CH4

Green Operations and Innovation

4.1 Green Design
4.2 Product Sustainability Management
4.3 Supply Chain Resilience

Performance Highlights:

NT$10.8billion	509	↓50%	↓60,000pieces	85%
R&D expenses	valid patents	reduction in standby power consumption for new models	reduction in Styrofoam packaging materials	recycled pulp ratio in cartons

Material Topic Impact Assessment and Management Approach

Competent Authority | RD Center, Procurement Department, and Global Operations Management Center

Policies and Commitments	Impact Assessment	Management Actions and Performance Tracking	Stakeholder Engagement
	Positive impact	**Risk prevention and mitigation**	**Data Collection**
To ensure that green design concepts are implemented institutionally and that operations and products comply with international green regulations and sustainability trends, the Company has formulated core guiding documents, including the "Green Product Design and Development Code," the "Ennoconn Sustainable Procurement Guidelines," and the "Ennoconn Sustainable Raw Material Policy," and incorporated environmental factors into the standard processes for product design, raw material selection, and procurement decisions.	By introducing life cycle thinking, the Company develops competitive products, reduces resource consumption and carbon emissions, mitigates supply chain risks arising from raw material shortages, and further enhances brand value.	The Company conducts R&D and design in accordance with green design principles to ensure that products meet environmentally friendly requirements, conflict-free mineral requirements, and international green regulations.	Understand customers' key concerns regarding green design and incorporate them into product R&D and design processes.
	Negative impact	**Implementation and oversight mechanism**	**Contact Point**
	Failure to promote green design may cause products to fail to comply with international regulations, resulting in market restrictions or fines, and increasing negative impacts on the environment and society.	To ensure policy implementation and improvement, the Company is certified under the ISO 9001 Quality Management System each year. Responsible units jointly set key performance indicators (KPIs), and the President and Chief Sustainability Officer regularly review implementation performance to ensure sustainability actions are effectively implemented.	Establish dedicated contact points and communication channels to respond to stakeholder concerns regarding green design issues.

Targets

Item	2025 Status	2026 Goals
Introduction of Green Design	Introduced into development	Incorporate green design principles into at least two new products
Energy-saving Design	Standby power consumption of new models decreased by approximately 50%	Promote energy-saving optimization for new products, with at least one energy-saving improvement project each year
Modularization/Easy Disassembly	Design principles have been introduced	Evaluate and incorporate modular or easy-to-disassemble design into 100% of newly developed models
Green Revenue Disclosure	Green revenue classification for industrial control IoT has been disclosed	Complete optimization of the 2026 green revenue statistics and disclosure mechanism

Ennoconn adopts a "top-down" management strategy to enhance the internal influence of sustainable procurement. After discussions between the Administration Department and the ESG unit, international key issues such as carbon emissions management, biodiversity, and the no deforestation commitment have been included as management priorities for first-level supervisors of the five major executive units. These priorities are linked to quantitative targets and performance incentive mechanisms (KPIs), with detailed tasks cascaded downward to encourage all employees to implement sustainability actions.

Promotion Item	New product development Design considerations Green design principles	Creative Sustainable Packaging Project	Sustainable Procurement Advocacy for Key Suppliers	Increase Green Procurement for Offices	Sustainable Development Training Seminar
Corresponding Theme	1. Sustainable Procurement 2. Green Design 3. Hazardous substance control 4. Carbon Management and Disclosure	1. Sustainable Procurement 2. Green Design 3. Carbon Management and Disclosure	Sustainable Procurement	1. Sustainable Procurement 2. Biodiversity 3. No Deforestation Commitment	Enhance employees' awareness of sustainability issues
2025 Performance Highlights	1. Changes were made to the standby function after shutdown for new chips and new complete-machine models, reducing standby power consumption by approximately 50% 2. Packaging materials were adjusted by replacing Styrofoam with molded paper materials	1. Two partner manufacturers directly deliver finished product packaging to the nearest airport or port, reducing unnecessary transportation 2. Paper labels attached to parts were replaced with laser engraving, reducing waste and resource consumption	Initiatives by 10 suppliers	Promoted "low-carbon business travel" and increased green procurement for services	Two seminars were held in Q4: 1. CSA ESG assessment score and gap analysis 2. Introduction to the green procurement scope
2026 Targets	Incorporate green design principles into two new product designs	Add sustainability clauses to outsourcing contracts	Initiatives by 12 suppliers	Continue to promote "low-carbon business travel"	Hold at least two awareness sessions or seminars on ESG issues, including but not limited to sustainable supply chain or sustainable procurement
Implementing Units	RD Center	Outsourcing Management Division	Procurement Department	All employees	ESG Promotion Office

4.1 Green Design

4.1.1 Innovation and R&D

Ennoconn promotes sustainability management throughout the entire product life cycle. From source R&D and design, through the optimization of use-phase efficiency, to end-of-life disposal, the Company introduces systematic assessment mechanisms to address the shortcomings of the traditional linear economy. The strategies are as follows:

1 Source Design and R&D Innovation

Ennoconn regards green design as a core strategy and integrates environmentally friendly thinking from the R&D stage. In addition to deepening its development of POS systems and ATM equipment, the Company allocates resources to key technologies such as 5G, AI, and IoT. Through wireless communications, handheld device applications, and high-entry-barrier designs based on RISC/MCU architectures, the Company further advances system integration. By developing low-energy-consumption and high-efficiency products, the Company improves energy use efficiency, extends product life, and lays the foundation for subsequent resource circulation.

2 End-of-life Management and Resource Circulation

For end-of-life product management, Ennoconn adopts the Material Flow Accounting (MFA) method to ensure compliance with the EU WEEE Directive (2012/19/EU) , with the assessment scope covering 100% of the Company's products. The Company assesses the "Recyclability and Recovery Rates" (3R) of its products. Through precise analysis of material composition and easy-disassembly design, the Company ensures that products achieve the intended recycling targets.

3 Circular Economy Transition

Through the above integrated management from design to disposal, Ennoconn minimizes the impact of resource consumption, reduces landfill waste, and actively promotes the transformation of its operating model from the traditional "take-make-dispose" model to a circular economy system. Relevant compliance statements and performance are publicly disclosed in the sustainability report, reducing regulatory compliance risks and responding to strong demand from investors and the market for sustainable products.

Three Major Green Design Strategies

To internalize sustainability concepts into product development decisions and transform them into product value, Ennoconn implements the following three major green design strategies through institutionalized processes and cross-departmental collaboration:

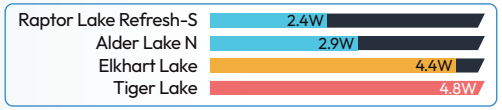
Optimize energy efficiency

Improve equipment energy efficiency and stability, and extend service life.

Given that the equipment developed by the Company, such as ATMs, POS systems, and gaming machines, often needs to operate for long periods or around the clock, the Company optimizes heat dissipation structures, reduces operating temperatures, and develops energy-saving technologies to reduce energy consumption and slow component aging, thereby extending product life. Through the introduction of new-generation high-efficiency chips and the optimization of power management logic, standby power consumption after shutdown in new models has decreased significantly by approximately 50%. This reduction lowers hidden energy consumption and the operational carbon footprint during long-term customer-side operations, while also improving equipment stability and service continuity.

Comparison of equipment shutdown standby power consumption

(Lower values indicate better energy-saving performance)



Modularization and Easy Disassembly

Easy to maintain, upgrade, and recycle, reducing electronic waste at the source.

Modularization and easy-disassembly principles are introduced at the product design stage. Through separable and expandable structural design, the Company improves convenience during repair, upgrades, reuse, and recycling. When customers upgrade systems, they only need to replace the motherboard or general modules, without replacing the entire machine. This extends product life and market adaptability, also helps safely separate hazardous substances during recycling, and reduces resource waste and electronic waste at the source.

Green Material Selection and Low-pollution Processes

Prioritize environmentally friendly materials and processes to reduce wastewater and chemical use.

For the selection of mechanical materials, the Company gives priority to hot-dip galvanized steel sheets (SGCC) and electrogalvanized steel sheets (SECC). Their excellent rust and corrosion resistance eliminates the need for highly polluting electroplating and traditional liquid spray painting processes, reducing wastewater and chemical use. If product appearance coloring is required, the Company gives priority to low-pollution powder coating processes. For product patterns and labeling, the Company has also fully replaced traditional screen printing with labels to reduce the environmental impact of surface treatment processes.

R&D Investment Trend

Recent data trends show a sustained high level of R&D expenses and continuous growth in the number of active patents, demonstrating Ennoconn's progress toward a highly efficient R&D model. The Company focuses resources on high-value technological innovation and creates strong R&D results.

Year	Number of R&D personnel	R&D expenses (NT$)	Number of active patents
2021	54	7,397,394,000	7
2022	52	7,975,853,000	9
2023	47	9,123,481,000	11
2024	47	11,585,588,000	11
2025	3,567	10,839,354,000	509

Note: 2025 R&D personnel and patent data were collected and consolidated by the Group.

2025 Key R&D and Technology Results

1.	Developed peripheral I/O control boards related to self-checkout machines, achieving overall application integration for self-checkout systems
2.	Launched a new-style lottery vending machine, demonstrating new electromechanical integration applications
3.	Designed a next-generation gaming control computer host using the Intel Bartlett Lake new platform to improve performance and AI computing power
4.	Used the Intel Alder Lake platform for modular design and won an Italian project
5.	Used the MediaTek ARM processor platform to provide Android POS and Kiosk project applications, developed peripheral device APIs, and established related hardware-software integration
6.	Developed a USB device information security module, paired with the ESaaS cloud hardware-software integration platform, providing Windows/Linux related software and early warning functions to strengthen cybersecurity when devices are connected to the internet
7.	Developed a next-generation image optical recognition lottery host with AI computing power
8.	Developed a smart meter Route B remote key setting function
9.	Developed the OpPredict failure prediction Android API

The Company's "green products" comply with two major mandatory EU standards. First, products must fully comply with the EU RoHS Directive and REACH Regulation to ensure that embedded systems and motherboards do not contain restricted toxic substances such as lead, mercury, and cadmium. Second, products comply with the EU WEEE Directive and feature easy-to-disassemble metal housings and modular designs to maximize resource recycling and reduce waste. "Green revenue" only includes revenue from physical products with compliance reports. In 2025, this refers to the revenue of the "Industrial IoT Business Group," totaling NT$68.49 billion and accounting for 48.1% of total revenue. It excludes the service-oriented business units of the "Smart Software and Solutions Business Group" (NT$22.23 billion) and the "Smart Factory and Facility Business Group" (NT$51.57 billion). For details, please refer to the 2025 financial report. Looking ahead, Ennoconn will continue to target green revenue accounting for more than 45% of its annual revenue.

To achieve this goal, Ennoconn actively allocates capital expenditures and operational resources to strengthen its green product development capabilities and supporting operations. In terms of R&D resource allocation, the Company integrates sustainable design principles into the product development process to continuously expand its sustainable product portfolio; regarding infrastructure, by optimizing manufacturing and testing equipment at its production sites, the Company ensures that both product manufacturing and assembly processes meet applicable sustainability requirements. In talent cultivation, regular training programs on green design are provided to R&D units. Furthermore, the Company offers sales incentive measures for sales personnel regarding sustainable products, incorporating performance in driving green revenue into the incentive mechanism to comprehensively drive the corporate growth of green revenue.

Historical Green Revenue Statistics Table

Unit: NT$100 million

Year	Industrial Control IoT Business Group	Total Revenue	Green Revenue Percentage
2022	192.1	1082.3	17.75%
2023	198.9	1216.4	16.35%
2024	676.5	1463.8	46.2%
2025	684.9	1422.9	48.1%

Note: The 2022 and 2023 Industrial Control IoT Business Group data refers to the production, sales, and after-sales services of motherboards and network communication equipment.

4.1.2 Quality and Customer Satisfaction

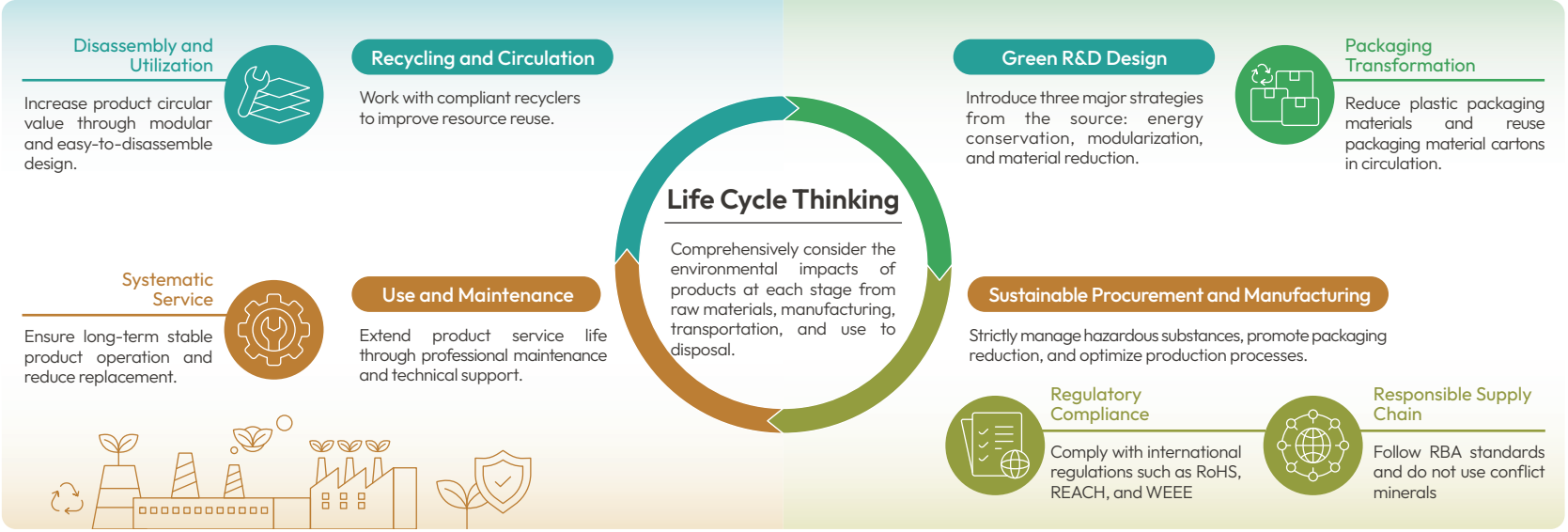
Stable, high-quality products and services are key to building long-term customer trust. Ennoconn has established a comprehensive customer service and feedback mechanism. Suggestions and complaints are accepted through multiple channels, including a dedicated email address (rma@ennoconn.com), a telephone contact window (886-2-5590-8050 ext. 1830, 1952), as well as real-time communication and face-to-face dialogues provided by the sales and customer service teams. Upon receiving a customer complaint, the customer service team will promptly confirm with the customer that the case has been accepted, and a dedicated window will explain the case handling procedure and the expected processing timeline. All customer suggestions and complaint cases are logged and tracked according to established procedures, with relevant units conducting root cause analysis and planning corrective measures. Customer feedback and complaint analysis results are systematically integrated into quality improvement and product optimization mechanisms, serving as an important reference for product development. Ennoconn has obtained ISO 9001 Quality Management System certification, establishing a compliant and transparent customer complaint process in accordance with international standards.

The Company conducts regular annual satisfaction surveys for key customers. In 2025, it collected five satisfaction surveys, with a survey score of 84.9 points, exceeding the target of 80 points. No customer complaints occurred throughout the year. The above results reflect the effectiveness of customer service quality management and show customer recognition of green products and sustainability actions. Ennoconn will continue to focus on customer value and embed sustainability management more deeply into every stage of the product life cycle.

Customer Satisfaction	2021	2022	2023	2024	2025
Score	80	82	81.7	84.6	84.9
Data Coverage	75%	75%	75%	100%	100%

4.2 Product Sustainability Management

Ennoconn implements sustainability concepts throughout procurement, production, and packaging, and extends them to end-of-life product management to establish an environmentally responsible value chain.

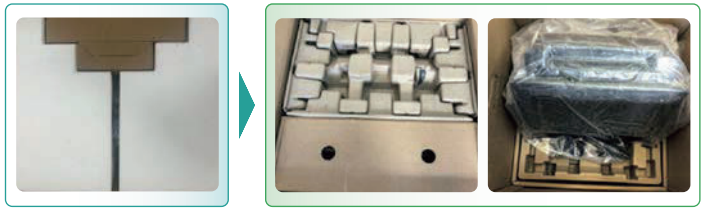


4.2.1 Packaging Materials and Transportation Optimization

Ennoconn actively promotes “green packaging transformation,” with core strategies focused on simplifying or recycling and reusing packaging materials and reducing shipping demand. Starting with large models, the Company ensures that packaging also provides shipment protection. While ensuring product safety, the Company improves transportation efficiency and reduces resource waste.

1 Source plastic reduction and packaging material optimization

Under the premise of maintaining packaging structural strength and transportation safety, the Company minimizes the use of plastic packaging materials. For production and logistics, the Company has upgraded cushioning materials from traditional Styrofoam to environmentally friendly molded paper materials, improving the recyclability and biodegradability of packaging materials. For the full year, the Company reduced the use of Styrofoam by 60,000 pieces, reducing the environmental burden of end-of-life waste. In addition, the Company gives priority to cartons containing recycled materials. The recycled pulp ratio has increased to 85%, promoting a green supply chain through concrete actions.



2 Circular logistics and material reuse

Establish recycling and reuse mechanisms to extend resource life.

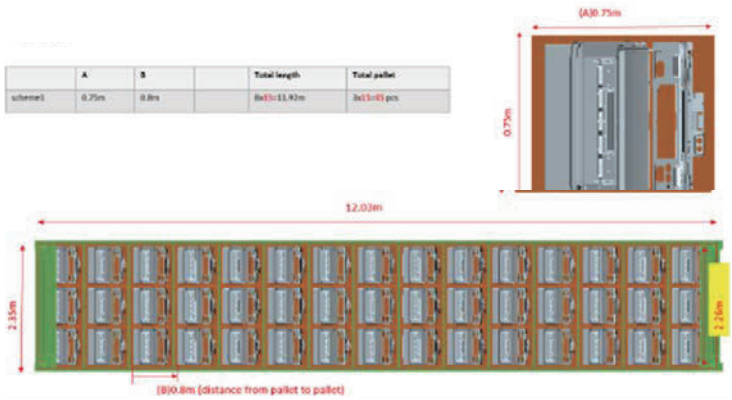
Pallet management	The Company promotes a pallet circulation system and increases the number of pallet uses through damage repair, reducing consumption of raw wood materials.	Logistics auxiliary materials	The Company gives priority to reusable straps and cushioning materials, and promotes material circulation among plants and departments to reduce waste generation.	Cardboard recycling	For cartons moving back and forth within plants and between suppliers, the Company sets recycling standards, reuses them whenever possible, and ensures that cartons meeting scrapping standards enter compliant recycling channels.

3 Transportation efficiency improvement

In logistics, the Company redesigned packaging structures and optimized stacking configurations, successfully improving container space utilization. The loading capacity per container increased from 45 units to 48 units, improving transportation efficiency by 6.7%. This is expected to reduce the transportation carbon footprint per unit of product and put the commitment to low-carbon logistics into practice.

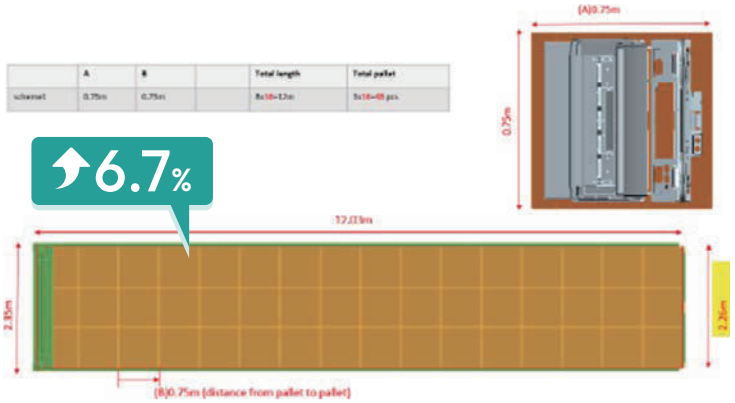
Before optimization Loading capacity of 45 units

40-foot Sea Container
45 EGM



After optimization Loading capacity of 48 units

40-foot Sea Container
48 EGM



4.2.2 Hazardous Substance Control

1 Management Mechanism

For hazardous substance process management, Ennoconn adopts a data management mechanism. Through the Product Data Management (PDM) system and the Systems, Applications, and Products in Data Processing (SAP) system, the Company conducts document archiving and part number control to ensure that materials comply with international regulations. The Company plans to introduce a Supplier Relationship Management (SRM) system in the future. Through automated tracking and an early warning mechanism for the validity of environmental certificates, the system will proactively notify suppliers to update their information in response to rapidly changing regulations. The digital system will resolve blind spots in manual tracking and ensure that the green compliance status of the supply chain remains up to date.

PDM Environmental Document Library

Centrally archive all suppliers' environmental certification documents and establish the data foundation

SAP Compliance Data Center

Integrate key compliance data to ensure that all procured materials comply with international regulations

SRM Smart Collaboration Platform
(to be introduced in the future)

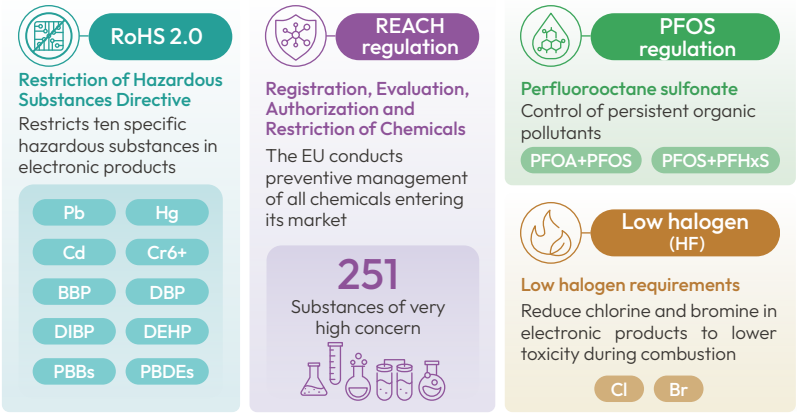
Establish automated tracking and early warning mechanisms to enable suppliers to update information independently and proactively manage risks

Ennoconn executes chemical risk assessments and control banding management in accordance with the "Procedures for Classification Management of Chemicals," initially identifying whether chemicals pose health hazards based on CNS 15030 and relevant regulatory requirements, and further confirming whether they fall under specific chemical substances, organic solvents, lead, dust, or other hazardous substances required to be managed by law. For chemicals with permissible exposure limits or those requiring workplace environmental monitoring by law, the Company conducts workplace environmental monitoring according to regulations and performs exposure banding based on the monitoring results and permissible concentrations; for chemicals without explicit permissible exposure limits or those requiring further evaluation, Chemical Control Banding (CCB) is conducted based on their hazard characteristics, usage amounts, dispersion levels, and operational exposure conditions to determine risk levels and select corresponding management methods. The Company implements Level 1 to Level 3 management measures based on risk levels and conducts regular re-evaluations; when chemical types, operational procedures, or manufacturing process conditions change, re-evaluations and banding adjustments are also performed either prior to the change or within three months after the change to mitigate the potential risks of chemicals to employee health and the working environment.

2 Compliance Commitment and Performance

Ennoconn complies with and exceeds international standards. The Company establishes internal control standards for chemicals of high concern, demonstrating its long-term commitment to green design and regulatory compliance. The Company has formulated the following policies:

(1) 100% international compliance	Comply with international environmental regulations such as the EU RoHS Directive, REACH Regulation, and PFOS requirements, Ennoconn ensures that 100% of its products meet hazardous substance-free requirements in 2025, consistently maintaining an annual record of zero violations.
(2) Clear phase-out schedule	Establish a hazardous substance phase-out mechanism and commit to completing the comprehensive substitution and phase-out of high-risk substances in stages by 2035, increasing the use rate of low-halogen materials in major products to 90%.
(3) Digital source control	Use digital management systems to monitor the substance composition of more than 10,000 part numbers in the supply chain in real time and block prohibited substances from the design source.
(4) Green R&D investment	Commit to allocating dedicated budgets to promote the "Non-toxic Substitution Program," prioritizing the development of environmentally friendly material technologies that contain no high-risk chemicals, are low-halogen, and are easy to recycle.
(5) Industry collaboration	Actively cooperate with industry associations and upstream and downstream partners to jointly develop environmentally friendly material solutions that meet industrial computer-grade durability requirements and are non-hazardous.
(6) Transparent disclosure	Regularly and transparently present the progress of substance substitution and compliance performance in the sustainability report, subject to stakeholder oversight.



4.2.3 Maintenance and Recycling Services

At the end of the product life cycle, Ennoconn focuses on two major aspects: "extended use" and "compliant recycling." Through repair and technical support mechanisms, the Company improves product durability and extends service life. At the same time, during the product retirement stage, the Company has established comprehensive recycling and end-of-life management processes. Working with compliant third-party recycling service providers, the Company ensures that products are properly disassembled and disposed of in accordance with regulations, thereby reducing environmental risks arising from improper disposal or illegal treatment.

1 Professional maintenance and technical support

Kontron's electronic components have approximately 80–95% repairability, with only a small number of coated or packaged components unable to be repaired. In addition, Kontron Transportation provides professional and systematic repair, maintenance, and technical support for railway-related hardware and software applications, ensuring stable long-term operation of facilities and maximizing product use value.

2 Compliant recycling and end-of-life disposal

All recycling service providers working with the Company must pass environmental verification or comply with approvals from local governments. All retired products and production waste are disassembled, sorted, and recycled through compliant channels. Kontron products contain approximately 4.05% recyclable materials. Among them, the lead-acid battery recycling system is the most mature, with a recycling rate of up to 95%. Product packaging materials mainly use highly recyclable materials such as glass, aluminum, and cardboard, with recycled materials accounting for 30.76%, realizing product circulation and reuse.

3 Implementation of electronic waste management through the RMA mechanism

To manage the environmental impact at the end of the product life cycle, the Company uses its global RMA (Return Merchandise Authorization) system as the core channel for reverse logistics. Following the spirit of the EU WEEE Directive (2012/19/EU), the Company has established a "warranty eligibility review and diversion mechanism," with the following procedures:

Warranty eligibility review and scope definition

All RMA applications must undergo warranty validity verification. The Company focuses resources on managing products within the warranty period to ensure that products within the management scope receive the most complete handling.

Repair and lifespan extension

For products that meet warranty eligibility, the Company upholds the principle of "full-responsibility repair" and is committed to troubleshooting failures and restoring full product functionality. This aims to maximize product service life, ensure that products can return to the market or customer side for continued operation, and reduce resource waste from full-machine scrapping at the source.

Component disassembly and recycling

Defective components (e.g. damaged motherboards, mechanical parts) replaced during the repair process are considered electronic waste. The Company sorts and disassembles such waste and sends it to qualified recyclers for resource recovery, ensuring zero landfill of hazardous substances and implementing closed-loop management.

Performance indicator	Definition	Statistics for 2025
A. Total weight of products included in RMA processing	Total weight of scrapped or retired products received through RMA channels.	10.56 metric tons
B. Weight of products reused after lifespan extension	Weight of products/parts re-entering the market or internal use after repair and refurbishment.	10.56 metric tons
C. Weight of materials recycled	Weight of materials that cannot be repaired and are sent to legal recyclers for material recycling after disassembly.	0 metric tons
D. Weight of waste disposal/landfill	Weight of waste that cannot be recycled and ultimately enters incineration or landfill.	0 metric tons
Usage rate after lifespan extension	B/A x 100%	100%
Material recovery rate	C/A x 100%	0%
Circular diversion rate	[(B + C) / A] × 100%	100%

Notes:
1. In 2025, a total of 2,112 products were processed through the RMA system. As all products were within the warranty period, they were repaired and returned to customers for continued use.
2. Data Calculation Methodology: Since the actual weight of each RMA product could not be obtained, the Company referred to the UNU-KEYS classification system of United Nations University (UNU). The average weight reference value for 0302 (desktop computers) is approximately 6.0 kg to 10.0 kg, and the average weight reference value for 0303 (notebook computers) is approximately 2.0 kg to 2.5 kg. Since industrial computers (IPCs) have material characteristics similar to desktop computers, such as metal housings and durable components, but are generally more compact, the Company adopted 5.0 kg as a conservative basis. Therefore, 2,112 units × 5 kg = 10.56 metric tons.

4 Increasing Collection Volumes and Customer Engagement

The Company continuously optimizes its RMA and end-of-life product collection processes. Through customer service windows, maintenance service notifications, and end-of-life product handling guidelines, the Company explains product maintenance, returns, recycling, and compliant disposal methods to customers, thereby raising customer awareness of WEEE recycling and reuse. Looking ahead, the Company will progressively expand the tracking scope of end-of-life products and maintenance-replaced components, aiming to increase the reuse/recycling ratio of returned RMA products and consistently enhance the effectiveness of e-waste recycling management.

4.3 Supply Chain Resilience

Material Topic Impact Assessment and Management Approach

Competent Authority | Outsourcing Management Division, Operations Management Division

Policies and Commitments	Impact Assessment	Management Actions and Performance Tracking	Stakeholder Engagement
	Positive impact	**Risk prevention and mitigation**	**Diverse engagement channels**
Through the formulation of the "Ennoconn Sustainable Procurement Guidelines," "Ennoconn Supplier Code of Conduct," "Supplier Evaluation Management Program," "Subcontractor Selection and Evaluation Management Procedure," and "Supplier ESG Self-Assessment Survey Form," the Company institutionalizes management and continuously optimizes its mechanisms.	Through localized manufacturing, off-site production backup, and supplier tier management mechanisms, the Company enhances supply stability and reduces operational interruption risks, creating operational resilience, delivery stability, and long-term economic value.	Through a systematic supplier management system (SCM), the Company follows ISO 20400 Sustainable Procurement Guidance and the Responsible Business Alliance (RBA) Code of Conduct. At the beginning of the cooperation, the Company requires suppliers to commit to complying with relevant standard and mandates that 100% of suppliers sign the Supplier Code of Conduct. The Company has established a dedicated supplier management department, with the Chief Sustainability Officer (CSO) overseeing the implementation of the supplier ESG management system and reporting regularly to the Board of Directors. The Company also regularly reviews its procurement practices to ensure they do not conflict with the Supplier Code of Conduct and ESG requirements.	Understand customers' key concerns regarding green design and incorporate them into product R&D and design processes.
	Negative impact	**Implementation and oversight mechanism**	**Setting customer complaint channels**
	Improper supplier management may involve environmental, human rights, and other risks, or supply interruptions caused by market volatility or geopolitical factors, affecting product delivery and customer trust.	The Company executes annual supplier audit plans, performance evaluations, and improvement tracking mechanisms based on risk levels, requiring suppliers to provide third-party certifications (such as ISO 9001, ISO 14001, etc.), and incorporates ESG performance into supplier selection, evaluation, and contract award considerations, prioritizing suppliers with superior ESG performance. If non-compliance items are detected, the Company will require suppliers to submit corrective action plans and complete remediation within a specified timeframe; for suppliers failing to meet the minimum ESG requirements within the current year, the Company may suspend cooperation, reduce procurement allocations, or disqualify them as suppliers. Furthermore, the Company regularly conducts supply chain ESG management training for procurement personnel to reinforce their roles and responsibilities within the supplier ESG management system.	The Company provides stakeholder grievance and feedback mechanisms to ensure that relevant issues are accepted, tracked, and improved in a timely manner.

Targets

Item	Audit outcome	2023	2024	2025	Target achieved
Supplier SCM and ESG audits	Passing the SCM audit	100%	99%	97.39%	V
	Passing the ESG audit	100%	100%	100%	V
ISO 20400 promotion	Audits are conducted every two years. The most recent audit was completed in 2024, and the next audit is planned for 2026.				

Sustainable Supply Chain Risk Management Framework

Impact Assessment	Structure Analysis	Risk Identification	Tiered Management	Engagement Actions
Assess positive and negative impacts of the supply chain	Understand the supply network spanning 21 countries across 4 continents and classify suppliers based on strategic importance	Identify and assess risk factors from the three major aspects of economy, environment, and society.	Manage suppliers by tier through regular audits	Introduce ISO 20400 Sustainable Procurement Guidance and promote sustainability targets through supplier conferences and other methods

4.3.1 Supply Chain Structure

Ennoconn's supply network spans four continents and connects its supply system through partners in 21 countries.

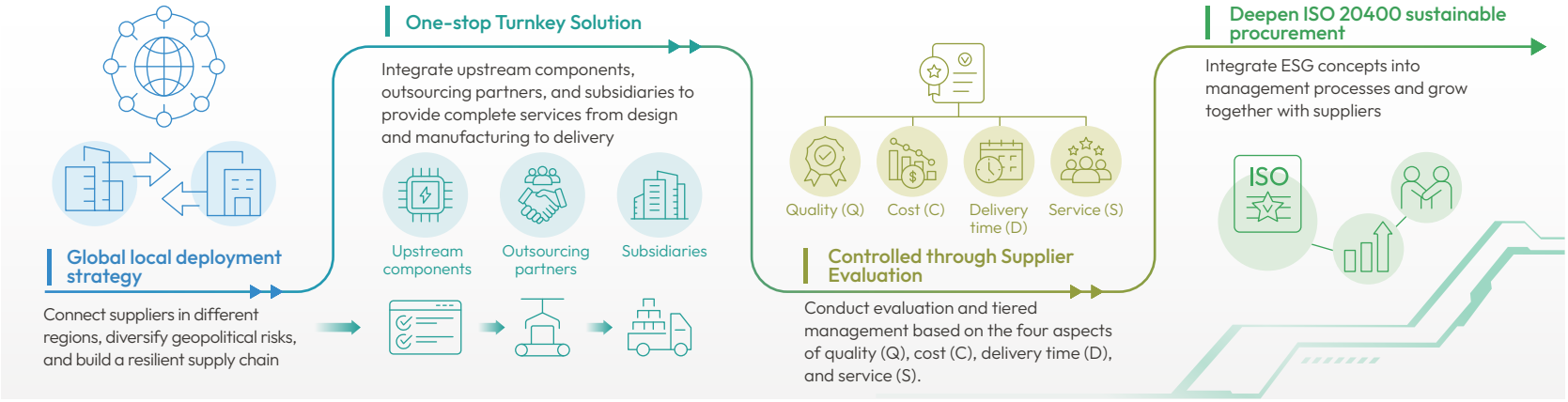
Upstream Component manufacturers
Component supply
Provide key electronic components such as CPUs, chipsets, PCBs, memory, mechanical parts, and power supplies

Midstream Industrial computer manufacturers
Product assembly
Integrate upstream components into motherboards, barebone systems, and peripheral products

Downstream End applications
System integration
The market is supplied by system integrators, POS hardware and software distributors, and ODM/OEM providers

1 Industry Overview

To respond to rapid market changes, Ennoconn integrates resources through turnkey manufacturing and localized deployment to provide turnkey solutions. The Company also combines quality, cost, delivery, and service (QCDS) evaluation mechanisms to further implement the spirit of ISO 20400 Sustainable Procurement Guidance and ensure a stable and efficient supply chain.



2 Supplier Types

Ennoconn's main supplier types include raw material suppliers, outsourcing manufacturers, transportation providers, and other vendors. Suppliers are further screened based on whether they are customer-designated and related strategic risks. "Key suppliers" and "significant suppliers" are prioritized for management.

First-tier suppliers	Suppliers that directly provide raw materials, electronic components, and packaging materials.
Key suppliers	Suppliers designated by customers.
Significant suppliers	Suppliers identified based on transaction amount, strategic importance, and high ESG risk.

In 2025, the total number of suppliers was 362. The statistics by nature are shown in the table below.

Supplier Type	First-Tier Suppliers	Key Suppliers	Significant Suppliers
Raw Material Supplier	268	84	10
Outsourcing Manufacturer	-	-	4
Transportation Provider	-	-	1
Other Vendor	-	-	0

Notes: 1. "Other Vendor" includes office general affairs vendors and information vendors
2. "-": Indicates no statistical data is available

3 Local Procurement Promotion

Local procurement refers to procurement from suppliers in the same country as the location of major product manufacturing sites. By increasing the local procurement ratio, Ennoconn helps shorten supply chain distance, reduce transportation carbon emissions, promote regional economies, and improve the ability to respond to unexpected events. In response to recent tariff and geopolitical risks, Ennoconn plans to shift its manufacturing strategy to Vietnam, and the local procurement ratio is still under investigation. For certain items for which local procurement cannot yet be implemented due to geographic conditions, industrial structure, or supply feasibility, the Company will evaluate alternatives in the future.

4.3.2 Risk Identification and Assessment

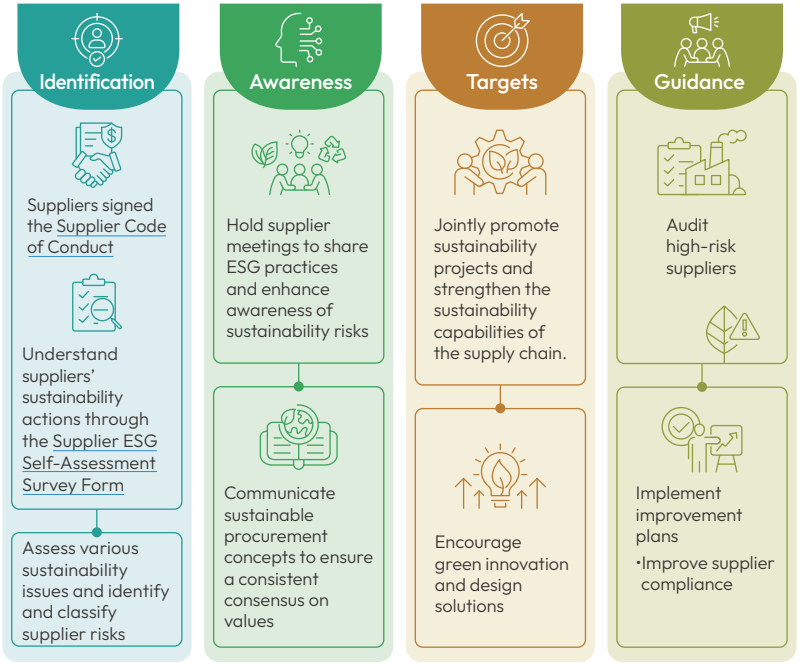
1 Risk Management Strategy

Amid high uncertainty in the global environment, geopolitical tensions, restructuring of international trade structures, inflationary pressure, frequent regional conflicts, and volatility in logistics and raw material markets have all increased the risks of supply disruptions and delivery uncertainty. Supply chains no longer focus solely on efficiency and cost, but are shifting toward stable and resilient operating models. Supply chain risk management has also become a key issue in maintaining operational continuity. Ennoconn promotes an off-site production backup strategy and implements a "global deployment, local production" operating model. The Company integrates manufacturing resources across regions, diversifies operational concentration risks, improves flexibility in production capacity allocation, and develops local manufacturing integration centers with regional support functions. In addition, the Company categorizes supply chain risks into internal and external risks, and systematically implements risk management measures through cross-departmental collaboration to ensure uninterrupted operations.

Nature	Risk Description	Countermeasures
Internal Risks	Changes in the operating model and demand fluctuations may affect inventory allocation and production scheduling, further affecting resource use efficiency and delivery stability.	Optimize demand forecasting, supply planning, and inventory management mechanisms to improve resource allocation efficiency and operational flexibility.
External Risks	Upstream and downstream suppliers, market environment, logistics systems, and regional political and regulatory changes may affect the stability of raw material and finished product supply.	Regularly inventory raw materials and stock status, and assess the carrying capacity of logistics service providers under different transportation modes, including land, sea, and air transport, to confirm supplier delivery stability and contract performance capabilities.

2 Risk Identification Process

Ennoconn has established a systematic supplier risk identification and assessment process. Following the four stages of "Identification, Awareness, Targets, and Guidance," the Company understands the materiality distribution of various risks in the supply chain and the management status and response measures of suppliers on various issues.



3 Evaluation Mechanism

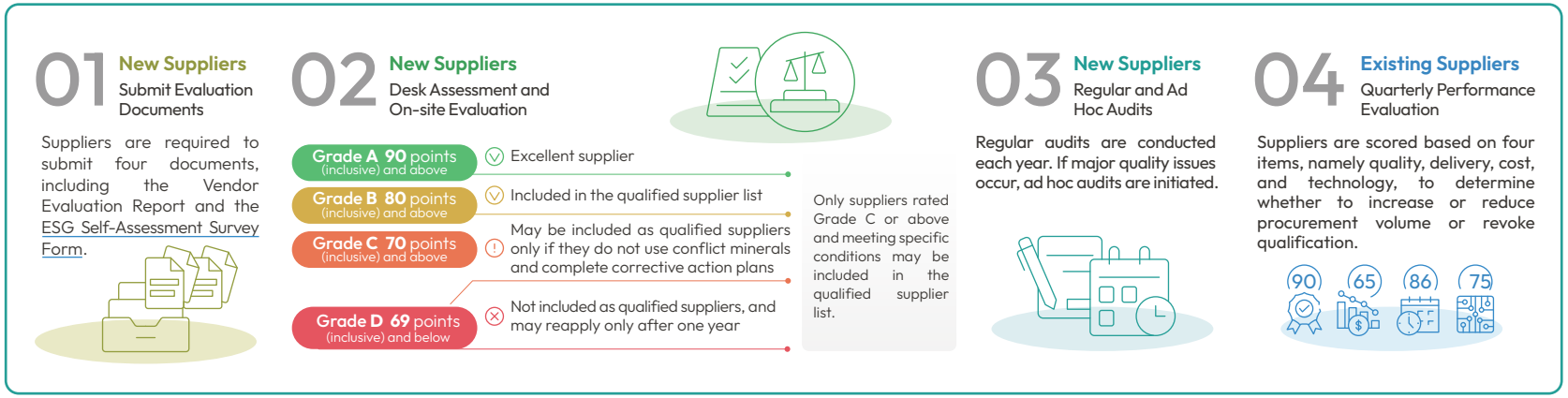
Based on supply chain structure and operating characteristics, Ennoconn assesses risk factors from the three major aspects of economic (governance), environmental, and social, and incorporates the assessment results into the sustainable supply chain risk audit mechanism as key targets for assessment and management to reduce potential operational risks.

Economy (Governance)	Environment	Society
Quality, cost, delivery, service (QCDS), management systems, technical capabilities, regulatory compliance, business ethics, integrity management, green innovative design, production backup plans, geopolitical risks, market and industry risks, product-specific risks, information security management	Environmental management systems, carbon dioxide emissions, energy management, water resources and waste management, air pollution management, hazardous substance management	Human rights protection, occupational safety and health, labor conditions, forced labor prevention, responsible minerals management

4.3.3 Classification and Management Mechanism

To ensure that suppliers comply with the Company's sustainability requirements, Ennoconn conducts regular and ad hoc environmental and social audits on new suppliers and existing qualified suppliers based on their risk levels, using the results as a management tool for sustainable supply chain risk control and improvement.

1 Supplier Evaluation Process



2 Audit Status and Evaluation Operations

Supplier audits are conducted by an evaluation team composed of three major units, namely Procurement, Quality Assurance, and RD. The team is jointly responsible for evaluation management operations to ensure the quality of supplier selection and management.

New Supplier Evaluation

Before the first transaction, new raw material suppliers must complete and submit the Vendor Evaluation Report, Supplier ESG Self-Assessment Survey Form, Conflict-Free Minerals Declaration, Vendor Commitment Letter, and other documents. The three major units conduct desk assessment based on the Vendor Evaluation Report and the Supplier ESG Self-Assessment Survey Form, classifying suppliers into four grades: Grade A, Grade B, Grade C, and Grade D. After review by the Quality Assurance supervisor, the Company determines whether to conduct an on-site evaluation. If a supplier can provide relevant ISO certifications, including ISO 9001, ISO 14001, ISO 14064-1, ISO 50001, ISO 45001, IATF 16949, QC 080000, RBA, or ISO 20400, the on-site evaluation may be waived to improve management efficiency.

On-site evaluations are conducted by an evaluation team composed of Procurement, Quality Assurance, R&D, and Production units. The team conducts a comprehensive assessment of the supplier's quality management system, technical level, manufacturing capability, equipment status, business management, environmental and safety measures, and ESG issue management. Only suppliers rated Grade C or above who declare no use of conflict minerals and complete corrective actions may be included in the qualified supplier list. Suppliers rated Grade D or below, or those involving conflict minerals, will not be included and may reapply for evaluation only after at least one year.

Classification Management of Existing Qualified Suppliers (SCM)

Ennoconn adopts regular and ad hoc audit mechanisms for qualified suppliers. In the fourth quarter of each year, a cross-departmental team jointly formulates the Annual Supplier Audit Plan and conducts on-site or written evaluations of suppliers in three major aspects, namely quality, process technology, and sustainability management, to ensure that partners meet Ennoconn's quality and sustainability standards. In addition, the Company has established a dynamic risk early warning mechanism for real-time risk control. If continuous abnormalities in incoming material inspections, continuous failure to meet process yield requirements, or a lack of quality management system certification, such as ISO, among new suppliers occurs, the Company will immediately initiate an ad hoc audit. Audits are conducted through on-site or written evaluations using the Supplier Evaluation Form and Supplier ESG Self-Assessment Survey Form. For audit deficiencies, the Quality Assurance Department requires suppliers to propose improvement measures within 10 working days after receiving the corrective action report. If a supplier fails to improve within the required period or demonstrates poor cooperation, the Company will reassess the partnership to ensure supply chain stability.

Classification	New Supplier		Existing Qualified Supplier	
	Number of Companies	Proportion	Number of Companies	Proportion
Grade A	13	87%	105	39%
Grade B	2	13%	156	58%
Grade C	0	0%	7	3%
Grade D	0	0%	0	0%
Total	15	100%	268	100%

Notes:
1. New suppliers: Suppliers newly added in 2025.
2. Existing qualified suppliers: Suppliers that maintained transactions and qualification before 2025.

Regarding the 7 suppliers graded as "Class C" in this year's audit, the Company initiated supplier-specific corrective action and improvement plans. Following interviews, root cause review, and supplier guidance, it was confirmed that the quality and delivery schedules of these 7 suppliers meet the required standards, with their primary constraints stemming from challenges related to payment terms and cash flow liquidity. In response to these challenges, the Company renegotiated payment mechanisms with these supply partners, easing their financial pressure through supportive measures such as flexibly adjusting payment cycles and optimizing financial settlement terms, thereby ensuring that the suppliers continue to deliver compliant services to the Company.

4.3.4 Annual Audit and Assessment

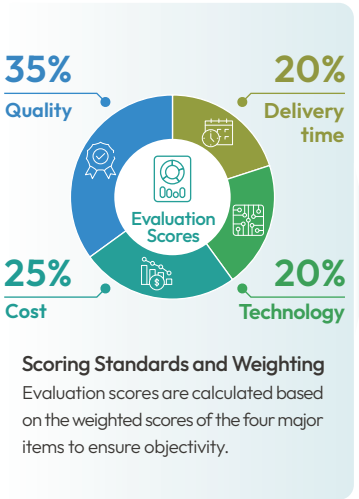
1 Audit Results

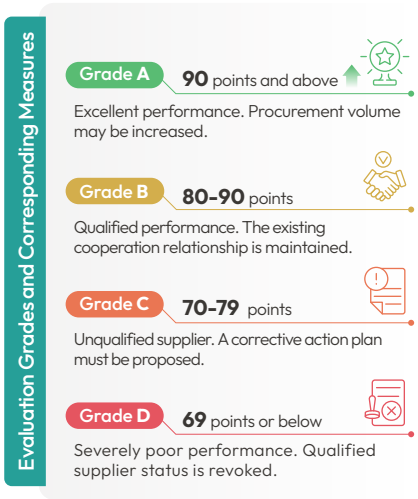
In 2025, the Company conducted audits of 14 new suppliers, all through written reviews, and found no non-conformities. In addition, the Company helped suppliers improve their environmental and social management capabilities through communication, education and training, and guidance mechanisms.

Audit Item	Number of Audits	Non-Conformity Rate
Environmental Management	9	0%
Occupational Safety and Health	14	0%
Labor Conditions and Human Rights	14	0%
Management System	14	0%

2 Annual Evaluation

Ennoconn has established a delivery performance evaluation mechanism for qualified suppliers. Each quarter, the Procurement unit leads the process together with the Quality Assurance and R&D units. Suppliers are scored through the Supplier Evaluation System (SCM) based on four major criteria. The results are then submitted to the Procurement unit for consolidation and used to calculate each supplier's quarterly evaluation score and grade. The evaluation item weights and corresponding measures by grade are shown in the figure below.





Historical SCM Evaluation Overview	Number of Qualified Suppliers	Number of Suppliers	Percentage of the Qualified
2021	245	250	95.52%
2022	227	229	99.13%
2023	227	227	100%
2024	247	250	99%
2025	261	268	97.39%

Note: Improvement plans have been initiated for the 7 Grade C suppliers.

3 Environmental and Social Assessment

In addition to basic standards such as quality, delivery, cost, and technology, Ennoconn requires suppliers to complete the Supplier ESG Self-Assessment Survey Form, hereinafter referred to as the "Self-Assessment Questionnaire," before cooperation begins. The questionnaire inventories suppliers' implementation status in human rights protection, social responsibility, and environmental protection, and also helps suppliers understand Ennoconn's ESG requirements. After suppliers complete the Self-Assessment Questionnaire, the three major departments review the responses and potential risks. If any item fails to meet the relevant indicators, the supplier must complete improvements within the specified period and meet the established standards. Suppliers that fail to make improvements within the deadline will not be engaged for cooperation. In 2025, Ennoconn identified 10 significant raw material suppliers and conducted surveys from the two aspects of environment and society. All suppliers surveyed had obtained relevant ISO management system certifications and supported environmentally friendly and socially responsible actions.

Environmental and Social Assessment	2024	2025
Significant Raw Material Suppliers Screened Based on Environmental (Social) Criteria	9	10
Screening Ratio	100%	100%
Number of Suppliers That Underwent Environmental (Social) Impact Assessments	9	10
Number of Suppliers Identified as Having Negative Impacts	0	0
Number and Percentage of Suppliers That Completed Improvements	0 (0%)	0 (0%)
Number and Percentage of Suppliers Whose Contracts Were Terminated	0 (0%)	0 (0%)
Identification	1. Environmental aspect: All have obtained ISO 14064-1, ISO 50001, and ISO 14001 certifications. 2. Social aspect: All have passed ISO 45001 Occupational Health and Safety Management System certification and have committed to and supported the provision of products or components with lower human rights impacts.	

Note: Significant suppliers are identified based on transaction amount, strategic importance, and high ESG risk.

4 Responsible Minerals

Ennoconn is committed to ensuring that the minerals used in its products do not come from mines associated with armed conflict or human rights violations and refuses to use conflict minerals from the Democratic Republic of the Congo and surrounding high-risk areas. These requirements have been included as necessary conditions for supplier cooperation, requiring suppliers to comply with international human rights standards, ethical norms, and the Responsible Business Alliance (RBA) Code of Conduct. The Company conducts due diligence each year through the Conflict Minerals Reporting Template (CMRT). In 2025, the Company completed surveys of 10 key suppliers. All of them complied with responsible procurement principles, and no use of high-risk conflict minerals was identified. In 2025, the percentage of Ennoconn's total revenue derived from products containing minerals sourced from conflict-affected and high-risk areas was 0%.

4.3.5 Sustainability Engagement and Result

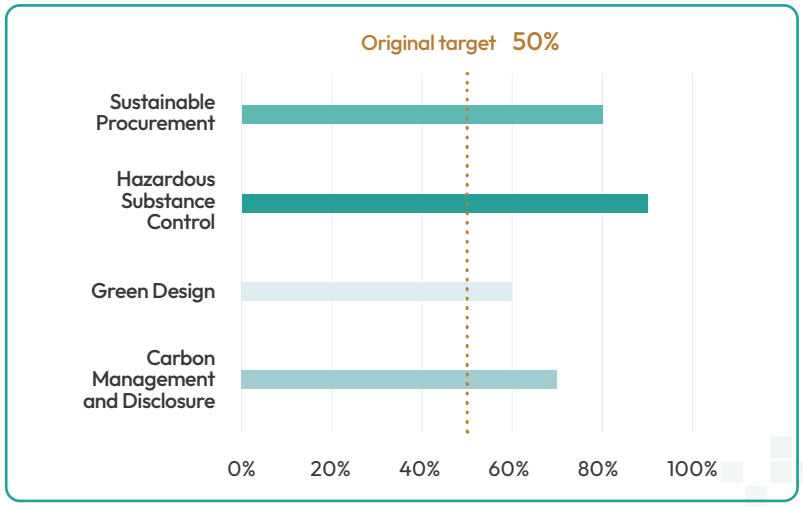
1 Align with International Standards

To respond to customer expectations and align with international standards, Ennoconn launched the ISO 20400 Sustainable Procurement Guidance implementation project in March 2024 and successfully obtained third-party verification at the end of December of the same year. In 2025, the Company continued to use ISO 20400 as its core guideline and referred to the Responsible Business Alliance (RBA) Code of Conduct to establish assessment criteria covering core issues such as labor and human rights, environmental protection, occupational safety and health, business ethics, and management systems. The Company commits to incorporating environmental and social considerations into procurement decisions and gives priority to products and services with low environmental impact, high resource efficiency, and sustainable management capabilities. To ensure the implementation of the guidelines, the Company continued to optimize the "Ennoconn Sustainable Procurement Guidelines" and the "Supplier ESG Self-Assessment Survey Form." In 2025, a total of 38 suppliers completed signing, achieving a 100% completion rate, which laid an important foundation for supply chain governance.

2 Supplier Engagement

To enhance suppliers' understanding of and participation in sustainability issues, Ennoconn promotes sustainability initiatives through communication mechanisms such as supplier conferences, online awareness sessions, and questionnaire feedback. On December 30, 2025, the Company held the "Online Supplier ESG Initiative Awareness Conference," inviting 10 key suppliers to focus on four core issues: "sustainable procurement," "hazardous substance control," "green design," and "carbon management and disclosure." Questionnaire feedback showed that suppliers have moved from commitment to action, with response rates for all four indicators exceeding the original target of 50%. The response rates for "sustainable procurement" and "hazardous substance control" exceeded 80%. For "green design," more than half of the suppliers have already implemented the concept in their operations. For "carbon management and disclosure," 60% of partners have obtained ISO 14064 organizational greenhouse gas inventory certification. In addition, the ISO 14001 Environmental Management System certification rate among key suppliers reached 90%, showing that the supply chain has established a sustainability foundation. The Company will call on more partners to jointly fulfill their environmental commitments. To assist significant suppliers in enhancing their ESG management capabilities, Ennoconn invited the aforementioned 10 Significant Suppliers to participate in the Annual Supplier Conference and conducted supplier training sessions. The curriculum covered critical topics such as greenhouse gas (GHG) management, energy and resource management, environmental protection, and social responsibility, thereby assisting suppliers in understanding the Company's sustainable supply chain requirements and reinforcing their capabilities to respond to customer and regulatory mandates.

Supplier Response Rate



3 Green Procurement

Under the guidance of ISO 20400, sustainable procurement principles have been extended from the production side to the administrative side. In 2025, the Company held green procurement education and training for the first time, encouraging employees to prioritize office supplies with environmental labels, advocating "low-carbon business travel," promoting employees' priority use of high-speed rail services with carbon reduction labels, and selecting environmentally friendly restaurants and hotels with environmental labels for business meetings. Through these actions, the Company strives to reduce its carbon footprint, support a green local economy, internalize green procurement as an everyday habit among employees, and build a green corporate culture. In 2025, Ennoconn's green procurement amount reached NT$2,770,558, an increase of 43% compared to 2024, demonstrating the Company's determination to turn sustainability concepts into action.

Green Procurement Amount

Unit: NT$ thousands