mildef

MilDef Crete Inc.

2025 Sustainability Report



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Letter from the Chairman

To stakeholders and all of our business partners.
I would like to express my sincere gratitude to everyone for your continued support and the strong collaboration with Mildef Crete.

In 2025, shifts in U.S. policy priorities increasingly influenced international political and economic dynamics. Geopolitical developments and rapid advances in AI also drove major changes across the defense sector in Taiwan and worldwide. Together, these forces continued to reshape international trade, global supply chains and defense markets.

For Mildef Crete, 2025 was a year for fulfilling challenges and opportunities. Fast-growing sectors such as military drones that unlocked a lot of chances in our new products development. At the same time, the fast rising of AI technology also impact another layer of uncertain possibilities to global supply chains, it's continually testing the core expertise and organizational resilience. How we continued to deliver reliable solutions and innovative products to our customers remains a central priority.

In response, we remain committed to a sustainability strategy driven by innovation and grounded in quality. We continue to invest in product and technology research and development, focusing on advanced AI, unmanned aerial vehicle (UAV) control systems, and cybersecurity technologies. We are also expanding our presence across Europe, North America, the Middle East, India, and the Asia-Pacific region to strengthen our global position. For Mildef Crete, sustainability is more than a corporate responsibility—it is essential to long-term competitiveness and profitable growth.

Looking ahead, we will uphold our core values of quality enhance and customer-centric service to further strengthen our competitiveness across deepening product excellence. We are building a more resilient and supportive workplace. Our ambition extends beyond achieving groundbreaking revenue growth, we are committed for working hand-in-hand with all stakeholders toward a future creating mutually beneficial and enduring long-term social value.

Warm wishes to all of our partners and stakeholders for good health, happiness, and continued success.



I-Tung Shen
Chairman

About This Report

Mildef Crete Inc. (hereinafter referred to as "Mildef," "Mildef Crete," or "the Company") (stock code: 3213) has published sustainability report annually in August since 2025. Through this Report, the Company discloses its management approaches, actions, and performance relating to environmental, social, and governance (ESG) matters. It also seeks to strengthen stakeholder engagement, respond proactively to stakeholder expectations, and demonstrate Mildef Crete's commitment in sustainable development.

Reporting Boundary and Scope

The reporting scope of this Report covers Mildef Crete Inc. economic performance indicators and financial analyses cover the entities included in the consolidated financial statements and are based on audited financial statements. The reporting period is aligned with that of the financial statements. Other sustainability information and data disclosed in this Report are compiled from the Company's internal records and surveys using recognized reporting methodologies. Any estimates or information reported outside the scope described above are clearly identified in the relevant sections.

Published and Reporting

Reporting Frequency: This report is published annually in August.
Current report version: 《2025 Sustainability Report》was published in August 2026.
Current Reporting period: January, 01 2025 to December, 31 2025

Prior Published Edition: 《2024 Sustainability Report》in August 2025
Next Edition Scheduled for Publication:《2026 Sustainability Report》in August 2027



Reporting Framework

This Report has been prepared in accordance with the Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEx-Listed Companies, and with reference to the GRI Standards and the SASB Standards for the Hardware industry.
Applicable regulatory requirements have also been considered, and the corresponding content indexes are provided in the appendices.

Third-Party Assurance

The Report has not been subject to external assurance.

Report Management and Verification Mechanism

All sustainability data and information presented in this Report are provided by the Company's responsible departments. The Sustainability Development Department consolidates the information, which is then approved by the President and the Board of Directors before publication. This process is included as an internal audit item in the Company's annual internal control self-assessment to support the completeness and transparency of sustainability disclosures.

Information Restatement

In the previously published "*2024 Sustainability Report* " on page 8, the organization's economic value was understated due to a duplication of financial data, necessitating a restatement. The Company has corrected the historical data and presents the restatement in the table as below in accordance with GRI Standards.

This correction represents a purely technical recalculation and does not affect the Company's publicly disclosed, audited consolidated financial statements. Furthermore, it has no material impact on our operational policies or the outcomes of our materiality assessment.

The organization's economic value (Unit: NT$1,000)	2022	2023	2024
2024 Sustainability Report (page 8)	72,606	350,361	98,805
Restated Figures	367,700	699,254	443,982

Feedback and Contact

Responsible Department	Sustainability Development Department
Email	esg@mildefcrete.com
Telephone	+886- 2-2662-6074
Address	7F, No. 250, Sec. 3, Beishen Rd., Shenkeng Dist., New Taipei City

1.1 Company Profile

MilDef Crete Inc. (hereinafter referred to as "MilDef " or "the Company ", and together with its all subsidiaries, as "the Group") was founded in 1990. It is listed on the Taipei Exchange(TPEx) in 2004 (stock code:3213) and also certified to ISO 9001 for Quality Management System as well as ISO 14001 for Environmental Management System.

The Group is headquartered in Shenkeng District, New Taipei City, Taiwan., and has subsidiaries in both Taiwan and Australia. In 2025, Mildef Crete supported a workforce of 283 employees and generated NT$2.89 billion in total operating revenue. The Group has specialized in the research, development, manufacture, and selling of rugged notebooks, tablets, handheld computers, and related accessories, while also developing a domestic distribution business for commercial notebooks and peripherals in Taiwan.

Today, the Group operates under a two-pillar business model comprising professional R&D and customized-system manufacturing for rugged laptops, together with its consumer electronics retailing business. Through these complementary operations, the Group provides customers with a diverse range of customized solutions and professional after-sales services.

Looking ahead, the Group will continue to deepen partnerships and also develop new customers and new products in high quality, address the demands of diverse applications, create long-term economic value for internal and external stakeholders with sustainable growth.



Company	Operating Location
MilDef Crete Inc.	Taiwan
Flex Technology Inc	Taiwan
MilDef Crete Australia PTY., LTD.	Australia

Company Name	Mildef Crete Inc.
Established	1990
TPEx Listing	2004
Chairman	I-Tung Shen
Head Office	7F, No. 250, Sec. 3, Beishen Rd., Shenkeng Dist., New Taipei City, Taiwan
Capital	NT$586,855,470

More about MilDef



Initial registration : Nov. 26, 2015
Issue date : Sep. 23, 2025
Valid until : Sep. 22, 2028
Certificate no. : 3EAE002-05

ISO 9001 Quality Management System Certification



Initial registration : Nov. 26, 2015
Issue date : Sep. 23, 2025
Valid until : Sep. 22, 2028
Certificate no. : 3EAE002-05

ISO 14001 Environmental Management System Certification

Rugged System Manufacturing Business

Mildef Crete Inc. develops and manufactures rugged notebooks, tablets, handheld computers, and accessories for defense, transportation, industrial manufacturing, automotive, utilities, natural resources, and public-safety applications. Demand continues to grow as customers require greater durability and reliability, we operate midstream in a supply chain (Remark in below) supported by semiconductor, electronic-component, and precision-machinery suppliers and serving government and defense agencies and IT service providers. Because these customers require exceptional stability and security. The Company delivers high-performance customized rugged solutions, invests continuously in innovation, and meets stringent industry standards.
(Remark : about supply chain structure, please see the chapter of “Innovation Value”)



MilDef Crete Inc.

Channel Retailing Business

CReTE System Inc. operates a notebook-computer retail chain, selling peripherals and providing after-sales service through stores across northern, central, and southern Taiwan. To response faster product cycles and rising customer expectations have reshaped the electronics market. The Company has strengthened inventory management and controlled repair and operating costs to improve resilience. Going forward, the retail chain will optimize costs and service quality while pursuing its long-term goal of remaining Taiwan's largest specialist notebook-computer retailer.

CReTE System Inc

The Others Business

Flex Technology Inc., established in Xinzhuang, Taiwan in 2017 to provide customizable CNC machining solutions and also established an Energy Business Division in Shenkeng to supply high-quality batteries. From product development and surface treatment to precision machining, Flex Tech. provides integrated vertical services focused on quality and professional service.

MilDef Crete Australia

Flex Technology Inc

In January 2023, MilDef Crete established its first overseas branch in Sydney, Australia. Combining Taiwan's R&D and manufacturing strengths with the local industrial ecosystem, the branch is expanding international sales channels and providing overseas customers with faster, more convenient sales and support.

1.2 Economic Performance Indicators

In 2025, the Group recorded total consolidated operating revenue of NT$2.89 billion and the net income after tax of NT$437.67 million. Other key economic indicators are presented below. For further details on financial performance, please refer to the 2025 Annual Report.



Economic Value Created

Guided by its commitment to sustainable operations, MilDef Crete continues to create and effectively deploy economic value. The economic value retained will serve as a solid foundation for future business growth and be reinvested in R&D and innovation, capital expenditures, digital transformation, talent development, and other sustainability initiatives. Through these investments, the Company aims to strengthen its long-term competitiveness, create sustainable value, and foster shared prosperity among the Company, society, and the environment.

Unit : NT$1,000

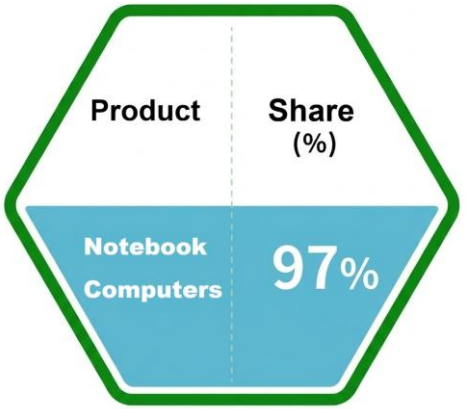
Direct Economic Value Generated and Distributed		2023	2024	2025
Direct economic value generated: Revenue		2,989,074	2,853,391	2,887,211
Direct economic value distributed	Operating costs (Note 1)	1,607,655	1,610,177	1,651,409
	Employee wages and benefits (Note 2)	348,893	345,177	354,379
	Payments to providers of capital	211,268	316,902	352,113
	Payments to government by country (Note 3)	122,004	137,153	121,187
	Community investment	-	-	-
Economic value retained		699,254	443,982	408,123

Note 1: Excludes employee wages and benefits included in operating costs.
Note 2: Includes labor and health insurance, pension contributions, and other personnel expenses.
Note 3: Income tax paid.
Note 4: Compiled under IFRS as adopted in Taiwan and audited by independent accountants. See the 2025 Annual Report for details.
Note 5: Economic value retained = direct economic value generated - economic value distributed.

Revenue Share

Unit: NT$1,000

Breakdown by Product	2023	2024	2025
Notebook Computers	2,926,603	2,765,594	2,805,333
Repair Services and Others	62,471	87,797	81,878
Total	2,989,074	2,853,391	2,887,211

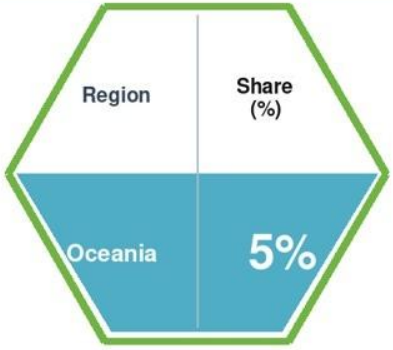


Unit : NT$1,000

Breakdown by Regions	2023	2024	2025
Americas	93,275	187,469	61,074
Europe	993,445	1,048,769	1,067,061
Oceania	60,453	37,927	155,996
Asia	1,841,901	1,579,226	1,603,080
Total	2,989,074	2,853,391	2,887,211







1.3 Sustainable Development Goals (SDGs)

In 2015, the United Nations adopted the Sustainable Development Goals (SDGs), a framework addressing environmental, social, and economic development priorities.

Comprising 17 goals and 169 targets, the SDGs define the global direction for sustainable development and provide a key basis for ESG policies and action plans adopted by governments, businesses, and nonprofit organizations worldwide.



The 17 SDGs and the Five Ps

1 **People** End poverty and hunger; promote health and well-being



2 **Prosperity** Build prosperous and fulfilling lives for all



3 **Planet** Protect the planet and live in harmony with nature



4 **Peace** Foster peaceful, just and inclusive societies



5 **Partnership** Work together through global partnership



Mildef Crete and the SDGs

To actively align with the United Nations Sustainable Development Goals (SDGs) and embrace the spirit of related global initiatives, we adhere four principles through by implementing robust corporate governance, promoting sustainable development, safeguarding social public welfare and ensuring transparent disclosure of corporate social responsibility, by reinforcing internal management and driving external initiatives, we integrate sustainability into our daily operations.

Internally, Mildef Crete established a sustainable development department and the "Sustainable Development Best-Practice Principles" which was approved by General Manager first and submitted by the Board, then it will incorporated into internal controls. The Board appointed Executive Vice President Yung-Xiang Chou as the main supervisor of sustainable development .
The Company expands digital management to respond carbon reduction. These measures create long-term stakeholder value and strengthen resilience to climate change.

Externally, we extends the sustainability policies to stakeholder engagement and supply chain management. We have established dedicated stakeholder sections on both our domestic and international websites to timely update our annual sustainability reports and certification details. Concurrently, aligned with ISO 9001 and ISO 14001 standards, our "Supplier Evaluation Procedure" governs the issuance of "Environmental Awareness Notices" and requires suppliers to sign relevant commitment letters. These protocols are regularly reviewed and updated in compliance with legal regulations, as we strive to advance hand-in-hand with our supply chain partners toward sustainable developmen

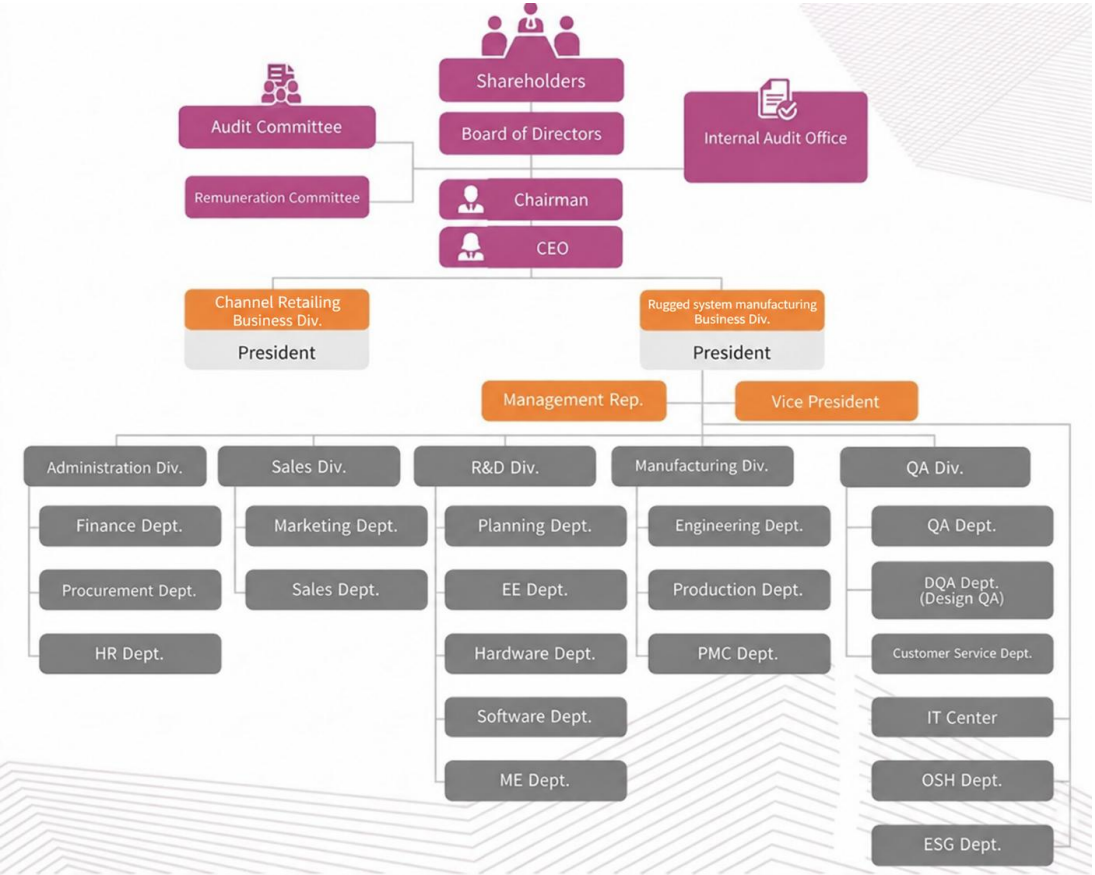
● Indirect impact ● Direct impact

Focus	Corresponding SDGs	Material Topic	Impact along the Value Chain		
			Upstream	Operations	Downstream
Governance Economy	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Regulatory Compliance	●	●	● ↵
		Products & Customer Service		●	● ↵
		Cyber Security		● ↵	
Environment	13 CLIMATE ACTION	Climate Change Adaptation	●	●	● ↵
Social	5 GENDER EQUALITY 3 GOOD HEALTH AND WELL-BEING	Occupational Heathy & safety		● ↵	
		Labor Relations		● ↵	

2.1 Sustainability Governance Structure

The Board of Directors of MilDef is the highest governing body of the company. The main responsibilities include guiding company strategy, supervising management, and being accountable to the company and shareholders. In all operations and arrangements of the corporate governance system, the board exercises its powers and maintains independence in accordance with relevant regulations, the articles of association, and shareholder meeting resolutions, and is accountable to the shareholders' meeting.

To implement sustainable development goals and manage and decide on sustainability issues, the Company has established the dedicated Department of Sustainable Development to organized ESG information and co-work with three functional teams of governance, social responsibility and environment. The Board appointed Executive Vice President Yong-Xiang Chou as Chief of sustainability, who reports progress to the Board regularly.





Responsibilities of Sustainable Development Department

1. Reporting ESG related strategies and push it forward
2. Planning and tracking ESG related project performace and progress.
3. Following ESG policy and regulations trends.
4. Monitoring ESG related change and response to meet it.
5. Coodinated the completion and publication of annual sustainability report

2.2 Board Diversity

The 14th Board of Directors of Mildef Crete is chaired by I-Tung Shen, who concurrently serves as President and is a member of the management team. His leadership strengthens consistency in decision-making and execution efficiency, enhancing the effectiveness of the Company's long-term strategic planning. The Board meets at least once each quarter and totally held five meetings in 2025.

The Company's “Corporate Governance Best Practice Principles” set forth its board diversity policy. In 2025, the 14th Board comprised eight directors, including four independent directors (50%) and three female directors (38%), as shown in the table below. Directors are selected on merit with due consideration given to diversity.

Title	Name	Gender	Age	Tern (Year)	Meeting Attendance (%)
Chairman	I-Tung Shen	Male	71 to 80	3	100%
Director	Nankang Rubber Tire Corp., Ltd. Representative: Jun-Ying Lin	Female	41 to 50	3	20%
Director	Ming-Xiao Lu	Male	71 to 80	3	80%
Director	Wen-Chun Cai	Female	61 to 70	3	80%
Independent Director	Jun-Ming Wang	Male	71 to 80	3	100%
Independent Director	Xiao-Long Feng	Male	71 to 80	3	100%
Independent Director	Yong-Cheng Chun	Male	71 to 80	3	100%
Independent Director	Mei-Hsueh Yang (First elected on June 11, 2025)	Female	61 to 70	1	100%

The Company formulates appropriate diversity policies in light of its operations, business model, and development needs to ensure that the Board members possess complementary expertise and cross-industry capabilities. The policy is reviewed and amended as appropriate based on the Board's operations and the Company's development needs. It covers, without limitation, basic attributes and values, as well as professional knowledge and skills, thereby supporting the Company's sustainable governance objectives.

Title	Name	Professional ability in governance					
		Operational Management	Leadership / decision making	Industry Knowledge	International Market view	Financial Accounting	Law
Chairman	I-Tung Shen	V	V	V	V	V	
Director	Nankang Rubber Tire Corp., Ltd. Representative: Jun-Ying Lin	V	V	V	V		
Director	Ming-Xiao Lu	V	V	V	V		
Director	Wen-Chun Cai	V	V	V	V	V	
Independent Director	Jun-Ming Wang	V	V	V	V	V	
Independent Director	Xiao-Long Feng	V	V	V	V		
Independent Director	Yong-Cheng Chun	V	V	V	V		V
Independent Director	Mei-Hsueh Yang (First elected on June 11, 2025)	V	V	V	V	V	



Board Nomination and Selection

In accordance with Articles 21 and 41 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, Mildef Crete has established its Procedures for Election of Directors and adopts a candidate nomination system for all director elections. Pursuant to Article 192-1 of the Company Act, shareholders holding 1% or more of the Company's total issued shares may nominate director candidates, who are elected at a shareholders' meeting. The nomination and selection process takes into account Board diversity and overall composition, including basic attributes such as gender, age, nationality, and culture, as well as professional knowledge, background, and industry experience. This approach helps ensure that elected directors possess the knowledge, skills, competencies, and management experience necessary to discharge their duties in relation to economic, environmental, and social matters and their associated impacts. To maintain Board independence, independent directors are nominated and elected in accordance with the Company Act and the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

Role of the Highest Governance Body in Overseeing Impact Management

As the Company's highest governance body, the Board of Directors directly oversees the management of performance, impacts, and risks relating to economic, environmental, and social matters and makes the final decisions on such matters. The Board's principal responsibilities include guiding corporate strategy, overseeing management, and being accountable to the Company and its shareholders. In conducting the Company's corporate governance affairs, the Board exercises its powers independently in accordance with applicable laws and regulations, the Articles of Incorporation, and resolutions of shareholders' meetings, and is accountable to the shareholders' meeting.

Role of the Highest Governance Body in Sustainability Reporting

Before the sustainability report was published in August yearly, the report is first submitted to the President for approval and is then presented to the Board of Directors for review and approval, thereby ensuring that all material topics are appropriately covered.

Board Performance Evaluation

To enhance Board effectiveness, the Board approved the Board Performance Evaluation Measures on August 5, 2020, in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. The evaluation covers six dimensions: participation in Company operations; quality of Board decision-making; Board composition and structure; director appointment and continuing education; internal controls; and participation in ESG matters. The Company conducts annual self-evaluations of the Board, individual directors, the Remuneration Committee, and the Audit Committee using self-assessment questionnaires. The 2025 evaluations commenced in December 2025, and the results for the Board and both functional committees were rated Excellent. The results were reported to the Board on March 11, 2026. For further details, please refer to the sections of the 2025 Annual Report covering the self-evaluation results of the Board and individual directors, the Audit Committee, and the Remuneration Committee.

Recusal from Conflicts of Interest

The Company's Regulations Governing Procedure for Board of Directors Meetings establish a recusal mechanism for directors. A director who has a personal interest in a matter under consideration by the Board must disclose the material details of that interest at the meeting. If the interest may prejudice the interests of the Company, the director may not participate in the discussion or voting, must recuse himself or herself during such discussion and voting, and may not exercise voting rights on behalf of another director. The Employee Work Rules also expressly require employees to act fairly and in good faith, comply with the Company's ethical corporate management principles and standards, refrain from directly or indirectly offering, promising, requesting, or accepting improper benefits, and avoid unethical conduct or breaches of fiduciary duty.

Board members continuing education

To strengthen directors' professional knowledge and competencies, the Company arranges annual training courses for each Board member on corporate governance and economic, environmental, and social matters. The table below summarizes director training in 2025. Each director completed at least six hours of continuing education during the year.

Title	Name	Total Annual Personal Training Hours	Course Date	Organizer	Course Name	Course Hours
Director	Lu Ming-Hsiao	6	2025.07.29	Taipei Exchange (TPEx)	2025 (Year 114) Insider Equity Training Seminar for TPEx-Listed Companies	3
			2025.11.27	Taiwan Institute for Sustainable Energy (TAISE)	The 8th GCSF Global Corporate Sustainability Form, Session 3-2	3
Independent Director	Chen Yung-Cheng	6	2025.04.15	Corporate Governance Association of Taiwan (CGA Taiwan)	Case Analysis of Corporate Governance Control Disputes	3
			2025.11.14	Corporate Governance Association of Taiwan (CGA Taiwan)	Digital Financial Revolution: Principles of Stablecoins and Development Trends of Blockchain Virtual Assets	3
Independent Director	Wang Chun-Ming	6	2025.06.18	China Financial and Economic Development Association (Taiwan)	Development and Evaluation of Trump Tariffs 2.0	3
			2025.08.08	Corporate Governance Association of Taiwan (CGA Taiwan)	Basis Legal Concepts for Listed and TPEx-Listed Companies	3
Independent Director	Feng Xiao-Long	6	2025.06.18	China Financial and Economic Development Association (Taiwan)	Development and Evaluation of Trump Tarrifs 2.0	3
			2025.08.08	Corporate Governance Association of Taiwan (CGA Taiwan)	Basis Legal Concepts for Listed and TPEx-Listed Companies	3
Director	Representative of Nankang Rubber Tire Corp.: Lin Chun-Ying	6	2025.11.05	Corporate Governance Association of Taiwan (CGA Taiwan)	Current Global Economic and Financial Sttuation	3
			2025.11.19	Corporate Governance Association of Taiwan (CGA Taiwan)	New Thinking in Intellectual Property Management	3
Director	Tsai Wen-Chun	6	2025.03.28	Securities and Futures Institute (SFI)	Practicing Sustainable Corporate Management: Case Analysis of Legal Responsibilities under the Three Gender Equality Laws	3
			2025.07.03	Securities and Futures Institute (SFI)	Shareholders' Meetings, Governance Control, and Equity Strategies	3
Independent Director	Yang Mei-Hsueh (Initially elected on June 11, 2025)	15	2025.07.17	China Financial and Economic Development Association (Taiwan)	Important Financial Decisions for Directors and Supervisors to Note	3
			2025.07.23	China Financial and Economic Development Association (Taiwan)	The Future of Stablecoins and the US Dollar	3
			2025.07.29	Taipei Bar Association (TBA)	Corporate Governance and Risk Management	3
			2025.08.20	Taipei Bar Association (TBA)	Advanced Practical Share by Corporate Governance Personnel	3
			2025.09.12	Taipei Bar Association (TBA)	The Role, Rights, and Responsibilities of the Corporate Governance Officer in the Establishment and Operation of Functional Committees	3

Remuneration Policy

MilDef's Remuneration Committee responsible for reviewing the compensation and payment mechanisms of Directors and senior executives. Apart from receiving attendance fees for participation in Board and functional committee meetings, Directors are entitled, as stipulated in the Articles of Incorporation, to remuneration not exceeding 3% of annual profits, thereby ensuring that Directors' compensation is proportionate to the Company's operating performance. No other remuneration is provided. Furthermore, the Company has enacted the " Remuneration Policy for Directors and Executives" to regulate compensation structures and incorporate sustainability performance into the compensation evaluation mechanism. Reasonable compensation is awarded after review by the Remuneration Committee and submission to the Board of Directors for final approval.

Remuneration Determination

Principles for Distribution of Director Remuneration: 1. The distribution of directors' remuneration is proportional to the company's operational performance. 2. To implement corporate governance and sustainability responsibilities, and to consider the fairness of directors' participation in company operations and their contribution value, the base is calculated based on the number of personal attendances at functional committees (excluding proxies).

Annual Total Compensation Ratio

Indicator	Ratio
Highest-paid individual compensation ratio to employee median	10.97 : 1
Highest-paid individual salary adjustment ratio to median adjustment	2.77 : 1

[1] total annual compensation is based on actual disburement, not considering months of employment.
[2] total annual compensation includes salary, bonuses, stock incentives, option incentives, non-equity intive plan compensation, and retirement contributions. "Total annual compensation"adopts a broader definition of compensation statistics, encompassing any salary and remuneration employees receive for providing services within the same year, regardless of its name.
[3] Other employees are 1.
[4] For the mean and median salaries of full-time non-management employees, please refer the Market Observation Post System (MOPS). There are no significant fluctuations in the aforementioned data compared to the previous year's data.

Remuneration Committee

To enhance operational efficiency and performance and advance sustainable development, Mildef Crete has established a Remuneration Committee responsible for reviewing the Company's overall remuneration framework and the remuneration and payment arrangements for directors and senior executives. The Committee assists in establishing fair remuneration and performance evaluation systems, ensures that directors and managerial officers do not engage in conduct beyond the Company's risk appetite, and maintains competitive incentive arrangements to attract and retain talented professionals, thereby strengthening the Company's long-term competitiveness and capacity for sustainable operations.

Name	Members	2025 Operation Status
Remuneration Committee	Four Independent Directors	Meeting Count: 5 Meeting Attendance rate : 100%
Audit Committee	Three Independent Directors	Meeting Count: 3 Meeting Attendance rate: 100%

Audit Committee

The Audit Committee was established to strengthen oversight and enhance organizational value through effective review of financial reporting and internal controls, while assisting the Company in implementing its sustainability strategy. The Committee supports the Board in fulfilling its oversight responsibilities and regularly reports its activities, recommendations, and resolutions to the Board.

Communication of Material Information

The relevant management units regularly submit material reports and information to the Board, and where required by law, publish material information to , thereby ensuring timely and effective communication. The table as listed on right summarizes the material information disclosed by the Company in 2025, including significant financial information and corporate governance matters.

For further details, please refer to the published 2025 Annual Report from our Finance Dept.



Dept.	Material Information	Frequency
Executive V.P. Yong-Xiang Chou	Investor Conference	Annually
Finance	Revenue Breakdown	Monthly
	Financial Statements	Quarterly
	Annual Report	Annually
Sustainability Development	Progress report	Quarterly
	ESG information filing	Annually
	Sustainability Report	Annually
Audit	Audit Report	Monthly
	Audit Plan	Annually

2.3 Material Topics and Stakeholders

Materiality Analysis Process

In accordance with the reporting principles of the GRI Standards 2021, Mildef Crete conducted a materiality assessment and identified 20 sustainability topics with significant impacts on the economy, environment, or people as the basis for the disclosures in this report. The assessment results are presented in the matrix on the following page.

Step 1

Stakeholders Identification

In accordance with the five dimensions of the AA1000 Stakeholder Engagement Standard (AA1000SES)—influence, tension/attention, responsibility, dependency, and diverse perspectives—stakeholder identification questionnaires were distributed to employees (including management). Following corporate review of the statistical results, stakeholders were categorized by significance into five key groups: employees, customers, suppliers, shareholders, and government agencies.

Step 2

Gathering Sustainability Topics

To effectively understand the organizational context, the Company comprehensively considered the GRI Standards, corporate core values and objectives, domestic peer sustainability reports, industry-focused topics, stakeholders, business activities, and sustainable development trends. The Sustainable Development Task Force discussed and identified various topics and consulted external advisors to compile the Company's 2025 sustainability topic list, comprising a total of 20 sustainability topics.



Step 3

Assessment of Impacts

A "Sustainability Topic Impact Assessment Questionnaire" was conducted among internal and external stakeholders, internal department heads, and senior management to evaluate the occurrence probability and scale of impact for actual and potential positive and negative impacts that each sustainability topic may generate on the economic, environmental, and social dimensions.

Negative Impacts: Evaluated based on severity and likelihood, while also considering negative human rights impacts associated with the topics.

Positive Impacts: Evaluated based on the scale and scope of impact, as well as likelihood.



Step 4

Significance & Prioritizing Impacts

The questionnaire results were aggregated by summing up the scores of positive and negative impacts, and the topics were ranked by impact significance according to their scores. Internal management discussed the ranking results, taking into account industry material topics, international trends, and external consultant opinions, to establish the threshold for material topics. A total of 6 sustainability topics—Product and Customer Service Quality, Regulatory Compliance, Occupational Health and Safety, Labor Relations, Climate Change and Adaptation, and Cybersecurity —were formulated as the material topics for the year 2025 and submitted to the Board of Directors.

Step 5

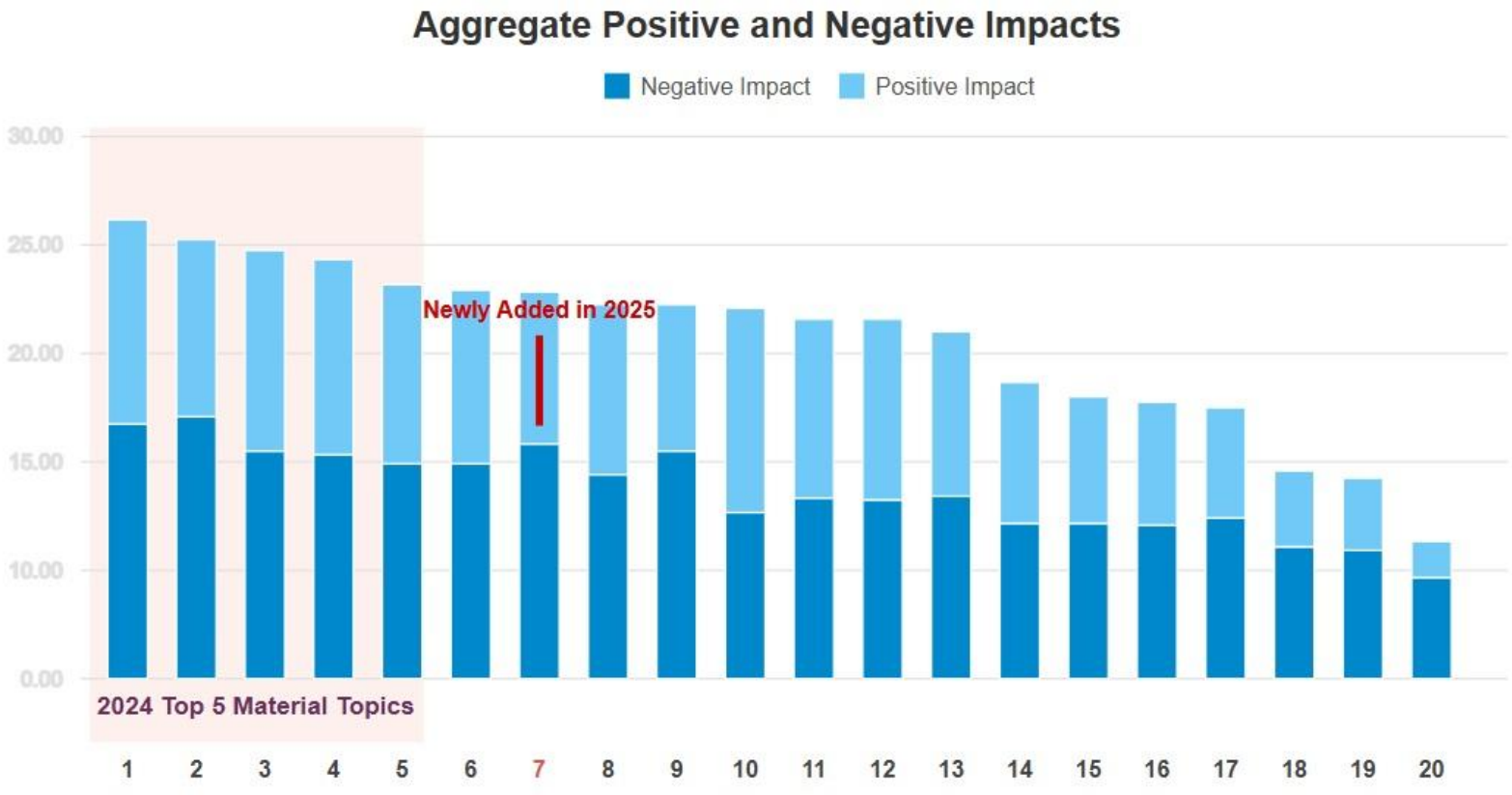
Process to Determine Topics

The Board of Directors reviewed and approved the 6 material topics and threshold criteria, ensuring completeness, inclusiveness, and alignment with the Company's sustainable development strategy. Internal management further established appropriate reporting boundaries based on impact scopes, ensuring key sustainability information is fully disclosed. The Sustainable Development Task Force discloses relevant strategies, management actions, indicators, and targets in accordance with reporting requirements to faithfully present ESG performance. The Company uses this as a focus for daily operational communication and improvement, while regularly evaluating the effectiveness of its management approach.



Impact Degree Analysis

The Company's 2025 internal materiality assessment found that the five highest-priority material topics identified for the 2024 reporting year remained broadly consistent in terms of the nature and scope of their impacts on the economy, environment, and people, supporting continued in-depth disclosure. Information Security rose significantly in the impact ranking in response to concerns raised by key stakeholders, particularly investors and customers. Following presentation to and discussion by the Board, Information Security was added as the sixth material topic to proactively address stakeholder expectations and maintain continuity and comparability in sustainability reporting.

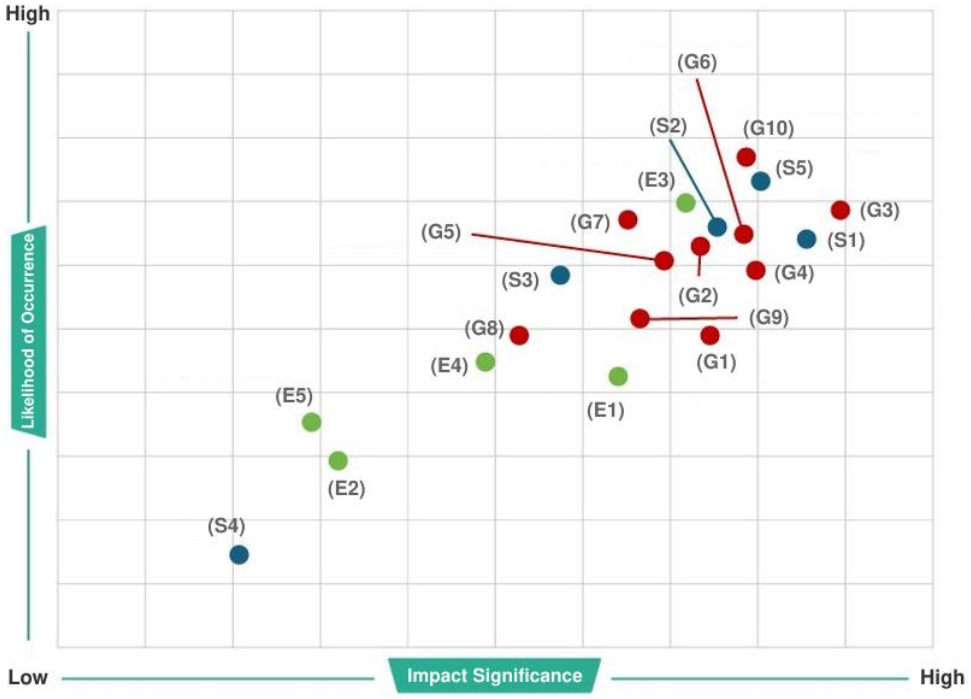


Note: The materiality threshold is defined as the top 6 sustainability topics based on total positive and negative impact scores, which are identified as material topics.

No.	Material Topics
1	Quality of Products & Customer Service
2	Regulatory Compliance
3	Occupational Health & Safety
4	Labor Relations
5	Climate Change & Adaptation
6	Operational Performance
7	Cybersecurity
8	Supply Chain Management
9	R&D Innovation & IP Protection
10	Risk Management
11	Talent Attraction & Development
12	Geopolitical Risk
13	Corporate Governance & Business Ethics
14	Human Rights
15	Energy Saving, Waste Reduction & Environmental Protection
16	Tax Governance
17	Energy Management
18	Greenhouse Gas (GHG) Emissions Management
19	Water & Wastewater Management
20	Social Inclusion & Community Engagement

Matrix Analysis with impact of Positive and Negative

Positive Impact Matrix



Negative Impact Matrix



Governance	
(G1) Cybersecurity	(G6) Geopolitical Risk
(G2) Operational Performance	(G7) Supply Chain Management
(G3) Risk Management	(G8) Tax Governance
(G4) Regulatory Compliance	(G9) R&D & IP Protection
(G5) Governance & Ethics	(G10) Product & Service Quality

Social
(S1) Labor Relations
(S2) Talent Attraction & Development
(S3) Human Rights
(S4) Social Inclusion
(S5) Occupational Safety and Health (OSH)

Environment
(E1) Energy, Waste & Environment Protection
(E2) Water & Wastewater
(E3) Climate Change and Adaptation
(E4) Energy Management
(E5) GHG Emissions

Stakeholder Engagement

Mildef Crete respects the rights and interests of its stakeholders and responds to their needs and expectations through a range of communication channels and platforms. Ongoing engagement enables the Company to understand the matters of concern to internal and external stakeholders and respond appropriately to material sustainability issues. Engagement outcomes are reported to the Board and serve as an important input to sustainability strategy and planning. The Company's communication channels and the topics of concern to internal and external stakeholders in 2025 are presented below.

Stakeholders	Significance to MilDef Crete	Key Topics of Concern	Engagement Channels and Responses	Frequency	Outcomes
Shareholders	Shareholders are a key pillar of corporate growth. MilDef Crete safeguards investor and shareholder rights and equitable treatment, implements corporate governance, maintains ongoing attention to and communication with investees, and enhances information transparency to earn shareholder support.	> Operational Performance > Regulatory Compliance > Governance & Ethics > Risk Management > Cybersecurity	Hold shareholders' meetings with voting on individual proposals, including electronic voting. Issue annual reports for investors' reference.	Annually	1. Held the shareholders' meeting on 11 June 2025. 2. Participated in an online investor conference on 16 December 2025 at the invitation of IBF Securities.
			Participate in investor conferences by invitation.	Annually	
			Disclose the previous month's revenue on the Market Observation Post System (MOPS) and the corporate website.	Monthly	
			Maintain an investor relations section on the corporate website to provide non-financial company information.	Real time	
Suppliers	MilDef Crete regards suppliers as key partners. It has established comprehensive supplier management policies, selects suppliers with proven quality and reputation, and works with them to advance environmental sustainability.	> Supply Chain Management > Regulatory Compliance > Risk Management > Governance & Ethics	Reciprocal visits	Ad hoc	1. Conducted environmental surveys of 253 suppliers. 2. Engaged with 12 suppliers.
			Under the Supplier Environmental Management Procedure, the Procurement Department conducts ad hoc environmental surveys of collaborating suppliers and those associated with significant environmental aspects. It also issues environmental guidance notices to promote suppliers' compliance with environmental regulations.	Ad hoc	

Stakeholders	Significance to MilDef Crete	Key Topics of Concern	Engagement Channels and Responses	Frequency	Outcomes
Customers	Customers are key business partners. MilDef Crete listens to their feedback, puts their needs at the center of its operations, and continuously provides better services to achieve shared growth.	› Marketing Communications › Customer Privacy › Product & Service Quality › R&D and Intellectual Property Protection › Regulatory Compliance	**Channel Business Department**		Channel Business Department Official LINE Account 1. 2025 customer satisfaction survey: average score met the target of at least 85. 2. Participated in 3 international trade shows. 3. Dedicated service contacts based on customer needs. Product inquiries enquiry@mildefcrete.com enquiry@mildefcrete.com.au After-sales service service@mildefcrete.com 4. 12-15 May 2025: Participated in a European distributor conference.
			In addition to website disclosures, communicate face to face with customers at retail outlets or computer exhibitions.	Ad hoc	
			System Manufacturing Business Department		
			Participate in international trade shows to showcase new products and engage face to face with customers.	Annually	
			Customer satisfaction surveys	Annually	
			Product technical seminars and consultations	Ad hoc	
			Implement customer relationship management (CRM) to manage, analyze and strengthen customer interactions.	Ad hoc	
Government Agencies	Government agencies significantly influence industry development and policy implementation and monitor regulatory compliance. MilDef Crete complies with applicable regulations, ensures compliant operations, and proactively addresses potential business opportunities and risks arising from policy changes.	› Regulatory Compliance › Governance & Ethics › Occupational Health & Safety › Employee Human Rights › Climate Change, Energy Conservation and Carbon Reduction	Official correspondence	Real time	1. Attended 11 seminars and outreach sessions held by regulatory authorities. 2. Published 14 material information disclosures.
			Participate in seminars and outreach sessions organized by regulatory authorities.	Ad hoc	
			File required disclosures through the Market Observation Post System (MOPS).	Real time	

Stakeholders	Significance to MilDef Crete	Key Topics of Concern	Engagement Channels and Responses	Frequency	Outcomes
Employees	Employees are MilDef Crete's key partners in sustainable development. We strive to create a diverse, healthy workplace with equal opportunities, attract outstanding talent, and grow and develop together with our employees.	› Labor Relations › Talent Development › Compensation & Benefits › Employee Human Rights › Occupational Health & Safety	Hold labor-management meetings.	Quarterly	1. Held 4 labor-management meetings and 5 Labor Retirement Reserve Committee meetings. 2. Delivered 229 training sessions, totaling 555 employee attendances. 3. Held 2 emergency response drills, totaling 36 employee attendances. 4. 270 employees received health examinations; participation rate: at least 95%.
			Establish an Employee Welfare Committee, with representatives elected by employees, to oversee all welfare programs.	Ad hoc	
			Establish a Labor Retirement Reserve Supervisory Committee to oversee company contributions to the old pension scheme and safeguard employees' entitlements.	Ad hoc	
			Establish training procedures to develop talent.	Ad hoc	
			Conduct emergency response drills to enhance employees' awareness of workplace and personal safety.	Annually	
			Engage qualified medical teams to provide health examinations at the factory and Taipei branch. Arrange for employees at other business locations to attend examinations at contracted medical institutions.	Annually	



2.4 Cyber Security

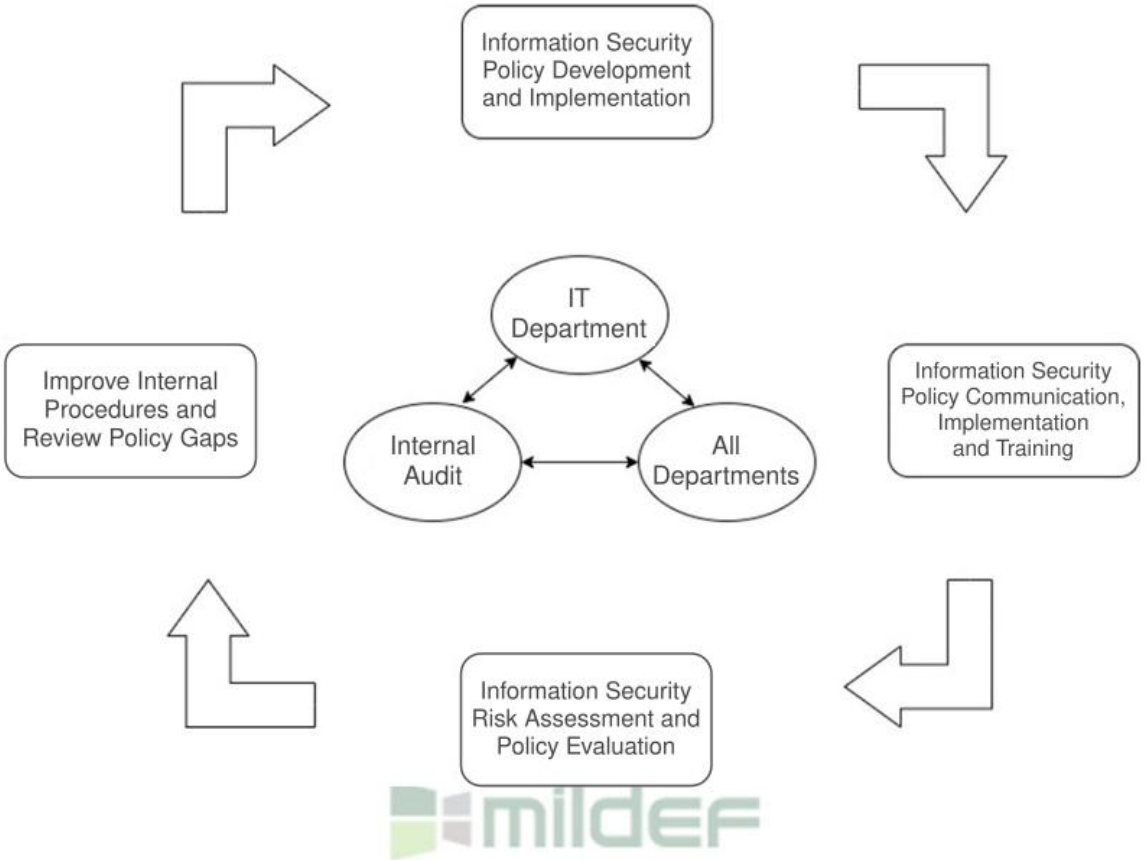
In 2025, rapid advances in artificial intelligence continued to reshape business operations and social governance. As companies encounter unprecedented opportunities and challenges, information security has become an essential foundation for business resilience and sustainable operations.

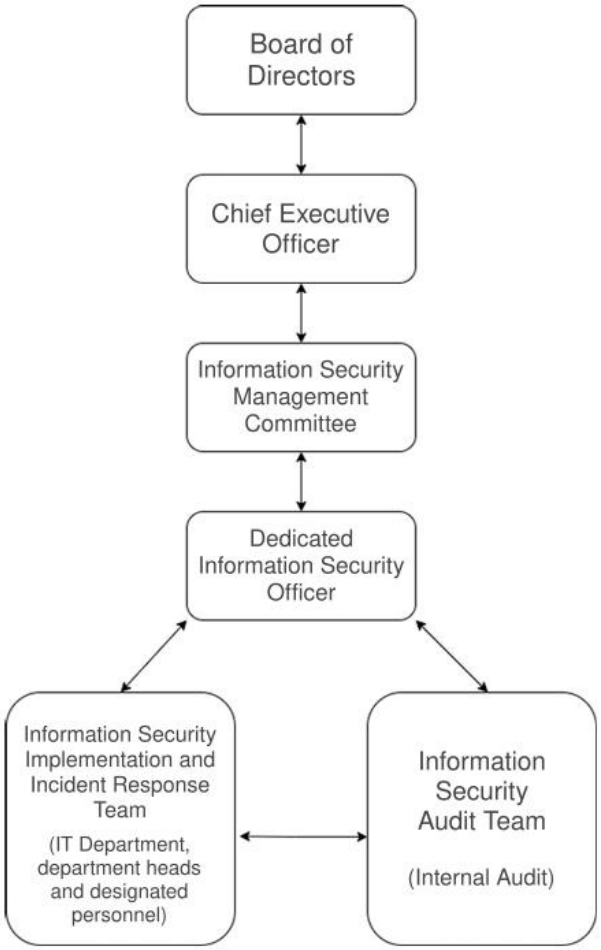
Material Topic	Cybersecurity
Impact Description	**Actual positive impacts:** Strengthen cybersecurity defenses and employee awareness to prevent hacking and customer privacy breaches, safeguarding stakeholders' rights and the Company's critical operational information. **Potential negative impacts:** Failure to implement cybersecurity and personal data protection measures may expose the Company to cyberattacks, information theft, customer data breaches or ransomware, disrupting business operations.
Policies and Commitments	> Apply the Plan-Do-Check-Act (PDCA) cycle to implement cybersecurity and enhance service quality.
Actions Taken	> Establish a cybersecurity management framework. > Continuously assess risks, control sensitive data and monitor server rooms through the PDCA cycle. > Provide cybersecurity training for relevant personnel.
Monitoring and Evaluation	Conduct annual reviews of cybersecurity implementation under the ISO/IEC 27001 framework.
Management Targets	**Short-term targets (1–3 years)** > Obtain ISO/IEC 27001 certification in 2026 to ensure robust operation of the cybersecurity framework. **Medium- to long-term targets (3–5 years)** > At least 3 hours of cybersecurity training annually. > Fewer than 2 critical business service interruptions per quarter.



Management Structure

At its 18th meeting in 2023, the 13th Board duly approved the Company's information security management framework and associated procedures. Executive Vice President Yong-Xiang Chou was appointed as the dedicated head of information security and spokesperson. Information security auditors, representatives, and the information security response team are responsible for planning, implementing, and executing information security activities. The framework is designed to strengthen information security management; protect data, systems, and networks; prevent losses arising from information security incidents; and prevent unauthorized access, use, control, disclosure, destruction, alteration, or disposal of information, thereby safeguarding its confidentiality, integrity, and availability.



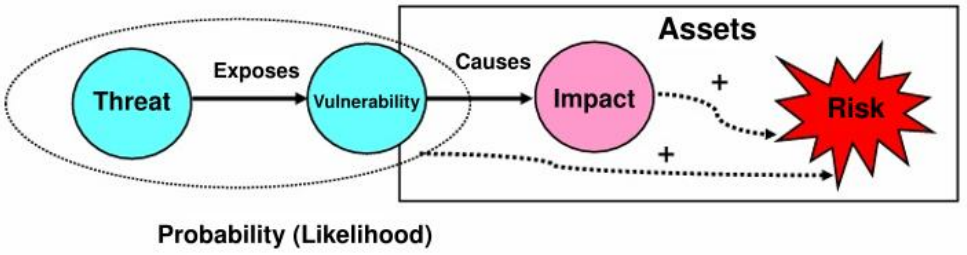


Risk Assessment and Management

Based on its operational characteristics, Mildef Crete has established corresponding information security classifications and conducts risk assessments covering equipment and events in its server rooms. Potential information security risks are assessed across data, software, physical assets, services, and personnel, and appropriate safeguards and emergency response measures are implemented. To strengthen information security risk management, the Company has also established a rapid recovery architecture, assesses the potential severity of events that could disrupt operations, and maintains appropriate backup mechanisms and redundancy plan for critical ERP systems, substantially reducing the risks of business interruption and data loss.

Security Incident Reporting and Response

Upon discovering or suspecting an information security incident, the person identifying the matter must promptly report the relevant circumstances, including who, what, when, where, and the affected assets - to the responsible information security personnel, who then notify the head of security. Based on the information received, the information security management unit documents the case using the Information Security Incident Report Form, follows the prescribed reporting and response procedures, and retains the relevant records.



Defense Measures

To keep the Company's security controls current, multiple protective measures have been implemented since 2023. Management measures include strengthening the information security governance framework and managing personnel access rights. Technical measures include internal firewalls and server-room monitoring. Together, these layered controls provide protection from the core to the perimeter and support effective information security management.

Security Protection	Intrusion Detection	Incident Response	Disaster Recovery
• Antivirus Software • Next-generation Firewall • Endpoint Protection • Anti-spam Protection • External Website Protection	• Antivirus Software • Next-generation Firewall • Vulnerability Scanning and Remediation • Security Operations Center (SOC) • Endpoint Intrusion Detection • External Exposure Reports	• Security Incident Reporting • Incident Response SOPs • Information Security Advisory Team • Security Incident Forensics • TWCERT Membership • Penetration Testing Exercises	• Multi-generation Backups • Off-site Backups • Cloud Backups • Rapid System Restoration • Off-site Redundancy

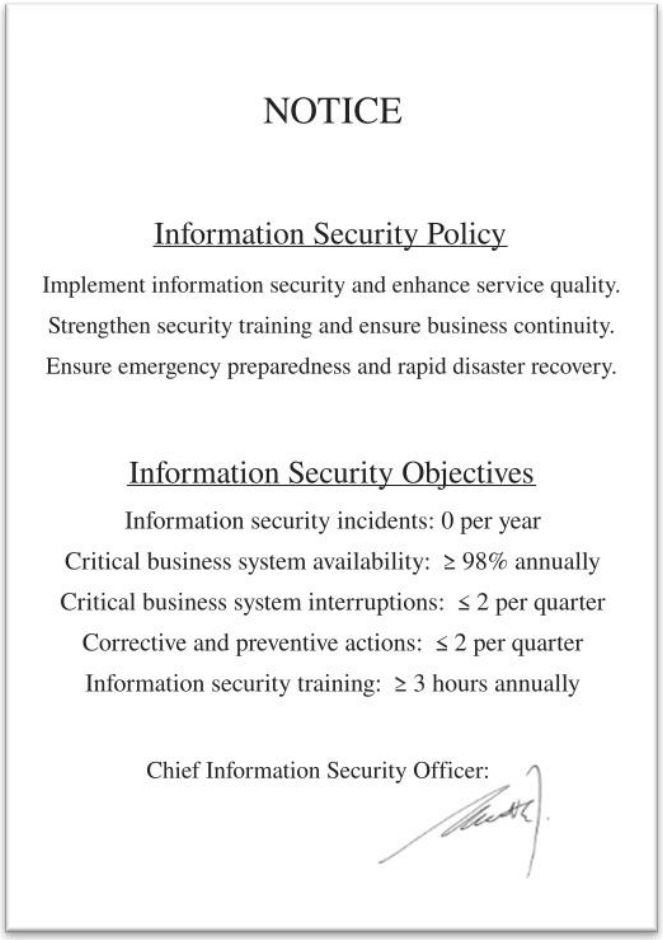
Education and Training

In addition to proactive safeguards, monitoring, and alerts across software and hardware, Mildef Crete places particular emphasis on regular information security education and training for employees. To remain vigilant against evolving risks and threats, the Company applies multiple preventive controls and embeds information security awareness into its internal management practices. All Information Systems Department employees completed the required training. To promote a shared security culture, information security is included in new employee orientation, and reminders are periodically issued through internal bulletin boards and email.

Security Governance - ISO 27001

At the end of 2025, the Company formally launched its ISO 27001 implementation program to establish a comprehensive information security management system. Risk assessments, controls over sensitive data, and continuous server-room monitoring help protect customer data and the Company's operational information. This initiative supports alignment with international information security standards and demonstrates the Company's sustainability commitment to its customers. The Company will continue to review and enhance its information security measures through the Plan-Do-Check-Act (PDCA) cycle, advancing digital transformation and sustainable governance in parallel.





NOTICE

Information Security Policy

Implement information security and enhance service quality.

Strengthen security training and ensure business continuity.

Ensure emergency preparedness and rapid disaster recovery.

Information Security Objectives

Information security incidents: 0 per year

Critical business system availability: ≥ 98% annually

Critical business system interruptions: ≤ 2 per quarter

Corrective and preventive actions: ≤ 2 per quarter

Information security training: ≥ 3 hours annually

Chief Information Security Officer:

3.1 Supply Chain Management

Local Procurement

The principal operating sites of Mildef Crete is located in Taiwan, where it has maintained stable, long-term relationships with local suppliers. Taiwan's local supply chain is not only a vital pillar of the Company's operations but also plays a key role in its sustainability strategy. Close collaboration with local suppliers helps ensure supply chain resilience and stability while demonstrating the Company's careful consideration of reducing environmental impacts.

Item	Supplier Share
2025 procurement outside Taiwan	3.95%
2025 local suppliers (Note 1)	96.05%
2025 total procurement	100.00%

Note 1: Local procurement is calculated based on invoices issued in Taiwan.
Note 2: Taiwan is the significant location of operation.

In 2025, the Company worked with 243 local suppliers in Taiwan, representing more than 96% of its 253 suppliers. This result demonstrates our active commitment to local collaboration. By supporting local industries, promoting local economic development, and shortening transportation distances, we continue to take action in response to the challenges of environmental protection and economic sustainability.

Participation In External Associations

In 2025, Mildef Crete participated in five domestic and international industry associations spanning information technology, product development, and related fields. The Company seeks to use its expertise and influence to promote positive industry transformation and respond to international sustainability issues through meaningful social engagement.

Association	Membership
Taiwan Electrical and Electronic Manufacturers' Association	General
TWCERT / CC	General
Unmanned Aerial Vehicle Industry Association	General
USB Implementers Forum	General
HDMI Association	General



Supplier Environment Management

The Company is certified to ISO 14001 and has established Supplier Evaluation Procedures in accordance with the standard. Under these procedures, environmental policies and management requirements are communicated to all suppliers. Before engaging a new supplier, the Purchasing Department issues a Supplier Environmental Policy Communication Notice, requiring the supplier to comply with the Company's environmental policies and sign the relevant declarations.

The Company will not engage, or will terminate procurement relationships, with suppliers that fail to cooperate or refuse to sign the required declarations. If a supplier provides inaccurate information or is unwilling to cooperate, the Purchasing Department will require the supplier to revise or supplement the information. All procurement will be suspended if the supplier still fails to cooperate. As of the end of 2025, all 253 suppliers had signed the Supplier Environmental Policy Communication Notice, achieving a 100% signing rate. The average completion rate for the environmental management items below was 93% as below table.



Management Items	Signed Supplier	Qualified Rate
Environmental Policy Notice	253	100%
Integrity Declaration	225	89%
Conflict-Free Minerals Declaration	240	95%
Magnet and Tungsten Declaration	214	85%
Integrity Declaration	244	96%



For existing suppliers, the company conducts a significant environmental impact assessment every three years. Suppliers are required to sign the above environmental commitments to confirm compliance with environmental and social responsibility requirements. In 2025, there were no incidents of supplier cooperation being terminated.

Looking ahead, we hope to take a more proactive approach in communicating with suppliers and examining environmental issues from a broader perspective. We aim to use our company's influence, combined with extended supply chain management, to promote environmental issues more deeply to our key suppliers, ensuring that the entire supply chain works together toward sustainable development.

3.2 Quality of Product and Customer Service



Material Topic Management – Product & Service Quality

Material Topic	Product & Service Quality
Impact Description	**Actual positive impacts:** Good customer service is essential to business success. High-quality service strengthens product loyalty and repeat purchase rates, brings more orders and revenue opportunities, and supports business growth. **Potential negative impacts:** Products that fail certification under regulations related to green indicators cannot be marketed, weakening competitiveness. Non-compliant products may also increase environmental burdens and adversely affect ecosystems.
Policies and Commitments	> All new products will meet environmental and certification requirements and minimize environmental impacts at every stage, from design to production. > MilDef Crete puts customers first in its channel services. Satisfaction surveys identify customer needs and guide product and service improvements. Internal procedures cover pre-sales and after-sales services, with employee training to build trusted customer partnerships.
Actions Taken	1. After trial production, commission a certification body to conduct third-party verification of environmental and legal compliance, preventing non-compliant products from entering the market. 2. Conduct annual satisfaction surveys for key customers or distributors of each product line, and regularly submit customer feedback for review. 3. Sales, Quality Assurance and Customer Service jointly handle customer service matters and complaints. 4. Hold annual quality management system review meetings.
Monitoring and Evaluation	**1. Raw material compliance checks:** R&D personnel verify that specifications for new materials used in designs meet applicable requirements. **2. New product certification reports:** Before market launch, all new products must obtain third-party certification reports confirming compliance with environmental laws and standards. **3. Customer satisfaction surveys:** Invite customers to complete surveys after purchases on an ad hoc basis, or periodically for long-term customers, to assess satisfaction with products and services.

Management Approach

In response to increasingly stringent global green regulations, Mildef Crete complies with international environmental protection and product safety requirements to ensure product compliance and market access. The Company also maintains ongoing communication with relevant stakeholders to sustain product competitiveness in international markets.



Material Topic	Product & Service Quality	
	Short-term targets (1–3 years)	Medium- to long-term targets (3–5 years)
Management Targets	› Ensure 100% of new products meet environmental and certification requirements. › Continue to monitor and prioritize customer satisfaction scores and feedback rates.	› Coordinate with upstream suppliers to achieve 100% supplier compliance and ensure final products comply with green directives. › Improve customer satisfaction and create mutually beneficial outcomes for the Company and its customers. › Use customer feedback to identify improvements, with ongoing follow-up to enhance implementation effectiveness.
Annual Performance	› Review product certification documents annually to confirm consistency with the certified products and ensure all required documents are complete and valid, demonstrating environmental compliance. › Supplier compliance reached 100% in 2025. › Customer satisfaction scores reached 85 or above in 2025.	
Stakeholder Engagement	› Hold regular internal procurement meetings to ensure effective supply chain management. › Evaluate and select high-quality suppliers that meet compliance requirements. › Conduct customer satisfaction surveys 1–2 times a year to identify needs and optimize product offerings and service quality.	

Customer Service Quality

Mildef Crete has established a comprehensive customer complaint handling mechanism. In line with its ISO 9001 quality objectives, the annual customer return defect rate is maintained below 3%. In 2025, customer rights-related disputes mainly concerned product issues. Through active coordination, the Company resolved all cases appropriately, addressed customer concerns, and protected its corporate reputation.

Mildef Crete's retail stores throughout Taiwan provide professional customer service engineers to help customers resolve product issues. Customers may also submit messages through the Company's website or use Line@ instant messaging to obtain timely technical support. Concerns involving product quality, including health and safety impacts or product information and labeling, may be reported to a Mildef Crete retail service center. The product is then returned to the original manufacturer, whose customer service team contacts the customer and provides assistance. The Systems Business Division also conducts regular satisfaction surveys.

All 2025 customer satisfaction survey were completed, with an average score above 85. During the reporting period, the Company had no incidents of non-compliance with laws, regulations, or voluntary codes concerning the health and safety of products and services, product information and labeling, or marketing communications, demonstrating its strong commitment to regulatory compliance and corporate social responsibility. The official website also provides contact channels for product-use inquiries and customer feedback.

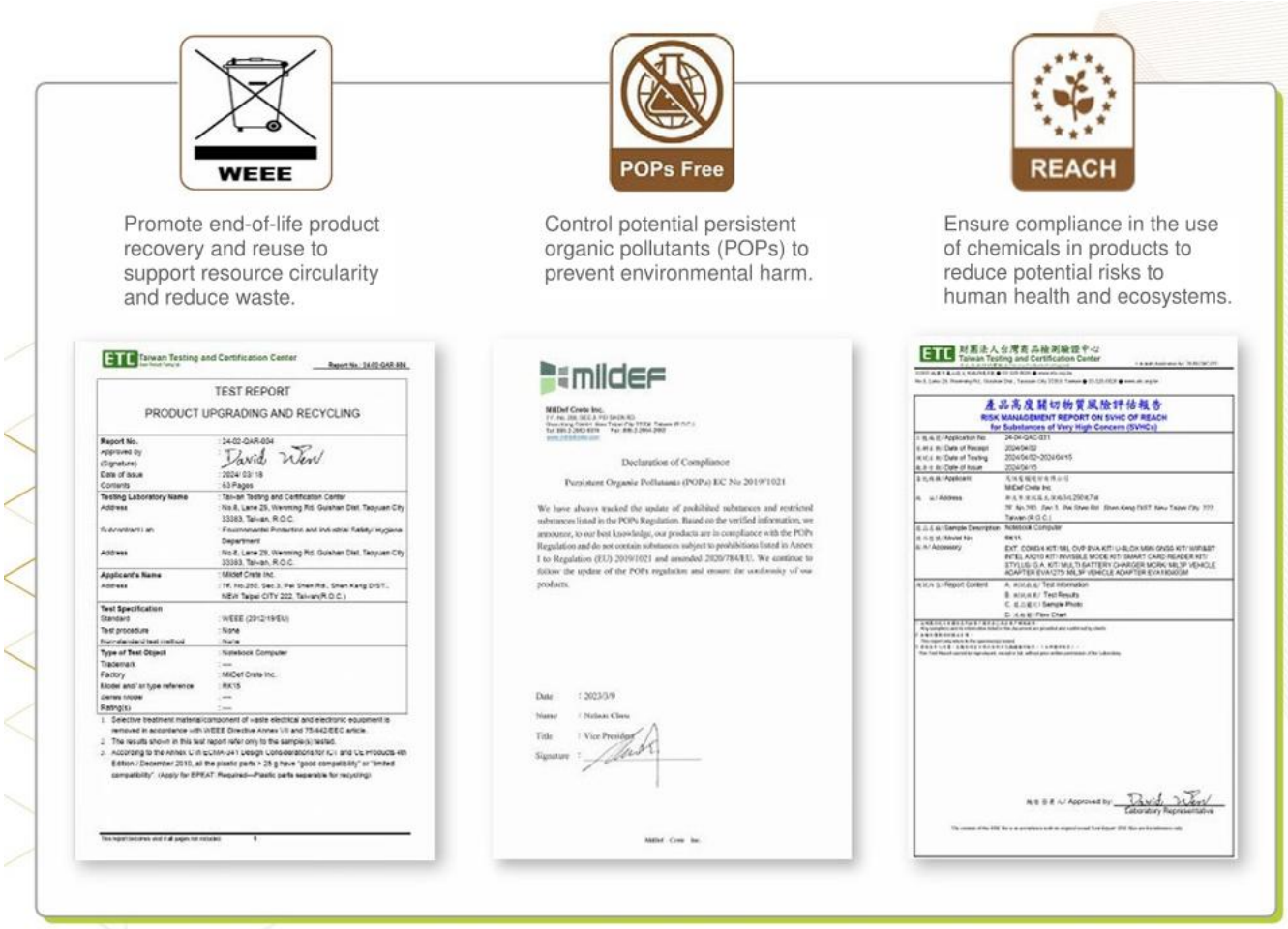
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Sustainable Product Development

In response to the global green transition and low-carbon economy, Mildef Crete follows international requirements at the product design stage, including the Waste Electrical and Electronic Equipment (WEEE) Directive, Restriction of Hazardous Substances (RoHS) Directive, Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) Regulation, and the Stockholm Convention on Persistent Organic Pollutants (POPs). Relevant testing and certification are managed for newly developed products to ensure regulatory compliance.

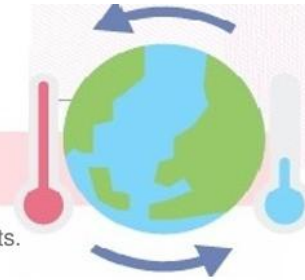
In addition, based on product characteristics and customer needs, Mildef Crete follows ISO-certified management system frameworks to establish systematic processes for continuously monitoring and improving environmental impacts across the product life cycle. The Company seeks to minimize the impacts of environmentally sensitive raw materials, improve resource efficiency, and reduce potential environmental risks.



In product design and manufacturing, Mildef Crete prioritizes raw materials that meet international environmental standards and support sustainable product development, while continuously monitoring environmental regulations and greenhouse gas policies worldwide. Environmental considerations are incorporated from the earliest design stage to improve product performance, reduce energy consumption, and facilitate disassembly and recycling, thereby reducing life-cycle impacts. Related information and labels are continuously disclosed on products and in user manuals to maintain transparency with stakeholders. In addition to continuously improving product performance and providing customers with higher-quality products, Mildef Crete manages environmental impacts across the entire product life cycle, from initial design through final manufacturing, as it advances toward its sustainability goals.



4.1 Climate Change & Adaptation



Material Topic	Climate Change and Adaptation
Impact Description	**Potential positive impacts:** Identifying climate change impacts and developing effective adaptation strategies can reduce environmental impacts. **Potential negative impacts:** Failure to monitor climate issues may expose operating sites and supply chains to extreme weather, such as typhoons and floods, increasing operational challenges and financial burdens.
Policies and Commitments	The Company monitors climate change and reviews its management practices in response to operational needs and market changes to maintain stable operations and comply with applicable requirements.
Actions Taken	> Relevant departments monitor climate change and changes in the business environment according to operational needs, and adjust strategies as appropriate. > Integrate climate-related risks and opportunities into internal management, assess potential operational impacts, and develop response measures. > Build employee awareness of climate risks and response capabilities through ad hoc training and information sharing on climate change.
Monitoring and Evaluation	To ensure appropriate climate adaptation strategies and effective management, the Company follows international climate risk management recommendations, including TCFD and CDP, and reviews operational impacts to strengthen its strategies and respond to global trends.
Management Targets	**Short-term targets (1–3 years)** > Establish a climate risk assessment process for operating sites and the supply chain, assess potential impacts, and adjust operating strategies as needed. > Review equipment adjustments and process optimization to identify improvements and reduce unnecessary energy consumption. > Monitor operating activities and carbon emissions, incorporate them into internal management to meet regulatory requirements, and assess feasible adjustments. > Use existing internal channels, such as monthly newsletters and emails, to provide climate change and ESG information and strengthen employees' environmental awareness. **Medium- to long-term targets (3–5 years)** > Strengthen climate risk management, continuously refine adaptation strategies and response measures in line with international trends, and enhance operational resilience. > Assess suppliers' consideration of climate change and their adaptive capacity to strengthen the supply chain's climate response capabilities. > Review operating strategies and improvement opportunities to respond to climate-related market demand and regulatory changes. > Monitor regulations and competent authorities' requirements, disclose climate-related information under current rules, and adjust strategies for potential policy changes.

Climate Governance

The Board of Directors is responsible for reviewing and overseeing implementation of overall risk management. Climate risk identification, assessment, and management processes are incorporated into the existing enterprise risk management system so that the Company can respond to climate-related challenges comprehensively and systematically.

Material Topic	Climate Change and Adaptation
Annual Performance	The Company will disclose climate-related information in accordance with regulatory requirements to ensure transparent and compliant operations, monitor changes in the business environment, and consider appropriate management responses.
Stakeholder Engagement	The Company monitors climate issues and uses internal and external communication to understand the concerns of stakeholders, including government agencies, investors, supply chain partners, employees and the public. It ensures compliant disclosures and keeps abreast of market and policy trends.



1 Risk and Opportunity Identification	The Environmental Sustainability Team under the Sustainable Development Department identifies climate-related risks and opportunities, including physical risks (e.g., extreme weather) and transition risks (e.g., policy and technological changes). Departments collaborate, using meteorological data and industry trend analysis to identify potential risks comprehensively.
2 Risk Assessment	The three functional teams assess identified climate risks and their potential effects on operations, financial position and overall strategy. Risks are ranked by severity, likelihood and potential financial impact. Management uses the assessment to prioritize risks and ensure effective management and response within the Company's strategy.
3 Risk Management	The three functional teams prioritize high-risk issues and establish climate-related policies, strategies and targets. Significant climate risks are integrated into the Company's overall risk management framework. Management uses the overall assessment, including climate risks, to adjust business strategies, develop response plans (e.g., greater supply chain resilience and investment in low-carbon technologies), and implement measures for coordinated risk management.
4 Monitoring and Reporting	The three functional teams monitor changes in climate risks and report current risk exposure and strategy implementation to the Board of Directors. Climate risk management policies and implementation are disclosed in the sustainability report to ensure transparency.

Climate-related Risks and Opportunities

The Company defines climate-related risks for period and opportunities as follows: 1-3 years for the short term, 3-5 years for the medium term, and 5-10 years for the long term. In accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework, climate issues are integrated into strategic and financial processes. The Company formulates corresponding response measures and maintains a proactive climate change management mechanism to consider climate-related risks and opportunities and assess potential financial impacts on future market opportunities and operations.

In accordance with climate-related financial disclosure requirements, the Company's Environmental Team identifies potential climate-related opportunities in its operations and discloses relevant information under Content, Response Strategy, Financial Impact, and Results and Performance, providing a basis for concrete climate change response measures.

Opportunity Category	Opportunity Description	Time Horizon	Impacts on Strategy, Operations and Finances	Response Strategies	Financial Impacts, Outcomes and Performance of Response Measures
Developing New Low-carbon Products and Services	Respond to global environmental trends and market demand through innovative design and technology to reduce carbon emissions and enhance competitiveness.	Medium term (3–5 years)	Considering low-carbon approaches in product development and design supports product differentiation and responds to environmental trends toward lower emissions.	> Assess changing market demand and adjust technology upgrade strategies or existing product designs as needed to enhance competitiveness. > Extend the life cycle of existing products and use current materials wherever possible.	> Short-term investment may be needed for technology upgrades and product optimization. Over time, a broader product portfolio is expected to improve profitability. > Continue using existing materials to reduce obsolete inventory. > By the end of 2025, the Company had developed new handheld and tablet models, including DP10A and DH8. > Monitor inventory levels monthly. Existing stocks are mainly used for new product R&D testing and repairs of existing products.

Climate Risk Identification

Climate risk identification requires a systematic analysis of the challenges and impacts that climate change may create and their integration into the overall management framework. It is therefore not merely a defensive measure, but also part of strategic planning. This approach enables the Company to reduce risks and capture opportunities when facing climate challenges and to establish a transparent, forward-looking sustainability strategy.

In accordance with the TCFD framework, the Company classifies identified transition risks by dimension and time horizon as follows:

Risk Category	Risk Type	Risk Description	Time Horizon	Impacts on Strategy, Operations and Finances	Response Strategies	Financial Impacts of Response Measures	Outcomes and Performance
Transition Risk	Policy and Legal	> 1. According to the Ministry of Environment's announcement, collection of a carbon tax is expected to begin in May 2026. > 2. The Financial Supervisory Commission has announced that, from 2029, companies with capital of NT$5 billion or less will integrate sustainability information into annual reports and include a dedicated sustainability chapter.	Long term (5–10 years)	> New policies and regulations may require internal adjustments to ensure compliance and alignment of corporate strategy, resulting in additional investment and higher operating costs. > Failure to comply may expose the Company to fines and legal liabilities, affecting financial performance and reputation.	> Update systems and optimize internal management processes to improve departmental efficiency, reduce paper use and lower carbon emissions. > Assign ESG and finance staff to attend government briefings, monitor regulatory developments and plan for implementation schedules.	> Meeting regulatory requirements may require compliance investments, such as system upgrades and external consulting, increasing capital expenditure and operating costs. > Monitor changes in carbon fees, carbon trading and related regulations, with additional research expenditure.	> Regulatory compliance can reduce legal risk and improve competitiveness in an increasingly environmentally conscious global market, strengthening brand image and market share. > In 2025, the Company launched its GHG emissions inventory, reviewing organizational activities and quantifying actual emissions to prepare for potential carbon tax costs.

Risk Category	Risk Type	Risk Description	Time Horizon	Impacts on Strategy, Operations and Finances	Response Strategies	Financial Impacts of Response Measures	Outcomes and Performance
Transition Risk	Market	> 1. Growing global demand for AI is driving sharp increases in the cost of materials such as SSDs. > 2. Ongoing international conflicts heighten geopolitical risks and may cause market supply shortages and shipment disruptions.	Medium term (3–5 years)	> Rapid changes in the global supply chain may lead to uneven supply allocation, longer order lead times and lower customer satisfaction. > Rising procurement costs may affect financial results and revenue.	> Further refine supplier management, strengthen supply chain resilience and diversify sources to reduce dependence on a single supplier and lower supply risk. > Plan ahead using forecast customer orders and timely supplier pricing information to determine whether to purchase materials exposed to significant cost volatility in advance.	> Invest resources in managing supplier sources and building long-term relationships with stable suppliers to ensure supply chain stability. > Assess and commit material costs in advance based on forecast order volumes to help mitigate cost volatility.	> Supplier management optimization: In 2025, rigorous selection and retention of strong partners significantly improved supply chain stability and resilience. > Advance material purchases based on forecast customer order volumes reduced the high costs caused by market volatility.
	Climate-related Reputational Risk	Existing climate response measures and high-emission products may fail to meet stakeholder expectations, leading to negative sentiment, reduced customer trust and satisfaction, and damage to the Company's reputation.	Long term (5–10 years)	If the transition falls short of expectations, failure to meet stakeholder and customer expectations may result in lost business and lower revenue.	Integrate circular economy principles into product design and marketing by using environmentally friendly materials, improving energy efficiency and extending product life. Gradually move toward low-carbon product development and selection to meet stakeholder and customer demand for sustainable products.	> Embedding circular economy principles in optimization will require initial capital expenditure. > Use existing inventory wherever possible in production to reduce the environmental costs of operations.	> System efficiency: In 2025, better management systems and paperless processes laid a foundation for future carbon reductions. > Improved customer satisfaction: Better products and services significantly enhanced satisfaction, brand image and loyalty.

Risk Category	Risk Type	Risk Description	Time Horizon	Impacts on Strategy, Operations and Finances	Response Strategies	Financial Impacts of Response Measures	Outcomes and Performance
Physical Risk	Acute	Extreme weather events, such as typhoons and torrential rain, may interrupt transportation, delay logistics, disrupt supply chains and affect employee attendance, causing production interruptions or delays and increasing operational risk.	Short term (1–3 years)	> Extreme weather may affect production schedules and delivery times, reducing customer satisfaction and market competitiveness. > Operational disruption may cause short-term revenue losses and additional operating costs, putting further pressure on financial performance.	> Activate emergency procedures based on Central Weather Bureau warnings, and conduct safety inspections and environmental risk assessments. > Strengthen the resilience of internal IT networks through regular system maintenance to ensure continuity of critical business operations. > Review and adjust insurance strategies for extreme climate scenarios so that the risk management system can address potential disasters.	To address extreme weather risks effectively, the Company is developing a more resilient operating model. Measures include upgrading internal systems and diversifying supplier sources, increasing internal response and management costs.	> Improved risk management and response measures helped the Company avoid significant impacts from extreme weather in 2025 and maintain stable operations. > This demonstrates that current response measures effectively address extreme weather challenges and support uninterrupted business operations.







4.2 Greenhouse Gas(GHG) Emissions

In its 2024 Global Risks Report, the World Economic Forum (WEF) identified natural disasters and extreme weather events and critical change to Earth systems as the two most severe global risks. In response, with Board approval, the Company established internal “the Sustainable Development Best Practice Principles” and “the Greenhouse Gas Inventory Management Procedures”.

It continues to disclose climate-related information in its sustainability reports and, in accordance with regulatory requirements, disclose climate change risks and policies, monitor changes in the operating environment, and develop appropriate management responses.

Beyond improving the transparency and compliance of climate disclosures, we translate this commitment into concrete operational practices. By fully implementing energy-saving measures in office and production environments, the Company reduces greenhouse gas emissions at the source, helping mitigate climate impacts while building sustainability awareness across the workforce.

Energy-saving Measures



- Encourage employees to switch off unused electrical equipment to improve energy efficiency.
- Set guidelines for air-conditioning use in factories and offices, including suitable temperatures, closing doors and windows to prevent cool air loss, and improving airtightness and shading to reduce solar heat gain and cooling energy use.
- Factory lighting is being progressively upgraded from conventional fluorescent tubes to LCD lighting.
- Replace old air conditioners progressively each year, service units regularly and clean filters to reduce electricity consumption.

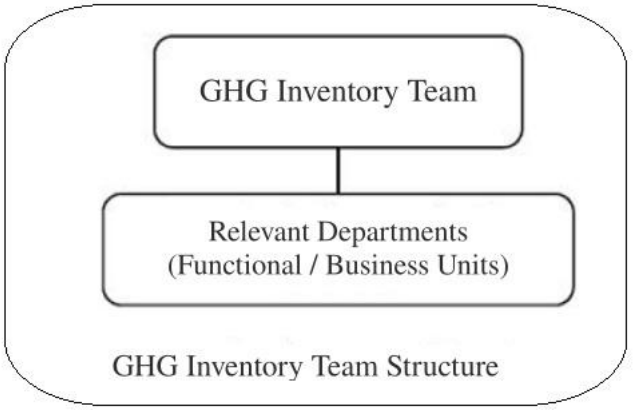
Greenhouse Gas(GHG) Inventory

A greenhouse gas (GHG) inventory is the process of identifying, calculating, and recording all greenhouse gas (GHG) emissions generated by a company's operations. It quantifies the seven greenhouse gases emitted from different sources in organizational activities: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF6), and nitrogen trifluoride (NF3). In accordance with the conversion units announced by the Ministry of Environment, emissions are expressed in metric tons of carbon dioxide equivalent (CO2e).

Scope	Mobile Combustion Sources	Fugitive Emission Sources	Others
Scope 1 Direct Emission	Gasoline and diesel consumed by company vehicles	Water dispensers, septic tanks, and refrigerators Vehicle air conditioners, dehumidifiers, and freezers	-
Scope 2 Indirect Energy Emission	-	-	Purchased Electricity

Greenhouse Gas (GHG) Emissions Disclosure

In compliance with government regulations and in response to international sustainability trends, we coordinated an internal GHG inventory team in 2025 to conduct the Company's first Scope 1 and Scope 2 greenhouse gas (GHG) inventory. The organizational inventory enables more transparent environmental disclosure to stakeholders and more precise assessment of carbon reduction opportunities. Building on this starting point, we will continue to optimize energy-saving and carbon reduction measures and demonstrate our progressive decarbonization goals through concrete action.

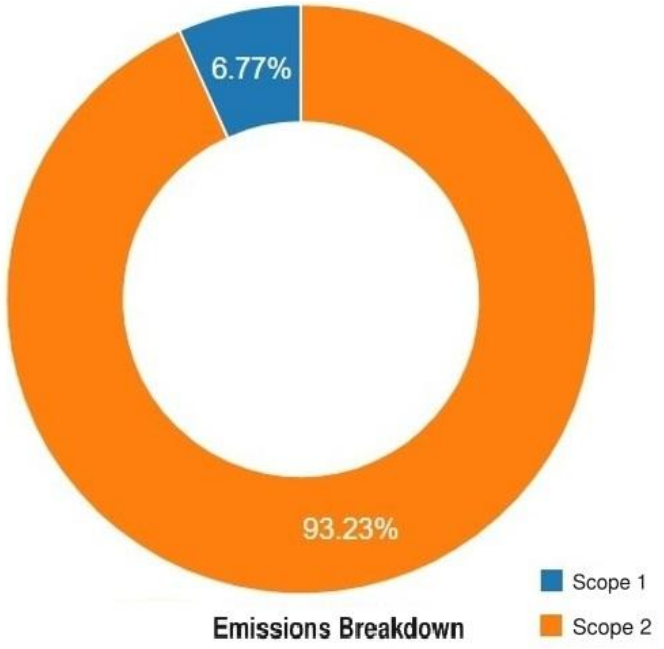


GHG Inventory Team Structure

The first inventory period was from January 1st to December 31st, 2025. The inventory covered the parent company, Mildef Crete Inc., and all greenhouse gas emissions generated within the operational boundaries of its Shenkeng System Manufacturing Business and Taipei Branch Channel Retailing Business. Emissions were calculated using the emission factor method and a location-based approach, applying the latest greenhouse gas emission factors announced by the Ministry of Environment on February 5, 2024 and the 2024 electricity carbon emission factor announced by the Energy Administration in 2025. As shown in the table below, total2025 emissions were 462.15 metric tons CO2e (Scope 1 + Scope 2).

Unit of emissions: metric tons CO_2e

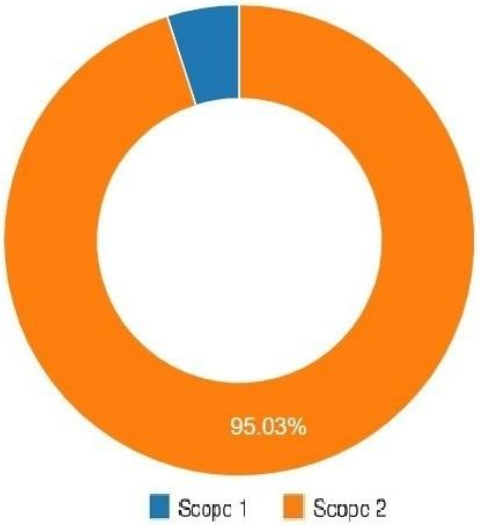
Main Category	Subcategory	GHG Emissions
Scope 1 Direct GHG Emissions	1.1 Stationary Combustion Sources	0
	1.2 Mobile Combustion Sources	15.8968
	1.3 Process Emission Sources	0
	1.4 Fugitive Emission Sources	15.3952
	1.5 Land Use	0
Scope 1 Total		31.29
Scope 2 Indirect GHG Emissions	2.1 Purchased Electricity	430.86
	2.2 Purchased Energy	0
Scope 2 Total		430.86

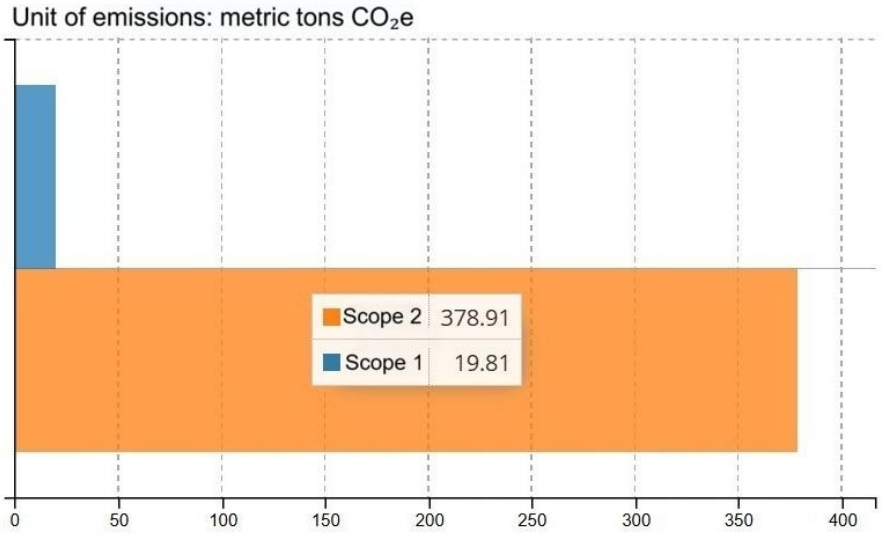


Emissions Breakdown

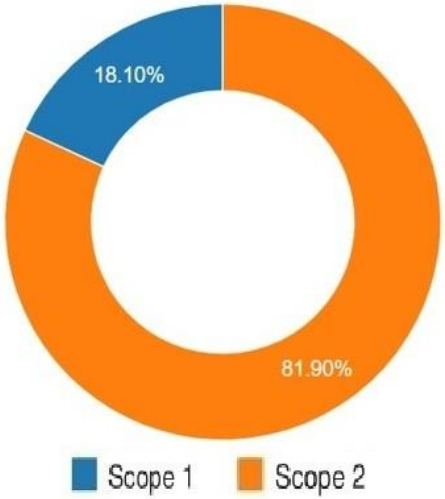
GHG emissions breakdown by Business

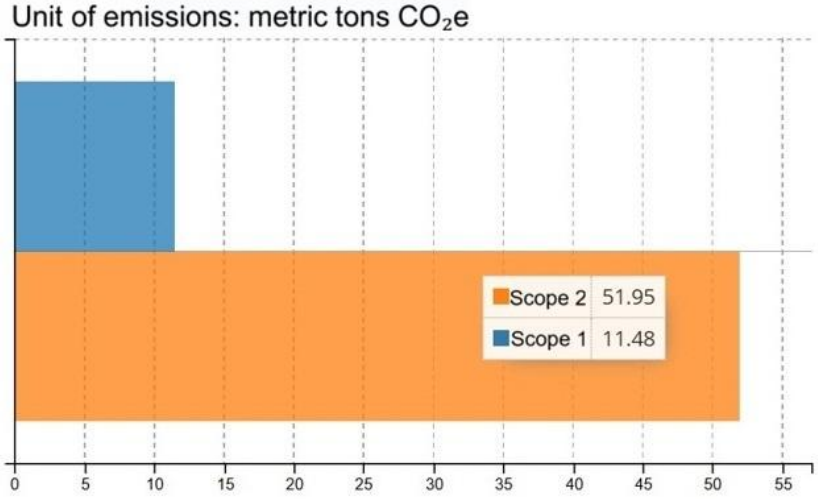
MilDef Crete - Rugged System Manufacturing Business





MilDef Crete – Channel Retailing Business





4.3 Energy Saving and Carbon Reduction

Carbon Reduction

To effectively manage operational carbon emissions, the Company has implemented a range of energy-saving and carbon reduction initiatives since 2024, including internal awareness campaigns, equipment replacement, and process optimization.

We will continue to advance foundational energy-saving measures, comply with government regulations, and gradually expand the scope of the greenhouse gas inventory.

Equipment Management at Source	➢ Prioritize energy-efficient LED lighting. ➢ Replace pantry refrigerators and water dispensers with energy-efficient models. ➢ Phase out old, energy-intensive equipment in manufacturing. ➢ Upgrade and promote meeting-room videoconferencing systems to reduce employee travel. ➢ Service air-conditioning equipment regularly to improve energy efficiency.
Environmental Energy-saving Measures	➢ Establish an ISO 14001 environmental management framework to reduce risks across operations. ➢ Maintain fixed indoor air-conditioning temperatures to keep equipment operating efficiently. ➢ Turn off office lights during the daily lunch break. ➢ Install circulation fans at air-conditioning outlets to regulate indoor temperatures effectively. ➢ Record peak electricity demand and assess appropriate contracted power capacity.
Administrative Measures	➢ Introduce electronic management systems to reduce interdepartmental document circulation and paper use, including BPM for electronic approvals and a Manufacturing Execution System (MES). ➢ Build long-term local supplier partnerships to cut carbon emissions from material transport. ➢ Use online services instead of business trips to reduce transport emissions, including online tax and fee payments by Finance and online training for employees.

Energy Management

The Company's primary energy source is purchased electricity from Taiwan Power Company, and it currently purchases no renewable energy. Energy management statistics cover the Shenkeng headquarters and the Taipei Branch of the Channel Retailing Business as the main data boundary. In 2025, total energy consumption at these sites was 3,695.98 GJ, and energy intensity was 1.28 GJ per NT$1 million in revenue.

Compared with the 2024 reporting year, total annual energy consumption increased by 18.75% in 2025 as manufacturing capacity and production equipment expanded. Although growth inevitably increases total energy consumption, the Company will continue to strengthen its sustainability strategy, implement carbon management measures for energy use and greenhouse gas emissions, and comprehensively monitor peak electricity demand periods and equipment power consumption to mitigate negative environmental impacts wherever possible.

Energy Data

Energy Type	Unit	2024	2025
Purchased electricity	GJ	3,112.28	3,695.98
Renewable energy (including RECs)	GJ	0	0.00
Total energy consumption	GJ	3,112.28	3,695.98
Energy intensity (revenue)	GJ / NT$ million in revenue	1.09	1.28
Energy intensity (per employee)	GJ / employee	10.62	13.06
Electricity as a share of total energy use	%	100%	100%
Renewable energy share	%	0%	0%

Note 1: Energy values in GJ are converted using the calorific values in the Energy Product Calorific Value Table issued by the Energy Administration, Ministry of Economic Affairs. Unit conversion: 1 MWh = 3.6 GJ.

4.4 Water Resources and Effluents

The Company's principal businesses are computer distribution and the production and sale of rugged computers and accessories. Its production processes have relatively low water requirements. Water is used mainly for domestic purposes, and discharge consists primarily of domestic wastewater. MilDef Crete's total water consumption in 2025 was 30,000 million liters, a slight increase of approximately 3% from 29,000 million liters in the 2024 reporting year. The increase was stable and did not represent a significant change. This result shows that water-saving measures and continued improvements in process efficiency are producing increasingly controllable outcomes in daily operations. While maintaining a sustainable water balance, we will continue to promote energy conservation, carbon reduction, and circular use, reduce environmental burdens, and demonstrate our commitment to sustainable business.

Water Data

Item	Unit	Source	Water Stress Index	2024	2025
Water withdrawal	Megaliters (ML)	Third-party water		2.9	3.0
Water discharge	Megaliters (ML)	Third-party water	Low–Medium	2.9	3.0
Water consumption	Megaliters (ML)	Third-party water		-	-

Note 1: All water is freshwater (total dissolved solids ≤ 5,000 mg/L).
Note 2: Withdrawal = domestic + production water withdrawal; discharge = domestic + production water discharge.
Note 3: The data boundary covers Shenkeng Headquarters and stores in Taipei and Kaohsiung.
Note 4: 1 ML = 1,000 m³. Water use was 2.9 ML (2.9 thousand m³) in 2024 and 3.0 ML (3.0 thousand m³) in 2025.
Note 5: Third-party water is supplied by municipal utilities, wastewater treatment plants, public or private utilities, or other organizations that supply, transport, treat, dispose of or use water and effluent.
Note 6: MilDef Crete uses Aqueduct tools to assess water stress and water-resource risks at its Taiwan sites. The assessment indicates that the sites are currently in the low-risk range.



Water Management Measures

The Company implements the following measures to meet water needs at its factories and offices:

Equipment Inspections	Inspect water equipment and piping in factories and offices to prevent leaks and ensure proper operation.
Basic Water-saving Measures	Adjust faucet flow rates in offices and factories to reduce unnecessary water use.
Employee Water Use	Remind employees to adopt good water-use habits and keep consumption at reasonable levels.



The Company currently has no additional water recycling or reuse plans. It will continue monitoring factory water use and review management measures as business needs evolve, ensuring that water use meets operational needs and environmental requirements.

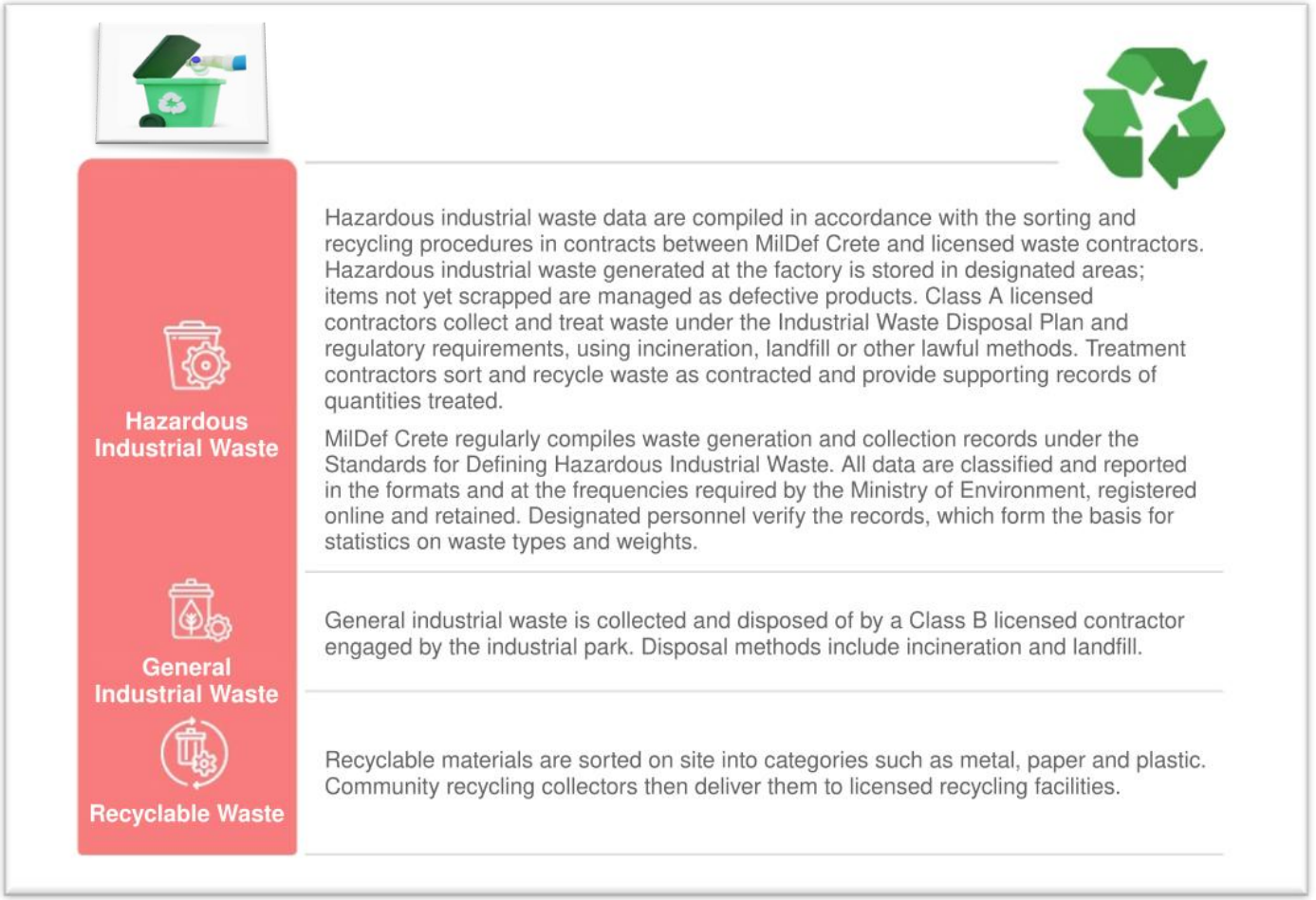
4.5 Waste Management

The Company is certified to ISO 14001 and complies with Taiwan's Waste Disposal Act, Enforcement Rules of the Waste Disposal Act, Standards for Defining Hazardous Industrial Waste, and other applicable regulations. It has established a Waste Management Procedure governing the classification, temporary storage, collection, and transportation of waste at its facilities. The Industrial Waste Disposal Plan serves as the basis for waste management and is reviewed and updated periodically by dedicated personnel. Where actual operations differ from the plan, it is revised to reflect current practices and strengthen compliance.

All hazardous and non-hazardous waste generated by Mildef Crete's operations is treated off site. Only temporary storage and sorting are performed at Company facilities, after which qualified external service providers handle the waste in accordance with applicable requirements. Related data are based primarily on contracts between Mildef Crete and waste collection and treatment contractors, which perform classification, registration, and reporting in accordance with regulatory standards.

Hazardous waste statistics are compiled from disposal records provided by contractors, reviewed by responsible personnel, and incorporated into the sustainability report to ensure accuracy and traceability.





Waste Collection and Transportation

In 2025, Mildef Crete's Shenkeng headquarters generated 9.85 metric tons of waste, including 3.29 metric tons of hazardous industrial waste. Types included mixed metal scrap, waste electronic components, offcuts, defective products, metal-containing printed circuit boards and associated powder, PCBAs, and tin waste. Non-hazardous waste totaled 6.56 metric tons and included pallets, scrapped desks and chairs, office equipment, and stationery.

Licensed waste contractors were engaged to recycle or incinerate all such waste off site.
For hazardous industrial waste, the Company controls the process in accordance with Ministry of Environment requirements. Reports are submitted monthly through the designated system, and collection schedules and contractors are registered online before transport. After collection, the treatment contractor must provide supporting documents and an explanatory report for Company tracking and retention. All filings and supporting documents are retained by responsible personnel as required for inspection by the competent authority. The Company also periodically reviews contractor agreements and regulatory compliance to confirm that operations meet current legal requirements.

Waste Management		Unit	2023	2024	2025
Hazardous Waste	Waste generated	Metric tons (t)	2.60	2.91	3.29
	Waste diverted from disposal		0.20	0.51	0.89
	Waste directed to disposal		2.40	2.40	2.40
Non-hazardous Waste	Waste generated	Metric tons (t)	2.00	2.47	6.56
	Waste diverted from disposal		0.00	0.00	0.00
	Waste directed to disposal		2.00	2.47	6.56
Total Waste	Waste generated	Metric tons (t)	4.60	5.38	9.85
	Waste diverted from disposal		0.20	0.51	0.89
	Waste directed to disposal		4.40	4.87	8.96
Waste Recycling Rate		Percentage (%)	7.69%	17.46%	27.05%

Note 1: The data boundary covers Shenkeng Headquarters.
Note 2: Recycling rate = weight of production waste recycled / total weight of waste generated in production.

Waste Diverted from Disposal	Disposal Location		Unit	2024	2025
Hazardous Waste	Other recovery operations	Off-site	Metric tons (t)	0.51	0.89

Note 1: Hazardous industrial waste mainly consists of metal materials for reuse.

Waste Directed to Disposal	Disposal Location		Unit	2024	2025
Hazardous Waste	Incineration	Off-site	Metric tons (t)	2.40	2.40
Non-hazardous Waste	Incineration		Metric tons (t)	2.47	6.56



5.1 Workforce Demographics

In 2025, Mildef Crete Inc., the parent company (Rugged System Manufacturing Business and Channel Retailing Business) had 283 employees. Of these, 281 were regular employees, representing 99.29% of the workforce, while 2 were non-regular employees (fixed-term contract workers), representing 0.71%. There was no significant fluctuation compared with the 2024 reporting year.

The Company values a diverse and inclusive workforce and upholds fairness in recruitment, compensation, and benefits, without distinction based on gender, age, nationality, race, or religion. In 2025, the overall male-to-female employee ratio was 1.77:1, compared with 1.82:1 in 2024. The proportion of female employees increased by approximately 2.5%, bringing the gender distribution closer to balance and demonstrating the Company's emphasis on gender equality, diversity, and inclusion in recruitment and organizational culture.

1. **Employees with Disabilities:** Provide accessible facilities, including restrooms, and a spacious workplace to support participation in work and learning.
2. **Indigenous Employees:** Ensure fair treatment at work and provide paid leave for Indigenous ceremonial festivals each year to support cultural traditions.
3. **Middle-aged and Older Employees:** Rehire retirees on fixed-term contracts as technical advisers or technicians, based on internal needs, to pass on experience and skills and retain their professional expertise.

Category	Group	Male		Female		Group Total	
		Number	% of Total Employees	Number	% of Total Employees	Number	% of Total Employees
Employment Contract	Permanent employees (indefinite-term contracts)	181	63.96 %	100	35.34 %	281	99.29%
	Temporary employees (fixed-term contracts)	0	0.00%	2	0.71 %	2	0.71 %
	Non-guaranteed hours employees (gig workers)	0	0.00%	0	0.00%	0	0.00%
Employment Type	Full-time employees	181	63.96 %	100	35.34 %	281	99.29%
	Part-time employees	0	0.00%	2	0.71 %	2	0.71 %

Note 1: Employee numbers are based on actual headcount as of December 31 of the reporting year.
Note 2: In addition to the employees above, three outsourced cleaners who are not Company employees perform daily cleaning at the factory.
Note 3: The figures cover employees of the parent company in Taiwan.

Diversity and Inclusion

The Company promotes a diverse and inclusive workplace and is committed to creating an intergenerational-friendly work environment. Indigenous peoples, persons with disabilities, middle-aged and older employees, and all other workers are supported in realizing their potential, growing together, and developing fully, regardless of identity, gender, or ethnicity.



Employee Category			2025			
			Managers		Non-managers	
			Number	% of Total Employees	Number	% of Total Employees
Indigenous Employees	Male	< 30 years	0	0%	0	0%
		30–50 years	0	0%	0	0%
		> 50 years	0	0%	0	0%
	Female	< 30 years	0	0%	0	0%
		30–50 years	0	0%	0	0%
		> 50 years	0	0%	1	0.4%
Employees with Disabilities	Male	< 30 years	0	0%	0	0%
		30–50 years	0	0%	0	0%
		> 50 years	0	0%	1	0.4%
	Female	< 30 years	0	0%	0	0%
		30–50 years	0	0%	0	0%
		> 50 years	0	0%	1	0.4%
Rehired Middle-aged and Older Retirees	Male	< 30 years	0	0%	0	0%
		30–50 years	0	0%	0	0%
		> 50 years	0	0%	0	0%
	Female	< 30 years	0	0%	0	0%
		30–50 years	0	0%	0	0%
		> 50 years	0	0%	0	0%
Total			0	0%	3	1.06%

Note: Managers are employees who receive a supervisory allowance.

Employee Distribution

In 2025, the largest age group among Mildef Crete employees was 30-50, indicating that the Company's core workforce possesses solid industry experience and stability. At the same time, the proportion of new employees aged 20-29 increased significantly, reflecting the Company's active recruitment of younger talent and the continued infusion of new ideas and innovative energy. This age distribution demonstrates balance and diversity in human resources management, as well as our commitment to intergenerational inclusion and social responsibility, helping create an inclusive, innovative, and friendly workplace.



Employee Category			2025	
			Number	% of Total Employees
Managers	Male	< 30 years	2	0.7%
		30–50 years	54	19.1%
		> 50 years	18	6.4%
	Female	< 30 years	0	0.0%
		30–50 years	9	3.2%
		> 50 years	5	1.8%
Non-managers	Male	< 30 years	27	9.5%
		30–50 years	68	24.0%
		> 50 years	13	4.6%
	Female	< 30 years	10	3.5%
		30–50 years	53	18.7%
		> 50 years	24	8.5%
Total			283	100%

New Employees Hires

The Company hired 70 employees in 2025, the same number as last 2024 reporting year. Of these new hires, 56 joined the Channel Retailing Business (55 Male and 1 Female), while 14 joined the Rugged System Manufacturing Business (8 Male and 6 Female).

New Hires			Female Employees					Male Employees					
			Age <30	Age 30–50	Age >50	Total	Share (%)	Age <30	Age 30–50	Age >50	Total	Share (%)	Total New Hires
Employee Count	Channel Business Division		1	0	0	1	14.29%	51	4	0	55	87.30%	56
	System Manufacturing Division	Overseas Sales	0	0	0	0	0.00%	0	1	0	1	1.59%	1
		Administration	0	0	0	0	0.00%	0	0	0	0	0.00%	0
		R&D	2	0	0	2	28.57%	1	2	1	4	6.35%	6
		Production Employees	2	2	0	4	57.14%	1	2	0	3	4.76%	7
Total			5	2	0	7	100%	53	9	1	63	100%	70



Employee Turnover

A total of 81 employees left the Company in 2025, a decrease of approximately 2.5% from 83 in the 2024 reporting year.

The Channel Retailing Business recorded 65 departures (62 Male and 3 Female), while the System Manufacturing Business recorded 16 departures (8 Male and 8 Female).

Employee Turnover			Reasons for Leaving						Female Employees					Male Employees					
			Retire-ment	Layoffs	Death	Parental Leave	Voluntary Exit	Total	Age <30	Age 30–50	Age >50	Total	Share (%)	Age <30	Age 30–50	Age >50	Total	Share (%)	Total Exits
Employee Count	Channel Business Division		0	13	0	0	52	65	2	1	0	3	27.27%	48	12	2	62	88.57%	65
	System Manufacturing Division	Overseas Sales	1	0	0	0	1	2	0	1	0	1	9.09%	0	1	0	1	1.43%	2
		Administration	1	0	0	0	0	1	0	0	1	1	9.09%	0	0	0	0	0.00%	1
		R&D	1	1	0	0	4	6	3	0	0	3	27.27%	1	1	1	3	4.29%	6
		Production Employees	1	0	0	2	4	7	1	2	0	3	27.27%	2	1	1	4	5.71%	7
Total			4	14	0	2	61	81	6	4	1	11	100%	51	15	4	70	100%	81

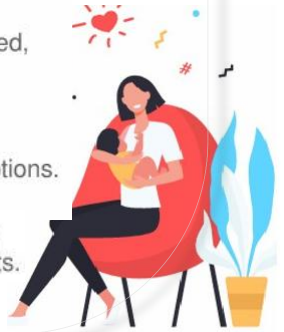


5.2 Employee Benefits

Guided by a management philosophy that respects people and cares for employees, the Company provides a range of benefits to help employees balance work and life, improve job satisfaction and quality of life, and strengthen loyalty and engagement. In accordance with law, the Company has established an Employee Welfare Committee, which implements welfare programs sponsored by the Company or the Committee. Funding is derived from: (1) 0.5% of employees' monthly payroll; (2) 0.1% of the Company's monthly revenue; and (3) 40% of proceeds from the sale of scrap materials.

Employee Benefits

1. **Statutory Social Insurance:** Includes labor insurance, National Health Insurance and other statutory social insurance coverage.
2. **Statutory Pensions:** Pension contributions are made as required, including:
   - Old scheme (Labor Standards Act): Monthly contributions are made to the labor pension reserve account at the Bank of Taiwan Trust Department.
   - New scheme (Labor Pension Act): 6% of each employee's monthly salary is contributed to their individual account at the Bureau of Labor Insurance.
3. **Festival Cash Gifts:**
   - The Company provides fixed annual cash gifts for the Dragon Boat and Mid-Autumn Festivals.
   - The Employee Welfare Committee provides cash gifts for Labor Day, the Dragon Boat and Mid-Autumn Festivals, and birthdays.
4. **Year-end Bonuses:** Subject to annual profits, year-end bonuses are paid before Lunar New Year.
5. **Employee Remuneration:** If annual profits are recorded, employees share operating results based on performance.
6. **In-kind and Financial Support:** For marriage, bereavement, childbirth or hospitalization, the Company provides in-kind support and the Welfare Committee provides financial assistance.
7. **Year-end or Spring Banquet:** The Welfare Committee plans prize draws and entertainment for one annual banquet.
8. **Free Employee Health Examinations:** One free health examination is provided annually.
9. **Occupational Health Services:** Occupational nurses and physicians provide psychological counseling and health education.
10. **Lactation Room:** A dedicated room is available for female employees who need to breastfeed or express milk.
11. **Travel Activities:** The Employee Welfare Committee organizes domestic and overseas trips and provides subsidies or vouchers.
12. **Overseas Business Travel Coverage:** Travel accident and supplementary accident liability insurance provide medical protection for employees on overseas business trips.
13. **Retirement Advisory Services:** Retirement advice and help with Bureau of Labor Insurance claims are provided, including occupational injury, sickness or hospitalization, and retirement benefits.
14. **Parental Leave Assistance:** Employees may apply for unpaid parental leave under the Gender Equality in Employment Act and receive help applying to the Bureau of Labor Insurance for parental leave allowances.
15. **Childcare Arrangements:** Contracts with government-registered kindergartens provide affordable childcare options. An on-site temporary space is also available for school-age children to wait for their parents to finish work.
16. **Employee Share Subscription and Profit-Sharing Plan:** To support sustainable development, the Company offers share subscriptions and stock bonuses so employees become shareholders and share in business results.



Free Employee Health Examinations



One free health examination a year

Occupational Nurse / Physician Services



Psychological counseling, health education and other occupational health services

Lactation Room



A dedicated room for female employees to breastfeed or express milk.

Maternal health protection measures

Parental Leave (Unpaid)

To help parents care for newborns and balance work and family, employees with six months of service may apply for unpaid parental leave before each child turns three. Leave may continue until the child reaches age three, for a maximum of two years.

Lactation Room

To support breastfeeding during working hours, the Company provides a private lactation room with safe, comfortable chairs with backrests, tables, covered waste bins, alcohol disinfectant, storage cabinets and an emergency call bell. A dedicated refrigerator stores breast milk. The room is available to female employees who need to breastfeed or express milk.



Childcare Services

The Company contracts with government-registered kindergartens to provide affordable childcare options and reduce employees' financial burden.

School-age Childcare Space

To help employees balance work and childcare, children in Grade 3 or above, or able to manage themselves, may do homework in the Company's temporary care space and wait quietly for their parents to finish work.



Family Care Leave

Employees may apply for family care leave when they need to care for elderly parents or family members with special needs.



Employee Wellness Program

Regular health consultations and occasional health education seminars are provided. On-site blood pressure monitors and health examinations support employees' overall health.

Parental Leave Statistics



Item	2025		2024	
	Male	Female	Male	Female
Employees eligible for parental leave during the year (A)	1	0	0	3
Employees applying for parental leave during the year (B)	1	0	0	3
Application rate (B/A)	100.00%	-	-	100.00%
Employees due to return from parental leave during the year (C)	0	1	0	5
Employees who returned to work during the year (D)	0	1	0	3
Return-to-work rate (D/C)	-	100.00%	-	60.00%
Employees who returned in the previous year (E)	-	3	1	1
Employees retained for 12 months after returning in the previous year (F)	-	3	1	1
Retention rate (F/E)	0%	100.00%	100.00%	100.00%





5.3 Labor Relations



Material Topic	Labor Relations	
Management Targets	**Short-term Targets (1–3 Years)** Improve labor–management communication and issue-resolution mechanisms to lay the foundation for future cooperation.	**Medium- and Long-term Targets (3–5 Years)** › Improve systems and strengthen cooperative relationships. › Build stable labor–management cooperation and sound relations to achieve shared development.
Impact Description	Actual positive impacts: Protect employee rights, provide quality benefits and foster a supportive workplace to strengthen labor relations and competitiveness, further improving customer satisfaction and loyalty. Potential negative impacts: Inadequate benefits policies may leave employees feeling that their rights are compromised. Employee exploitation, violations of the Labor Standards Act or other infringements of labor rights may trigger disputes, weaken employee commitment, reduce competitiveness, damage the Company's reputation and harm customers, shareholders and other stakeholders.	
Policies and Commitments	› Attract talented people worldwide and develop employees' competencies to enhance overall competitiveness and retain key talent. › Create a quality workplace with competitive pay and benefits, supporting career growth and the achievement of organizational and individual goals.	
Actions Taken	› Hold regular labor–management meetings so employee views are effectively received and addressed. › Establish an Employee Welfare Committee to implement benefit programs and align benefits and workplace conditions with employee expectations. › Provide internal and external training opportunities to support employees' continued growth.	
Monitoring and Review	Transparent, professional management and continuous improvement effectively protect the rights of both labor and management and support stable business development. 1. Fairness and respect: Comply with labor laws, protect basic employee rights, respect individual dignity and opinions, and prevent discrimination or unfair treatment. 2. Benefits and incentives: Provide fair pay and benefits so employees feel valued, strengthen motivation and promote labor–management harmony. 3. Effective communication: Use internal notices, regular departmental meetings and labor–management meetings to promote dialogue and cooperation. 4. Dispute resolution: Provide grievance channels and effective mechanisms, including negotiation and mediation, to resolve issues promptly and reasonably. 5. Sustainable development: Jointly focus on long-term business development, professional training, skills enhancement and career development so employees recognize their growth potential.	

Collective Bargaining and Employee Communication

Mildef Crete communicates with employees through regular labor-management meetings and diverse channels. Labor and management each appoint five representatives to discuss relevant issues. Mildef Crete communicates with employees through regular labor-management meetings and diverse channels. Labor and management each appoint five representatives to discuss relevant issues. The Company manages labor relations according to the principles of partnership, coexistence, and shared prosperity. Employees may use the communication channels listed below at any time to raise work- or life-related concerns, enabling mutual understanding, consensus building, and continued achievement.

Item	Description
Labor–Management Meetings (Held Quarterly)	Two-way communication on company policies, work conditions, safety and health strengthens trust and mutual understanding between labor and management. These consultations also provide an important reference for management decisions.
Employee Welfare Committee (Re-elected Annually)	Departments nominate employees who are committed to employee welfare and skilled in communication to lead the Company's benefit programs: 1. Financial support: Marriage, bereavement, celebrations, birthdays, childbirth, injury, illness and hospitalization; emergency assistance is handled case by case. 2. Recreational activities: Travel, leisure facilities and activities. 3. Festival benefits: Dragon Boat Festival, Labor Day and Mid-Autumn Festival. 4. Other benefits: Determined by committee resolutions.
Employee Remuneration	To strengthen employee involvement and management effectiveness, the Articles of Incorporation require 5%–10% of annual profits, when earned, to be allocated as employee remuneration. Sharing profits builds commitment and encourages employees to work toward the Company's overall goals.
Gender Equality and Dignity at Work	Establish procedures to protect female workers, as well as measures for preventing, reporting and disciplining workplace sexual harassment, to safeguard employee rights and workplace safety.
Employee Work Rules	Provide training during onboarding and publish work rules on the intranet as guidelines for employee conduct.

Annual Performance

1. Four labor–management meetings were held in 2025, achieving a 100% implementation rate.
2. Target: zero labor-dispute cases. In 2025, one case was reported and closed; regulatory inspections identified zero violations.
3. Annual training target: at least 85% completion. The 2025 training achievement rate was 143.32%.

Stakeholder Engagement

- Hold regular labor–management meetings with worker representatives to ensure policies and measures respond to employee needs.
- Provide employee grievance and suggestion channels covering benefits, labor relations, education and training.



Employee Rights and Retired Plan Management



I. Under the Company's Employee Retirement Management Regulations, professional actuaries assess the retirement reserve each year. Monthly contributions are made within the prescribed 2% of total payroll and deposited in a dedicated retirement account at the Bank of Taiwan Trust Department. As of December 31, 2025, the balance was NT$68,468 thousand. HR estimates that this is sufficient to cover employees eligible to retire in the following year; no additional contribution was required for the year.

II. The Pension Fund Supervisory Committee comprises representatives elected by labor and management and manages, supervises and reviews retirement-reserve matters:

1. Employees meeting the retirement conditions under the Labor Standards Act receive two base units for each full year of service during the first 15 years, and one base unit for each year thereafter, up to 45 units. Service of less than six months counts as half a year; six months or more counts as one year.
2. At each year-end, HR estimates whether the dedicated retirement-reserve account can cover employees expected to become eligible for retirement in the next year. Any shortfall is contributed in one payment by the end of March of the following year and submitted to the Labor Pension Reserve Supervisory Committee for review to protect employee entitlements.

III. Following implementation of the Labor Pension Act on July 1, 2005 (the "new scheme"), employees may transfer to the new scheme. The Company contributes 6% of monthly wages to individual pension accounts administered by the Bureau of Labor Insurance. Employees may also voluntarily contribute up to 6% of monthly wages and receive tax benefits.

1. Employees transferring to the new scheme retain their old-scheme service. Old-scheme retirement or severance benefits are paid when the relevant conditions are met.
2. Total pension expenses under the old and new schemes in 2025 were NT$11,438 thousand.
3. Four employees retired in 2025.



1. Service of 3 months to less than 1 year: 10 days' advance notice.
2. Service of 1 year to less than 3 years: 20 days' advance notice.
3. Service of 3 years or more: 30 days' advance notice.



If significant operational changes may affect employee rights, the Company will make statutory notifications and consult fully through labor–management meetings before implementation, giving affected employees advance notice as required by labor laws.

Employee Education and Training

The Company values employees' professional development and growth and encourages continuous learning of new technologies to maintain competitiveness. It has therefore established education and training procedures and annual training plans and objectives. Programs include orientation for new employees, professional skills training for current employees, market updates shared by suppliers or experts, internal knowledge sharing, and external professional training, providing diverse learning channels for ongoing talent development.

In 2025, the Company's overall training achievement rate was 143.32%, with an average of 32 training hours per employee and total training expenditure of NT$301,000. Compared with the 112.79% achievement rate in 2024, the rate increased by more than 30%, while total training expenditure rose by more than 60%, demonstrating the Company's sustained commitment to employee education and training.

Employee Training Programs	Program Description	
New Employee Training	HR organizes training to help new employees become familiar with the Company, adapt to its culture and understand its rules and policies.	
Pre-job Training	Hiring managers assign experienced employees or designated mentors to introduce new hires to colleagues, the workplace, job duties and office equipment. This reduces anxiety about the new environment and helps employees settle into their roles promptly.	
In-service Training	To meet product-quality and environmental-protection requirements, employees need appropriate professional competencies. Department managers arrange job-related knowledge and skills training to strengthen employees' capabilities.	Internal Training: Organizing units deliver courses or invite experts to teach or speak on site. Training also includes online learning, policy briefings, document circulation and company announcements. External Training: Employees are assigned by the Company or apply individually. After managerial approval, they attend courses or training at designated institutions.

Employee Training Performance

In 2025, employees participated in training on 555 occasions, totaling 10,151 hours.

Compared with 466 participations in 2024, participation increased by 19% in the reporting year, while total training hours rose by more than 44% from 7,016.5 hours. Average training hours per participant also increased from 15.1 hours in 2024 to 18.3 hours in 2025, demonstrating the Company's concrete commitment to employee education and training.



2025 Employee Training Program Results

Division	Department	New Employee Training		Pre-job Training		Internal In-service Training		External In-service Training		In-service Training Attendances	In-service Training Hours	Total Training Attendances	Total Training Hours
		Attendances	Hours	Attendances	Hours	Attendances	Hours	Attendances	Hours				
System Manufacturing Division	R&D	6	24.0	6	23	39	1,051.0	7	130	46	1,181.0	58	1,228
	Administration	0	0	0	0	21	431.5	13	343.5	34	775.0	34	775.0
	Sales	1	4.0	1	8.0	12	244.0	3	31.5	15	275.5	17	287.5
	Manufacturing	7	28.0	7	123.5	117	2,314.5	7	34.0	124	2,348.5	138	2,500.0
System Manufacturing Division — Total		14	56.0	14	155.0	189	4,041.0	30	539.0	219	4,580.0	247	4,790.5
Channel Business Division	Domestic Channels	56	224.0	56	56.0	155	4,901.5	41	179.0	196	5,080.5	308	5,360.5
Channel Business Division — Total		56	224.0	56	56.0	155	4,901.5	41	179.0	196	5,080.5	308	5,360.5
Grand Total		70	280	70	211.0	344	8,942.5	71	718.0	415	9,660.5	555	10,151.0

Employee Performance Appraisal

The performance appraisal system is designed to motivate performance, improve productivity, and identify outstanding talent, while providing a fair and reasonable basis for job adjustments, salary adjustments, employee remuneration, and year-end bonuses.

End-of-Probation Review

New employees are reviewed after three months to assess suitability. Work performance, professional skills, teamwork and learning ability are evaluated to determine whether to confirm employment or extend probation.

Annual Performance Review

(1) Review guidelines are announced each December to support employee and organizational growth, improve work efficiency and employee satisfaction, and ensure company goals are achieved.

(2) Review principles and applications:

1. Reviewers must remain fair, impartial and objective throughout the process.
2. Results inform internal human resource management:
   - Job changes: Promotion, demotion, transfer, rotation or termination.
   - Compensation: Assess employee contributions to determine pay adjustments, employee remuneration, performance bonuses and year-end bonuses.
   - Training and development: Guide training needs and individual career growth.
   - Workforce reduction: Where operational needs require adjustments, results may inform decisions on unsuitable employees.





Employees Receiving Regular Performance and Career Development Reviews (%)

Employees Receiving Regular Performance and Career Development Reviews, by Level (%)	2025 Male	2025 Female	2025 Overall
Managers	74	14	31.09%
Non-managers	108	87	68.90%
Total	182	101	100.00%

Note: Managers are employees who receive a supervisory allowance.



5.4 Human Rights Policy

In compliance with Taiwan's labor laws and regulations, the Company adopted its Human Rights Policy with Board approval in 2024:

1. Provide a fair, diverse, and inclusive work environment
2. Oppose discrimination, bullying, and harassment.
3. Respect human rights in the workplace
4. Maintain a healthy and safe workplace
5. Implement information security
6. Promote harmonious labor relations
7. Establish grievance and reporting channels.



Policy and Commitment

Area	Related Policies / Commitments	Approval Level	Application to Business Activities and Relationships	Responsible Department	Communication of Policy Commitments
Human Rights	Human Rights Policy	Board of Directors	To embed respect for human rights, the Company complies with domestic labor laws and related regulations. Its Human Rights Policy was established in 2024, approved by the Board and announced as the highest guiding principle for MilDef Crete's human rights governance. The Company supports and follows the Universal Declaration of Human Rights, the UN Global Compact, the ILO Declaration on Fundamental Principles and Rights at Work, and other international human rights instruments to implement its ESG policies and mission. These commitments apply to the Company, its subsidiaries and business partners, including suppliers, across their operations. The Company has also adopted Workplace Sexual Harassment Prevention, Complaint and Disciplinary Measures and Measures to Prevent Unlawful Infringement in the Performance of Duties to protect human rights and privacy. Policies are available on MilDef Crete's website. Policy commitments are proposed and drafted by the relevant departments, refined and discussed with the Sustainability Development Department, and submitted to the Board for review and approval. The Company announces policy commitments as appropriate.	H.R.	New employees receive HR training at onboarding on the Company's Workplace Sexual Harassment Prevention, Complaint and Disciplinary Measures and Measures to Prevent Unlawful Infringement in the Performance of Duties. This demonstrates the Company's commitment to human rights. After initial training, current employees receive refresher training within three years. The Company will continue monitoring human rights issues and providing training to strengthen awareness and reduce related risks. To respect human rights, MilDef Crete complies with domestic labor laws and related regulations. Secure, trusted grievance and whistleblowing mechanisms enable employees and other stakeholders to raise concerns. These channels facilitate communication between employees and management and ensure appropriate handling of issues.
	Workplace Sexual Harassment Prevention, Complaint and Disciplinary Measures	General Manager		H.R.	
	Measures to Prevent Unlawful Infringement in the Performance of Duties	General Manager		H.R.	

Human Rights Protection



Humen Rights Management Program

With a people-centered approach as the foundation of sustainable business, the Company follows international human rights standards, including the Universal Declaration of Human Rights and International Labor Organization conventions, as well as applicable Taiwanese laws.



Human Rights Management Actions	Specific Measures
1. A Safe and Healthy Workplace	1. Comply with occupational safety and health laws and implement necessary measures to prevent unlawful physical or psychological harm at work. 2. Ensure workplace facilities and equipment meet safety standards; inspect and maintain them regularly to prevent accidents. 3. Provide regular safety and health training to strengthen employee awareness and emergency-response capabilities. 4. Offer psychological health consultations and health seminars.
2. Protection of Employee Rights	Ensure equal opportunities, freedom from discrimination, forced labor and child labor, and fair working conditions and remuneration.
3. Diversity and Inclusion	Promote workplace diversity, oppose all forms of discrimination and prejudice, and support equal rights and opportunities for all employees.
4. Human Rights Training and Awareness	1. In 2025, training on workplace sexual harassment prevention and disciplinary measures recorded 82 attendances and 123 total hours. 2. In 2025, training on measures to prevent unlawful infringement in the performance of duties recorded 643 attendances and 478 total hours.

Human Rights Training Hours	2025 Male	2025 Female	2025 Total
Human Rights Training (Sexual Harassment Prevention), Hours	1.5	1.5	3
Number of Employees Trained	69	13	82
Total Employee Training Hours	103.5	19.5	123
Employees Receiving Human Rights Training (%)	84.15%	15.85%	100.00%



5.5 Occupational Safety and Health (OSH)



Material Topic	Occupational Health and Safety
Impact Description	**Actual positive impacts:** Effective occupational safety and health management reduces accident risks and workplace hazards and provides employees with a healthy, safe and supportive environment. It improves work efficiency and stability and supports stable business operations. **Potential negative impacts:** Insufficient attention to occupational safety and health may lead to work-related injuries or health risks, affecting the safety and rights of employees and other stakeholders. Major occupational incidents may adversely affect operational stability and external reputation.
Policies and Commitments	› Arrange annual employee health examinations as required by law. Assess health-management needs using health data and guidance on excessive-workload-related disease prevention, ergonomic hazards, and safety and health for middle-aged and older workers. › Continuously implement, review and adjust safety and health measures to improve workplace safety and health-management performance.
Actions Taken	› Apply the PDCA management cycle under the Occupational Safety and Health Act to reduce accident risks and enhance employee safety and health awareness. › Conduct annual emergency response and evacuation drills to strengthen employees' ability to respond to unexpected events. › Establish and improve emergency response procedures to standardize incident handling and improve response efficiency.
Monitoring and Review	› Use annual health-examination reports to provide employees with health information, support occupational health personnel in health management, plan health-promotion activities and encourage employees to care for their own health.
Management Targets	**Short-term Targets (1–3 Years)** › The occupational health and safety program was launched › Achieve 87% checkup participation for comprehensive health management. › Record 440 attendances in occupational safety and health training to strengthen awareness and emergency-response capabilities. **Medium- and Long-term Targets (3–5 Years)** › Raise health-examination participation to 89% and encourage continued attention to employee health management. › Record 400 attendances in occupational safety and health training to continuously enhance safety awareness and emergency-response capabilities.

Administrative Controls

The Company values workplace conditions and employee safety. It has established management mechanisms in accordance with occupational health and safety requirements and continues to implement appropriate controls. Standard operating procedures are developed for different workplaces and activities to reduce workplace risks and ensure a safe and healthy work environment. Through target setting and program implementation, controls are tailored to different risk levels to improve operational stability and compliance.

Occupational Health and Safety Management Measures

Dedicated Management	Establish a dedicated occupational safety unit to plan and implement occupational safety and health measures.
Management Framework	Apply the PDCA (Plan–Do–Check–Act) management cycle under the Occupational Safety and Health Act. Review work conditions and safety measures and adjust them as needed to reduce accident risks.
Emergency Response	Establish emergency response procedures that clearly define incident-handling processes and response teams, reducing the effects of unexpected events on people, operations and the environment.
Drills and Training	Conduct annual emergency response and evacuation drills to strengthen employees' response capabilities and readiness for unexpected situations.
Health Management	Provide annual employee health examinations, monitor physical and mental health, and adjust related management measures as needed.

- Vibration testing and laser engraving operations follow documented work instructions.
- Work instructions guide high- and low-temperature operations.
- Conduct workplace environmental monitoring for lead-handling operations.
- Outsource annual monitoring of carbon dioxide levels in workplace air.



Category	Program
Occupational Safety	Fire Safety Management Procedure
	Hazardous Chemicals Management Procedure
Occupational Health	Air Quality Management Procedure
	Noise Control Procedure
	Emergency Response Management Procedure

Regularly Training and Emergency Response

Each year, the Company plans occupational health and safety training covering hazard communication, environmental impact awareness, emergency response, and fire drills, with instruction provided by qualified professionals to strengthen employees' safety awareness and operational knowledge. Employees are also assigned, as appropriate, to fire prevention, firefighting, and evacuation training organized by the industrial park management committee, thereby strengthening response capabilities, reducing risks from emergencies, and maintaining a safe work environment.

1 Training and Work Instructions	Provide occupational safety and health training to improve employee safety awareness and hazard identification. Communicate and implement work rules and instructions so employees understand safe practices and reduce potential hazards.
2 Workplace and Equipment Maintenance	Inspect and maintain the workplace, facilities and equipment to ensure proper operation and reduce the risk of occupational accidents caused by equipment failure.
3 Emergency Response Drills	Conduct emergency response and evacuation drills to strengthen employee readiness and awareness during unexpected events. Drills ensure employees respond promptly in emergencies and follow correct procedures for safe evacuation, reducing accident-related injuries.
4 Commuting Safety Awareness	Follow traffic rules when commuting, avoid headphones and mobile-phone use, and pay attention to surrounding traffic conditions. Avoid hazardous road sections and speeding to reduce the risk of work-related commuting accidents.

Annual Performance	Health checkup participation reached 95% in 2025; two health seminars were held. Emergency response drills: Employees participated in two drills at the industrial park and plant to strengthen emergency preparedness. Education and training: Occupational health and safety training recorded 429 attendances, enhancing employees' safety awareness and response capabilities.
Stakeholder Engagement	Establish an Occupational Safety Department and an internal communication platform for employees to share suggestions on occupational safety. Review occupational safety practices as needed and adjust measures to workplace health and safety needs, ensuring compliance with safety standards and legal requirements.

Occupational Health and Safety Committee

In compliance with occupational health and safety laws and regulations, Mildef Crete has established an Occupational Health and Safety Committee as the highest deliberative body for occupational safety management, and the Committee meets regularly. Its members represent R&D, Administration, Manufacturing, Distribution Business Administration, and the Occupational Safety Department. These units routinely raise occupational safety matters, including the four major occupational safety programs, facility safety and maintenance, and employee safety training. Safety and health improvements take priority when disputes arise, and conclusions are submitted to the Executive Vice President. Major matters that cannot be addressed promptly are submitted to the Committee for deliberation and resolution, followed by approval from the President.

Committee members also support the Occupational Safety Department in fire drills, emergency exercises, health examinations and seminars, and implementation of occupational safety programs. Through internal communication mechanisms, supervisors and employees can provide timely occupational health and safety suggestions and discuss relevant issues to facilitate improvement. Relevant units review safety management policies and implementation of plans as needed and make timely adjustments to meet occupational health and safety requirements.



Scope of Decision-making Authority

Raise plant-related matters with the Industrial Park Management Committee; communicate park and government directives; and help improve occupational health and safety at the plant, including emergency exit doors, cooling tower repairs, restroom maintenance and sanitation.

Scope	Committee Members	Worker Representatives	Worker Representation (%)
MilDef Crete (Parent Company)	11	6	55%



Healthy Promotion

The Company values employees' occupational health and safety and provides health examinations, on-site health services, and diverse health promotion programs to create a safe and friendly work environment and help employees maintain physical and mental well-being. These services and programs are centered on employee needs so that all employees have equitable access to necessary health resources and support. Measures include blood pressure monitors for self-checks and budget allocations for exercise equipment such as spin bikes. The Company also actively promotes a smoke-free workplace and has received the Health Promotion Administration's Healthy Workplace Accreditation - Health Activation Mark, demonstrating its commitment to a healthy work environment.

The Company continues to monitor employee health and provides annual health examinations. Examination frequency and items are adjusted based on legal requirements and health risk assessments to cover the needs of all employees, including personnel engaged in special operations. The 2025 examinations were completed in February; 270 employees, including those receiving special health examinations, participated, for a participation rate exceeding 95%.



- **Health Support for All Employees:** On-site health services are open to all, with health management resources available through consultations by appointment.
- **Health Behavior Management:** Professional advice and support on smoking, alcohol use and betel nut chewing encourage employees to develop healthy lifestyles.
- **Personalized Health Guidance:** Employees with specific health needs receive exercise advice, dietary planning and stress management guidance to improve health and quality of life.

On-site Health Services and Individualized Care

We provide on-site health management and consultations during working hours. Each year, specific groups—including older employees, those with elevated blood pressure, blood glucose or lipid levels, those at risk of cardiovascular disease, and employees in high-intensity roles—receive individual health interviews, professional advice and ongoing follow-up, with referrals for further care as needed.

Item	Implementation Details	Target Group	Performance and Employee Feedback
Abnormal Workload-Induced Disease Prevention Program	We comply with statutory working-hour limits to prevent excessive overtime and require workers in designated hazardous operations to apply for occupational disease prevention health examinations as prescribed, reducing health risks from prolonged working hours.	On-site Personnel	2025 Health Examinations (February 21, 2025): › General health examinations: 270 employees › Special health examinations (by workplace risk): • Ionizing radiation work: 6 employees • Lead work: 23 employees

Occupational Accident Reporting and Investigation

In 2025, the Company internally recorded four occupational accident cases. These cases represented approximately 1.41% of the total workforce of 283 employees. None met the statutory reporting threshold for a major occupational accident, and the Company assisted the affected employees in resolving all cases appropriately



1 Incident Reporting

- **Immediate reporting:** Notify the supervisor, unit head and relevant departments immediately. Contact police or emergency services as appropriate and notify the competent authority as required by law.
- **Incident record:** Record the time, location and persons involved, and provide an initial description.

2 Emergency Response

- **Emergency assistance:** Provide first aid or arrange hospital treatment for serious injuries.
- **Secure the scene:** Preserve evidence and protect everyone at the scene.

3 Preliminary Investigation

- **Initial report:** The department concerned investigates and collects evidence, including witness accounts, working conditions and safety facilities.
- **Immediate preventive action:** Based on initial findings, improve procedures and strengthen equipment inspections as needed to prevent recurrence.

4 Incident Investigation

For a major occupational accident (such as a fatality or serious injury), the Occupational Safety Department forms an investigation team of safety experts, technical personnel and managers. The investigation covers:

1. Causes: human, equipment, environmental and management factors
2. Sequence of events and background
3. Injuries and fatalities
4. Working environment and safety facilities at the time
5. Compliance with safety operating procedures

5 Incident Report

1. Incident overview
2. Root-cause analysis
3. Injuries and fatalities
4. Compliance with applicable laws and regulations
5. Response process and corrective actions taken



6 Post-incident Actions

- **Preventive improvements:** Implement corrective actions based on the findings, such as improving workflows, upgrading equipment and strengthening safety training to prevent recurrence.
- **Employee assistance:** Support affected employees with occupational injury benefits, Company and Welfare Committee injury or illness assistance, insurance claims, counseling and occupational injury leave.

7 Follow-up and Prevention

- **Corrective actions:** Review the effectiveness of improvements regularly to prevent recurrence.
- **Continual improvement:** Apply lessons learned to improve the safety management system and provide safety awareness education.

6.1 Comliance with Laws and Regulations

The Company has established the Code of Ethical Corporate Management, the Operation Procedures and Guidelines of Conduct for Ethical Corporate Management, and the Code of Ethical Conduct as the basis for expected conduct by directors, managers, employees, suppliers, and other stakeholders. Employees are strictly prohibited from directly or indirectly offering, promising, requesting, or accepting any improper benefit in the course of business. They must avoid conflicts of interest wherever possible, refrain from corruption or bribery, and may not use their position or influence to obtain improper benefits for themselves or others.



Material Topic	Regulatory Compliance
Impact Description	**Potential positive impacts:** Compliance helps maintain market order, promote fair competition and protect stakeholders' interests. **Potential negative impacts:** Regulatory changes may result in non-compliance with regulatory requirements and affect business stability.
Policies and Commitments	The Company complies with applicable laws and policies and prohibits unethical conduct and unlawful infringement of intellectual property rights. The Ethical Corporate Management Best Practice Principles and conduct guidelines are incorporated into the Employee Work Rules. New employees must sign an Intellectual Property Rights Declaration and a Trade Secrets and Intellectual Property Rights Agreement.
Actions Taken	The Company has established a sound ethical management system through its Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, and Code of Ethical Conduct. Directors, managers, employees, suppliers and other stakeholders are prohibited from engaging in corruption or bribery or using their positions or influence to obtain improper benefits. Whistleblowers are protected against retaliation to strengthen a culture of integrity. To reinforce employees' integrity and legal compliance, ethical management and professional conduct policies are incorporated into the Employee Work Rules and published on the intranet or notice boards.
Monitoring and Review	The Internal Audit Office conducts audits as needed and tracks corrective actions.
Management Targets	**Short-term Targets (1–3 Years)** Strengthen legal awareness through audits and internal communication to prevent unethical conduct. Ensure that operations comply with applicable laws, including the Company Act, Securities and Exchange Act and other laws governing business conduct, as well as internal procedures and policies, to reduce operational risks. **Medium- and Long-term Targets (3–5 Years)** › Reinforce legal and ethical awareness and communicate ethical management principles and standards to protect the Company's reputation and public image. › Continuously monitor regulatory impacts on finance and operations through internal controls and audits; review and improve compliance systems to reduce the risk of penalties.

Code of Conduct and Policy

Mildef Crete fosters a corporate culture of integrity in response to the expectations of investors and other stakeholders. The Board has approved and issued regulations related to ethical corporate management, specifying the Company's policies, standards, operating procedures, conduct guidelines, and grievance mechanisms. The Company continuously monitors changes in domestic and international laws and regulations, assesses potential risks and impacts, and ensures that its policies remain appropriate and adequate, thereby strengthening sustainable development and fulfilling its corporate sustainability responsibilities

Area	Related Policies / Commitments	Approval Level	Application to Business Activities and Relationships	Responsible Department	Communication of Policy Commitments
Ethical Management	Ethical Corporate Management Best Practice	Board of Directors	To establish a culture of integrity, support sound development, and strengthen corporate governance and risk controls, MilDef Crete has adopted the Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, and Code of Ethical Conduct. These internal rules govern management and employee conduct and include provisions on conflicts of interest, supervisory checks and balances, whistleblowing and disciplinary action. They underpin ethical management and the Company's governance strategies.	Internal Audit Office	The Internal Audit Office is responsible for promoting ethical management. It implements the Ethical Corporate Management Best Practice Principles, communicates and documents operating procedures and conduct guidelines, and supervises implementation. It reports to the Board at least annually. Any violations are submitted to the Board for deliberation and action under the relevant rules.
	The code of Ethical Conduct	Board of Directors		Internal Audit Office	
	Procedures for Ethical Management	Board of Directors		Internal Audit Office	
Sustainable Development	Sustainable Developement Best Practice Principles	Board of Directors	To fulfill corporate social responsibility and advance economic, environmental and social progress, the Company established its Sustainable Development Best Practice Principles in 2024 and set up a Sustainable Development Task Force under the Board. It implements corporate governance, develops a sustainable environment, safeguards social welfare and enhances sustainability disclosures. Policies, systems, management approaches and action plans consider domestic and international sustainability trends, their relevance to core operations, and the impacts of the Company and its group's activities on stakeholders.	Sustainability Department	The Company has established a Sustainable Development Task Force to strengthen sustainability management and promote corporate governance and economic and social development. It develops annual plans and implementation programs, proposes and executes sustainability policies, systems, management approaches and specific action plans, and reports results to the Board annually. Performance is reviewed and improvement measures are implemented.

Management Mechanisms

To strengthen employee awareness of integrity and legal compliance, the Company incorporates policies on ethical corporate management and professional ethics into its Employee Work Rules and discloses them on its intranet or bulletin boards. New employees receive related training, while periodic notices and emails provide ongoing education and communication, reinforcing compliance with requirements for integrity and professional ethics.

In 2025, Mildef Crete had no material violations or regulatory penalties related to ethical corporate management or corruption, and no litigation involving anti-competitive conduct, antitrust, or monopolistic practices. No cases or penalties occurred in relation to conflicts of interest, money laundering, insider trading, corruption reports, political contributions, product and service health and safety, or environmental protection. All employees completed three hours of training on ethical corporate management and professional ethics. The Human Resources Department also conducted one hour of training on the Regulations Governing Prevention, Complaints, and Disciplinary Measures for Workplace Sexual Harassment and the Sexual Harassment Response Handbook for Supervisors.

Upon onboarding, new employees receive training from Human Resources on the Regulations Governing Prevention, Complaints, and Disciplinary Measures for Workplace Sexual Harassment and the Measures for Preventing Unlawful Infringement in the Performance of Duties. Current employees may receive refresher training within three years. Managers, supervisors, and personnel involved in handling, investigating, or deciding sexual harassment complaints receive annual training on the workplace sexual harassment regulations.

Whistleblowing

To strengthen corporate governance oversight, the Company maintains internal and external consultation and reporting channels and publicizes them through bulletin boards, circulated documents, email, and the intranet. Employees may promptly report suspected violations of ethical corporate management or responsible business conduct to management and submit comments through the internal proposal system and grievance mailbox. External stakeholders who become aware of conduct that may violate business integrity or ethics may use the Company's reporting hotline or the stakeholder section of its website.

Upon receiving a report, the Company promptly assigns the responsible unit to investigate based on the nature of the case and properly records and tracks the handling process. The identities of whistleblowers, report details, and investigation participants are kept confidential to protect them from unfair treatment or retaliation. For substantiated cases, measures may include termination of employment or business relationships and necessary legal action, depending on severity. The Company also reinforces employee awareness through communications on ethical corporate management, insider trading, information security, and related topics to prevent recurrence.



6.2 Responsible Business Conduct

Compliance with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, regulations applicable to TPEx-listed companies, the Labor Standards Act and other labor laws, and laws governing business conduct is a fundamental prerequisite for ethical corporate management. Business partners must comply with the Supplier Evaluation Procedures and sign a Commitment to Ethical Corporate Management, strengthening partner management and communication and helping prevent unethical conduct. The Company seeks to embed a culture of integrity and accountability in all business activities. Mildef Crete complies with regulatory requirements concerning corporate governance, ethical corporate management, environmental protection, and labor and human rights. In addition to regular employee training, ethical management principles are incorporated into the daily work of every department. The Company also communicates relevant legal requirements and their importance to the Board and management each year.

Responsible Business Conduct

Area	Related Policies / Commitments	Approval Level	Application to Business Activities and Relationships	Responsible Department	Communication of Policy Commitments
Supplier Management	Supplier Evaluation Procedure	Executive Vice President	Through the Supplier Evaluation Procedure and documents issued every three years—including the Green Product Restricted Substances Commitment, ISO 14001 Supplier Environmental Awareness Notice, Conflict Minerals Declaration, Magnets and Tungsten Declaration, and Integrity Declaration—the Company strengthens supplier communication and cooperation to share social and environmental responsibilities through a proactive, broad-based approach.	Procurement Department	Before procurement, the Company assesses suppliers' production capacity, understanding of its environmental policy, plant operations and business conditions to confirm their ability to meet product quality specifications and delivery schedules under the Supplier Evaluation Procedure. All production materials supplied to the Company must comply with the Green Product Restricted Substances Standard. Through supply chain management and its influence, the Company extends environmental protection and safety management to its key suppliers.

Policy Commitments

Compliance with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, regulations applicable to TPEx-listed companies, the Labor Standards Act and other labor laws, and laws governing business conduct is a fundamental prerequisite for ethical corporate management. The Company continuously monitors domestic and international regulatory developments, assesses potential risks and impacts, and reviews whether corresponding internal policies are in place based on regulatory identification results to ensure that its policies remain appropriate and adequate. Mildef Crete has issued commitments covering ethical corporate management, sustainable development, human rights, and supplier management to strengthen sustainability and fulfill its corporate sustainability responsibilities.

Related Policies / Commitments	Approval Level
Workplace Sexual Harassment Prevention, Complaint and Disciplinary Measures	President
Preventive Measures against Unlawful Infringement in the Workplace	President

-Appendix-

GRI Index

Reporting Period	MilDef CReTE published its 2025 Sustainability Report based on the GRI Standards 2021 Reporting Guidelines The data covers the reporting period from January 1st, 2025 to December 31st, 2025
GRI Standards Used	GRI 1 : Foundation 2021
GRI Sector Standards Used	N.A.

GRI 2: General Disclosures 2021

The organization and reporting practices

GRI Indicators	Reference Chapter
2-1 Organizational details	1.1 Company Profile
2-2 Entities included in the organization's sustainability reporting	About This Report
2-3 Reporting period, frequency and contact point	About This Report
2-4 Restatements of information	About This Report
2-5 External assurance	About This Report

Activities and workers

GRI Indicators	Reference Chatper
2-6 Activities, value chain and other business relationships	1.1 Company Profile
2-7 Employees	5.1 Workforce Demographics
2-8 Workers who are not employees	5.1 Workforce Demographics

Governance

GRI Indicators	Reference Chapter
2-9 Governance structure and composition	2.1 Governance Structure
2-10 Nomination and selection of the highest governance body	2.2 Board Diversity
2-11 Chair of the highest governance body	2.2 Board Diversity
2-12 Role of the highest governance body in overseeing the management of impacts	2.2 Board Diversity
2-13 Delegation of responsibility for managing impacts	2.2 Board Diversity
2-14 Role of the highest governance body in sustainability reporting	2.2 Board Diversity
2-15 Conflicts of interest	2.2 Board Diversity
2-16 Communication of critical concerns	2.2 Board Diversity
2-17 Collective knowledge of the highest governance body	2.2 Board Diversity
2-18 Evaluation of the performance of the highest governance body	2.2 Board Diversity
2-19 Remuneration policies	2.2 Board Diversity
2-20 Process to determine remuneration	2.2 Board Diversity
2-21 Process to determine remuneration	2.2 Board Diversity
2-22 Statement on sustainable development strategy	Letter from the Chairman

Strategy, policies, and practices

GRI Indicators	Reference Chapter
2-23 Policy Commitment	1.3 Sustainability Goals (SDGs) 2.4 Cybersecurity 5.3 Labor Relations 5.4 Human Rights Policy 6.2 Responsible Business Conduct
2-24 Embedding policy commitments	2.1 Sustainability Governance Structure 2.2 Board Diversity 2.4 Cybersecurity
2-25 Processes to remediate negative impacts	4.1 Climate Change and Adaptation 3.2 Quality of Product and Customer Service 5.3 Labor Relations 5.5 Occupational Safety and Health (OSH) 6.1 Compliance with Laws and Regulations
2-26 Mechanisms for seeking advice and raising concerns	2.2 Board Diversity 2.3 Material Topics and Stakeholders 3.2 Quality of Product and Customer Service 6.1 Compliance with Laws and Regulations
2-27 Compliance with laws and regulations	6.1 Compliance with Laws and Regulations
2-28 Membership associations	3.1 Supply Chain Management

Stakeholder engagement

GRI Indicators	Reference Chapter
2-29 Approach to stakeholder engagement	2.3 Material Topics and Stakeholders
2-30 Collective bargaining agreements	5.3 Labor Relations

GRI 3: Material Topics 2021

GRI Indicators	Reference Chapter
3-1 Process to determine material topics	2.3 Material Topics and Stakeholders
3-2 List of Material Topics	2.3 Material Topics and Stakeholders
3-3 Management of Material Topics	2.4 Cybersecurity 3.2 Quality of Product and Customer Service 4.1 Climate Change and Adaptation 5.3 Labor Relations 5.5 Occupational Safety and Health (OSH) 6.1 Compliance with Laws and Regulations

Disclosures on material topics

Cybersecurity

GRI Indicators	Reference Chapter
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.4 Cybersecurity

Products and customer service quality

GRI Indicators	Reference Chapter
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	3.2 Quality of Product and Customer Service
417-2 Incidents of non-compliance concerning product and service information and labeling	3.2 Quality of Product and Customer Service
417-3 Incidents of non-compliance concerning marketing communications	3.2 Quality of Product and Customer Service

Climate Change and Adaptation

GRI Indicators	Reference Chapter
201-2 Financial implications and other risks and opportunities due to climate change	4.1 Climate Change and Adaptation

Labor Relations

GRI Indicators	Reference Chapter
201-3 Defined benefit plan obligations and other retirement plans	5.3 Labor Relations
401-1 New employee hires and employee turnover	5.1 Workforce Demographics
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.2 Employee Benefits
401-3 Parental leave	5.2 Employee Benefits
402-1 Minimum notice periods regarding operational changes	5.3 Labor Relations
404-1 Average hours of training per year per employee	5.3 Labor Relations
404-2 Programs for upgrading employee skills and transition assistance programs	5.3 Labor Relations
404-3 Percentage of employees receiving regular performance and career development reviews	5.3 Labor Relations

Regulatory Compliance

GRI Indicators	Reference Chapter
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	6.1 Compliance with Laws and Regulations

Occupational Safety and Health

GRI Indicators	Reference Chapter
403-2 Hazard identification, risk assessment, and incident investigation	5.5 Occupational Safety and Health (OSH)
403-3 Occupational health services	5.5 Occupational Safety and Health (OSH)
403-4 Worker participation, consultation, and communication on occupational health and safety	5.5 Occupational Safety and Health (OSH)
403-5 Worker training on occupational health and safety	5.5 Occupational Safety and Health (OSH)
403-6 Promotion of worker health	5.5 Occupational Safety and Health (OSH)
403-9 Work-related injuries	5.5 Occupational Safety and Health (OSH)
403-10 Work-related ill health	5.5 Occupational Safety and Health (OSH)



General Disclosure

GRI Indicators	Reference Chapter
204-1 New suppliers that were screened using environmental criteria	3.1 Supply Chain Management

Energy

GRI Indicators	Reference Chapter
302-1 Energy consumption within the organization	4.3 Energy Saving and Carton Reduction
302-3 Energy intensity	4.3 Energy Saving and Carton Reduction

Water and Effluents

GRI Indicators	Reference Chapter
303-3 Water withdrawal	4.4 Water Resources and Effluents
303-4 Water discharge	4.4 Water Resources and Effluents
303-5 Water consumption	4.4 Water Resources and Effluents

Emissions

GRI Indicators	Reference Chapter
305-1 Direct (Scope 1) GHG Emissions	4.2 Greenhouse Gas (GHG) Emissions
305-2 Energy Indirect (Scope 2) GHG Emissions	4.2 Greenhouse Gas (GHG) Emissions

Sustainability Disclosure Indicators (SDIs) for TPEx - Listed Companies

Item	Indicators Description	Type	Disclosure Status	Unit of Measurement
1	Total energy consumption, percentage of purchased electricity, utilization rate(renewable energy)	Quantitative	4.3 Energy Saving and Carbon Reduction	(GJ) . (%)
2	Total water withdrawn, total water consumption	Quantitative	4.4 Water Resources and Effluents	1,000m^3
3	Total hazardous waste generated and percentage recycled	Quantitative	4.5 Waste Management	Weight : T
4	Types of, number of employees in and rate of occupational accidents	Quantitative	5.5 Occupational Safety and Health	(%)

- the form to be continued on next page -



Item	Indicators Description	Type	Disclosure Status	Unit of Measurement
5	Product Lifecycle Management Disclosure. including weights of general or production scraps, electronic waste, and percentage recycled.	Quantitative	The System Manufacturing Division of the Company is a manufacturer of rugged computers. Its primary client base consists of government agencies and private enterprises (such as IT service providers). As most clients handle the recycling and disposal of end-of-life (EOL) products and electronic waste (e-waste) independently, it is difficult to obtain data on the weight of recyclable products from end users. Regarding the portion entrusted to contracted third parties by Maoxun, the total weight of end-of-life products and e-waste was 2.4 metric tons in 2025, with a recycling rate of 27.05%.	Tone (T) Percetage (%
6	Description of the management of risks associated with the use of critical materials	Qualitative	Due to the pending full implementation of Full Material Disclosure (FMD), the Company cannot precisely determine whether all purchased components contain critical materials. However, to effectively manage raw material risks related to operations, the Company has adopted diversified risk mitigation strategies. These include establishing dual-sourcing supplier networks, identifying substitute materials, conducting advance procurement, and maintaining strategic buffer inventories. These actions ensure supply chain stability and mitigate price exposure, thereby safeguarding operational continuity and long-term sustainable growth.	None
7	Total monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	6.1 Compliance with Laws and Regulations	Reporting Currency
8	Production volume of main products by product category	Quantitative	1.2 Economic Performance Indicators Remark : As production volume involves trade secrets, the Company disclosed related in Revenue Share only.	Varies by product type

Sustainability Disclosure - Climate Related

No.	Indicator	Disclosure	Page
1	Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	4.1 Climate Change & Adaptation	P33
2	Describe how identified climate risks and opportunities impact the company's business, strategy, and financial planning (short-, medium-, and long-term).	4.1 Climate Change & Adaptation	P33
3	Describe the financial impacts of extreme weather events and transition actions.	4.1 Climate Change & Adaptation	P33
4	Describe how processes for identifying, assessing, and managing climate risks are integrated into the overall risk management system	4.1 Climate Change & Adaptation	P33
5	If scenario analysis is used to assess resilience against climate change risks, describe the scenarios, parameters, assumptions, analytical factors, and key financial impacts used.	The Company has not yet used scenario analysis to assess resilience against climate change risks.	
6	If there is a transition plan to manage climate-related risks, describe the plan's contents, as well as the metrics and targets used to identify and manage physical risks and transition risks.	The Company currently has no major transition plans.	
7	If internal carbon pricing is used as a planning tool, describe the basis for price determination.	The Company has not yet used internal carbon pricing as a planning tool.	
8	If climate-related targets are set, describe the activities covered, greenhouse gas emission scopes, planning timeline, annual achievement progress, etc.; if carbon offsets or Renewable Energy Certificates (RECs) are used to achieve targets, describe the sources and quantities of offset carbon credits or the number of RECs.	• In 2025, the Company has not yet set climate-related targets. In accordance with the "Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies" issued by the Taipei Exchange, the Company plans to disclose inventory information in 2026, and will disclose emission reduction targets, strategies, and concrete action plans for 2027 no later than using 2026 as the base year. • In 2025, the Company did not use carbon offsets or purchase Renewable Energy Certificates (RECs).	
9	Greenhouse gas inventory, assurance status, reduction targets, strategies, and concrete action plans.	4.3 Greenhouse Gas (GHG) Emissions	

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2025 Sustainability Report

