally	64
Percentage	85%

Note: Senior management refers to personnel at the Assistant Vice President level or above.

To ensure that its compensation and benefits policies comply with local regulatory requirements and safeguard employees' rights and interests, ABICO AVY provides reasonable compensation and benefits programs at its major operating locations based on applicable local laws and regulations, job characteristics, and prevailing market compensation levels. In 2025, the ratio of standard entry-level wages to local statutory minimum wages across the Company's operating regions ranged from 0.97 to 1.73. The ratios in Mainland China, Japan, Thailand, and Malaysia were all above the applicable local statutory minimum wage levels. In Vietnam, certain ratios were close to the local minimum wage, primarily due to differences in job categories, workforce composition, and local compensation systems. ABICO AVY values diversity, inclusion, and gender equality. Compensation is determined based on factors such as job responsibilities, professional capabilities, work performance, and applicable local laws and regulations, without discrimination based on gender. In 2025, the statistical results for certain regions indicated differences in wage ratios between male and female employees, primarily attributable to differences in job categories and workforce composition. ABICO AVY will continue to monitor gender pay disparities and assess opportunities for improvement based on local job structures, compensation systems, and market levels. Through these efforts, the Company aims to maintain a fair and reasonable compensation management framework and progressively advance toward greater gender pay equity.

Ratio of the standard salary of grassroots staff to the local minimum wage in 2025

Area / Gender	Chinese Mainland	Japan	Thailand	Vietnam	Malaysia
Male	1.34	1.06	1.12	1.28	1.73
Female	1.00	1.01	1.00	0.97	1.35

Note 1: The above amount includes all fixed remuneration, but does not include non-fixed salaries such as overtime pay, emergency repair or standby allowances, business bonuses, shift allowances, meal allowances, variable performance bonuses, etc.

Note 2: Minimum wage ratio = individual minimum wage / government announced minimum wage.

In 2025, ABICO AVY allocated and supplemented its workforce in response to the operational needs of each region. The total number of employees remained broadly consistent with the previous year, maintaining a stable workforce. The new employee hire rate was 18.86%, while the employee turnover rate was 17.05%. Compared with the 2024 new employee hire rate of 14.83% and turnover rate of 13.88%, employee movement increased slightly, primarily reflecting necessary workforce adjustments made by the Company's operating locations in response to production capacity allocation, business needs, and changes in local labor markets.

By region, most employees hired and departing in 2025 were located in Mainland China, Thailand, and Vietnam, indicating that workforce movement was closely related to staffing requirements and production line allocation at each operating location. In terms of age distribution, employees hired and departing over the past two years were primarily concentrated in the under-30 and 31–50 age groups, consistent with the age profile of the Company's core workforce. By gender, the numbers of female employees hired and departing were higher than those of male employees, primarily due to the Company's overall workforce composition, job profiles, and regional staffing requirements.

Overall, employee movement increased slightly in 2025 compared with the previous year but remained within the normal range associated with business development and workforce allocation adjustments. Going forward, the Company will continue to monitor employee movement trends across its operating regions as a reference for talent retention, recruitment planning, and the stable development of the organization.

Number of new full-time employees

Year	2024							2025						
Area	Gender		Total	Age			Total	Gender		Total	Age			Total
	Female	Male		Under 30 years old	31-50 years old	Over 51 years old		Female	Male		Under 30 years old	31-50 years old	Over 51 years old	
Taiwan	68	59	127	41	78	8	127	39	32	71	44	25	2	71
Chinese Mainland	75	50	125	50	67	8	125	46	75	121	77	41	3	121
Japan	20	8	28	14	8	6	28	0	2	2	0	2	0	2

Year	2024							2025						
Area	Gender		Total	Age			Total	Gender		Total	Age			Total
	Female	Male		Under 30 years old	31-50 years old	Over 51 years old		Female	Male		Under 30 years old	31-50 years old	Over 51 years old	
Thailand	21	17	38	14	12	12	38	120	26	146	93	50	3	146
Vietnam	87	35	122	96	25	1	122	143	81	224	123	101	0	224
Malaysia	5	7	12	9	2	1	12	0	0	0	0	0	0	0
Newcomer Rate														
Taiwan	23%	23%	23%	55%	23%	6%	23%	13%	12%	13%	47%	8%	1%	13%
Chinese Mainland	18%	16%	17%	35%	14%	8%	17%	12%	22%	16%	77%	7%	4%	16%
Japan	13%	4%	7%	38%	3%	5%	7%	0%	1%	1%	0%	2%	0%	1%
Thailand	5%	9%	6%	9%	3%	22%	6%	30%	15%	26%	36%	21%	4%	26%
Vietnam	20%	17%	19%	43%	7%	2%	19%	32%	49%	37%	62%	25%	0%	37%
Malaysia	7%	9%	8%	39%	3%	2%	8%	0%	0%	0%	0%	0%	0%	0%

Number of full-time employees leaving the company

Year	2024							2025						
Area	Gender		Total	Age			Total	Gender		Total	Age			Total
	Female	Male		Under 30 years old	31-50 years old	Over 51 years old		Female	Male		Under 30 years old	31-50 years old	Over 51 years old	
Taiwan	59	57	116	33	76	7	116	51	21	72	18	49	5	72
Chinese Mainland	81	60	141	45	84	12	141	69	99	168	104	61	3	168
Japan	16	10	26	2	9	15	26	0	6	6	0	2	4	6
Thailand	27	13	40	12	19	9	40	66	19	85	63	22	0	85
Vietnam	69	26	95	68	27	0	95	113	45	158	101	54	3	158
Malaysia	3	2	5	2	3	0	5	3	18	21	3	14	4	21
Turnover rate														
Taiwan	20%	22%	21%	45%	22%	5%	21%	17%	8%	13%	19%	15%	4%	13%
Chinese Mainland	20%	19%	19%	31%	17%	12%	19%	17%	29%	23%	104%	11%	4%	23%
Japan	10%	4%	7%	5%	4%	14%	7%	0%	3%	2%	0%	2%	2%	2%
Thailand	7%	7%	7%	7%	5%	17%	7%	17%	11%	15%	24%	9%	0%	15%
Vietnam	16%	13%	15%	30%	7%	0%	15%	26%	27%	26%	51%	14%	30%	26%
Malaysia	4%	2%	3%	9%	4%	0%	3%	5%	30%	17%	14%	23%	9%	17%

ABICO AVY will work with all employees to create a friendly, diverse and inclusive workplace, strictly examine all potential discrimination and unequal behavior, and ensure that no discrimination incidents occur by 2025.

5.01.4 Employee Rights and Benefits

ABICO AVYs believes that employees are the core of a company's sustainable operations and is committed to building a safe and healthy work environment where people live and work in peace and contentment, foster excellent talent, promote diversity and inclusion, and foster a healthy and safe work environment. ABICO AVYs continuously improves its benefits program to provide employees with thoughtful and caring care, ensuring that every employee achieves a work-life balance and finds fulfillment in both professional growth and personal life.

ABICO AVY aims to achieve a happy working environment and 100% employee satisfaction. Various welfare facilities are provided to enable employees to work happily and worry-free, boost employee morale, enhance their sense of belonging to the company, and achieve harmony between work and life.

Welfare Programs	Welfare Content
Bonus Benefits	Year-end bonus, three-festival bonus
Incentive Benefits	Employee bonuses and employee stock options
Insurance Benefits	Labor insurance, health insurance, group insurance and pension contributions
Other Benefits	Birthday gifts, Labor Day gifts, employee travel, marriage and funeral leave, health check-ups, year-end party lucky draws, etc.

Note: This is a summary of welfare programs at operating locations.

Baby care benefits

To support employees in balancing work and family responsibilities and encourage childbirth, a parental leave program is provided in accordance with relevant laws and regulations. All eligible employees may apply for parental leave in accordance with regulations, and application and reinstatement will not affect their career development and benefits. While ABICO AVY actively offers parental leave programs, the number of applicants is relatively limited. This is partly due to employees having diverse family care arrangements or having spouses or other caregivers who can support childcare needs, resulting in a low application rate. ABICO AVY will continue to encourage eligible employees to take advantage of the parental leave program through promotional and management mechanisms, and is committed to creating a friendly workplace environment that helps employees balance work and family needs.

Reinstatement and retention of employment after parental leave

Item	2024		2025	
	Female	Male	Female	Male
Number of employees eligible for parental leave	100	97	104	100
Number of employees who applied for parental leave	3	0	5	1
Number of employees scheduled to return to work after parental leave (A)	2	0	3	1
Number of employees who returned to work after parental leave (B)	1	0	2	1
Number of employees who returned to work after parental leave in the previous year (C)	0	0	1	0
Number of employees who remained employed for at least one year after returning from parental leave (D)	0	0	1	0
Return to work rate after parental leave (B/A)	50%	0%	66%	100%
Retention rate after parental leave (D/C)	0%	0%	100%	0%

Note: Only information about companies in Taiwan is disclosed.

Pension

To protect employees' basic living rights after retirement, ABICO AVY complies with relevant pension laws and regulations around the world and provides a legal and secure pension system in accordance with the labor laws of each operating location.

1. Defined Benefit Retirement Plan

   Taiwan's employee retirement system, based on the Labor Standards Act, provides for defined benefit retirement. This system applies to all regular employees with years of service prior to the implementation of the Labor Pension Act on July 1, 2005, as well as to employees who have elected to remain covered by the Labor Standards Act after implementation. For employees who meet retirement requirements, retirement benefits are calculated based on years of service and their average salary for the six months prior to retirement. For employees up to 15 years of service, two base points are awarded for each year of service, while for employees exceeding 15 years, one base point is awarded for each year of service, subject to a maximum cumulative amount of 45 base points. ABICO AVY contributes a fixed percentage of total payroll monthly to the retirement fund, which is deposited in a special account at the Bank of Taiwan under the name of the Labor Retirement Reserve Fund Supervisory Committee. Furthermore, at the end of each year, an estimate is made of the balance in the Labor Retirement Reserve Fund account. If this balance is insufficient to cover the retirement benefits calculated above for employees expected to meet retirement requirements in the following year, a lump sum payment will be made by the end of March of the following year.

2. Determined Retirement Plan

Taiwan employees have a fixed retirement contribution system in accordance with the Labor Pension Act. Employees who choose to apply for the labor pension system stipulated in the Labor Pension Act will have 6% of their salary contributed monthly to their personal account at the Bureau of Labor Insurance. Employee pensions are paid monthly or in the form of a lump sum payment based on the employee's personal pension account and accumulated earnings.

3. Overseas Retirement Systems

ABICO AVY's subsidiaries outside of Taiwan has designed its retirement system in accordance with local laws and regulations and has allocated pension funds in accordance with the law to protect the retirement rights of local employees.

4. Retirement Reserve Actuarial Mechanism

To strengthen the financial stability of the pension system, we commission professionally qualified actuaries to conduct pension actuarial calculations each year to ensure the rationality and adequacy of the contribution base, thereby safeguarding employees' future retirement benefits. Please refer to ABICO AVY's consolidated financial statements for details.

Average annual salary difference ratio between male and female employees at each job level by gender

ABICO AVY remains committed to fostering a diverse, equitable, and inclusive workplace across all regions in which it operates. Through a fair and reasonable compensation system, the Company seeks to prevent gender discrimination and ensure that all employees receive appropriate compensation commensurate with the value of their work.

In 2025, the ratios of average annual compensation between male and female employees by job level varied across operating locations due to differences in region, job level, job category, tenure structure, and workforce composition. In certain regions and job levels, the average compensation of female employees was higher than that of male employees, while in others it was lower. These differences were primarily attributable to factors such as job responsibilities, nature of work, individual performance, and workforce composition, rather than gender being used as a basis for compensation decisions.

Going forward, the Company will continue to provide equitable development opportunities for employees of all genders through talent development, career advancement, and leadership succession planning. It will also progressively increase the representation of women in management positions and further embed gender equality, diversity, and inclusion into its corporate culture.

Area	Classification by Job Level	2024				2025			
		Annual Salary		Monthly Basic Salary		Annual Salary		Monthly Basic Salary	
		Male	Female	Male	Female	Male	Female	Male	Female
Taiwan	Senior Executives	1.00	0.88	1.00	0.90	1.00	0.56	1.00	0.59
	Mid-level Supervisors	1.00	0.91	1.00	0.96	1.00	0.94	1.00	0.91
	General Staff	1.00	0.93	1.00	0.90	1.00	0.82	1.00	0.79
	Direct Personnel	1.00	1.04	1.00	1.04	1.00	0.88	1.00	0.88
Chinese mainland	Senior Executives	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00
	Mid-level Supervisors	1.00	0.88	1.00	0.94	1.00	0.80	1.00	0.80
	General Staff	1.00	1.06	1.00	0.96	1.00	0.98	1.00	1.01
	Direct Personnel	1.00	1.00	1.00	1.00	1.00	0.89	1.00	0.91
Japan	Senior Executives	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00
	Mid-level Supervisors	1.00	0.00	1.00	0.00	1.00	0.79	1.00	0.82
	General Staff	1.00	0.69	1.00	0.63	1.00	0.77	1.00	0.78
	Direct Personnel	1.00	0.71	1.00	0.68	1.00	0.77	1.00	0.84
Thailand	Senior Executives	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00
	Mid-level Supervisors	1.00	1.12	1.00	1.03	1.00	0.95	1.00	0.95
	General Staff	1.00	1.14	1.00	1.09	1.00	0.94	1.00	0.94
	Direct Personnel	1.00	0.92	1.00	0.90	1.00	0.92	1.00	0.92
Vietnam	Senior Executives	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00
	Mid-level Supervisors	1.00	1.10	1.00	1.05	1.00	0.82	1.00	0.82
	General Staff	1.00	0.97	1.00	0.96	1.00	1.16	1.00	1.16
	Direct Personnel	1.00	0.99	1.00	0.98	1.00	0.88	1.00	0.88
Malaysia	Senior Executives	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00
	Mid-level Supervisors	1.00	0.97	1.00	0.92	1.00	1.48	1.00	1.52
	General Staff	1.00	0.82	1.00	0.78	1.00	1.15	1.00	1.21
	Direct Personnel	1.00	1.00	1.00	1.00	1.00	0.98	1.00	0.92

Note: 1. Senior executives do not include managers (such as general managers, deputy general managers, and assistant managers).
2. Mid-level supervisors include managers (such as managers, assistant managers, section chiefs, and supervisors).
3. General employees and direct personnel are non-supervisory positions.

5.01.5 Collective Agreement

ABICO AVY respects and protects the freedom of association and collective bargaining rights of all employees, supports employees in establishing or joining labor unions in accordance with the law, and enters into collective agreements with the company through legal channels.

As of the end of 2025, some subsidiaries within ABICO AVY's operating locations have established labor unions, with union representatives negotiating agreements with the company regarding labor conditions. Employee union participation rates at two locations in mainland China and Vietnam are 100%、99.60%、91.3% and 96.9%, respectively. Participation rates below 100% are primarily due to foreign employees, rehired retirees, or employees on probation, who are not eligible for union membership.

Even in locations without labor unions, ABICO AVYs still prioritizes labor-management communication and has established other communication mechanisms (such as labor-management meetings or grievance mechanisms) to continuously promote employee participation and protect their work rights and interests.

5.01.6 Talent Cultivation and Development

ABICO AVY strengthens employees' professional knowledge and work skills, improves work quality and motivation, and meets the company's future human resource development needs. It enriches employees' knowledge, attitudes, skills, and potential inspiration to strengthen operational development capabilities and organizational functions. It provides diverse and flexible learning channels and information to encourage all-round development and achieve a sustainable corporate structure.

Upon joining, new employees are specifically briefed on company management practices. We actively encourage employees to pursue specialized courses within their respective areas of expertise. With continuous growth as our primary focus, we provide diverse learning channels, enabling them to leverage their expertise and achieve self-improvement. We develop and implement training programs tailored to individual needs. Employee training is divided into internal and external training. Internal training is arranged by each department based on actual business needs. For external training, departments submit applications based on business needs, and upon approval, we select individuals to participate in courses offered by external organizations. In response to the recent trend toward diversified education and training, we provide employees with access to a wider range of information.

Employee Education and Training

Country	Taiwan							
Year	2024				2025			
Position	Management Position		Non-Management Positions		Management Position		Non-Management Positions	
Gender	Male	Female	Male	Female	Male	Female	Male	Female
Total number of employees trained	55	36	83	131	40	31	120	96
Total Training Hours	388	215	487	673	297	303	786	748
Average Training Hours	7.05	5.97	5.86	5.13	7.43	9.77	6.55	7.79

Country	Chinese Mainland							
Year	2024				2025			
Position	Management Position		Non-Management Positions		Management Position		Non-Management Positions	
Gender	Male	Female	Male	Female	Male	Female	Male	Female
Total number of employees trained	67	28	253	386	18	12	330	416

Country	Chinese Mainland							
Year	2024				2025			
Position	Management Position		Non-Management Positions		Management Position		Non-Management Positions	
Gender	Male	Female	Male	Female	Male	Female	Male	Female
Total Training Hours	491	243	6,018	7,388	312	307	3,723	3,763
Average Training Hours	7.33	8.67	23.79	19.14	17.33	25.58	11.28	9.05

Country	Japan							
Year	2024				2025			
Position	Management Position		Non-Management Positions		Management position		Non-Management Positions	
Gender	Male	Female	Male	Female	Male	Female	Male	Female
Total number of employees trained	44	0	183	153	57	6	119	164
Total Training Hours	336	0	1,197	1,004	724	136	728	1,200
Average Training Hours	7.64	0.00	6.54	6.56	12.70	22.67	6.12	7.32

Country	Thailand							
Year	2024				2025			
Position	Management Position		Non-Management Positions		Management position		Non-Management Positions	
Gender	Male	Female	Male	Female	Male	Female	Male	Female
Total number of employees trained	14	5	178	402	14	6	153	395
Total Training Hours	126	27	1,039	2,171	92	86	523	1,156
Average Training Hours	9.00	5.40	5.84	5.40	6.57	14.33	3.42	2.93

Country	Vietnam							
Year	2024				2025			
Position	Management Position		Non-Management Positions		Management Position		Non-Management Positions	
Gender	Male	Female	Male	Female	Male	Female	Male	Female
Total number of employees trained	36	37	159	398	13	4	180	369
Total Training Hours	259	306	699	2,193	84	24	512	857
Average Training hours	7.20	8.26	4.40	5.51	6.46	6.00	2.84	2.32

Country	Malaysia							
Year	2024				2025			
Position	Management Position		Non-Management Positions		Management Position		Non-Management Positions	
Gender	Male	Female	Male	Female	Male	Female	Male	Female
Total number of employees trained	7	3	73	65	4	2	48	71
Total Training Hours	64	29	432	418	48	64	260	547
Average Training hours	9.09	9.60	5.92	6.43	12.00	32.00	5.42	7.70

5.02 Public Welfare Participation

Adhering to the philosophy of "caring for society, taking from society, and giving back to society," we participate in various public welfare activities and actively fulfill our corporate social responsibility. Through practical actions, we support disadvantaged groups and local community development, demonstrating our commitment to and dedication to the public good.

- Support for Disadvantaged Groups

  To put its commitment to social care into practice, ABICO AVY donated NT$163,000 to the Taiwan Care and Exchange Association and participated in Anue’s “Warmth and Love” charitable campaign. The donations supported care initiatives and social service programs for disadvantaged groups, helping to improve living conditions and strengthen social support systems. By continuing to address the needs of underserved communities, the Company seeks to leverage its corporate influence and advance social inclusion.

- Healthcare Initiative

  To help make Taiwan's healthcare system more environmentally friendly, carbon-reducing, and sustainable, and to enhance the climate adaptability and environmental sustainability of medical institutions, donating NT$300,000 to the International Healthcare Carbon Reduction Association is a commitment to public health and a responsibility to future generations.

- Educational Initiatives and Talent Development

  ABICO AVY places strong emphasis on educational advancement and talent development. The Company donated NT$3,000,000 to the Taiwan Waseda International Foundation to support programs related to academic research, educational development, talent cultivation, and international exchange, thereby promoting knowledge sharing and industry–academia collaboration. Through its investment in educational and charitable initiatives, the Company aims to cultivate outstanding talent with a global perspective and contribute to the sustainable development of society, industry, and the economy.

➢ Local Engagement and Industry–Academia Collaboration

ABICO AVY continues to strengthen its local engagement and talent development efforts. The Company received a certificate of appreciation from the Hsinchu County Government in recognition of its tangible contributions to corporate road adoption, environmental maintenance, and improvements to the local streetscape. It was also recognized by National Dahu Senior Agricultural and Industrial Vocational High School for providing internship and employment opportunities to students and helping bridge technical and vocational education with industry needs. Going forward, the Company will continue to leverage its corporate resources, deepen local engagement, broaden its participation in public welfare initiatives, and create long-term, positive impacts for society.

6、 Environmental

6.01 Climate Change

1. Climate Monitoring and Governance Structure

The increasing frequency of extreme weather events in recent years demonstrates the imminent crisis posed by global warming. Governments worldwide are increasingly prioritizing climate change and, through the revision of national and regional regulations, are urging businesses to incorporate climate change into their operations. ABICO AVY has established a Sustainability Team responsible for developing sustainability strategies, promoting ESG-related work, and assessing climate risks and opportunities under the TCFD framework.

2. Identification of climate -related risks and opportunities

To effectively manage climate-related risks and opportunities, ABICO AVY's Sustainability Team has incorporated climate change-related risks into its assessment and tracking, and continues to monitor climate risks that could impact operations, including international regulations and extreme weather events. By adopting the TCFD framework, ABICO AVY analyzed its climate change risks and opportunities, explaining global risk trends and climate change. This included the current status of the TCFD, the TCFD's recommended climate change risk and opportunity assessment framework, climate change scenario settings, and the resulting risks and opportunities. This enhanced understanding of global risk trends and climate change, and assessed climate change risks and opportunities in its operations. Furthermore, for high-risk, high-impact risks and opportunities, the team discussed relevant response strategies and indicators as concrete climate management measures.

3. Situational Analysis

ABICO AVY referred to the IPCC Sixth Assessment Report (AR6) and adopted two climate scenarios—SSP5-8.5, under which global warming reaches 6°C, and SSP1-2.6, under which global warming reaches 2°C—to assess the potential physical and transition risks it may face. The identification results are presented below:

Climate Change Risk Identification Summary

Risk Sorting	Risk Serial Number	Risk Types	Risk Factors	Time of Occurrence Evaluate
1	001	Transition Risks - Policy and Law	Formulate laws and regulations related to greenhouse gas reduction and energy management	Short-term/medium-term
2	002	Physical Risk - Long-Term	Changes in rainfall patterns and extreme changes in weather patterns	Long

Note: Definition of time frame: short-term: 1-3 years, medium-term: 3-5 years, long-term: 6-10 years.

Summary of Climate Change Opportunity Identification

Chance Sorting	Chance Serial Number	Opportunity Types	Opportunity Factor	Time of Occurrence Evaluate
1	001	Opportunities - Products and Services	Shifting consumer preferences	Long
2	002	Opportunity - Resource Efficiency	Reduce water usage and consumption	Short-term/medium-term

Note: Definition of time frame: short-term: 1-3 years, medium-term: 3-5 years, long-term: 6-10 years

Strategies for Managing Risks and Opportunities Related to Climate Change

<table>
<tr>
<td rowspan="2">
Risk 001
Formulate laws and regulations related to greenhouse gas reduction and energy management
[Impact Scenario]
Domestic and international regulations on greenhouse gas emissions and energy are becoming increasingly stringent, including requirements for disclosing energy consumption and greenhouse gas emissions, setting energy efficiency and carbon reduction targets, and imposing carbon taxes and fees. Failure to establish clear carbon reduction targets, develop short-, medium-, and long-term progress plans, or effectively reduce greenhouse gas emissions could create a gap between compliance with government regulations on greenhouse gas reduction and energy management. This could lead to increased carbon fees and taxes and potentially a disconnect with customers' supply chain carbon reduction goals, impacting order fulfillment and causing revenue declines. Furthermore, compliance with relevant regulations requires additional resources to be allocated to related management tasks, which will increase operating costs and procurement expenses. Without proper management, these challenges could negatively impact overall business operations, including impacting investment and financing activities and risking capital reduction.
</td>
<td>
[Risk Impact Aspects]
• Suppliers may raise product prices in response to carbon taxes and fees, leading to increased raw material costs. Furthermore, when companies consider carbon reduction, choosing pricier, low-carbon alternatives will also lead to higher procurement costs.
• In order to reduce greenhouse gas emissions, a greenhouse gas emissions disclosure and management process has been established, which may increase related management costs.
</td>
<td rowspan="2">
[Response Strategy]
• Introduce greenhouse gas carbon inventory, implement carbon inventory and obtain verification according to the prescribed schedule.
• Measures to reduce energy consumption may need to be taken, such as changing energy sources or improving equipment efficiency.
[Response costs]
• capital expenditures
• operating costs
</td>
</tr>
<tr>
<td>
[Financial impact]
• Operating costs and expenses will increase; without proper management measures, investment and financing will be frustrated and capital will be reduced.
</td>
</tr>
</table>

Opportunity 001 **Shifting consumer preferences** **[Impact Scenario]** As consumers become more aware of climate change, demand for greener products that are more efficient and environmentally friendly is likely to increase.	**[Opportunity Impact Aspects]** • Designing products that are more in line with preferences such as sustainability, health, and non-toxicity will help attract emerging consumer groups who value environmental protection and social values and expand the target market. • In response to consumers' demand for transparency in product origins and processes, we strengthen product traceability, environmental labels and responsible supply chain disclosure to enhance market differentiation.	**[Response Strategy]** • Invest in consumer behavior surveys and trend analysis tools to understand changes in preferences and adjust design and marketing strategies. • By introducing sustainable materials, simple packaging and low-carbon processes, we design products that better suit customer preferences and enhance brand resonance.
	[Financial impact] • Effectively combining green product design with targeted customer marketing will help increase revenue. • In the future, more manpower and equipment will be needed to develop low-carbon and energy-saving products, leading to higher operating costs.	**[Response costs]** • capital expenditures • operating costs

4. Indicator Targets

- Continue integrating the principles of energy conservation, electricity savings, and low-carbon operations into day-to-day operations and production activities. Implement energy-saving improvement initiatives and energy management measures to enhance energy efficiency, reduce energy consumption and environmental impacts arising from operations, and maintain operational effectiveness.
- Continue implementing and refining greenhouse gas emissions inventory procedures, complete annual inventory reports on a regular basis, and obtain third-party verification in accordance with the statutory timelines announced by the competent authorities. These efforts are intended to enhance the transparency, accuracy, and reliability of greenhouse gas disclosures and provide a basis for the Company’s subsequent carbon reduction management initiatives.

6.02 Greenhouse Gas Management

Greenhouse gas emissions and the resulting increase in extreme weather events represent a significant environmental challenge shared by the global community. Although ABICO AVY is not a major energy user, the Company recognizes that reducing greenhouse gas emissions is a common responsibility of all businesses. With reference to ISO 14064-1:2018 and the Greenhouse Gas Protocol (GHG Protocol), ABICO AVY defines its organizational boundary using the operational control approach, conducts greenhouse gas inventories, and obtains third-party verification in accordance with statutory timelines. Through greenhouse gas inventories and external verification, the Company seeks to understand current emissions trends, take early responsive action, and continuously estimate greenhouse gas emissions arising from energy use as a basis for future energy conservation and carbon reduction initiatives.

Greenhouse Gas Emissions and Intensity (Metric Tons CO_2e**)**

Year	Category 1	Category 2	Total	Emission Intensity
2023 (Note 1)	1.98	10.72	12.70	0.0000
2024 (Note 2)	1,314.11	17,925.57	19,239.68	0.0020
2025 (Note 3)	1,502.89	37,693.62	39,196.51	0.0045

Note 1: The statistical scope of greenhouse gas emissions in 2023 includes the relevant emission data of ABICO AVY CO., LTD.

Note 2: The scope of greenhouse gas emissions statistics for 2024 includes the emission data of ABICO AVY CO., LTD., IKKA Holdings (Cayman) Limited and its two wholly-owned subsidiaries in Japan and Thailand, EKEEN PRECISION CO., LTD., ABICO NetCom CO., LTD and Subsidiaries.

Note 3: The reporting scope for 2025 is consistent with the reporting boundary of this Report, except that it excludes IKKA Vietnam Co., Ltd., a subsidiary of IKKA Holdings (Cayman) Limited, and HONLYNN CO., LTD.

Scope 3 Inventory Items and Emissions (Unit:(CO_2e))

Inventory Items	2023 year (Note 1)	2024 year (Note 2)	2025 year (Note 2)
C1-Category 4 Purchased Products and Services	15.91	1,031.74	1,637.98
C6 - Category 3 Business Travel	5.22	16.25	17.04

Note 1: The 2023 Scope 3 inventory covers the relevant emission data of ABICO AVYs Co., Ltd.

Note 2: The 2024 and 2025 fiscal year includes the relevant emission data of ABICO AVY CO., LTD. and EKEEN PRECISION CO., LTD.

6.03 Energy Management

In support of energy conservation and carbon reduction, ABICO AVY continues to advance energy management and electricity-saving measures. By reviewing energy use across its operations, the Company monitors energy consumption at each operating location as a basis for improving energy efficiency and reducing environmental impacts. The Company's principal energy sources include purchased electricity, gasoline, diesel, and solar energy. Purchased electricity is primarily used in production processes, office premises, and related operating activities. In 2025, several subsidiaries were newly included in the reporting scope; accordingly, year-over-year changes in energy consumption were mainly attributable to differences in the reporting boundary and operating activities. The Company will continue to review its energy use profile, implement energy efficiency improvement measures, and encourage employees to conserve energy in their day-to-day work to further enhance energy efficiency.

Energy Usage

Energy Consumption	2023	2024	2025
Electricity Consumption (Spend)	21,661	3,072,072	52,566,368
Gasoline (Liter)	-	136,619	164,349
Diesel Fuel (Liter)	-	18,785	148,385
Non-renewable Energy Consumption (GJ)	78.00	16,184.48	199,868.03
Solar Energy (kWh)	-	-	173,295
Renewable Energy Consumption (GJ)	-	-	623.86
Total Energy Consumption GJ	78.00	16,184.48	200,491.89
Total Energy Intensity (GJ/NT$ million in Revenue)	0.0083	1.7157	23.0518

Note 1: The reporting scope for 2023 included ABICO AVY CO., LTD.

Note 2: The reporting scope for 2024 included ABICO AVY CO., LTD., IKKA Holdings (Cayman) Limited, EKEEN PRECISION CO., LTD., and ABICO NetCom CO., LTD. and Subsidiaries.

Note 3: Gasoline consumption data were collected for the first time in 2024; therefore, no data or organization-specific measurements and values are available for 2023.

Note 4: The reporting scope for 2025 is consistent with the reporting boundary of this Report, except that HONLYNN CO., LTD. is excluded.

Note 5: Based on the electricity conversion factor for consumption published by the Bureau of Energy, each kWh of electricity is equivalent to 860 kcal; 1 kcal equals 4.187 kJ (joules), and 1 GJ equals 1×10^9 joules.

Note 6: Based on Version 6.0.4 of the Greenhouse Gas Emission Factor Management Table, the heating value of gasoline is 7,800 kcal per liter; 1 kcal equals 4.187 kJ (joules), and 1 GJ equals 1×10^9 joules.

Note 7: Solar energy was converted using the internationally recognized conversion factor of 1 kWh = 0.0036 GJ.

7、 Appendix

7.01 Appendix 1: GRI Content Index

GRI Content Index Table Description

Usage Statement	ABICO AVY has reported content in accordance with GRI standards from January 1 to December 31, 2025
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Industry Standards	Not Applicable

GRI Content Index

Serial Number	Disclosure Project	Corresponding Chapter	Page Number	Remark/ Omit Description
General Disclosure				
GRI 2: General Disclosures 2021				
2-1	Organization Details	1.02 About ABICO AVY	3	
2-2	Entities Included in Organizational Sustainability reporting	1.03.3 Report Boundary and Scope	4	
2-3	Reporting Period, Frequency and Contact Person	1.03.2 Report Coverage Period and Frequency 1.03.6 Responsible Unit for Sustainability Reporting	4 5	
2-4	Information Recompilation	1.03.4 Information Recompilation	5	
2-5	External Assurance/Assurance	1.03.5External Assurance/Guarantee Situations	5	
2-6	Activities, Value Chains and Other Business Relationships	1.02 About ABICO AVY	3	
2-7	Staff	5.01.2.1 Staff Structure	25	
2-8	Non-employee Workers	5.01.2.2 Non-Employee Structure	26	
2-9	Governance Structure and Composition	2.02.1 Governance Structure and Operations to Promote Sustainable Development 2.03.2.1 Membership and Diversity 2.03.3 Functional Committee Structure and Operation	6 8 10	
2-10	Nomination and Selection of the Highest Governance Unit	2.03.2.3 Nomination and Selection	9	

Serial Number	Disclosure Project	Corresponding Chapter	Page Number	Remark/ Omit Description
2-11	Chairman of the Highest Governance Body	2.03.2.4 Conflict of Interest	9	
2-12	The Highest Governance Body's Role in Overseeing Shock Management	2.03.1.1 Roles and Supervision of Sustainable Governance	7	
2-13	Head of Shock Management	2.02.1 Governance Structure and Operations to Promote Sustainable Development	6	
2-14	The Role of the Highest Governance Body in Sustainability Reporting	2.03.1.1 Roles and Supervision of Sustainable Governance	7	
2-15	Conflict of Interest	2.03.2.4 Avoidance of Conflict of Interest	9	
2-16	Communicate Key Milestones	2.02.1 Governance Structure and Operations to Promote	6	
2-17	Collective intelligence of the Highest Governance Unit	2.03.1.3 Continuing Education for Sustainable Development	8	
2-18	Performance Evaluation of the Highest Governance Unit	2.03.1.2 Supervise performance evaluation of sustainable management	7	
2-19	Remuneration Policy	2.03.2.5 Remuneration Policy	10	
2-20	Salary Determination Process	2.03.2.5 Remuneration Policy	10	
2-21	Annual total Compensation Ratio	5.01.4 Employee Rights and Benefits	32	
2-22	Sustainable Development Strategy Statement	2.01 Sustainable Development Strategy	6	
2-23	Policy Commitments	3.04 Management of Major Themes 4.02 Integrity Management 5.01.1 Human Rights Policy	16 19 25	
2-24	Incorporate Policy Commitments	3.04 Management of Major Themes 4.02 Integrity Management 5.01.1 Human Rights Policy	16 19 25	
2-25	Procedures for Remediating Negative Shocks	4.02 Integrity Management	19	
2-26	Mechanisms for Seeking Advice and Raising Concerns	4.02 Integrity Management	19	

Serial Number	Disclosure Project	Corresponding Chapter	Page Number	Remark/ Omit Description
2-27	Regulatory Compliance	4.03.2 Regulatory Compliance	23	
2-28	Membership of a Public Association	4.04 Participate in Various Community Organizations	23	
2-29	Stakeholder Consultation Policy	3.01 Stakeholders' consultation	12	
2-30	Collective Agreement	5.01.5 Collective Agreement	35	
Major Themes				
GRI 3: Major Themes 2021				
3-1	Process for Determining Major Topics	3.02 Process for Determining Major Topics	14	
3-2	List of Major Topics	3.03 List of Major Topics	15	
3-3	Major Topic Management	3.04 Management of Major Themes	16	
Economic aspects				
GRI 201: Economic Performance 2016				
201-1	Direct economic value generated and distributed by the organization	4.01 Economic Performance	19	
201-2	Financial impacts and other risks and opportunities arising from climate change	6.01 Climate Change	40	
201-3	Defined benefit obligations and other retirement plans	5.01.4 Employee Rights and Benefits	32	
201-4	Financial assistance from the government	4.01 Economic Performance	19	
GRI 202: Market Position 2016				
202-1	Ratio of standard salary of grassroots staff of different genders to local minimum wage	5.01.3 Employee Diversity, Inclusion and Equality	27	
202-2	Proportion of local residents employed as senior management	5.01.3 Employee Diversity, Inclusion and Equality	27	
GRI 302: Energy 2016				
302-1	Energy consumption within the organization	6.03 Energy Management	43	
302-3	Energy intensity	6.03 Energy Management	43	
302-4	Reduce energy consumption	6.03 Energy Management	43	

Serial Number	Disclosure Project	Corresponding Chapter	Page Number	Remark/ Omit Description
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) greenhouse gas emissions	6.02 Greenhouse Gas Management	43	
305-2	Energy indirect (Scope 2) greenhouse gas emissions	6.02 Greenhouse Gas Management	43	
305-3	Other indirect (Scope 3) greenhouse gas emissions	6.02 Greenhouse Gas Management	43	
305-4	Greenhouse gas emission intensity	6.02 Greenhouse Gas Management	43	
305-5	Reduction of greenhouse gas emissions	6.02 Greenhouse Gas Management	43	
305-6	Emissions of ozone-depleting substances	-	-	Not applicable/No emissions
Social Aspects				
GRI 401: Employment Relations 2016				
401-1	New Employees and Former Employees	5.01.3 Employee Diversity, Inclusion and Equality	27	
401-2	Benefits Provided to Full-Time Employees (Excluding Temporary or Part-time Employees)	5.01.4 Employee Rights and Benefits	32	
401-3	Parental Leave	5.01.4 Employee Rights and Benefits	32	
GRI 404: Training and Education 2016				
404-1	Average Training Hours Per Employee Per Year	5.01.6 Talent Cultivation and Development	36	
404-2	Staff Enhancement and Transition Assistance Programs	5.01.6 Talent Cultivation and Development	36	
GRI 405: Employee Diversity and Equal Opportunity 2016				
405-1	Diversity of Governance Units and Employees	2.03.2.1 Membership and Diversity 5.01.3 Employee Diversity, Inclusion and Equality	8 27	
405-2	Ratio of Female to Male Base Salary and Compensation	5.01.4 Employee Rights and Benefits	32	
GRI 406: Non-Discrimination 2016				
406-1	Incidents of Discrimination and Corrective Actions Taken by the Organization	5.01.3 Employee Diversity, Inclusion and Equality	27	

7.02 Appendix II SASB Standards Index-TC-HW

Topic	Disclosure indicator	Indicator No.	Nature	Unit	Corresponding chapter or description
Product safety	Description of approach to identifying and addressing data security risks	TC-HW-230a.1	Discussion and Analysis	NA	ABICO AVY has established a comprehensive information and communications security management framework. Through internal policies, procedures, training, and awareness programs, the Company safeguards the confidentiality, integrity, and availability of its information assets. In 2025, no material information and communications security incidents occurred, and the Company received no substantiated complaints concerning breaches of customer privacy or losses of customer data.
Employee diversity and inclusion	Percentage of (1) gender and (2) representation of diverse groups among (a) senior management, (b) non-senior management, (c) technical staff, and (d) all other employees1	TC-HW-330a.1	Quantitative	%	5.01.2 Manpower Composition 5.01.3 Employee Diversity, Inclusion and Equality

Topic	Disclosure indicator	Indicator No.	Nature	Unit	Corresponding chapter or description
Product Life Cycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	TC-HW-410a.1	Quantitative	%	ABICO AVY's products are not end-use products and therefore cannot directly obtain the IEC 62474 certification required for end-use electronic and electrical products regarding reportable controlled substances.
	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	TC-HW-410a.2	Quantitative	%	Not applicable. ABICO AVY's products are not end-user products and therefore cannot directly obtain the EPEAT label, which is intended for the verification of end-user electronic and electrical products.
	Products Conforming to Energy Efficiency Certifications as a Percentage of Operating Revenue	TC-HW-410a.3	Quantitative	%	Not applicable. ABICO AVY products are not end-user products.
	Weight of end-of-life products and e-waste recovered, percentage recycled	TC-HW-410a.4	Quantitative	Ton %	Not applicable. ABICO AVY's products are not end-user products; therefore, matters such as end-of-life disposal, recycling services, and the weight of recycled materials are to be planned by the customer.

Topic	Disclosure indicator	Indicator No.	Nature	Unit	Corresponding chapter or description
Supply chain management	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all suppliers and (b) high-risk suppliers (conflict minerals)	TC-HW-430a.1	Quantitative	%	Not audited.
	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances, and (b) other nonconformances	TC-HW-430a.2	Quantitative	rate	Not audited.
Material procurement	Description of the management of risks associated with the use of critical materials	TC-HW-440a.1	Qualitative	NA	ABICO AVY implements local procurement based on the location of its manufacturing facilities and evaluates whether to authorize safety stock based on the characteristics of key product components and lead times.

Topic	Disclosure indicator	Indicator No.	Nature	Unit	Corresponding chapter or description
Material procurement	Number of units produced by product category	TC-HW-000.A	Quantitative	piece	By product business group, the number of units produced in 2025 was as follows: Electronic Components Distribution Business Group: 424,946 thousand PCS Power Tools and Powder Metallurgy Business Group: 23,154 thousand PCS Precision Plastics Business Group: 270,271 thousand PCS
	Area of manufacturing facilities	TC-HW-000.B	Quantitative	m2	By operating location: Taiwan: 5,586.47 m^2 Mainland China: 79,154.17 m^2 Japan: 1,796.50 m^2 Thailand: 13,914.46 m^2 Vietnam: 117,633.76 m^2 Malaysia: 15,338.87 m^2
	Percentage of production from owned facilities	TC-HW-000.C	Quantitative	%	Production is primarily carried out at the Company’s own facilities in each operating region. All operations in Japan, Thailand, Vietnam, Malaysia, and certain locations in Taiwan and mainland China are conducted entirely at the Company’s own facilities. Meanwhile, certain locations in

Topic	Disclosure indicator	Indicator No.	Nature	Unit	Corresponding chapter or description
					Taiwan and mainland China employ a hybrid model of in-house and outsourced production, with the proportion of production at the Company’s own facilities ranging from 77% to 96.15% and the proportion of outsourced production ranging from 3.85% to 23%.

7.03 Appendix III: Climate-related Information

Project	Content	Corresponding Chapter	Page Number	Supplementary Notes
1	Describe the board's and management's oversight and governance of climate-related risks and opportunities	6.01 Climate Change	40	
2	Describe how the identified climate risks and opportunities will affect the company's business, strategy and finances (short-term, medium-term and long-term)	6.01 Climate Change	40	
3	Describe the financial impacts of extreme climate events and transition actions	6.01 Climate Change	40	
4	Describe how the climate risk identification, assessment and management processes are integrated into the overall risk management system	6.01 Climate Change	40	
5	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be explained.	6.01 Climate Change	40	
6	If there is a transition plan to manage climate-related risks, describe the content of the plan and the indicators and targets used to identify and manage physical and transition risks.	6.01 Climate Change	40	

Project	Content	Corresponding Chapter	Page Number	Supplementary Notes
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be explained.	-	-	Internal carbon pricing has not yet been used as a planning tool, and is currently under internal discussion and evaluation.
8	If climate-related targets are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress achieved should be explained. If carbon offsets or renewable energy certificates (RECS) are used to achieve the relevant targets, the source and quantity of carbon reduction credits or the number of renewable energy certificates (RECS) used should be explained.	-	-	The has not yet used carbon offsets or renewable energy certificates, and is currently discussing and evaluating the use of these certificates within the company.
9-1-1	Greenhouse gas inventory information for the company in the last two years	6.02 Greenhouse Gas Management	43	
9-1-2	The company's greenhouse gas emissions information for the last two years	-	-	Third-party verification has not yet been obtained; verification must be completed within the statutory timeframe.
9-2	Greenhouse gas reduction targets, strategies and specific action plans	6.01 Climate Change 6.02 Greenhouse Gas Management	40 43	