



DAXiN

ESG Report

2024

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About The Report

Daxin Materials Corporation (referred to as “Daxin” or “the Company”) embeds sustainability throughout its business operations, applying it to R&D innovation, environmental stewardship, employee care, corporate governance, and community engagement while continuously improving and innovating as an organization.

Daxin has been independently publishing its sustainability report since 2022, and this is the Company's third annual edition. This report outlines Daxin's 2024 strategies, management approach, and performance across economic, social, and environmental areas. The Company remains committed to improving the transparency and reliability of its sustainability reporting, meeting stakeholder expectations, and working together toward a sustainable future.

Reporting Standards and Guidelines

This report is prepared in accordance with GRI Standards (2021) published by the Global Reporting Initiative. Through systematic materiality assessment, we identify sustainability topics of material concern to stakeholders. Information disclosure references SASB standards and aligns with Taiwan Stock Exchange “Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies”, the UN Global Compact, and ISO 26000 Social Responsibility Guidelines.

Scope of the Report

The reporting boundary encompasses Daxin's domestic operations, including headquarters, Chungke plant, and Chungkang plant, excluding overseas subsidiaries. The reporting period covers January 1 to December 31, 2024, with data encompassing economic, environmental, and social performance metrics.

Financial performance data is derived from consolidated financial statements audited by KPMG Taiwan, with New Taiwan Dollar (NTD) as the reporting currency. For comprehensive financial analysis, please refer to our 2024 Annual Report or visit the "Investor Relations" section on our official website and the Market Observation Post System.

Cover Design

The flowing blue design represents how Daxin integrates chemistry, manufacturing processes, instrumentation, and AI applications to transform innovative R&D into key drivers of sustainability. These integrated technologies work seamlessly within our operations, creating technological synergies that drive our long-term value creation strategy.



External Assurance

Selected sections of this report have undergone independent third-party verification by KPMG Taiwan according to Assurance Standard No. 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" promulgated by The Accounting Research and Development Foundation of the R.O.C., which implements limited assurance procedures on specific sustainability performance indicators and disclosures contained within this report to ensure content quality meets regulatory requirements.

Major Disclosure Revisions

The 2024 report includes revised data for chemical raw materials, air pollutants, and total working hours related to occupational injuries. To enhance statistical consistency, we have redefined data sources and classifications, resulting in minor variations from previous reports.

For detailed information, please refer to:

Item	Report Section
Chemical Raw Materials	4.5.2 Raw Materials (Note 3)
Air Pollutants	4.4.1 Air Pollution Control (Note 3)
Total Working Hours for Occupational Injuries	5.4.1 Occupational Safety and Health (Note 6)

Report Publication

Daxin publishes an annual Sustainability Report, which is available on the official Daxin website.

- Current edition: August 2025
- Reporting period: January 1 to December 31, 2024

Contact Information

Daxin values all stakeholder feedback and welcomes your input on our sustainability performance.

Please contact us using the information below:

Stakeholder	Contact Information
Investor	Ir@daxinmat.com
Employee	Question@daxinmat.com
Customer	ProductInfo@daxinmat.com
Supplier	Procurement@daxinmat.com
Others	www.daxinmat.com

Letter from Our Chairman

To our stakeholders,

Amid 2024's challenges, Daxin continues strengthening operations while advancing sustainability commitments to drive responsible long-term growth. The display industry has stabilized after two volatile years, while our semiconductor materials business delivers strong results as a key growth pillar.

Daxin maintains substantial R&D investment across semiconductor materials, display materials, and key raw materials, employing a research model that builds from chemistry as the foundation, develops through processes and equipment integration, and advances with AI capabilities to drive innovative materials and forward-looking technology development. Moving forward, Daxin will integrate R&D, digitalization, and sustainability strategies to accelerate innovation commercialization and drive intelligent, sustainable operations while generating stakeholder value.



Chairman & CEO
Cheng-Yih Lin

Environmental Commitment in Action

As the world advances its low-carbon transition, businesses have become indispensable agents of change. In 2024, Daxin published its first Task Force on Climate-related Financial Disclosures (TCFD) report while advancing energy conservation, carbon reduction, and circular economy initiatives. Through systematic greenhouse gas inventory and process optimization, the Company enhanced energy efficiency, expanded renewable energy use, and installed solar power systems. Daxin planned green power certificate procurement to advance RE100 targets for the R&D facility, supporting national carbon reduction objectives.

The Company strengthened waste solvent recycling programs, achieving over 90% recycling rates, creating green value through by-product reuse and enhancing value chain carbon benefits. By integrating innovative technology with environmental responsibility, Daxin is transforming toward a more competitive and sustainable future.

Talent Development and Social Impact

Daxin recognizes supporting technology education as a fundamental corporate sustainability responsibility. The Company remains committed to higher education and social well-being while responding decisively to emergency needs. After the April 3, 2024 Hualien earthquake, Daxin provided immediate disaster relief and initiated company-wide fundraising to help rebuild National Dong Hwa University's Chemistry Department laboratory, enabling young scientists to resume their research and continue driving innovation.

Guided by our belief that "talent drives innovation," Daxin recognizes diversity and inclusion as fundamental drivers of varied perspectives and solutions. The Company continues as an advocacy partner of the "TALENT in Taiwan Alliance" and received the 2024 "Health 99 Enterprise" recognition for actively promoting employee work-life balance. To support advanced technology education and develop key talent in the chemical materials industry, Daxin established the longstanding "Daxin Graduate Scholarship" program and consistently supports local universities through thesis awards and industry-university collaboration projects.

Effective Governance and Transparent Operations

Daxin prioritizes stakeholder rights and continuously strengthens governance mechanisms. In 2024, full board attendance at the shareholders' meeting with online streaming enhanced shareholder communication. Since 2020, the Company conducts annual board performance evaluations, with 2024 revisions to the "Rules for Performance Evaluation of Board of Directors" mandating external institutional evaluation every three years to strengthen effectiveness.

In 2025, Daxin will commission independent third-party sustainability assurance and publish an English sustainability report to enhance disclosure credibility and international transparency. The Company remains committed to advancing governance initiatives aligned with Taiwan's "Corporate Governance 3.0- Sustainable Development Roadmap."

Moving forward, Daxin remains committed to innovation-driven growth grounded in sustainability, building on our strengths while exploring new opportunities. Despite ongoing challenges, we stay cautiously optimistic. Through continuous stakeholder engagement and shared value creation, we are advancing toward a future that combines technological leadership with sustainable success.

2024 Sustainability Performance



Environment

Carbon footprint inventory	4 major products
Energy-saving measures	32 energy-saving initiatives Electricity saved: 399,346 kwh 197 tco2e reduced
Carbon reduction benefits	Value chain-wide carbon emissions reduction: 1,353 tco2e
Waste solvent recovery and reuse rate	94%
Hazardous industrial waste recovery ratio	94%

Social

Industry-academia collaboration projects	NT\$ 2.75 million
Reconstruction of Dong Hwa University's chemistry laboratory	Over NT\$ 1.1 million donated
Fostering technology talent	NT\$ 19 million cumulative scholarships 40 summer interns to date 150 participants reached through "Next Generation Scientist Program"

Governance

Incidents harming company or customer reputation	0 incidents
Key suppliers confirmed no use of hazardous or banned substances	100%
Key suppliers confirmed no use of conflict minerals	100%
R&D investment as a percentage of revenue	12.1%
R&D personnel as a percentage of total employees	50.8%

About Daxin

Established on July 12, 2006, Daxin Materials Corporation is headquartered in Central Taiwan Science Park, Taichung City, with production facilities in Central Taiwan Science Park and Taichung Port Technology Industrial Park. We specialize in research, development, manufacturing, and sales of chemical materials for semiconductor and optoelectronics industries, offering specialty chemicals across three major areas: semiconductor materials, display materials, and key raw materials.

We prioritize customer needs through real-time services, customized solutions, and advanced technical support while maintaining significant R&D investment that equally emphasizes chemistry, processes, equipment, and AI to drive innovative materials and forward-looking technology projects.

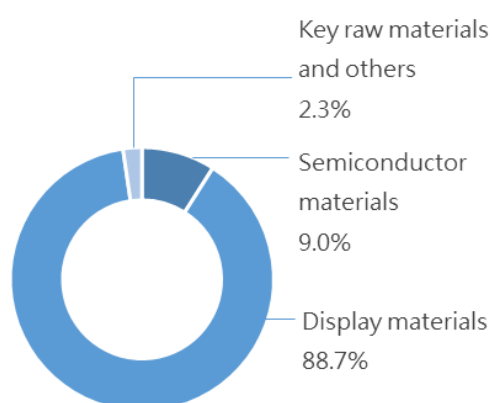
With our value in fundamental knowledge, diverse talents, and expertise in materials design, equipment technology and process development, we provide innovative and value-added solutions for our customers. Daxin is committed to advancing operations through innovation and integrity, aiming to become a world-leading chemical materials Design House & Foundry.

Company Name	Daxin Materials Corporation
Address	No. 15 Keyuan 1st Rd., Central Taiwan Science Park, Taichung City
TWSE Listing Date	July 16, 2012 (Stock Code: 5234)
Chairman	Dr. Cheng-Yih Lin
President	Tsung-Hsing Kuo
Number of Employees	424 employees, with more than 50% being R&D personnel
Capital	NT\$1.027 billion
Main Products	Semiconductor materials, display materials, key raw materials

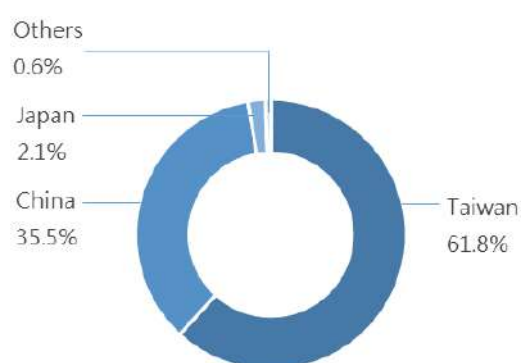
Main Products

Main Products	Function
Semiconductor materials	Direct materials and indirect materials for wafer fabrication and packaging processes.
Display materials	Direct materials and indirect materials of processes for LCD array, cell, and color filter.
Key raw materials and others	Upstream key raw materials for display, semiconductor, green energy industries, chemical-related application industries.

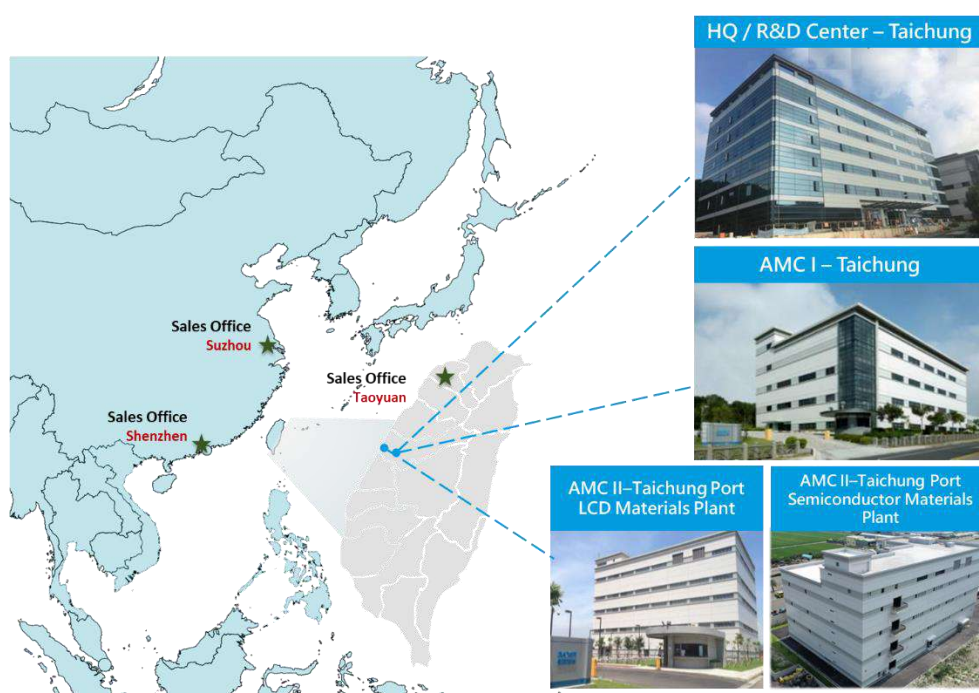
By Product Revenue Proportion%



Revenue Proportion by Sales Region%



Business Locations



Participation in Industry Associations

Daxin actively engages in industry associations to better understand stakeholder concerns, communicate our positions on key issues, stay informed on market dynamics, regulatory developments, and industry trends, and foster collaboration with other organizations.

In 2024, we were members of 14 industry-related associations and organizations, as listed below:

Name of associations/organizations	Role
Taiwan Display Materials and Devices Association (TDMDA)	Supervisor
Taiwan Display Union Association (TDUA)	Supervisor
Oil & Colour Chemists' Association	Member
Occupational Safety and Health Promotion Association of Central Taiwan Science Park	Member
Taiwan Dyestuffs and Pigments Industrial Association	Member
The Allied Association for Science Parks Industries	Member
Taiwan Battery Association (TBA)	Member
Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC)	Member
Taiwan Beauty Valley	Member
Occupational Safety and Health Promotion Association of the Central Taiwan Park, Science and Technology Industrial Park	Member
Science Park Information Sharing and Analysis Center (SPISAC)	Member
Semiconductor Equipment and Materials International (SEMI)	Member
Mobility In Harmony Open EV Platform	Member
Taichung Port Technology Industrial Park Manufacturers Association	Member

1 Sustainability Commitment

1.1 Sustainability Organization & Operations

Daxin is guided by its core values of integrity, innovation and adaptability, value chain integration, open communication and collaboration, and respect for individuals, as it strives to become a world-class supplier of chemical materials.

As a responsible corporate citizen, we have embedded sustainable development into our core business strategy. Drawing on the framework of the Responsible Business Alliance (RBA), we have established management mechanisms that are implemented across key areas including R&D innovation, environmental sustainability, employee well-being, corporate governance, and social engagement—demonstrating our long-term commitment to the environment, society, and our employees.

Daxin Sustainable Development Policy

- Comply with laws, regulations, and business ethics, and uphold sound corporate governance.
- Safeguard human rights and promote employees' physical and mental well-being.
- Support employee development and ensure a safe and healthy working environment.
- Promote energy conservation, carbon reduction, and climate action.
- Drive innovation through advanced R&D while respecting intellectual property rights.
- Uphold transparency and integrity in operations to enhance shareholder value.
- Contribute to society through community engagement and corporate social responsibility.
- Strengthen stakeholder communication and build mechanisms of mutual trust.

Tsung-Hsing Kuo

President and Chair of the Sustainable Development Committee

ESG Implementation Framework

To ensure effective sustainability implementation, we established a cross-departmental Sustainable Development Committee in 2021. The Committee comprises working groups covering corporate governance, global strategic planning, R&D and innovation, environmental sustainability, and employee and social welfare. The President serves as Committee Chair, with senior executives as Chief Committee Members, leading each group to promote action plans and implement the company's sustainable development initiatives.

Daxin conducted an ESG assessment based on international sustainability trends, GRI Standards, and industry benchmarks. This report presents the structure of the Sustainable Development Committee, stakeholder engagement practices, management strategies for material topics, and progress made over the past year. Each material topic is supported by specific policies and performance targets. Sustainability performance is reported to the Board of Directors at least once annually, with the Board overseeing progress and offering strategic guidance as needed.



1.2 Stakeholder Management

To fulfill its vision of sustainable management, Daxin follows the AA1000 Stakeholder Engagement Standard (SES) issued by the global non-profit organization AccountAbility and refers to the GRI (Global Reporting Initiative) Standards. Representatives from various departments assess the actual and potential negative impacts and positive influences of ESG (Environmental, Social, and Governance) issues on stakeholders. The process includes benchmarking stakeholder types across the industry, reviewing their relevance to Daxin, and validating the results through internal discussions.

In 2024, the Sustainable Development Committee identified five key stakeholder groups: customers, employees, suppliers and contractors, shareholders and investors, and government authorities.

Daxin values stakeholder input and provides a range of communication mechanisms. In addition to routine engagement in daily operations, dedicated stakeholder mailboxes are available on the official Daxin website, with designated personnel responsible for responding to inquiries and ensuring open communication channels.

Through these channels, Daxin gains insight into stakeholder needs, expectations, and sustainability concerns. This two-way communication not only fosters mutual understanding but also informs the company's sustainability strategies. To enhance governance transparency, the Sustainable Development Committee compiles and reports stakeholder engagement outcomes to the Board of Directors annually, ensuring that key sustainability issues receive continuous attention and action from top management.

Category	The Significance to Daxin	Focus Issues	Communication Channels	Frequency	2024 Communication Achievements
Customer	Customers are essential partners in Daxin's continuous innovation and value creation. We are committed to delivering high value-added products and solutions through close collaboration and ongoing dialogue, meeting customer needs while advancing our shared sustainability objectives.	• Customer Service • Risk Management • Supply Chain Management	Communication and Discussion Meetings	Regular	1. All evaluation items in the customer satisfaction survey met the standards. Customer feedback and improvement suggestions have been incorporated into the internal review mechanism as a basis for enhancing service quality. 2. The customer's annual audit plan is carried out according to customer requirements.
			Customer Audits	Regular	
			Annual Customer Satisfaction Survey	Regular	
			Customer Visits	Regular	
			Technical Exchange and Email Communications	Real-time	
Employee	Employees are the driving force behind Daxin's ongoing growth and innovation. We value and respect every team member, and are committed to fostering a safe, well-compensated, collaborative, and learning-oriented workplace that encourages creativity. Together, we strive to become a world-leading innovator in materials.	• Occupational Health and Safety • Friendly Workplace • Inclusive Development • Economic Performance	Labor-Management Meeting	Regular	1. Quarterly labor-management meetings promote effective communication and collaboration. 2. The Welfare Committee meets quarterly to discuss employee benefits and manage expenditures. 3. The employee suggestion mailbox received 4 submissions this year with a 100% response rate. 4. Multiple grievance channels (online, physical, and external) ensure open communication. No complaints were received this year. 5. Monthly occupational health consultations provided 60 health management sessions for at-risk employees. 6. New hire training included 29 hours on data protection and 29 hours on anti-harassment policies. 7. Compliance training on ethical management totaled 2,133 hours, with each employee receiving 5 hours of training.
			Employee Welfare Committee	Regular	
			Business Briefing	Regular	
			Official Website	Real-time/Irregular	
			Internal Communications Platform	Real-time/Irregular	
			Employee Opinion Box	Real-time/Irregular	
			Dedicated Appeal Mailbox (Misconduct/Sexual Harassment Reporting Mailbox, Confidential Ethics Mailbox, Personal Data Request Mailbox)	Real-time/Irregular	

Category	The Significance to Daxin	Focus Issues	Communication Channels	Frequency	2024 Communication Performance
Supplier /Contractor	The main suppliers are all large international companies with whom we have maintained long-term cooperation. We have established a stable and positive partnership with these companies, making them important partners in promoting sustainable development.	- Integrity Management - Operating Performance - Supply Chain Management - Customer Service	Review Report or Meeting	Regular	- Completed audits and evaluations for the top 20 suppliers and key raw material suppliers, totaling 31 companies, including 26 Grade A suppliers (84%) and 5 Grade B suppliers (16%), with no Grade C suppliers. Five outstanding suppliers were selected and awarded certificates of recognition. - The Supplier Quality Process Audit form includes self-assessments of environmental safety and health, as well as corporate social responsibility, and these two evaluation items are promoted during the actual audit. All suppliers achieved at least 80% of the score for these two evaluation items.
			Conduct written or on-site supplier audits annually	Regular	
			Environmental Safety and Health or Corporate Social Responsibility Explanation	Regular	
			Irregular meetings/price negotiations	Irregular	
			Annual Audit	Regular	
Shareholder /Investor	Investors are focused on the company's long-term growth strategy, profitability, and investment value. Daxin is committed to protecting shareholders' equitable rights and sharing economic achievements with them.	- Operating Performance - Research and Innovation - Risk Management	Annual Shareholders' Meeting	Regular	- Shareholders' Meeting was convened on May 24, 2024. - Investor Conference was convened on August 15, 2024. - Revenue and self-assessed income and loss are announced monthly on the Market Observation Post System and the company website; financial reports are announced quarterly. - Announce the company's annual reports and sustainability reports every year; announce material information via Market Observation Post System whenever necessary.
			Investor Conference and Spokesperson System	Regular/Real-time	
			Announcement of Revenue, Income Statement, or Financial Reports	Regular	
			Announcement on the Market Observation Post System	Real-time	
Government Authority	The company complies with national regulations and maintains communication with public sectors to ensure processes, products, and services meet environmental, safety, and health standards. We accept inspections and supervision from competent authorities to ensure operational compliance.	- Green Manufacturing - Water Resource Management - Greenhouse Gases - Waste Management - Friendly Workplace	Set up a contact window to maintain good interaction	Real-time/Irregular	- Cooperate with the Taiwan Stock Exchange to conduct a comprehensive greenhouse gas inventory for the entire plant, and obtain external verification in April 2025. - In cooperation with the competent authorities' unscheduled inspections under environmental protection, occupational safety and health, and fire safety guidance programs, a total of 29 inspections were conducted this year. - This year, a total of 92 participants were sent to attend promotional meetings or training courses organized by government agencies.
			Participate in conferences or seminars	Irregular	
			Comply with inspections by authorities	Real-time	
			Reporting Regulatory Information	Regular	
			Phone and email communication	Real-time	
			Meeting	Irregular	

1.3 Material Topic Analysis

Daxin identifies material topics through stakeholder engagement and systematic impact assessment. By analyzing sustainability trends and evaluating potential economic, environmental, and social impacts, we apply GRI Standards materiality principles to determine topics most significant to our business operations and stakeholders. Our Sustainable Development Committee conducts internal assessments to evaluate and validate these impacts through a structured process of identification, prioritization, and validation. These results provide the foundation for selecting material topics and determining disclosures for our 2024 Sustainability Report.

Materiality Assessment Process		
Understand the organization's context	Identifying stakeholders In alignment with the AA1000 Stakeholder Engagement Standard (AA1000 SES) and GRI Standards, Daxin identified 5 primary stakeholder groups: customers, employees, suppliers and contractors, shareholders and investors, and government authorities.	5 Key Stakeholders
	Sustainability Trends and Issue Identification Daxin conducted a comprehensive materiality assessment aligned with global sustainability frameworks (SDGs, TCFD, SASB) to identify key stakeholder concerns. The assessment integrated industry benchmarks, peer analysis, and strategic priorities through stakeholder engagement, resulting in 16 material sustainability issues for evaluation.	16 Topics
Identify actual and potential impacts	Materiality Evaluation The Sustainable Development Committee conducted a comprehensive risk assessment for each identified topic, establishing cross-functional working groups to develop integrated management approaches within our operational framework. Applying GRI Standards and SASB industry-specific metrics, we evaluated the significance of each issue to determine 9 material sustainability topics.	9 Material Topics
Assess the significance of the impacts		
Disclosures on material topics	Information Compilation and Public Disclosure Material topics were systematically analyzed throughout our value chain, encompassing upstream procurement, internal operations, and downstream customer engagement. Relevant performance data was collected, validated by the Sustainable Development Committee, and disclosed through our annual Sustainability Report. The report received formal approval from the Board of Directors and was published on the Market Observation Post System and corporate website.	Officially published on the Daxin website

1.3.1 Results of Material Topic Identification

Daxin integrates internal and external perspectives to evaluate material sustainability topics. Following the materiality principle, the Sustainable Development Committee continuously assesses the actual and potential likelihood of occurrence and measures the scale of positive and negative impacts for environmental, social, and governance (ESG) issues relevant to our operations. These impacts are quantified and prioritized accordingly.

In 2024, based on evaluation results and project discussions, and considering our operational characteristics and sustainability development needs, the Committee designated "Product Quality and Safety" and "Inclusive Development" as new material topics. A total of 9 material sustainability topics were confirmed by all Committee members. These topics serve as the foundation for risk assessment and management strategy development, which are implemented in our daily operations.

Aspect	Sustainability Issues	2024 Material Topics	2023 Material Topics	Adjustment Instructions
E	Green Manufacturing	●	●	
	Water Resource Management			
S	Friendly Workplace	●	●	Previously titled: Talent Attraction and Retention
	Inclusive Development	●		New
	Social Engagement	●	●	
	Occupational Health and Safety	●	●	
	Human Rights and Diverse Communication			
G	Research and Innovation	●	●	
	Customer Service	●	●	
	Supply Chain Management	●	●	
	Product Quality and Safety	●		New
	Ethical Management		●	Ethical management is a mandatory disclosure requirement under corporate governance. While not identified as a material topic, it is still reported.
	Risk Management			
	Economic Performance			
	Corporate Governance			

1.3.2 Material Topics and Value Chain

Daxin has established management approaches and implementation plans for each material sustainability topic. We formulate goals and indicators based on strategic direction and regularly monitor outcomes. In addition to the nine material topics identified in this assessment, other topics not classified as material are appropriately addressed and disclosed in this report to provide stakeholders with a comprehensive understanding of Daxin's overall sustainability performance.

●: Causes impact ○: Direct impact △: Contributes to impact

Material Sustainability Topics	GRI-specific Topics	Scope of Value Chain Impact			Response Section
		Upstream Procurement	Daxin Operation	Customer Use	
Customer Service	Custom Theme		●	○	2.5 Customer Service
Supply Chain Management	204 Procurement Practice 308 Supplier Environmental Assessment 414 Supplier Social Assessment	○	●	△	2.6 Supply Chain Management
Product Quality and Safety	Custom Theme	△	●	△	2.7 Product Quality and Safety
Research and Innovation	Custom Theme	△	●	△	3 Research and Innovation
Green Manufacturing	302 Energy 305 Emissions 306 waste	△	●	△	4 Green Manufacturing
Friendly Workplace	401 Employment Relationship 402 Labor Relations 405 Employee Diversity and Equal Opportunity		●		5.1 Friendly Workplace
Inclusive Development	404 Training and Education	○	●	△	5.2 Inclusive Development
Social Participation	413 local community		●		5.3 Social Participation
Occupational Health and Safety	403 Occupational Safety and Health	△	●		5.4 Health and Safety

2 Operations and Governance

2.1 Corporate Governance

Daxin maintains robust governance through our Board of Directors, which oversees operations and delegates functions to two independent director committees: the Audit Committee and Remuneration Committee. These committees evaluate governance matters, assess proposals, and advance compliance, with chairpersons providing regular Board reports for comprehensive oversight.

The Company has established the “Corporate Governance Principles”, based on the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”. It outlines key principles such as protecting shareholder rights, enhancing board functions, and improving committee effectiveness, respecting stakeholder interests, and increasing information transparency.

For detailed information regarding the composition, operation, diversity, and conflict of interest policies of the Board and its functional committees, please refer to [Chapter 2, Corporate Governance Report, of Daxin Annual Report](#).

2.1.1 Board of Directors

Nomination and Election

The election of Board members is based on Daxin's “Articles of Incorporation” and the “Rules for Election of Directors”, and follows a candidate nomination system. Directors are elected at the shareholders’ meeting from a list of nominated candidates and serve a three-year term.

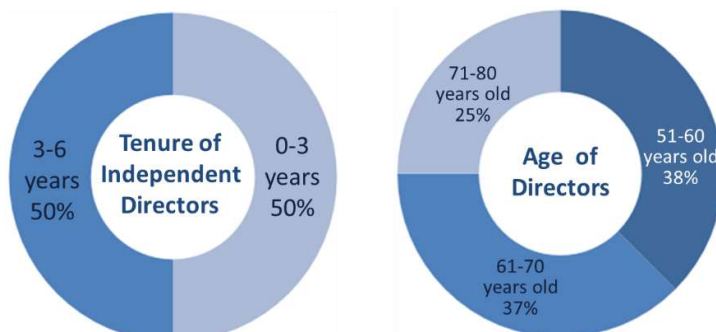
The election process is rigorous and takes into account candidates’ diverse backgrounds, professional expertise, and relevant experience. At the 2023 Annual General Shareholders’ Meeting, eight directors were elected for the seventh term, including four independent directors, accounting for 50% of the total Board seats.

Diversified Composition

The Company's “Corporate Governance Principles” clearly stipulate that the composition of the Board of Directors shall take diversity into account. It is recommended that directors concurrently serving as executive officers shall not account for more than one-third of the total number of board members. Furthermore, the term of independent directors should not exceed three consecutive terms, in order to maintain the independence of the Board. An appropriate diversity policy is formulated based on the Company’s business operations, operating model, and development needs.

25% of the Board members concurrently serve as Daxin’s employees. Independent directors account for 50% of the Board, and none of them have served more than three terms. There are no spousal or second-degree kinship relationships among the Company's board members.

All members of the board have rich industry experiences including chemistry, chemical engineering, semiconductor, business management, and financial management and more. In order to achieve the goal of corporate governance, the Board of Directors shall possess abilities including operational judgment, accounting and financial analysis, operation management, crisis management, industry knowledge, global market perspectives, leadership, and decision-making.



Operation Status

Daxin convenes board meetings regularly, at least once every quarter. During these meetings, the management team updates the Board on key operational information. In 2024, the Board held 4 meetings, each with a 100% attendance rate. If any major decisions or important events occur, material information is disclosed through the Market Observation Post System (MOPS).

Conflict of Interest Avoidance

In accordance with Daxin's "Codes of Ethical Conduct for Directors and Managerial Officers," we strictly adhere to the principles of conflict of interest avoidance and anti-corruption. Pursuant to the "Rules and Procedures of Board of Directors," if any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item. The names of the relevant directors, the content of the proposals, the reasons for conflict of interest, and their voting participation are all recorded in the meeting minutes.

In 2024, the Company's Board of Directors operated effectively, and all directors duly recused themselves from resolutions involving conflicts of interest, in compliance with applicable regulations.

The Prevention of Insider Trading

Daxin has established the "Procedures of material information" to serve as the basis for the Company's management and disclosure of material information. These procedures aim to ensure the consistency and accuracy of externally information disclosed. The Company also clearly prohibits insiders from trading securities using undisclosed material information as a measure to prevent insider trading.

To further strengthen these preventive mechanisms, "Corporate Governance Principles" stipulates that directors are prohibited from trading the Company's shares during the closed period of the publication of the annual and quarterly financial reports, in order to protect the rights and interests of investors.

Continuing Education

To support directors in performing their duties effectively, the Company encourages them to participate in continuing education to stay updated with the latest knowledge and enhance their adaptability. Each year, the Company arranges relevant training and regularly shares updates on external courses and new information.

In accordance with the "Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers," all directors must complete at least 3 hours of training in their first year of office. Additionally, they are encouraged to follow the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies." This guideline requires newly appointed directors to complete 12 hours of training in their first year, and a minimum of 6 hours per year in each following year. In 2024, all directors met or exceeded these training standards.

The relevant information, please refer to the [Market Observation Post System \(MOPS\)](#).

Performance Evaluation

The Company's "Rules for Performance Evaluation of the Board of Directors" stipulate that an internal performance evaluation shall be conducted annually, covering the Board of Directors, individual directors, and functional committees (including the Audit Committee and the Remuneration Committee). In addition, an external evaluation shall be conducted at least once every three years by an independent professional institution or a panel of external experts and scholars. The evaluation results shall serve as a reference for the selection and reappointment of directors.

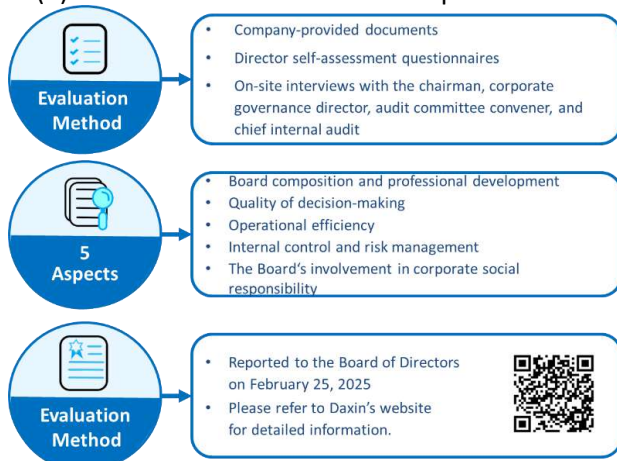
● Internal Performance Evaluation

The evaluation results for the Board of Directors, individual directors, the Audit Committee, and the Remuneration Committee for the year 2024 were all rated as "Excellent." The results were reported to the Board of Directors on February 25, 2025, and were disclosed through the Market Observation Post System (MOPS).

● External Performance Evaluation

The company commissioned the Taiwan Investor Relations Institute (TIRI) to conduct the external performance evaluation of the Board of Directors for 2024. The assessment covered five aspects:

- (1) Board composition and professional development
- (2) Quality of decision-making
- (3) Operational efficiency
- (4) Internal control and risk management
- (5) the Board's involvement in corporate social responsibility



The evaluation was conducted through a review of company-provided documents, self-assessment questionnaires, and on-site interviews.

Recommendations from the external institution were used as a reference to enhance the Board's functions and improve corporate governance. For detailed information, please refer to [Daxin's website](#).

2.1.2 Audit Committee

The Company established the Audit Committee on August 9, 2011, pursuant to a resolution of the Board of Directors. The Audit Committee is composed entirely of independent directors and is responsible for performing the duties and obligations specified by the Securities and Exchange Act, the Company Act, and other applicable laws and regulations. Matters reviewed include the Company's financial statements, auditing and accounting policies and procedures, internal control systems, matters relating to the personal interests of directors, material asset or derivatives transactions, material monetary loans, endorsements, or provisions of guarantees, the offering or issuance of equity-type securities, the engagement, dismissal, or compensation of an attesting CPA, and the appointment or dismissal of financial, accounting, or internal auditing officers. In addition to submitting quarterly audit reports, the Audit Department also submits monthly audit and follow-up reports to the Audit Committee for its review by the end of the following month.

The Audit committee meeting status in 2024:

Members	Frequency of meetings	Number of meetings	Attendance
4 independent directors	At least once every quarter	4 meetings in 2024	100%

2.1.3 Remuneration Committee

The Company established the Remuneration Committee on October 25, 2011, pursuant to a resolution of the Board of Directors. The Remuneration Committee is responsible for evaluating the remuneration policy and system for Directors and managerial officers in a professional and objective manner, and for submitting its suggestions to the Board of Directors as a reference in the decision-making process.

- (1) Review organizational regulations periodically and propose amendments.
- (2) Establish and regularly review the performance evaluation of the directors and managers, and the remuneration policy, system, standard, and structure for the directors and managers.
- (3) Evaluate the performance of the directors and managers in view of goals and objectives, and based on this evaluation, recommending to the Board of Directors appropriate remuneration levels for the directors and managers.

The Remuneration committee meeting status in 2024:

Members	Frequency of meetings	Number of meetings	Attendance
4 independent directors	At least twice every year	2 meetings in 2024	100%

For detailed information regarding the remuneration policy and other related matters, please refer to [Chapter 2, Corporate Governance Report, of Daxin Annual Report](#).

2.2 Financial Performance

2.2.1 2024 Financial Performance

In 2024, Daxin overcame numerous challenges while achieving significant successes, strengthening its operational foundation. After navigating two years of market volatility, the display industry has stabilized, and the Company's long-term investments in semiconductor materials are beginning to yield results. Overall, the operating revenue in 2024 was NT\$4.118 billion, representing a NT\$146 million or 3.4% decrease from NT\$4.264 billion in 2023. Due to stabilization in the display industry and strategic product line adjustments for customers' technological transitions, annual display materials revenue declined by NT\$ 317 million compared to the previous year. However, by optimizing the product portfolio and production processes, as well as increasing the proportion of self-manufactured raw materials, the gross profit performance has continued to improve.

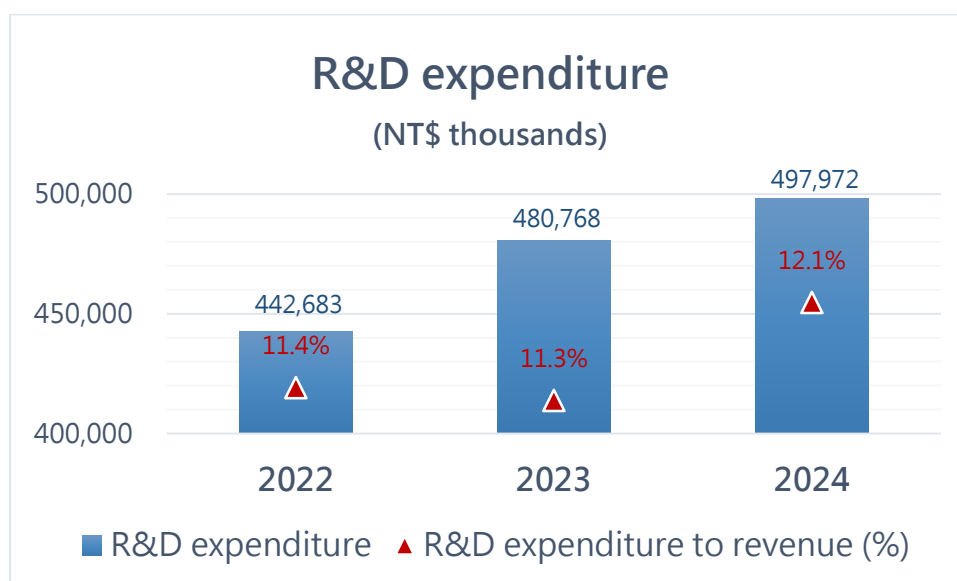
Unit: NT\$ thousands

Item/Year	2022	2023	2024
Operating revenue	3,889,236	4,264,121	4,117,847
Gross profit	1,246,078	1,479,091	1,517,847
Operating income	438,040	610,788	607,165
Non-operating income and expenses	47,151	(5,339)	51,422
Profit before income tax	485,191	605,449	658,587
Net income	426,120	523,354	570,612
Total comprehensive income	426,114	524,664	570,612
Total distribution of dividends (Note 1)	338,963	421,135	513,580
Earnings per share (NT\$)	4.15	5.10	5.56

※ Note 1: Dividends for the current year are distributed in the following year.

Research and Development Expenditures Over the Years

Daxin has consistently upheld a policy of maintaining high levels of investment in R&D and a strong proportion of R&D personnel. Over half of the employees are engaged in R&D, with annual R&D expenditure accounting for approximately 10% or more of the revenue.



Earnings Per Share and Dividends Over the Years

Since its listing in 2012 on the Taiwan Stock Exchange, Daxin has achieved consistent profitability every year. The management team is committed to delivering stable financial performance as a return for long-term shareholders' support and trust. Annual earnings are distributed as cash dividends, with a payout ratio exceeding 80% over the past five years.

Year	Earnings Per Share (EPS)	Cash Dividend Per Share	Stock Dividend Per Share	Dividend Payout Ratio
2024	5.56	5.0	0.0	90%
2023	5.10	4.1	0.0	80%
2022	4.15	3.3	0.0	80%
2021	6.62	5.3	0.0	80%
2020	6.15	5.0	0.0	81%

Employee Salary and Benefit

Unit: NT\$ thousands

Item/Year	2022	2023	2024
Salary	583,286	684,799	740,102
Labor and health insurance	38,081	41,917	44,956
Pension	18,106	19,544	21,286
Others	21,581	19,585	23,164
Total	661,054	765,845	829,508

2.2.2 Tax Management

All Daxin's operations are conducted in accordance with relevant tax laws and regulations. Major decisions take tax implications into comprehensive consideration, and the Company has established mechanisms for mutual respect and multi-channel interactions with tax authorities.

The Finance Division is primarily responsible for tax matters, with relevant departments cooperating to ensure tax compliance. The Chief Financial Officer holds ultimate responsibility for tax governance, while daily tax administration and management are delegated to the head of the Accounting Department, who is supported by experienced accounting professionals to fulfill Daxin's tax obligations. Additionally, Daxin consults external tax experts to obtain professional services and enhance internal tax knowledge. The Audit Committee oversees the Company's compliance with tax regulations, as well as accounting, financial, and audit-related legal requirements.

Unit: NT\$ thousands

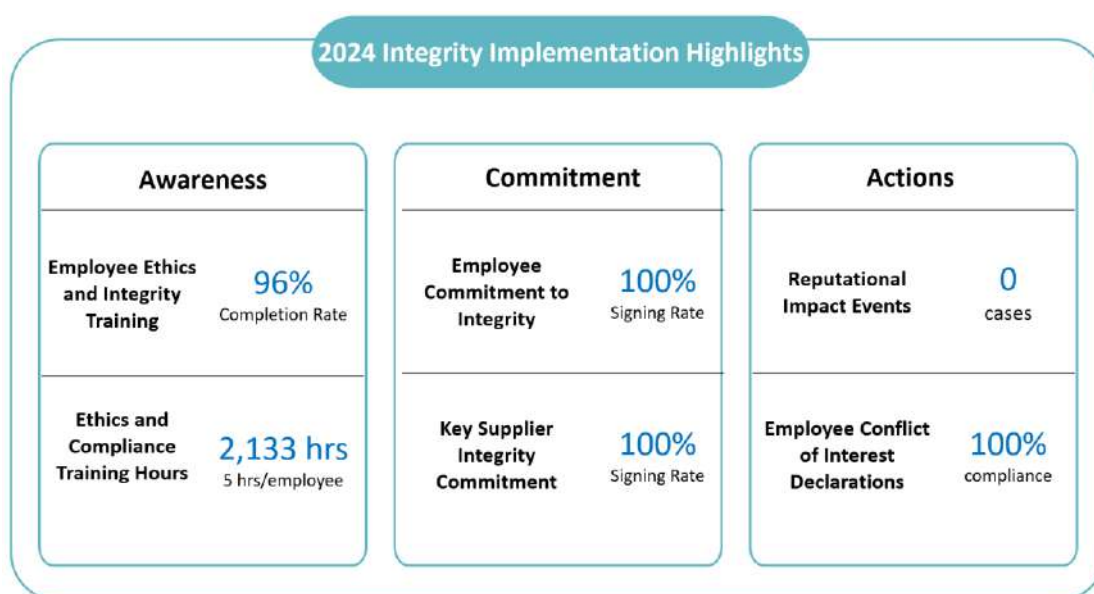
Item/Year	2022	2023	2024
Payment to the government	95,580	81,501	114,102
※Note 1: Payments to the government refer to all taxes (including value-added tax, corporate income tax, and property tax) and fines. In 2024, the Company incurred a fine of NT\$ 80,000. Since tax refunds are available for exported goods, value-added tax is not included. ※Note 2: The Company has not yet reached the threshold for preparing the Master File and the Country-by-Country Report (CbCR), so there is no need to prepare a CbCR. ※Note3: Daxin applies annually for relevant investment deductions and exemptions against income tax payable in accordance with the Statute for Industrial Innovation.			
Daxin Financial Report (MOPS)	Daxin Financial Report (Official Website)		
			

2.3 Business Integrity

2.3.1 Integrity Culture

Anchored in a culture of integrity, Daxin upholds integrity as a core value, committing to transparency, fairness, and accountability. Guided by the Ethical Corporate Management Best Practice Principles and Employee Integrity Code, we enforce a zero-tolerance policy on bribery, corruption, and unethical conduct, ensuring integrity is embedded in daily operations.

At Daxin, we act with integrity in all stakeholder relationships, including customers, suppliers, creditors, shareholders, employees, and the broader community. By working with customers and supply chain partners, we foster sustainable practices and create shared value, building trust across the industry. All stakeholders can report ethical concerns through our confidential Ethics Mailbox to help safeguard our integrity culture and trust.



Integrity Promotion Mechanism at the Governance Level

The Company has established the "Code of Ethical Conduct for Directors and Managers," with the management team leading by example to ensure that the behavior of directors and managers aligns with ethical principles and avoids conflicts of interest. Before taking office, directors receive integrity training and sign a "Declaration of Integrity." By promoting ethical behavior from the top down, the Company builds strong corporate governance and risk management systems to foster a sustainable business.

To ensure sound integrity management, the Company's Board approved "Ethical Corporate Management Best Practice Principles" on November 4, 2020, and designated the Human Resources Development Department as the responsible unit for policy formulation and the monitoring of execution results. Furthermore, a cross-functional Integrity Management Team has been established to integrate resources across departments, implement integrity initiatives, and report to the Board annually.

Actions for Preventing Conflict of Interest

Daxin is committed to enhancing conflict of interest management and fostering a strong culture of integrity. Employees in key roles or positions sensitive to integrity risks are required to file annual declarations of potential conflicts involving themselves or their immediate family members. In 2024, 100% of all designated employees submitted their conflict of interest declarations, reflecting the effectiveness of our system and employees' dedication to ethical conduct.

To ensure greater transparency, Daxin has implemented a proactive self-reporting mechanism for all employees, enabling them to disclose any potential or actual conflicts of interest as they arise. These measures are complemented by clear corporate policies on regulatory compliance, protection of trade secrets, and responsible use of company assets, ensuring integrity is upheld across daily operations.

Anti-Corruption, Anti-Competitive, Antitrust, and Monopoly Practices

The company has established policies on anti-corruption and anti-bribery, along with clear guidelines on business integrity. Annual integrity promotion and educational training are conducted to deepen employees' awareness and foster a culture of honesty and integrity within the organization. In 2024, after assessment, there were no significant risks of violations related to ethical business conduct or corruption were identified, nor were there any incidents of bribery, corruption, money laundering, violations of the Company Act, insider trading, or other breaches of business ethics.

The company explicitly stipulates Antitrust Compliance Guidelines and requires new employees, supervisors, as well as business and marketing personnel to regularly undergo training on competition law and trade secret protection. In 2024, the company was not involved in any incidents of anti-competitive behavior, antitrust violations, monopolistic practices, forced labor, or discrimination, and no material violations related to ethical business conduct occurred (Note).

Note: In accordance with the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities.

2.3.2 Whistleblowing System and Confidentiality Mechanism

To ensure ethical business conduct, Daxin has established comprehensive "Reporting Channels and Whistleblower Protection" providing secure channels for reporting integrity and ethical violations. The Human Resources Management Department oversees policy formulation and implementation, while presenting annual compliance reports to the Board of Directors on integrity management and anti-unethical conduct measures.

The internal audit unit develops risk-based annual audit plans approved by the Board of Directors and regularly reports findings to the Board and Audit Committee to ensure effective ethical business implementation. Anti-corruption risk assessment focuses on business operations attributes, centering on "integrity and honesty" principles with corresponding processes and regulations that all employees must strictly follow.

Daxin maintains robust internal and external reporting channels with comprehensive whistleblower protection to enable early anomaly detection and corruption prevention. Based on 2024 training programs and annual integrity assessments, no significant risks were identified.

Employees and external parties may anonymously report illegal activities through the "integrity mailbox" accessible on company websites. Reports require specific details and are accessible only by the Chairman and Head of Audit, with investigations conducted by the internal audit unit. All materials are properly documented and retained with strict confidentiality protocols protecting whistleblower identity and information unless legally required otherwise.

Upon confirmation of violations, Daxin immediately requires cessation of related behaviors and implements appropriate corrective actions based on severity, including potential reporting to authorities, judicial referral, or legal proceedings to protect company reputation and interests. In 2024, no illegal cases were reported, and no major corruption incidents were discovered.

Appeal Channels

Internal channels

"Ask Us" Mailbox: question@daxinmat.com
Ethics Mailbox: integrity@daxinmat.com

External channels

Ethics Mailbox: integrity@daxinmat.com

2.4 Risk Management

2.4.1 Risk Management System

The company has established an internal control system in compliance with legal regulations, and has formulated detailed internal audit implementation rules based on this system. An internal audit unit, which reports directly to the Board of Directors, has been set up. Each year, an audit plan is developed according to the results of risk assessments, and is used to execute and evaluate the effectiveness and compliance of the current control systems and procedures. The company continuously monitors changes in its development and external environment, as well as potential fraudulent activities, and reviews and improves its risk management processes to enhance the effectiveness of risk management.

In order to proactively address and manage operational risks, department heads conduct risk assessments and controls during daily operations, establish management mechanisms for identified risks, and ensure the effective implementation of relevant control procedures.

Risk Aspect	Risk Issues	Policy or Strategy	Response Section
Environment	The impact of the EU's introduction of a carbon tax	- Conduct ISO14064-1 greenhouse gas emissions inventory and external verification annually. - Conduct a carbon footprint inventory for major products every year. - Implement intelligent production management to reduce environmental and labor burdens through smart manufacturing solutions.	4 Green Manufacturing 4.2 Greenhouse Gas Management 4.3 Energy Management 4.5 Resource Circulation
	The impacts caused by climate change	- Promote energy-saving and carbon reduction programs. - Continue to conserve water and review water usage needs, while increasing the recycling and reuse rate of process water.	
Society	Declining Birthrate and Labor Shortage	- Invest in STEM education programs to cultivate Taiwan's future technology talent - Adopt intelligent automation to enhance efficiency and address labor shortages - Enable employees to focus on higher value-added work through automation	5 Social Inclusion 5.1 Friendly Workplace
	Key Talent Attrition	- Strengthen Talent Development: Provide diverse learning and career opportunities to enhance retention - Establish Succession Planning: Implement structured development mechanisms for leadership continuity	5.2 Inclusive Development

Risk Aspect	Risk Issues	Policy or Strategy	Response Section
Governance	Technological and industrial trend changes	- Continuously monitor technological and industrial changes, while reinforcing our market intelligence and technology research capabilities to enhance foresight and adaptability. - Regularly participate in leading international technical forums and industry networking events to stay updated on the latest technological trends and market demands. - Establish collaborative relationships with professional institutions to strengthen our technological innovation capabilities.	3 Research and Innovation 3.1 Technological Innovation
	Product Research and Development Direction	- Focus on market trends and expand our innovative product portfolio to address rapidly changing industry challenges. - Maintain close engagement with customers to capture market demand trends and product introduction schedules, reducing the risk of development misalignment. - We embrace a research and development model that equally emphasizes chemistry, processes, equipment, and AI, while continuously investing in innovative advanced materials and forward-looking technology projects. - Leveraging our in-house R&D capabilities, while actively collaborating with major international corporations and leading material manufacturers.	
	Product Patent Risk	- Develop a robust patent management system and conduct phased patent searches and risk assessments during early stages of product development and prior to sample submission to reduce potential infringement risks. - Utilizing AI for molecular structure design and screening, establishing patent analysis systems to accelerate product development.	3 Research and Innovation 3.2 Intellectual Property Strategy

Risk Aspect	Risk Issues	Policy or Strategy	Response Section
Governance	Economic Risk (including risks of fluctuations in exchange rates, interest rates, inflation, etc.)	- Adopt natural hedging methods to minimize net foreign currency positions, thereby reducing the impact of exchange rate fluctuations on the company's profit and loss. - Reduce financial risk using various financial instruments in line with internal "Procedures of Engaging in Derivatives Transactions," which outline hedging strategies, approval limits, and risk control measures.	2 Operations and Governance 2.2 Financial Performance
	Information Security Risk	- Strengthen information security controls and data backup procedures, while enhancing security training programs to elevate employees' cybersecurity awareness. - Perform periodic vulnerability scans and penetration tests to identify, assess, and remediate security vulnerabilities in a timely manner. - Regularly validate the resilience and efficacy of recovery capabilities by performing comprehensive disaster recovery tests, thereby fortifying overall cyber resilience.	2 Operations and Governance 2.4 Risk Management
	Supply chain risks affecting supply quality or delivery schedule	- Conduct regular supplier audits and guidance to ensure supply chain quality and stability. - Maintain multiple suppliers for critical raw materials; increase safety stock levels for single-source materials. - Continuously monitor international shipping conditions and develop diversified transportation routes with backup logistics to enhance supply chain resilience.	2 Operations and Governance 2.6 Supply Chain Management

2.4.2 Information Security

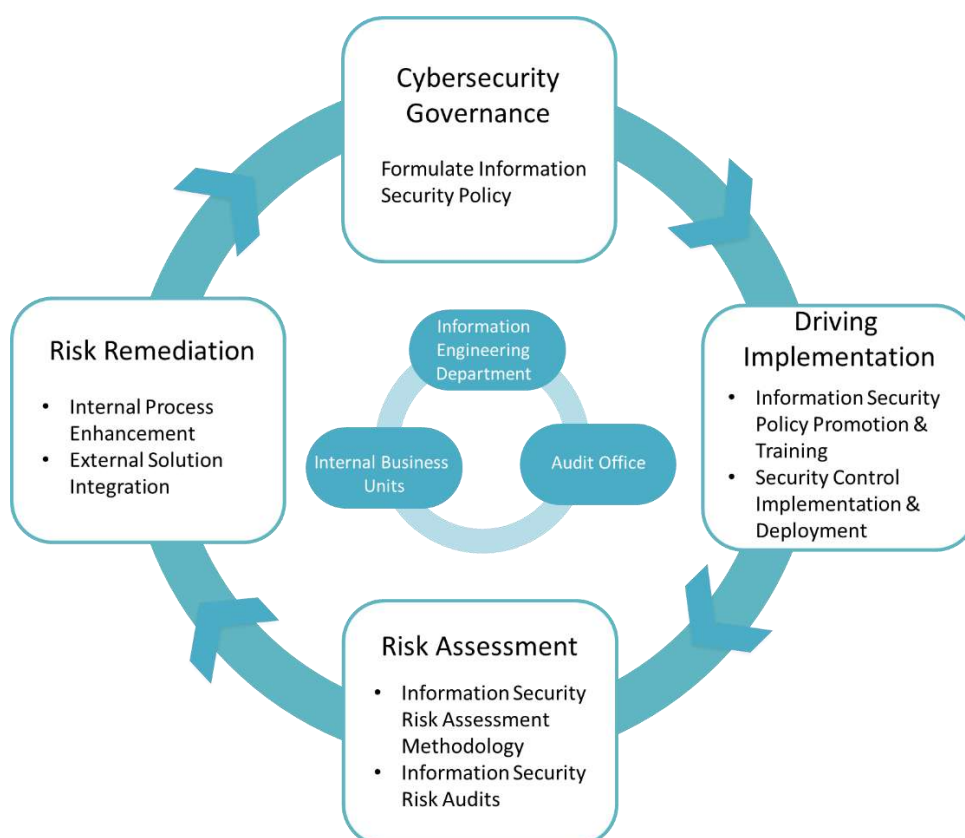
To fortify our information security posture, cultivate a secure and resilient operational environment, and ensure the comprehensive protection of our data, systems, infrastructure, and networks – thereby safeguarding the interests of our employees, shareholders, vendors, and customers and fulfilling our commitment to corporate sustainability – the company has established a robust information security policy, underpinned by its information security risk management framework, serving as the foundational blueprint for the implementation of all security controls and initiatives.

Information Security Policy
1. Regulatory Compliance & Internal Governance: All operational activities shall strictly adhere to relevant laws and regulations issued by competent authorities, including but not limited to the Intellectual Property Rights Act and the Personal Data Protection Act, as well as all applicable internal company policies and procedures. 2. Segregation of Duties (SoD): Work assignments and job responsibilities shall be clearly defined and segregated to prevent conflicts of interest, reduce the risk of fraud, and mitigate unauthorized modification or misuse of information assets. 3. Third-Party Security & Confidentiality: For all engagements with business partners, subcontractors, consultants, and clients, non-disclosure agreements (NDAs) shall be required where appropriate, based on the nature and sensitivity of the information involved, to ensure data confidentiality. 4. Security Awareness & Training Program: Comprehensive information security education, training, and awareness programs shall be regularly conducted for all internal employees to cultivate a strong security-conscious culture and enhance the company's overall security posture. 5. Information Classification & Confidentiality: All employees are obligated to protect the company's confidential and sensitive information assets. Unauthorized access, use, disclosure, or dissemination of such information to unauthorized personnel, vendors, or other external parties is strictly prohibited. 6. Malware Prevention & Software Control: To prevent the proliferation of computer viruses and malicious programs that could disrupt operations, the use of unauthorized software is strictly prohibited. Only legally licensed and approved software is permitted on company systems. 7. Endpoint Protection & Network Defense: Robust anti-malware software and firewalls shall be procured, installed, and continuously updated with the latest definitions and scanning engines across all relevant systems to defend against computer viruses and malicious attacks. 8. Data Backup & System Redundancy: A comprehensive and regularly tested data backup mechanism shall be established for critical company information, complemented by the implementation of redundancy mechanisms for all mission-critical systems to ensure data availability and operational resilience. 9. Business Continuity & Disaster Recovery Planning: Daxin shall develop and maintain a Business Continuity Plan (BCP), informed by critical business needs, and conduct regular testing and drills to ensure its applicability, effectiveness, and our ability to resume operations swiftly following disruptive events. 10. Policy Enforcement & Disciplinary Actions: Any violation of information security-related policies or procedures by an employee shall result in disciplinary actions in accordance with the company's internal human resources policies and relevant regulations.

Information Security Risk Management Framework

The company's information security oversight and management are primarily governed by the Information Engineering Department. This department is led by a dedicated Information Security Supervisor and supported by a team of qualified cybersecurity professionals. Their core responsibilities encompass the formulation, promotion, and rigorous implementation of our information security policies. They are also tasked with conducting regular training initiatives to continuously enhance employee security awareness and ensure compliance across all levels. Through the diligent adherence of each Internal Business Unit to these policies in their daily operations, we ensure the effective deployment and execution of our Information Security Management System (ISMS), thereby establishing a robust foundation for the company's overall information security posture.

For independent assurance, information security audit operations are meticulously conducted by the Audit Office, headed by an Audit Supervisor. In strict accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies", the "Inspection of information and communications security" is formally integrated into the annual audit plan. Audit tasks are executed according to a predefined schedule, and any identified deficiencies or non-conformities prompt immediate action from the audited unit to propose concrete remediation plans. The Audit Office then rigorously tracks the implementation effectiveness of these plans, significantly enhancing information security governance efficiency and mitigating internal risks.



Information Security Management Measures

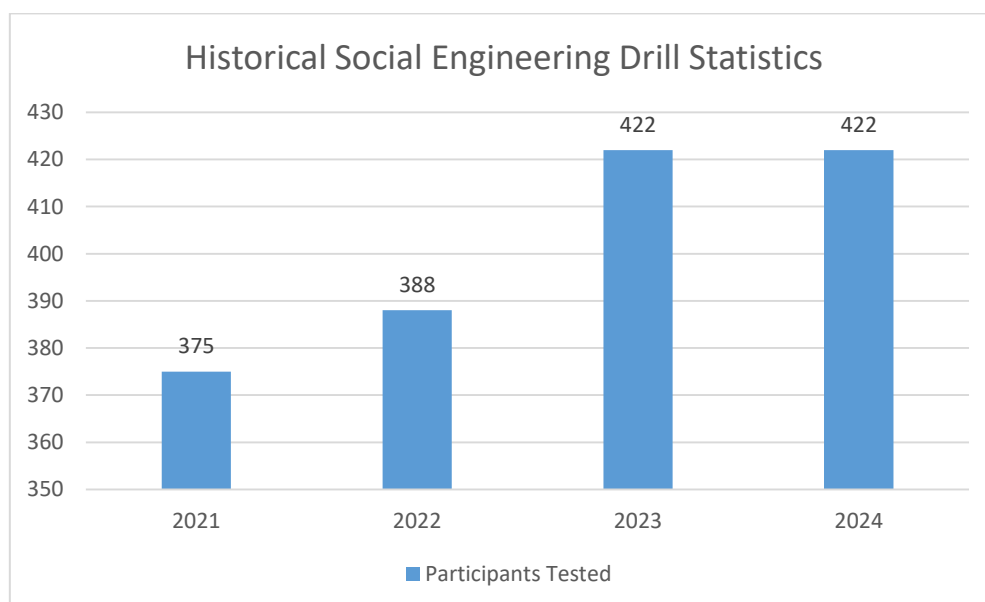
Management Items	Specific Management Measures
Network Security Management	1. Deploy enterprise-grade firewalls to block external attacks and intrusions. 2. Enforce internet access policies and use content filtering to prevent access to harmful websites.
System Access Control	1. Require secure login accounts and strong passwords for all information systems, with regular mandatory password changes. 2. Set user permissions based on the Need-to-Know and Principle of Least Privilege to ensure minimum necessary access.
Computer and Server Security Management	1. Implement an automated system to deliver timely security updates to all personal computers and servers. 2. Install anti-malware software on all devices and ensure continuous updates of virus definitions. 3. Restrict the use of USB storage devices to company-approved devices with prior authorization.
Email Security Protection	1. Implement an anti-spam system to block unsolicited and malicious emails. 2. Install multiple anti-malware solutions on email systems for layered protection.
Data Backup	1. Database Backups: Conduct daily backups of all critical databases. 2. File and Data Backups: Conduct daily backups for all important files and data. 3. Offline & Offsite Data Redundancy: Implement offline and offsite backup strategies for vital files and data to ensure resilience against localized disasters or major cyber incidents.
System Reliability Management	1. Implement high availability (HA) mechanisms for all critical information systems to ensure continuous operations. 2. Perform full daily backups of application systems to enable rapid recovery.
Emergency Response	Disaster Recovery Drills: Conduct annual restoration drills for critical systems to validate recovery procedures and effectiveness in the event of an incident.
Supply Chain Information Security	Conduct annual information security questionnaires for key suppliers to assess and monitor supply chain security maturity.
Penetration Test	External Vulnerability & Penetration Testing: Engage qualified external third parties to conduct vulnerability assessments and penetration testing to identify and address security weaknesses proactively.
Endpoint Protection	Advanced Endpoint Security: Implement endpoint protection systems for critical endpoint devices to strengthen the security posture and enhance threat detection and response capabilities.
Information Security Awareness	1. Provide mandatory information security training for all new employees during onboarding. 2. Conduct annual information security training for all staff. 3. Regularly share case studies of security incidents to raise awareness. 4. Carry out annual social engineering drills, such as simulated phishing attacks.
Information Security Capability	1. Personnel responsible for overseeing the company's cybersecurity program. 2. Require these personnel to regularly attend professional training and seminars to maintain and enhance their cybersecurity expertise.

Resources Invested in Information Security Management

Management Items	Specific Management Measures
Hardware and Software Upgrade	1. Deployment of next-generation firewalls (NGFW) 2. Implementation of a Managed Detection and Response (MDR) solution 3. Establishment of an email security gateway 4. Implementation of a multi-factor authentication (MFA) system
Education and Training	1. Conducted company-wide social engineering drills with a 100% participation rate 2. Published a total of 10 cybersecurity awareness articles 3. Designated information security officers and personnel received 40 hours of cybersecurity training per person
Safety Inspection	1. Conducted regular backup and restoration drills 2. Performed quarterly system vulnerability scans 3. Continuously monitored cybersecurity risks through an information security risk management platform 4. Joined collaborative cybersecurity defense organizations, including TWCERT/CC and SPISAC

Social Engineering Drill

To strengthen cybersecurity awareness and enhance employees' ability to respond effectively to various social engineering attacks such as phishing and malicious emails, the company conducts annual organization-wide information security training and social engineering simulation exercises. For individuals who fail the simulations, follow-up in-person security training sessions are provided to reinforce their cybersecurity vigilance. In cases of repeated failure, access to external networks is restricted as a risk mitigation measure to reduce the likelihood of compromise.



Privacy Protection

Daxin regards personal data protection as a fundamental commitment to maintaining stakeholder trust, ensuring comprehensive privacy safeguards for customers, suppliers, employees, and other stakeholders. When collecting, using, and processing personal data, we strictly comply with applicable privacy and information security laws and regulatory requirements, integrating personal data protection into our overall internal control and risk management systems.

Our Personal Data Protection Guidelines establish the company's highest compliance standards. All new employees must complete Personal Data Protection Act training within 30 days of joining to build foundational knowledge, enhance practical awareness, and understand proper practices for data collection, processing, and utilization in business operations. This ensures continuous improvement in employees' privacy protection awareness and capabilities.

For implementation oversight, our audit department conducts periodic inspections of personal data management to ensure effective system implementation. The HR department coordinates incident reporting channels. In the event of a data breach, the affected department must report immediately, triggering our Personal Data Management Team's emergency response protocols. Depending on severity, relevant authorities will be notified and investigation procedures initiated. Following incident resolution, relevant departments convene review meetings to develop concrete preventive and corrective measures, further strengthening our data protection framework.

For personal data collected for business purposes, we clearly define collection objectives, processing scope, sharing restrictions, cross-border transfers, retention periods, and protection mechanisms, thereby upholding privacy protection principles. Stakeholders with questions or complaints regarding privacy rights may contact us through our dedicated personal data request mailbox to ensure their rights receive full protection.



2.5 Customer Service

Daxin is committed to providing outstanding products and high-quality services to meet customer needs and create value together. We firmly believe that customer satisfaction is the key to sustainable business development. Therefore, we actively listen to our customers, continuously optimize product quality and service experience, establish solid partnerships, and achieve long-term growth together.

Custom Theme	
Management Policy	❖ Policies and Actions - Regularly visit clients and maintain contact, understand production line status and material needs, provide customized products, and establish differentiated services. - The quality management system ensures that when abnormal events occur, there is a mechanism to quickly respond to customer issues. - Value customer information security, and implement customer information protection procedures. - Implement supply chain management, ensure stable product supply, and meet customers' requirements for product quality and delivery deadlines.
	❖ Management Evaluation Mechanism - Every year, we proactively conduct customer service satisfaction surveys. Based on the survey results, we grasp customer needs and market product trends, serving as the basis for improving service quality and adjusting service strategies. - Conduct semi-annual statistics on the closure rate of customer complaints to ensure timely responses and effective resolution of customer feedback.
	❖ Preventive or Mitigation Measures Internally establish the "Customer Satisfaction Supervision Procedure" and the "Customer Complaint Handling Control Procedure," regularly survey customer needs and satisfaction, and set up a "Customer Feedback Handling System" to effectively manage customer complaints, customer expectations, and after-sales service, ensuring that customer issues can be resolved promptly, thereby strengthening brand trust and market competitiveness.
Objectives and Targets	❖ 2024 Performance Outcomes - Customer Satisfaction Survey: 4.75 points (full score 5 points) - Customer complaint case closure rate 100% (newly set target) ❖ Short-term Objectives (2025) - Customer satisfaction survey $\geq$ 4.70 points (full score: 5 points) - Customer complaint case closure completion rate 100% ❖ Medium to Long-term Objectives (2030) - Customer satisfaction survey $\geq$ 4.80 points (full score 5 points) - Customer complaint case closure completion rate 100%

2.5.1 Service Spirit

Daxin's spirit and philosophy in serving customers is to provide outstanding products and high-quality services, to establish stable and cooperative relationships with customers, and to achieve the goal of co-creating value with customers through effective customer service management:

Short-term Goals	Long-term Goals
1. Continue to develop new customers, expanding service reach and industry influence. 2. Set annual performance targets and growth rates, ensuring stable improvement in operational performance. 3. Enhance order processing efficiency, providing prompt and reliable service responses. 4. Gain an in-depth understanding of customer needs and expectations through professional technical support and customized solutions. 5. When customers encounter problems, the sales and technical teams respond quickly, assist customers in reducing losses, and provide effective response strategies, thereby establishing a highly efficient and trustworthy relationship.	1. Deepen strategic cooperation with key customers, jointly invest in the development and application verification of high-specification materials, and strengthen the technical connection and business trust between both parties. 2. Provide comprehensive solutions by integrating product design, process support, and technical services to help customers enhance manufacturing efficiency and product differentiation. 3. Continue to explore new application markets and industry clients, broaden areas of cooperation, and create more development opportunities for customers. 4. Through regular communication and satisfaction tracking, continuously strengthen partnerships with customers, moving towards the goals of co-innovation and mutual growth.

To fulfill our commitment to product quality and information transparency, Daxin also strictly adheres to relevant regulations and international standards to ensure that product information is accurate, complete, and compliant with regulatory requirements. In accordance with the ISO 9001:2015 international standard and relevant laws, the company has established the "Green Product Hazardous Substance Management Measures," implementing them throughout the design, manufacturing, and sales stages of our products, to ensure that product information and labeling are clear, accurate, and compliant with regulations. All products must comply with the European Union's Restriction of Hazardous Substances Directive (RoHS). In 2024, there were no incidents of non-compliance with product and service information and labeling regulations, nor any violations of marketing and communication-related regulations.

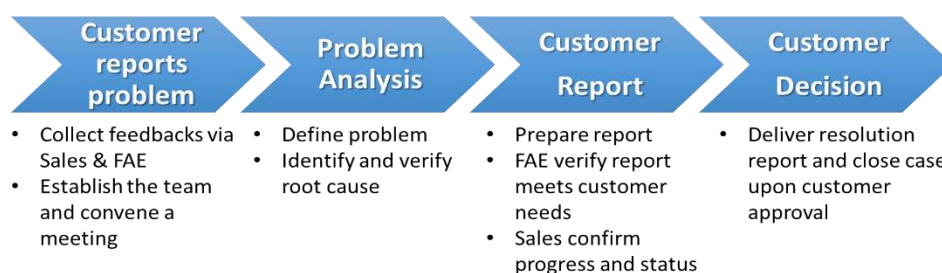
2.5.2 Customer Satisfaction

Daxin values the voice of every customer and is committed to providing comprehensive technical support, high-quality products, and prompt service responses. To strengthen customer relationship management and enhance service quality, the company conducts regular annual customer satisfaction surveys, covering aspects such as business response, delivery fulfillment, product quality, and technical service support, serving as an important basis for service optimization.

The 2024 survey results show that the overall customer satisfaction score is 4.75 points, which is higher than the annual target. In response to the trend of increasing customer product specifications and quality, Daxin is able to quickly respond to demands and recommend suitable solutions. In addition, we are actively strengthening the frequency of customer visits and the depth of technical exchanges, as well as responding to and resolving customer issues more promptly, in order to deepen cooperative relationships and the foundation of trust.



To protect customer rights and ensure timely service response, our company has established a "Customer Complaint Handling Control Procedure," which clearly defines the relevant responsibilities and operational processes when receiving complaints about company products and services. A dedicated email address is also provided on the company website (ProductInfo@daxinmat.com), allowing the sales and product realization departments to respond promptly. Upon receiving an abnormality report, the Quality Engineering Department will immediately initiate the handling process, providing a preliminary response within 3 working days and a complete handling report within 7 working days. The case will be closed only after obtaining customer approval. In 2024, the customer complaint closure rate reached 100%, demonstrating our commitment to service excellence and customer satisfaction.



In the future, the company will continue to strengthen internal manufacturing and quality management, and deepen the interaction between the business and technical teams and customers. Through more immediate technical support and differentiated services, we aim to enhance overall satisfaction, solidify stable and long-term partnerships, and fulfill our sustainable commitment to customer responsibility.

2.6 Supply Chain Management

To deepen the sustainable resilience of the supply chain, Daxin is committed to establishing value-sharing partnerships with suppliers and working together to implement the concept of sustainable management. For the top 20 annual suppliers of key raw materials and the annually selected critical raw material suppliers, regular audits are conducted to confirm and ensure that both parties share consistent commitments in environmental, social, and governance aspects, jointly moving toward the long-term goal of a responsible supply chain.

Corresponding GRI Material Topics: 204 Procurement Practices, 308 Supplier Environmental Assessment, 414 Supplier Social Assessment

Management Policy	❖ Policies and Actions - According to the "Supplier Management Procedure" audit standards, conduct on-site or document audits to confirm items including quality system certification, quality management, production and manufacturing management, environmental safety and health, and ESG. - Procure materials while strengthening the proportion of local procurement to enhance supply chain resilience. - Key suppliers and critical raw material suppliers implement a policy of not using conflict minerals, strengthening responsible procurement. - For suppliers rated as Grade C in the evaluation results, continuous improvement measures are required; otherwise, procurement will not be made. ❖ Management Evaluation Mechanism - Key and critical raw material QPA (Quality Process Audit) audits are jointly completed by the Quality Assurance and Procurement departments before the end of the first quarter each year, based on the previous year's supplier evaluation. - During the material approval process, raw material suppliers are required to sign a declaration guaranteeing the non-use of hazardous substances and prohibited chemicals in order to qualify as approved suppliers. - Key and critical raw material suppliers' QPA self-assessment replies include the implementation of the guarantee of non-use of conflict minerals ❖ Preventive or Mitigation Measures Grade C suppliers are notified in writing with appeal opportunities. If quality improvement is needed and no alternatives are available short-term, we provide guidance and corrective measures. If alternatives exist, we reduce procurement ratios or discontinue procurement from underperforming suppliers.
Objectives and Targets	❖ 2024 Performance Outcomes - Key Points and Management of Critical and Key Raw Material Suppliers (Note 1) ✧ Proportion of suppliers rated Grade A or above: 84% (Note 2) ✧ Signed Guarantee of Non-use of Hazardous and Prohibited Substances: 100% - Proportion of locally sourced photoresist clean buckets: 74% (Note 3) - Proportion of local procurement for mass production raw materials: 81% (Note 3) ❖ Short-term Objectives (2025) - Key Points and Management of Critical and Key Raw Material Suppliers (Note 4) ✧ Proportion of ratings above Grade A: > 75% ✧ Signed guarantee of non-use of hazardous substances and prohibited substances: 100% - Conflict-Free Minerals Guarantee : 100 % (New Target) - Sustainability Management Self-Assessment Questionnaire Completion Rate:100 %(New

	Target) ❖ Medium to Long-term Objectives (2030) • Key Points and Management of Critical Raw Material Suppliers (Note 5) ✧ Proportion of ratings above Grade A: > 80% ✧ Signed guarantee of non-use of hazardous substances and prohibited substances: 100% • Conflict-Free Minerals Guarantee : 100 % • Sustainability Management Self-Assessment Questionnaire Completion Rate:100 %
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※ Note 1: 2024 key raw material suppliers (the top 20 suppliers by annual transaction volume) and key raw material suppliers selected for the year

※ Note 2: With the implementation of the audit system, suppliers have also cooperated to improve and optimize, gradually meeting or even exceeding the original standards. In the future, targets will be adjusted based on evaluation results.

※ Note 3: Due to industry characteristics, procurement is mostly conducted through domestic agents, while the actual main suppliers are mostly original overseas manufacturers. Starting from 2024, this target will no longer be set.

※ Note 4: 2025 key raw material suppliers (top 25 suppliers by annual transaction volume) and key raw material suppliers selected annually

※ Note 5: 2030 key raw material suppliers (top 30 suppliers by annual transaction volume) and key raw material suppliers selected annually

2.6.1 Supplier Management Policy and Objectives

The company has established a "Supplier Management Procedure" for the management of suppliers and contractors, setting relevant management standards for the selection, auditing, and evaluation of suppliers and contractors. Every year, a Quality Process Audit (QPA) is conducted for the top 20 suppliers by transaction amount and key raw material suppliers selected at the end of the year. The audit covers production processes, manufacturing environment, transportation management, hazardous substance management, and whether suppliers have obtained or comply with Green Product Specification (GP), quality systems (ISO 9001), environmental management systems (ISO 14001), and occupational health and safety management systems (ISO 45001) certifications.

To enhance sustainable supply chain management, the company has implemented a supplier sustainability self-assessment system starting from 2024. Key and critical suppliers are required to complete a sustainability management self-assessment questionnaire, which covers areas such as labor and human rights, health and safety, environmental protection, ethical standards, and management systems.

In addition to ensuring the quality, delivery time, and price of supplied products, all suppliers providing chemicals to Daxin are required to sign and comply with the "Chemical Control Compliance Declaration" and the "Hazardous Substance Guarantee Letter" in accordance with regulations regarding environmental protection and international chemical prohibition standards. This ensures that all chemicals used by our company are consistent with our core concepts of environmental protection, personnel safety, and sustainable corporate operations. The supplier signing completion rate has reached 100%.

2.6.2 Local Procurement

To implement the spirit of sustainable management, Daxin establishes long-term and stable cooperative relationships with suppliers. Based on the principle of "local procurement, local production," we select our partners to ensure the stability of the supply chain, and we look forward to working together with suppliers to fulfill our social responsibilities.

In 2024, our company engaged in transactions with a total of 337 suppliers, of which 90% were domestic suppliers (Note 1), demonstrating our support for and promotion of the local industrial chain. However, considering the characteristics of the industry, most of the key raw materials required for mass production are supplied by international brand companies and purchased through domestic agents, so the sources of raw materials are still mainly from abroad. Therefore, although we no longer set a target for the "proportion of local raw material procurement," we continue to adhere to the principles of supporting local industries and shortening the supply chain distance, and we remain committed to continuously enhancing the resilience of the local supply chain.

※ Note 1: The term "domestic manufacturers" refers to companies whose registered address is in Taiwan (transactions in NTD).

Type of Contract	Procurement Region	2022		2023		2024	
		Companies	Proportion of Total Procurement (%)	Companies	Proportion of Total Procurement (%)	Companies	Proportion of Total Procurement (%)
Property (Raw Materials)	Domestic	153	73.1	151	72.6	143	74.0
	Overseas	39	14.5	39	17.5	33	16.1
Engineering (Buildings and Equipment)	Domestic	172	12.2	156	9.6	160	9.5
	Overseas	2	0.2	3	0.3	1	0.4
Total		366	100	349	100	337	100

2.6.3 Supplier Evaluation

On-site or written audits are conducted for key raw material suppliers (the top 20 suppliers by annual transaction volume) and annually selected critical raw material suppliers. The audits cover areas such as quality system certification, quality management, production and manufacturing management, environmental safety and health, and ESG. Incoming material evaluations are conducted quarterly to promptly reflect supplier quality and delivery status, and to provide ratings and suggestions for improvement. The procurement department, together with the quality department, records the evaluation results in the "Supplier Incoming Material Evaluation Form."

At the end of each year, a joint audit team selects a list of key raw materials and identifies the top 20 suppliers by procurement amount from the previous year as key suppliers. On-site audit plans or document audits are then arranged for these suppliers in the following year, and the audit results are included in the supplier evaluation.

Supply Chain Assessment and Tiered Management Measures

- **Key Supplier Evaluation Method:** Evaluation is conducted based on the results of the annual supplier audit and is divided into four levels: A, B+, B-, and C.
 - A : Total score above 90 points, considered excellent suppliers, eligible for continued procurement and increased purchase volume.
 - B+ : Total score between 80~89 points, considered qualified suppliers, eligible for continued transactions.
 - B- : Total score between 70~79 points, considered a qualified supplier, improvement required.
 - C : Total score below 69 points, considered an unqualified supplier, strategic cooperation or no procurement required.

Target	All Raw Material Suppliers	Key Points and Critical Raw Material Suppliers
Method	Conduct incoming goods evaluation every quarter	An annual evaluation is conducted, including the following items: QPA (Quality Process Audit) and quarterly delivery evaluations, each accounting for 50%.
Number of Companies	187 companies	31 companies
Results	Comparison of Purchases in the First and Third Quarters C Grade 1 Supplier(0.5%), counseling and improvement have been carried out, and for the fourth quarter purchase comparison C Grade 1 Supplier(0.5%)	A level suppliers 26 companies(84%); B level suppliers 5 companies(16%), pass rate 100% A donut chart illustrating the distribution of supplier evaluation results. The chart is divided into two segments: a large purple segment representing 84% (A level suppliers) and a smaller light purple segment representing 16% (B level suppliers). A legend inside the chart identifies the colors: purple for 'A level suppliers' and light purple for 'B level suppliers'.

2.6.4 Ethical Procurement

Conflict Minerals Management Policy

To implement responsible procurement and human rights protection principles in the supply chain, Daxin has established a clear conflict minerals management policy, requiring all suppliers not to use metal raw materials from armed conflict or high-risk areas. The company fully promotes the signing of the "Conflict-Free Minerals Guarantee" and conducts verification through written reviews or on-site audits. In 2024, the supplier signing completion rate reached 100%.

Daxin Conflict Minerals Non-Use Statement:

The supplied goods, services, their manufacturing processes, or the provision processes that use or contain 3TGminerals (gold, tantalum, tin, tungsten) must comply with the standards set by the "Responsible Minerals Assurance Process" (RMAP), and priority should be given to sourcing from smelters certified by RMAP, to ensure that the supply chain is not involved in conflict, human rights violations, or illegal mining activities.

2.7 Product Quality and Safety

Daxin regards product quality and safety as one of the core values of its business operations. We are committed to providing products that meet high standards to satisfy customer needs and ensure the health and safety of consumers. To achieve this, we have established strict quality control processes and implemented comprehensive quality monitoring mechanisms, building a complete traceability link from raw materials and manufacturing processes to the customer end, thereby enhancing product quality.

Custom Theme	
Management Policy	❖ Policies and Actions According to ISO 9001:2015 and the Green Product Hazardous Substance Management Regulations, product development is carried out in accordance with relevant regulations from design, manufacturing, to sales, ensuring continuous improvement of product quality and compliance with quality requirements and safety standards at every stage of production. • Standardization: From raw material inspection, process quality control, final product confirmation to shipment inspection, a comprehensive quality management system is implemented to effectively reduce operational waste. • Systematization: To reduce human mistakes, systematization is being driven across raw material approval, supplier engineering changes, electronic Certificates of Analysis (eCOA) from suppliers, SVM to HVM handover. • Automation: Integrate supplier information, shipment inspection data, raw material batch comparison, and product storage shelf life, and automatically upload data to the quality management system to enhance efficiency.
	❖ Management Evaluation Mechanism • An internal and external audit is conducted once a year. If any nonconformance are found, they are managed through corrective and preventive actions (CAPA) . • Conduct quality management review meetings twice a year to evaluate each department's achievement of quality objectives, coordinate departmental responsibilities and actions, and correction of nonconformance. • A third-party certification agency conducts annual testing and certification in accordance with regulatory requirements.
	❖ Preventive or Mitigation Measures • Comprehensive quality control is applied across the "Man, Machine, Material, Method, Environment" aspects. Statistical data is reviewed weekly, and quality review meetings are held biweekly. • Monthly quality meetings are held with contract manufacturers to analyze statistical data, identify root causes and impacts, and develop corresponding improvement plans. • An annual training program is planned and implemented to enhance employees' professional knowledge, risk awareness, and crisis management skills, aiming to reduce potential quality risks and strengthen the stability of organizational quality management.

Objectives and Targets	❖ 2024 Performance Outcomes • Supplier ECN (Note 1) consent form completion rate: 97% • Customer audit deficiency completion rate (Note 2): 100% • Supplier signs the Chemical Control Compliance Declaration and Hazardous Substance Guarantee Letter (Note 3): 100% • Corrective and preventive action closure rate (Note 4): 100%. ❖ Short-term Objectives (2025) • Supplier ECN consent form completion rate: > 95% • Customer audit deficiency completion rate: > 90% • Supplier eCOA (Note 5) completion rate: > 70% (new target) ❖ Medium to Long-term Objectives (2030) • Supplier ECN consent form completion rate: > 100% • Customer audit deficiency completion rate: > 100% • Supplier eCOA completion rate: > 90%
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※Note 1: Engineering Change Notice (ECN).

※Note 2: The audit deficiencies involve management of personnel, machines, materials, methods, and environment. Systematic and automated optimization requires a longer period for improvement, so the deadline is extended to three months from the issuance date.

※Note 3: As the target has been achieved at 100% for two consecutive years, it has become a basic requirement and will be deleted, with new quality improvement goals added instead.

※Note 4: Achieved 100% for two consecutive years, so it has become a basic requirement and will be deleted, with other quality improvement targets to be added.

※Note 5: Electronic Certificate of Analysis (eCOA) is a newly established target.

2.7.1 Strengthen Quality Culture

All products of Daxin undergo rigorous testing and inspection, complying with ISO 9001 and other international quality management standards as well as third-party certification and inspection, ensuring that every product meets safety regulations. Our quality management team regularly conducts Statistical Process Control (SPC) reviews and comprehensively monitors the operation of the quality management system through quality management review meetings. At the same time, we have implemented Failure Mode and Effects Analysis (FMEA) to further prevent and improve potential risks. In addition, we place great importance on customer feedback as a basis for enhancing product safety and quality optimization, demonstrating our strong commitment to quality and our customers.

Quality Education and Training

The company strengthens employees' quality awareness through regular training, enabling colleagues to understand and implement quality policies and actively participate in various quality-related activities. During the year, a total of one quality education training course was conducted, with 46 participants accumulating 46 training hours. Additionally, 14 quality promotion articles were published on the internal online discussion forum, garnering a total of 1,830 views, continuously enhancing employees' attention to and engagement with quality issues.

In order to further strengthen cross-departmental collaboration and risk prevention awareness during the development process, we actively participated in R&D management meetings and conducted a total of five quality advocacy sessions throughout the year. These sessions focused on explaining and promoting various quality improvement management processes, the Best Known Method (BKM) for new raw material standards, the Electronic Certificate of Analysis (eCOA), and other relevant topics. Through regular cross-departmental exchanges, we are gradually establishing a smoother communication mechanism to jointly drive continuous improvements in product quality.

Additionally, for quality-related personnel, the company has implemented a systematic professional education and training program. Over the year, a total of 155 professional assessments (including instrument operation, machine principles, and inspection procedures) were completed to strengthen professional quality capabilities and problem-solving skills, thereby enhancing the overall effectiveness of quality personnel in practical operations and improvement initiatives.

Enhancement of Internal Inspection Process

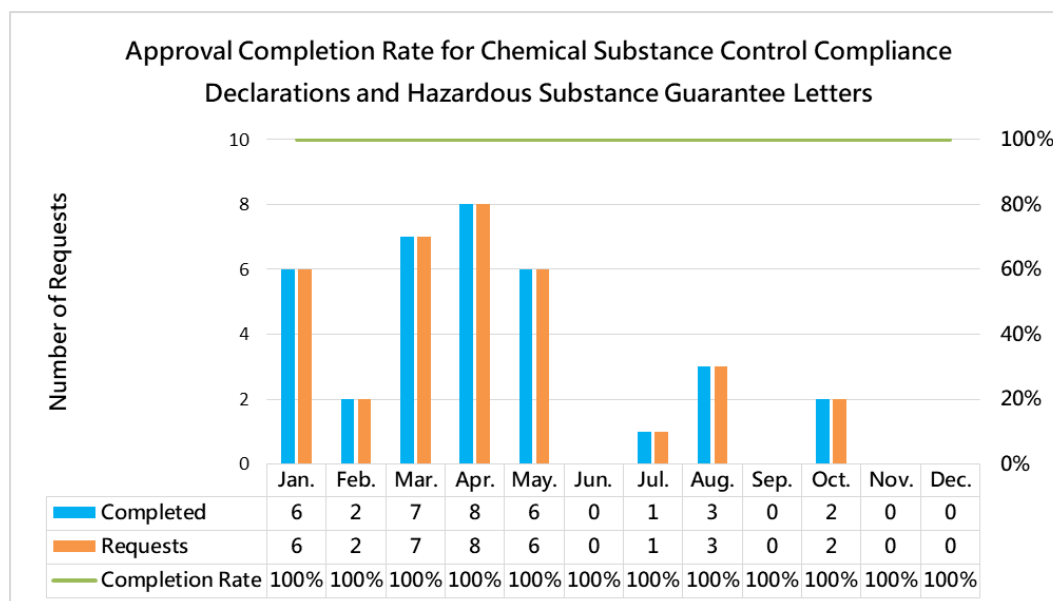
The company is gradually adopting inspection consumables that are environmentally friendly or have lower pollution risks to replace traditional high-toxicity materials, effectively reducing both the toxicity and total amount of waste in quality inspection operations. Additionally, the company is promoting the automatic uploading of inspection machine data to the ERP system and automated inspections, reducing manual operations and paper records, enhancing the immediacy and accuracy of data, and enabling the automatic generation of Certificates of Analysis (COA) and Statistical Process Control (SPC), thereby strengthening the efficiency and transparency of quality management.

2.7.2 Green Products

Daxin upholds the concept of "zero-waste design," striving to extend the product life cycle to the stages of recycling and reuse after end-of-use, maximizing resource utilization and reducing environmental impact. The company deeply integrates the 3R principles (Reduce, Reuse, Recycle) into product design and development processes, promotes sustainable product design, establishes restricted substance control standards, and ensures compliance with international environmental standards, including the requirements of the International Electrotechnical Commission Quality Assessment System for Hazardous Substance Process Management System (IECQ QC 080000, Hazardous Substance Process Management System Specification). All products are annually tested and certified by third-party certification bodies for Restriction of Hazardous Substances (RoHS) and Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), ensuring compliance with regulatory requirements and fulfilling commitments to product environmental protection and safety.

According to the ISO 9001:2015 Quality Management System and the company's "Green Product Hazardous Substance Management Regulations," product development is carried out in accordance with relevant regulations from design, manufacturing, to sales. This ensures continuous improvement of product quality and that products at every stage of production meet quality requirements and safety standards.

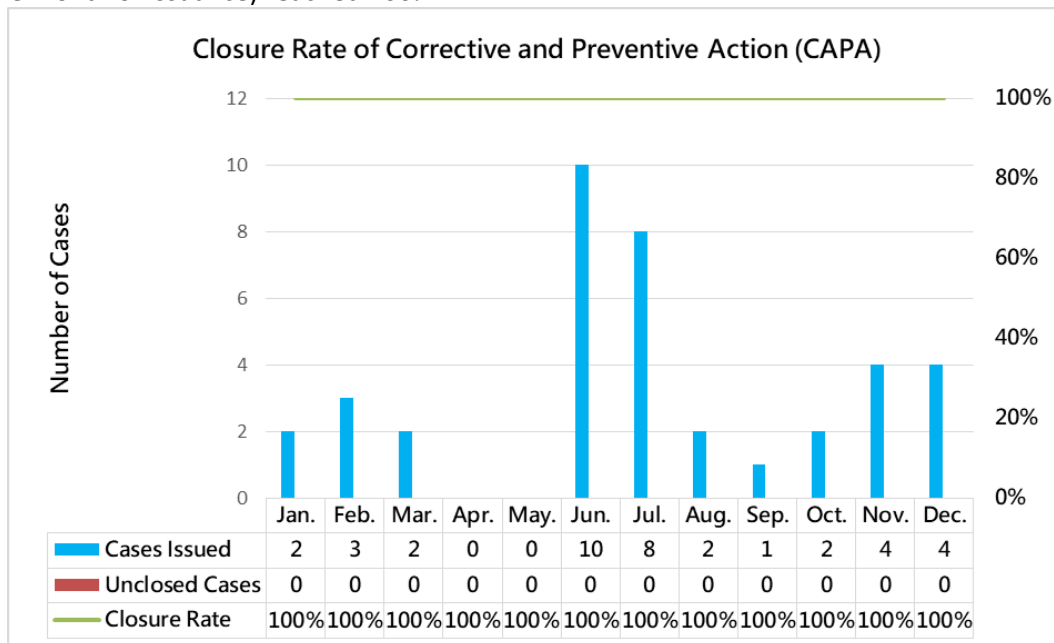
During the raw material approval stage, suppliers are required to complete the "Chemical Substance Control Compliance Declaration" and the "Hazardous Substance Guarantee Letter." The completion rate of signed documents reached 100% during the reporting period of 2024.



2.7.3 Corrective and Preventive Measures

Corrective and preventive actions primarily focus on investigating, analyzing, tracking, reviewing, and preventing nonconforming products or other quality abnormalities to avoid recurrence. These actions may be triggered by customer complaints, internal or external audit findings, in-plant abnormalities, or the need to dispose of nonconforming raw materials, semi-finished products, or finished products. All cases must be closed within one month of initiation. Through the implementation of corrective and preventive actions, abnormal issues are rectified, recurrence is prevented, and potential problems are proactively addressed. This ensures that each unit maintains the appropriateness and effectiveness of the quality management system and continually drives improvement.

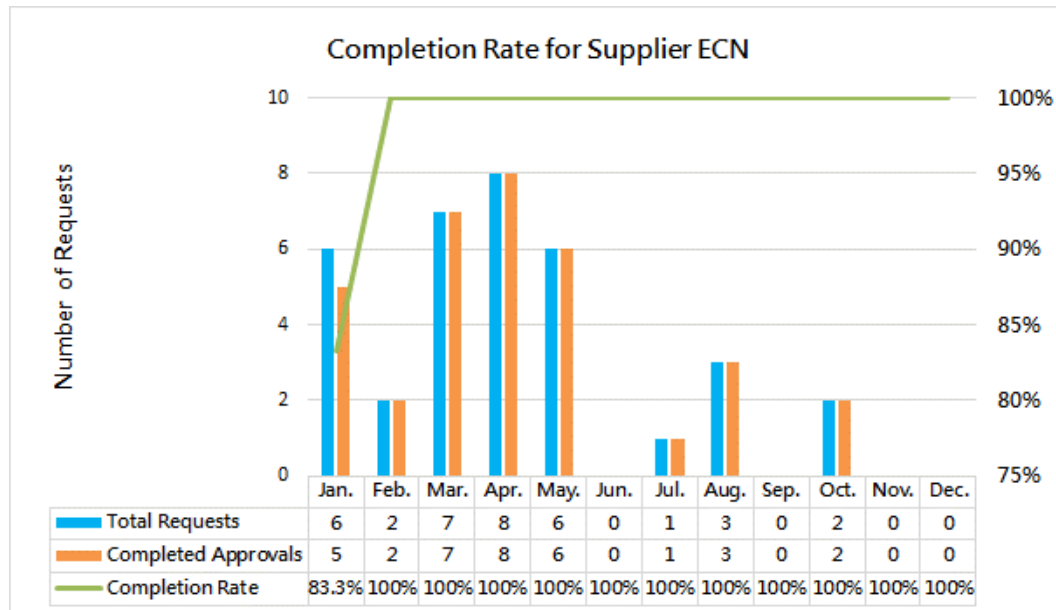
Each year, the quality objectives of each department are reviewed in two Quality Management Review Meetings. During the 2024 reporting period, the actual closure rate of corrective and preventive action forms (within one month of issuance) reached 100%.



2.7.4 Engineering Change

Engineering Change Notice (ECN) is primarily used to propose change requests and serves as a signed consent form for recording or approving changes to product design specifications. In accordance with the "Man, Machine, Material, Method, Environment" principle, any changes must be controlled and approved by the relevant departments before implementation. Therefore, when establishing a new material part number, suppliers are required to provide a signed ECN consent form.

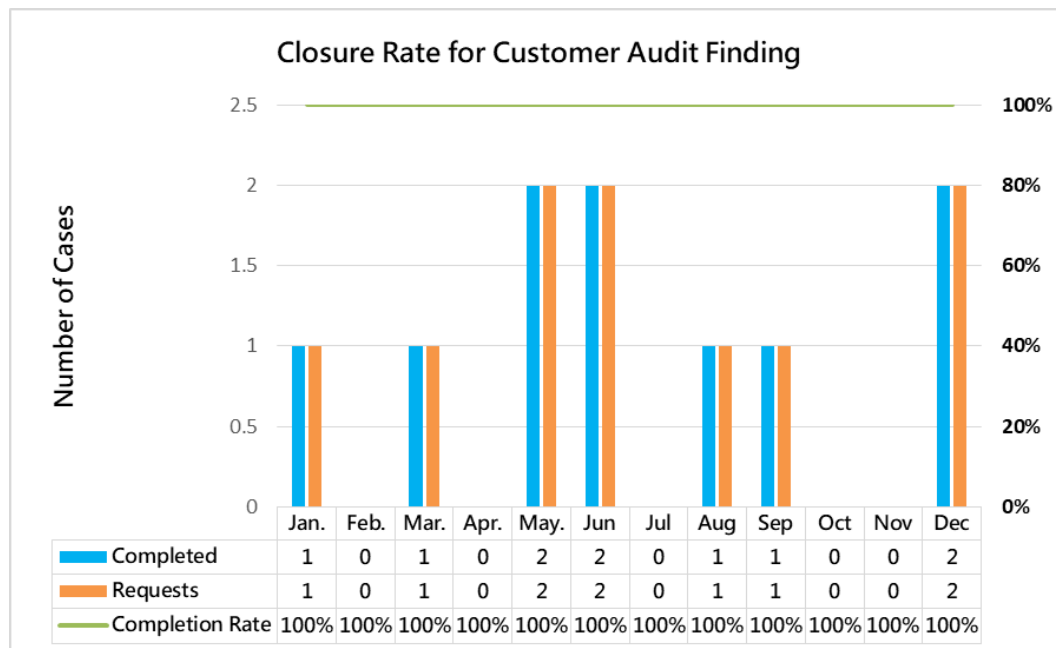
During the 2024 reporting period, the completion rate for supplier ECN consent form signing was 97%. Moving forward, we will continue to strengthen supplier management and provide ongoing education and training.



2.7.5 Customer Audit Improvement

The primary purpose of customer audits is to help customers assess whether Daxin can deliver product quality that meets their requirements, and to demonstrate the company's capability to implement customer process technology and management standards. Following the audit, improvement measures are promoted based on the identified deficiencies and recommendations, thereby further enhancing the company's competitiveness. Generally, minor deficiencies can be corrected immediately. However, system or equipment-related defects may require a longer improvement cycle and extended completion time.

The completion rate for addressing customer audit deficiencies within one week of issuance this year reached 100%. We will continue to enhance our internal audit management operations, proactively prepare in advance, and leverage feedback from external audits to drive overall company improvement.



3 Research and Innovation

Daxin is a specialty chemicals company dedicated to R&D, design, and advanced manufacturing technology services. Committed to becoming a world-leading innovator in materials science, we position technological innovation as the cornerstone of our sustainable growth strategy. We continuously invest in forward-looking technologies and breakthrough material development, strengthening R&D infrastructure and core technical capabilities to anticipate future market needs and deliver integrated, end-to-end solutions for our customers. Our R&D practices embed green design principles to minimize environmental impact across the product lifecycle, advancing our vision of uniting innovation with sustainability.

Custom Theme	
Management Policy	❖ Policies and Actions Daxin maintains a strong commitment to R&D investment, focusing on three core application areas: semiconductor materials, display materials, and key raw materials. Our R&D approach places equal emphasis on chemistry, processes, equipment, and AI, enabling us to advance the development of innovative materials and forward-looking technology projects. Through this integrated model, we continually expand our technological capabilities and strengthen our competitive edge in high-value markets. • Focusing on core technology development, driving cross-disciplinary material innovation and market integration. • Embed ESG principles throughout product design and material R&D processes. • Establish a systematic intellectual property management system to strengthen the protection of innovation outcomes and associated risk mitigation.
	❖ Management Evaluation Mechanism • Regularly track new products development and project execution progress while evaluating R&D outcomes and commercial value to enhance innovation effectiveness. • Implement green procurement standards to ensure product design integrates sustainability responsibilities and minimizes environmental impact. • In accordance with the Taiwan Intellectual Property Management System (TIPS), regularly review intellectual property risk management and the implementation of employee training.
	❖ Preventive or Mitigation Measures • Establish a new product R&D risk control process to strengthen the identification of technical and environmental risks. • Regularly review pre-R&D intellectual property assessment cases to prevent redundant development, patent infringement, and gaps in patent strategy, ensuring that R&D efforts are properly directed and well protected. • Conduct R&D-related training to enhance personnel awareness of intellectual property, in order to reduce the risk of unprotected R&D outcomes.

Objectives and Targets	❖ 2024 Annual Performance Results • R&D Investment Ratio: 12.1% (Note 1) • R&D Personnel Ratio: 50.8% • Continuously maintain TIPS A-level certification (Note 2) • Pre-R&D Intellectual Property Assessment Achievement Rate (Note 3): 128% • Patent specialist external advanced training: 18.8 (hours/person) (Note 4) • Internal patent courses offered: 8 courses (Note 5) • Intellectual Property Management System: Case Initiation Function Launched • Patent Grant Rate: 92.6% (Note 6) ❖ Short-term Goal (2025) • R&D Investment Ratio: 10% • R&D Personnel Ratio: 50% • Continuously maintain TIPS A-level certification • Pre-R&D Intellectual Property Assessment Achievement Rate: 100% • Patent specialist external advanced training: > 12 (hours/person) • Internal patent courses offered: > 5 courses • Intellectual Property Management System: Patent Application Stage Launched • Implement Project Tracking Plan: Research units regularly provide feedback on project tracking results (newly set targets) ❖ Mid- to Long-term Goals (2030) • R&D Investment Ratio: 10% • R&D Personnel Ratio: 50% • Continuously maintain TIPS A-level certification • Pre-R&D Intellectual Property Assessment Achievement Rate: 100% • Patent specialist external advanced training: > 20 (hours/person) • Internal patent courses offered: > 7 courses • Intellectual Property Management System: Utilize systematic analysis to plan IP layouts and integrate historical data for strategic reference • Implement Project Tracking Plan: Continuous improvement of project tracking effectiveness
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※ Note1: To accelerate product development and support future growth, we have continued to expand investment in new products and semiconductor material R&D. As a result, R&D spending accounted for a higher proportion of revenue in 2024, totaling NT\$498 million.

※ Note 2: Certificate validity period until December 31, 2025.

※ Note 3: Pre-R&D intellectual property assessment achievement rate = Total number of new cases in 2024 ÷ Total number of researchers as of the end of 2024 (Researchers refer to those who joined on or before June 30, 2023). As case initiation requires time accumulation, only those who joined on or before June 30, 2023 are counted. The reason for exceeding 100% is that some researchers have initiated more than one case.

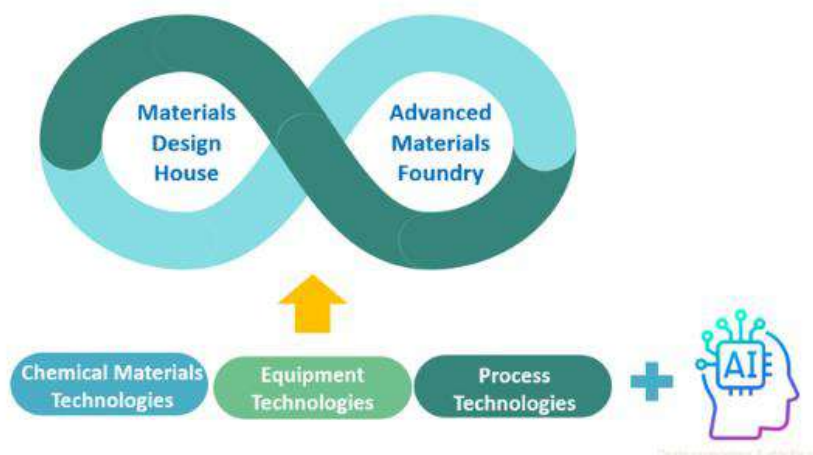
※ Note 4: External training units have added a series of courses, resulting in enthusiastic registration from participating colleagues and an increase in annual training hours. Moving forward, dynamically adjustments will be made based on training needs and trends.

※ Note 5: The expansion of course participants beyond R&D personnel has led to an increase in the number of courses offered. Moving forward, dynamically adjustments will be made based on training needs and trends.

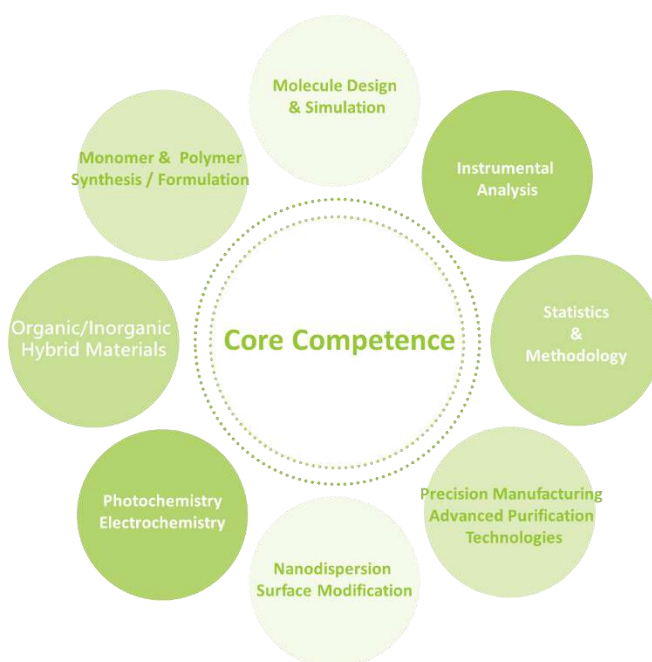
※ Note 6: Due to the significant impact of market and customer changes on projects, which are uncontrollable factors, the corresponding patent strategies may also be adjusted accordingly. Therefore, this target will no longer be set.

3.1 Technological Innovation

Daxin is committed to innovation, providing R&D, design, and manufacturing services for specialty chemical materials through our “Design House + Advanced Foundry” model. We make significant investments in proprietary product and advanced manufacturing technology development, along with the establishment of precision equipment, instrumentation, high-purity production lines, and facilities. We employ a research and development model that builds from chemistry foundations, evolves through processes and equipment expertise, and advances with AI capabilities for continuous innovation in advanced materials and technology projects.



Daxin leverages fundamental knowledge, to develop diverse core technologies, including photochemistry, electrochemistry, molecular structure design and simulation, monomer and polymer synthesis and formulation, surface chemistry, dispersion science, organic-inorganic hybrid material technology, nanomaterial development, as well as precision manufacturing and purification technologies required for semiconductors. These enable the company to provide the most advanced and customized chemicals for semiconductor and display industries.



3.1.1 Research Achievements

In 2024, Our R&D expenses reached NT\$490 million, maintaining significant R&D investment and a high proportion of R&D personnel, and obtained the Taiwan Intellectual Property Management System certification (Level A, certified by TIPS). Our company is committed to developing advanced materials and forward-looking technologies, proactively positioning for future market demands.

Semiconductor Materials

Daxin provides critical materials for semiconductor processes from front-end to advanced packaging, maintaining high competitiveness in the market.

Front-end wafer process materials include: etching and cleaning solutions, photoresist-related materials, and special application materials; advanced packaging materials include: multifunctional organic release layers, high selectivity metal etching solutions, and high thermal stability photosensitive dielectric materials.

Currently, multiple products have obtained POR (Process of Record) certification, and several products have already achieved mass production. We expect strong sales growth for existing products and more products entering mass production in the coming year. We have established a leading global market position in organic release layers for advanced packaging, securing our role as a primary supplier for wafer-level and panel-level packaging customers. Additionally, the photoresist stripper, developed with a leading international materials company, has achieved stable mass production. Furthermore, we are among the key suppliers of highly-selective etchants for new advanced packaging products and next-generation advanced process nodes.

For future development, we will strengthen front-end wafer process technology capabilities, providing customized specialty chemicals aligned with customer process requirements, while establishing nanoparticle and ion purification and detection technologies. In advanced packaging, our photosensitive multilayer formation materials, supported by the Ministry of Economic Affairs in 2024 through the Critical Materials Guidance Program for Heterogeneous Integration Chips. Designed specifically for panel-level packaging applications, this technological breakthrough enables higher-density integration solutions for Fan-out, 2.5D, and 3DIC processes.

Display Materials

Daxin dominates the display materials market share with a comprehensive vertical solution portfolio. Amid intense competition, we focus on developing cost-effective products through customer collaboration. 2024 key R&D achievements include: high abrasion-resistant FFS liquid crystal alignment film and cholesteric liquid crystal alignment layer. Looking ahead, the global economic environment and supply chain are undergoing continuous adjustments, with many uncertainties remaining. Panel prices and capacity utilization rates fluctuate rapidly due to market changes. However, with the growing demand for AI-driven smart displays, the panel industry is expected to see volume growth. The Company continues to optimize our product portfolio and actively expand into advanced, high-specification materials for high-end, high-resolution, large-size panels to maintain our technological leadership and market share. In response to "net zero emissions" trends, panel manufacturers seek low-power, high-resolution production technologies.

Daxin will continue to introduce ESG-focused energy-saving materials while actively developing environmentally friendly materials. The products that are expected to be developed in the future are: LCD energy-saving, carbon-reduction, environmentally friendly photo spacer, LCD energy-saving, carbon-reduction and environmentally friendly liquid crystal alignment layer, LCD energy-saving, carbon-saving, environmentally friendly, black matrix. We are pioneering the launch of green products featuring low-

temperature processes to sustain our long-term competitive advantage.

Key Raw Materials

With technologies cultivated through years of R&D, Daxin focuses on developing key raw materials for displays, semiconductors, lithium-ion batteries, advanced IC substrates, and other electronic materials, offering customized solutions. Our core technologies and products include: Anode Binders for Lithium-Ion Batteries, advanced IC substrates, and key functional monomers.

The Company years of experience in developing electronic chemicals for downstream industry applications, with a keen understanding of the electronic chemicals market. Since its establishment, Daxin has continuously invested in the R&D of key raw materials. Through independent research, design, and manufacturing of these key raw materials, the Company strengthens product characteristics and competitiveness, while playing an important role in next-generation materials and advanced processes. The Company continues to refine design, synthesis, and purification manufacturing technologies, driving the specialization of Taiwan's industries toward higher technical barriers and higher value-added advancements. Looking ahead, we anticipate more opportunities to partner with global materials companies in localizing the production of upstream raw materials.

3.1.2 Industry-Academia Collaboration

Daxin is committed to fostering industry-academia collaboration. Since 2022, we have actively expanded partnerships with leading domestic universities and research institutes to promote interdisciplinary knowledge and technology exchange, closely aligning academic research with industrial needs. To date, we have launched five collaborative initiatives. We support forward-looking research in specialty chemical materials and advanced technologies by establishing joint programs, technical R&D platforms, and commercialization projects that accelerate innovation.

In 2024, we partnered with 3 prominent universities and 5 professors on 4 collaborative projects spanning novel chemical materials development, smart process optimization, and sustainable materials applications.

Industry-academia Joint Development Project				
University	Professor	Project	Investment Amount	Project Duration
National Tsing Hua University	De Hao Tsai	Detection service for organic substances in water using a differential mobility analyzer-condensation particle counter	NT\$850,000	2023/11~2025/10
Tunghai University	Yuan Jay Chang	Research Project on Structural Identification of Chemical Materials in the Optoelectronics Industry	NT\$200,000	2024/01~2024/12
National Taiwan University	Eric Lee/ Chih Chen Hsieh	Development of technology for removing low-concentration nanoparticles from solutions by combining surface metal-coated polymer films with dielectrophoresis technology	NT\$1,520,000	2024/08~2025/07
National Taiwan University	Cheng Che Hsu	Development of Plasma Technology for Surface Treatment of Fluorocarbon Polymers	NT\$1,740,000	2024/08~2026/07

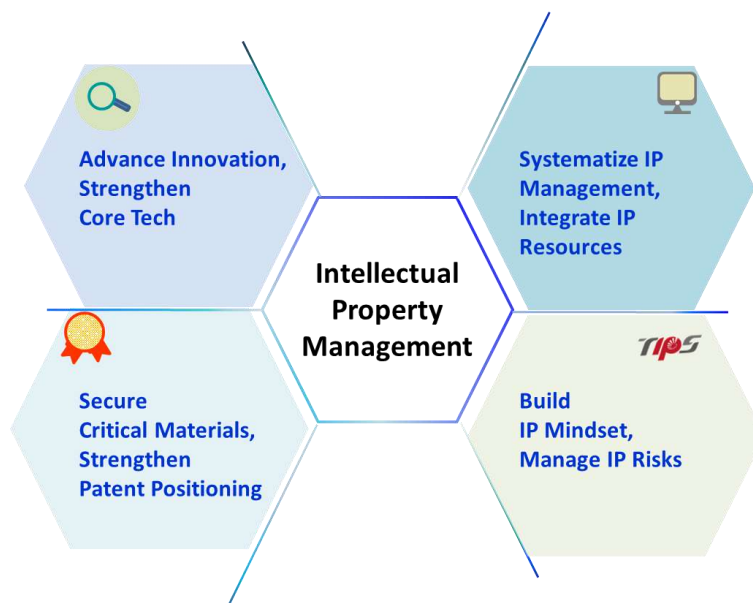
Our industry-academia efforts focus on three core objectives:

- **Technology Collaboration:** We integrate academic research capabilities with industrial needs, connecting upstream and downstream value chain resources. This enables the transition from fundamental research to pilot-scale production and practical applications, driving cutting-edge technology development.
- **Talent Development:** We promote practical training programs that bridge the academic-industry gap. Students engage in R&D projects, technical validation, and hands-on initiatives—gaining valuable experience and industry perspective to enhance career competitiveness.
- **Innovation and Commercialization:** We identify and nurture innovative ideas, accelerating the transformation of academic research into commercial applications. Through strategic collaboration and resource integration, we develop high-value solutions and explore new business models, creating momentum for future growth.

Looking ahead, we will continue expanding our collaborative scope and depth. Beyond strengthening partnerships with top domestic institutions, we aim to connect with global academic resources and interdisciplinary research teams to promote international exchange and technological collaboration. With our industry-academia-research co-creation model, we encourage professors and emerging scholars to engage in pioneering research across materials, processes, and equipment. Through joint projects, international conferences, talent exchanges, and technology transfers, we fulfill our dual goals of corporate social responsibility and sustainable talent development—continuously contributing to Taiwan's materials technology and global innovation.

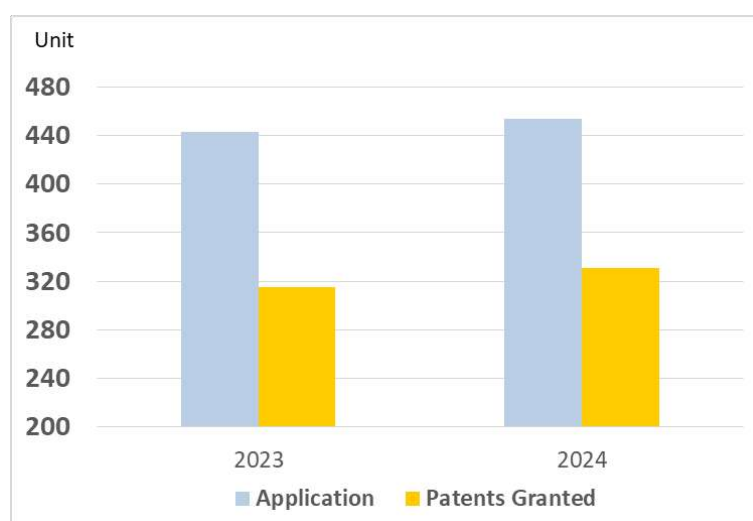
3.2 Intellectual Property Strategy

Daxin values R&D innovation and intellectual property, actively implementing intellectual property management policies to ensure the effectiveness of R&D achievements and to achieve intellectual property management goals.



3.2.1 Key Achievements

Daxin leverages its proprietary patent technologies and strategic product marketing to systematically deploy patents for R&D achievements, driving steady growth in both patent applications and grants. In recent years, in addition to continuously innovating its original display materials, the company also been actively developing materials related to semiconductor processes, deploying patents for products such as liquid crystal alignment layer, photoresists, and semiconductor cleaning solutions. As of the end of December 2024, the total number of global patent applications has accumulated to 454, an increase of 11 cases compared to the previous year; the total number of granted patents has accumulated to 331, an increase of 16 cases compared to the previous year.



3.2.2 Management System

Daxin has implemented an intellectual property management system and established the "Intellectual Property Management Manual" to actively enforce its intellectual property management policy, achieving the Taiwan Intellectual Property Management System TIPS A-level certification for the first time in 2022.

Following TIPS standards, we manage intellectual property throughout the complete cycle of acquisition, protection, maintenance, and utilization. Our patent incentive system encourages innovation and R&D while setting target achievement rates for pre-R&D intellectual property evaluation to motivate R&D personnel to proactively initiate projects. We successfully achieved and exceeded our original goals. Additionally, we design and deliver targeted training courses to meet different group needs. We also conduct internal reviews of R&D outcomes to ensure high-quality patent generation and technical trade secret development.



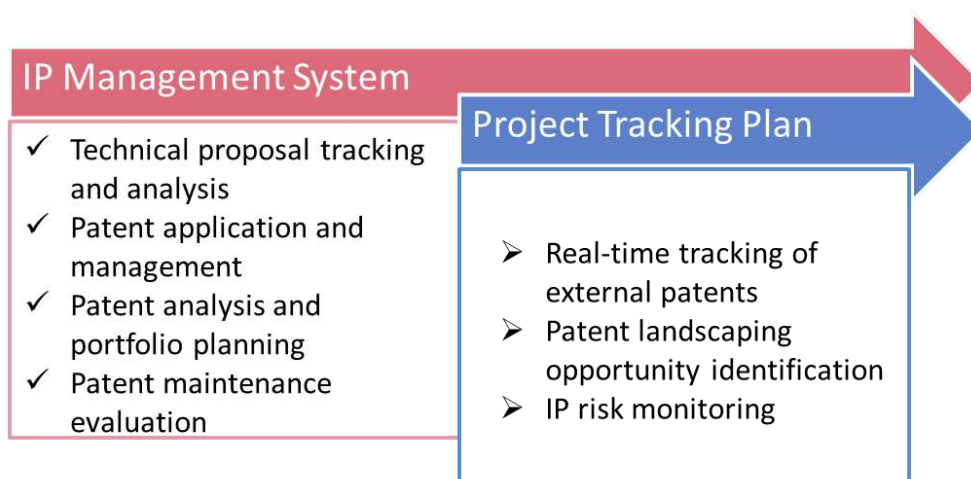
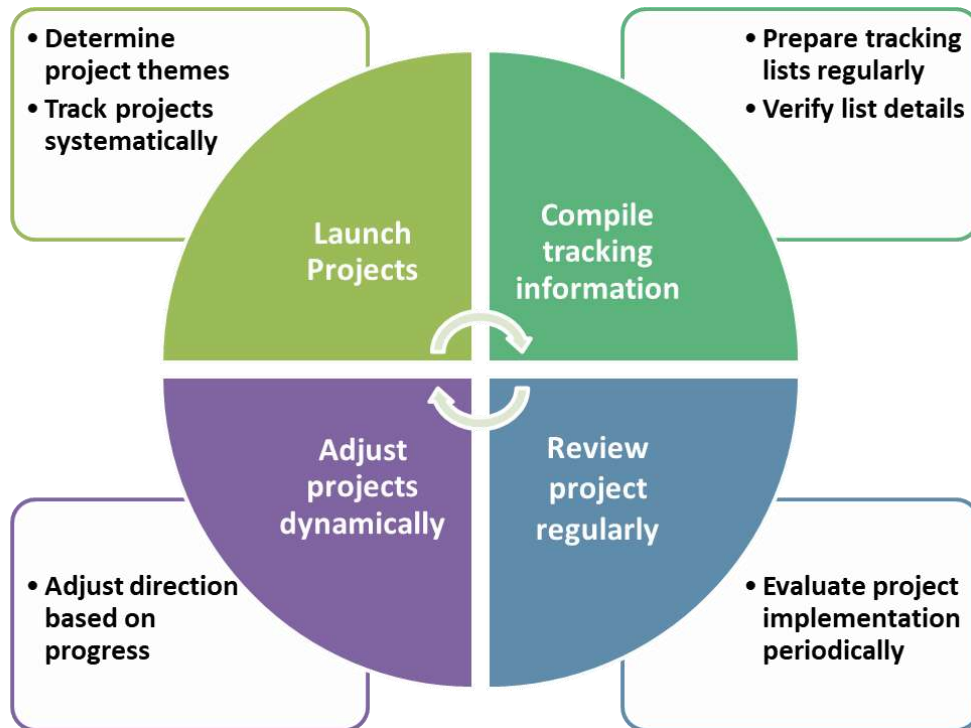
We submitted a reapplication for TIPS A-level certification in 2023 and successfully passed the external audit in 2024, with certification valid until December 31, 2025.

Additionally, we establish comprehensive management protocols for documents, environments, and personnel to prevent important company information leakage, supported by educational training and public announcements. We conduct external patent reviews to identify and assess risks, provide strategic information to management, and mitigate IP conflict risks.

Patent	Technical trade secrets	Risk management
- Internal review committee evaluation - External collaboration control mechanism - Regular maintenance evaluation	- Internal review committee evaluation - NDA and personnel access control - Document listing and labeling	- Patent monitoring and risk mitigation - Trade secret confidentiality protection - Prompt conflict reporting

3.2.3 Systematic Management of Intellectual Property

To promptly monitor external patent status and enhance intellectual property management effectiveness, we introduced a project tracking mechanism that strengthens patent portfolio planning and risk control. We also implemented a self-developed IP management system that integrates technology proposals, patent applications, and examination progress data. We apply this system to patent data analysis and patent value assessment, improving intellectual asset management efficiency and decision-making quality.



4 Green Manufacturing

The European Union's climate monitoring agency, Copernicus Climate Change Service (C3S), announced that in 2024, the global average temperature surpassed the critical threshold of 1.5°C above pre-industrial levels for the first time. At this year's United Nations Climate Change Conference (COP29), a commitment was made to provide USD 300 billion in climate financing annually by 2035 to accelerate the global transition to low carbon. The mechanism under Article 6 of the Paris Agreement was also officially established, which will promote the global carbon market and enhance the transparency and efficiency of carbon trading.

At the same time, with the gradual implementation of the EU Carbon Border Adjustment Mechanism (CBAM), along with Taiwan launching Carbon Fee Imposition and a carbon trading market, Daxin has designated greenhouse gas and energy management as core sustainability strategies in response to these policy and market changes. In 2024, the company completed its first climate-related financial disclosure report (Task Force on Climate-related Financial Disclosures, TCFD), and detailed the identified climate risks and opportunity assessments in the Environmental section, further strengthening the company's transparency and resilience in addressing climate change.

In addition, as the circular economy becomes a global mainstream, waste resource utilization and resource recycling not only significantly reduce environmental costs for enterprises but also create new business opportunities. Effectively managing waste and promoting reuse and resource recovery can bring about potential transformational development and serve as an important means to address climate change. Daxin enhances resource use efficiency, reduces waste generation, and promotes the resource utilization of by-products. With carbon management and the circular economy as its core, the company advances sustainable development on dual tracks to enhance green competitiveness and respond to the expectations of stakeholders and society for environmental sustainability.

Corresponding GRI Material Topics : 302Energy,305 Emissions,306Waste

Management Policy	❖ Policies and Actions Based on the importance placed on climate change and environmental protection, Daxin closely monitors the impact of greenhouse gas emissions on the Earth's climate and environment. The company has implemented the ISO14064 - 1 : 2018 standard to conduct greenhouse gas inventories and has obtained verification statements from external verification bodies. Through the management and reduction of greenhouse gas emissions, Daxin takes concrete actions in energy conservation, carbon reduction, and protecting the planet. • Low-carbon plant : Conduct annual ISO14064 - 1 : 2018 organizational greenhouse gas inventory and external verification, establish a carbon management platform, and implement product carbon inventory and refrigerant (HFCs) management. • Renewable Energy: Installation of solar photovoltaic systems in the plant area, and procurement of green electricity for transfer supply or green electricity certificates, etc., to expand the use of renewable energy. • Energy Efficiency: Through various energy-saving and improvement measures, replacing high energy-consuming equipment, optimizing the operation of public systems, and improving processes to enhance product energy efficiency, overall efficiency is comprehensively improved. • Source reduction : Continuous process improvement and optimized management measures to reduce raw material usage and waste generation. • Reuse and Resource Utilization: Implement classified collection of waste solvents, and recycle waste solvents with economic value for reuse.
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	❖ Management Evaluation Mechanism • Regularly conduct internal and external audits. • The quarterly Environment, Safety, and Health Committee and Management Review Meeting operates based on the dynamic cycle model of "Planning PLAN", "Implementation and Operation DO", "Inspection CHECK", and "Management Review ACTION", adjusting management policies according to actual circumstances. • Establish an "Annual Energy Conservation and Carbon Reduction Plan" and conduct regular annual performance reviews. • Undergoes external verification of greenhouse gas emissions in accordance with ISO14064-1 every year. • Annually pass the external audit of the ISO 14001 Environmental Management System. ❖ Preventive or Mitigation Measures • According to the "Annual Energy Conservation and Carbon Reduction Plan," a review of greenhouse gas reduction performance is conducted every year. If the results of greenhouse gas management or energy-saving efforts do not meet expectations, internal and external resources will be sought for assistance, relevant units will be contacted for communication and cooperation, and the promotion of the energy conservation and carbon reduction plan for the following year will be expanded, with the goal of making up for the performance gap in reduction for the current year. • Annually review the effectiveness of waste management and adjust waste reduction and resource recycling strategies accordingly. If the effectiveness of waste management does not meet expectations, seek assistance from internal and external resources and communicate and cooperate with relevant units.
Objectives and Targets	❖ 2024 Performance Outcomes • Major environmental violation cases: 0 cases. • Waste solvent recovery rate (including energy recovery): 94 %. • Hazardous industrial waste recovery rate (including energy recovery): 94 %. • On-site inspection and audit ratio of waste treatment plants: 100 %. • The proportion of waste treatment plants that have obtained environmental, safety, and health management system certification: 88%. • Annual energy savingrate: 3.0 %. (Note1) • Completed carbon footprint inventory for 4 main products. • Completed organizational greenhouse gas inventory and verification: ISO14064 - 1 management system. ❖ Short-term Objectives (2025) • Major environmental violation cases: 0 cases. • Waste solvent recovery rate (including energy recovery): ≥ 93 %. • Hazardous industrial waste recovery rate (including energy recovery): ≥ 93 %. • On-site inspection and audit ratio of waste treatment plants: 100 %. • The proportion of waste treatment plants obtaining EHS management system certification: ≥ 75 %. • Annual energy savingrate: ≥ 1.5 %. • Carbon Management Platform Upgrade: Expansion of Product Carbon Footprint.

	- Completed carbon footprint inventory for 4 main products. - Proportion of renewable energy usage: 10 % (New Plant); 100 % (office). - Continue to obtain organizational greenhouse gas inventory and verification: ISO14064 - 1 management system. ❖ Medium to Long-term Objectives (2030) - Major environmental violation cases: 0 cases. - Waste solvent recovery rate (including energy recovery): $\geq 95\%$. - Hazardous industrial waste recovery rate (including energy recovery): $\geq 95\%$. - On-site inspection and audit rate of waste treatment plants: 100 % - Proportion of waste treatment plants obtaining EHS management system certification: $\geq 80\%$. - Annual energy saving rate: $\geq 12.5\%$ (cumulative). (Note2) - Carbon Management Platform Upgrade: Expansion of Scope 3 Module. - Establish a comprehensive product carbon footprint inventory database. - Proportion of renewable energy usage: 10 % (entire company). - Organizational greenhouse gas reduction: 20 % (existing plants). - Continuously obtain organizational greenhouse gas inventory and verification: ISO14064 - 1 management system.
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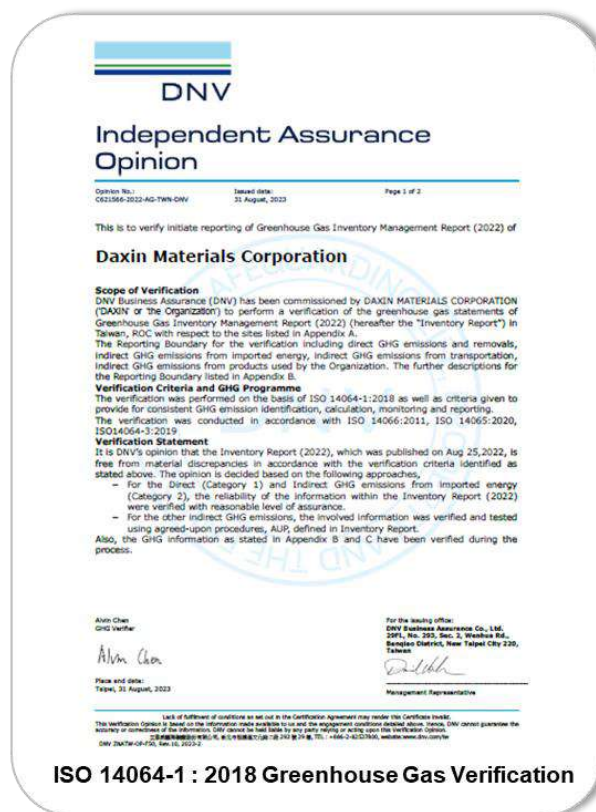
※ Note1: In 2024, additional energy-saving measures in process improvement and R&D have effectively increased the energy saving rate.

※ Note2: Considering strategic continuity, resource allocation flexibility, and future uncertainties, the medium- and long-term target has been adjusted to accumulate the energy saving rate starting from 2022.

History and Achievements

2007 August	Obtained ISO 9001 management system certification for the first time.
2008 June	Obtained ISO 14001 & OHSAS 18001 management system certification for the first time.
2010 December	Obtained ISO14064-1 : 2006 greenhouse gas inventory verification for the first time.
2011 January	Received the award for the "Supplier Greenhouse Gas Inventory and Verification Demonstration Project," becoming a member of AUO's Green Partner.
2022 June	Received the "Best Circular Economy Partner Award" from the client as recognition.
2022 August	First obtained ISO14064-1 : 2018 greenhouse gas inventory verification.
2022 November	Received the 『Central Taiwan Science Park Administration』 award for 『Outstanding Unit in Annual Waste Reduction and Circular Resource Management』.
2023 June	Passed the ISO 14001:2015 and ISO 45001:2018 three-year recertification audit.
2024 December	Awarded the '2024 Green Enterprise' by the Organic Living Environment Education Promotion Association of the Republic of China.

※ Note1 : ISO 9001, ISO 14001, ISO14064-1, ISO 45001 undergo external verification every year.



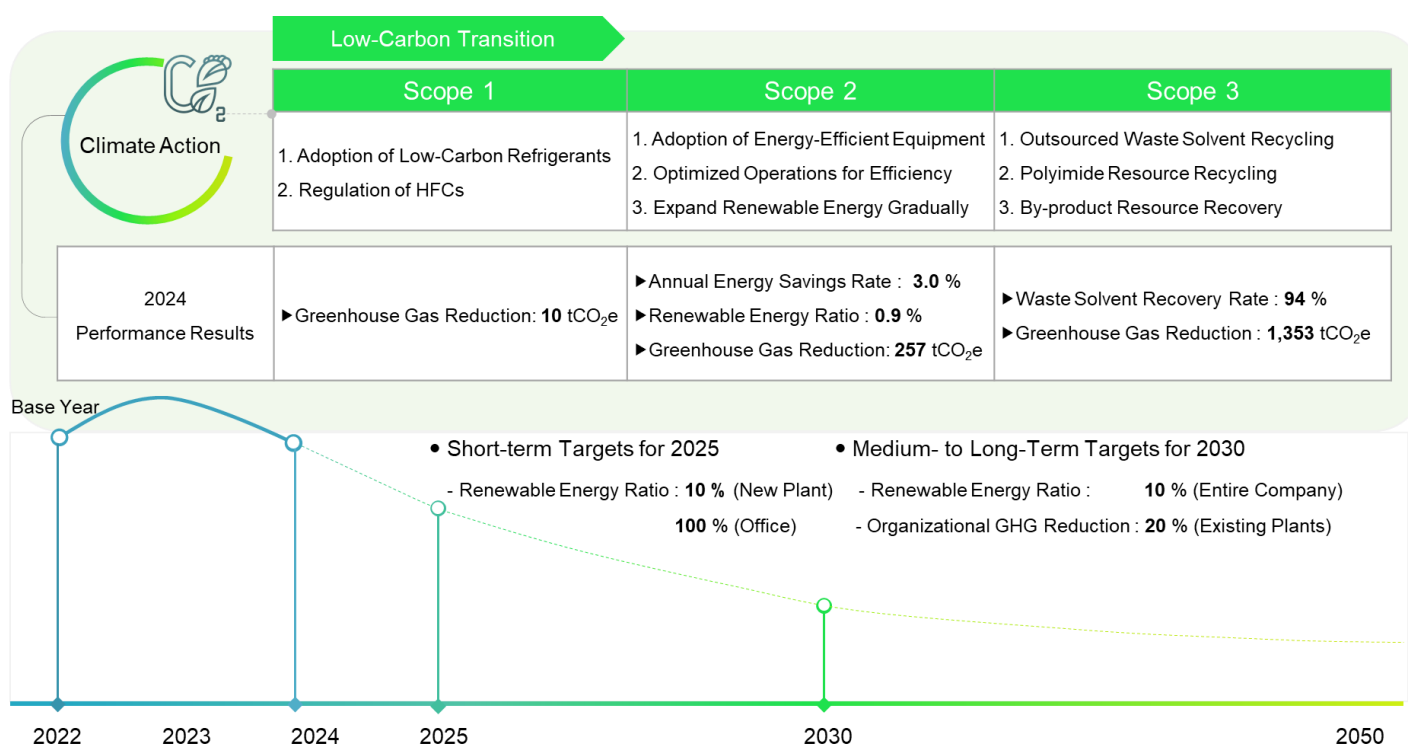
4.1 Climate Action

4.1.1 Climate Targets

Low-Carbon Transition Pathway

Daxin adopts a pragmatic and gradual strategy to promote low-carbon transformation, outlining a three-phase transformation blueprint. The first phase, "Energy Saving - Carbon Reduction," prioritizes greenhouse gas inventory, establishes baseline data, gradually builds a carbon management mechanism, and enhances energy efficiency through concrete and feasible energy-saving measures. At the same time, in **2024**, green electricity will be introduced, marking the first step toward clean energy and carbon reduction. The second phase, "Energy Creation - Low Carbon," combines the company's actual operational needs to explore appropriately scaled energy-saving technologies, including intelligent management and production process optimization. The company also actively seeks cost-controllable renewable energy solutions or purchases green electricity certificates to expand the application of renewable energy, reduce the operational carbon footprint, and ensure that Daxin maintains its competitiveness in the low-carbon transformation.

In the long-term third phase, "Integration - Zero Carbon," we will further advance circular transformation, integrate energy and resource recycling, enhance the efficiency of energy and resource utilization, and timely evaluate the introduction of zero-carbon technologies or the purchase of carbon credits for offsetting, in response to the global declaration and actions toward "**Net Zero Emissions by 2050.**"



Climate Action Commitment

Daxin builds its climate strategy on a foundation of steady operations, setting prudent and pragmatic short-term (2025) and medium-to-long-term (2030) commitments. Carbon reduction is driven through systematic management and innovative technologies, including the annual implementation of energy-saving measures, investment in solar power generation, procurement of green electricity, and adoption of low-carbon refrigerants to progressively lower operational emissions and meet staged climate targets.

In 2024, 32 energy-saving measures were implemented, improving the annual energy-saving rate to 3% and further enhancing process energy efficiency. Renewable energy use expanded with the first self-use solar installation, enabling the new plant to achieve a 10.1% renewable energy share, alongside the signing of a renewable energy power purchase agreement to increase green electricity adoption.

Through systematic management of energy consumption and carbon emissions, total greenhouse gas emissions in 2024 decreased by approximately 3.6% compared with the 2022 baseline, with existing plants achieving a reduction of 10.9%, advancing steadily toward medium- and long-term reduction goals.

Strategy and Action Plan	2030 Mid- to Long-Term Goals	2025 Short-term Goals	2024 Execution Results
Enhance Energy Efficiency Implement annual energy-saving measures through the management plan, adopting energy-efficient equipment and optimizing operations to improve energy performance.	Cumulative Energy Saving Rate from 2022 to 2030 $\geq 12.5\%$	Annual energy Saving Rate $\geq 1.5\%$	- Implemented 32 energy-saving measures - Annual energy saving rate 3.0%
Use Renewable Energy Increase renewable energy adoption by investing in solar power generation and purchasing green electricity.	RE10 (Entire Company)	RE100 (Office) RE 10 (New Plant)	- Utilized approximately 120,000 kWh of renewable energy, with the new plant achieving RE10. - Signed a renewable energy purchase agreement, securing around 150,000 kWh of green electricity annually for 2025–2027.
Building Low-Carbon Factories Conduct annual greenhouse gas verification to identify plant emission hotspots and implement transformation actions such as adopting low-carbon refrigerants.	- All plants certified under the ISO 14064-1 greenhouse gas management system. - Achieved 20% GHG reduction in existing plants. - Upgraded carbon management platform with expanded Scope 3 module. - Established a comprehensive product carbon footprint inventory database.	- All plants certified under the ISO 14064-1 greenhouse gas management system. - Upgraded carbon management platform to expand product carbon footprint coverage. - Completed carbon footprint inventory for four main products.	- All plants certified under the ISO 14064-1 greenhouse gas management system. - Reduced total greenhouse gas emissions by approximately 3.6% compared to the base year, with existing plants achieving a reduction of about 10.9%. - Completed carbon footprint inventory for four main products.

※ Note1 : The base year for greenhouse gas emissions is set as 2022.

※ Note2 : RE (Renewable Energy) indicates the proportion of renewable energy.

※ Note3 : Annual energy saving rate = electricity saved / (total electricity consumption + electricity saved) * 100%.

※ Note4 : New Plant refer to those officially put into operation after 2023, including the Advanced Manufacturing Center II - Daxin Semiconductor Materials Plant.

※ Note5 : Existing plants refer to all company operation sites excluding New Plant.

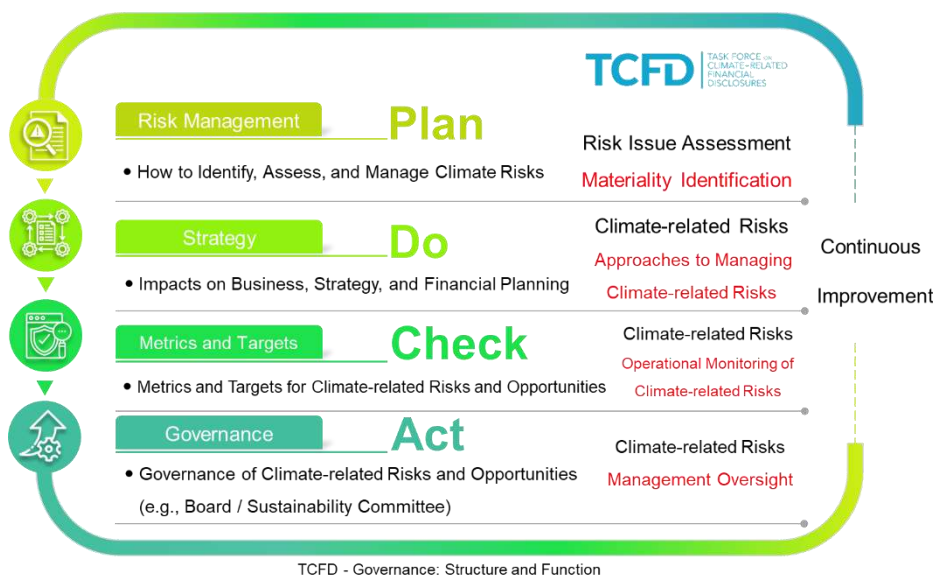
4.1.2 Climate Governance

Organizational Governance Structure

Daxin is fully aware of the impact and importance of climate change on sustainable operations. Therefore, the Sustainable Development Committee coordinates and promotes various action plans to comprehensively implement sustainable development. The Sustainable Development Committee evaluates environmental, social, and corporate governance issues related to operations, and refers to climate-related financial disclosures (**Task Force on Climate-related Financial Disclosures, TCFD**) to conduct "climate change risk and opportunity assessments." Based on these assessments, response plans are formulated and management targets are set. The progress of sustainability projects is reported to the Board of Directors annually. The Board supervises the implementation of these plans according to the reports and provides timely guidance and suggestions to strengthen the effectiveness of sustainability strategy execution.

Level	Supervisory Organization	Management Organization	Working Group
Organization	Board of Directors	Sustainable Development Committee	Environmental Sustainability Team
Authority and Responsibility	Supervise the operation of sustainability programs and provide timely recommendations.	1. Identification of material sustainability issues, climate risks, and opportunities 2. Review sustainable development policies, plan strategies, and formulate Contingency Plan 3. Report to the Board of Directors on the progress of sustainable development promotion	1. Promote climate risk management, mitigation, and adaptation actions 2. Track the progress of climate targets (once per quarter) 3. Report climate risk management status to the Sustainable Development Committee (once every 1 year)

TCFD - Governance: Structure and Operations



Identification Management Process

This year, the company completed its first "Climate Change Risk and Opportunity Assessment" based on the **TCFD** framework. The Sustainable Development Committee coordinated and convened six cross-departmental communication meetings to establish the "Climate Change Risk and Opportunity Management Process." This process covers six stages: issue collection, management participation, risk assessment, risk identification, response strategies, and management tracking, systematically identifying significant climate risks and opportunities that require attention.

The assessment scope includes various potential impacts on operating cost items, such as transition risks (regulations, technology, market, and reputation), physical risks (immediate and long-term), and opportunities (resource efficiency, products). Daxin formulates corresponding response strategies and action plans through comprehensive analysis of the operating environment and future development scenarios, and establishes management objectives and review mechanisms to ensure that all action plans are implemented as scheduled. This enables effective monitoring, control, and rapid response to climate risks.

To mitigate the financial impact of climate change and create sustainable value, the company promotes climate adaptation measures and regularly tracks the achievement of targets through internal meetings, continuously reviewing and improving to reduce environmental impact. In addition, management policies and performance are reported to the Board of Directors annually to ensure steady progress of sustainability actions and enhance sustainable competitiveness.



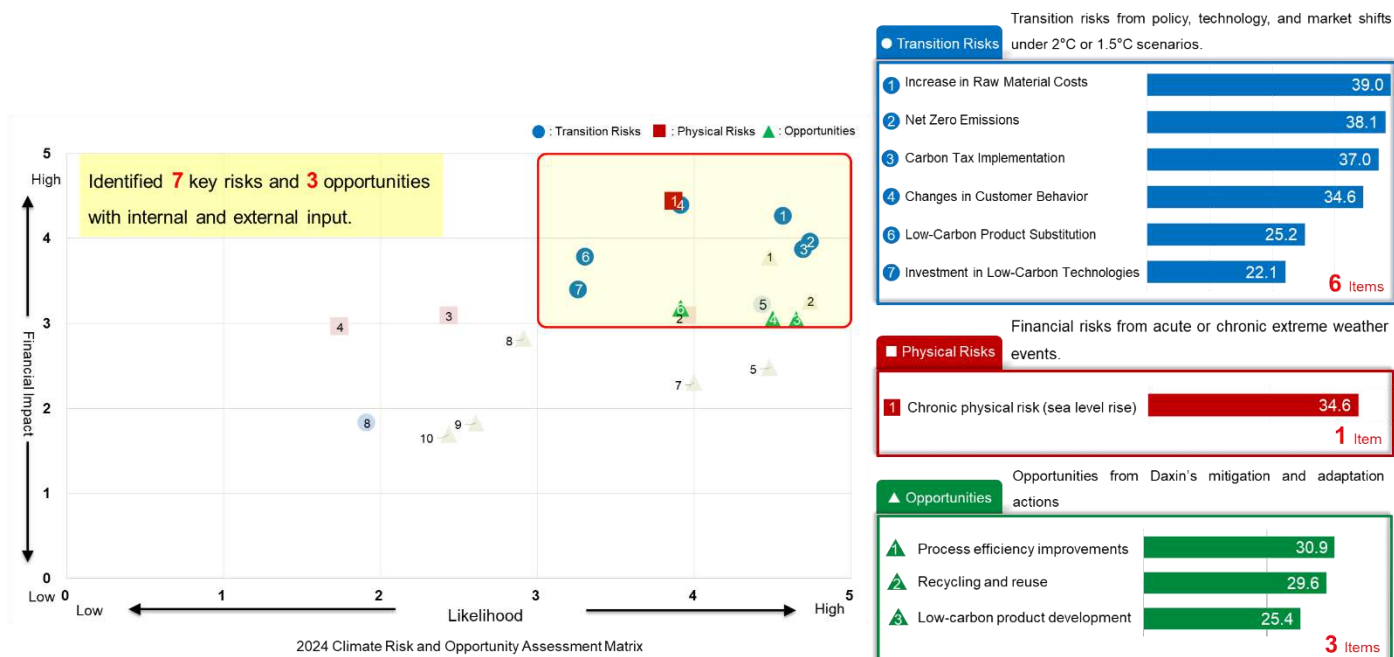
Climate Risk & Opportunity Management Flow

Major Climate Change Risks and Opportunities

The company refers to international sustainability trends and benchmark enterprises' **TCFD** reports to assess the likelihood and financial impact of various climate-related risks and opportunities. Through joint discussions

between responsible departments and external experts, in **2024**, Daxin identified a total of **7** major risks (including **6** transition risks and **1** physical risk) and **3** opportunities that require attention, and has developed corresponding response strategies. In addition, plans have been formulated to address the financial impacts in the short, medium, and long term. In the future, the company will continue to dynamically review and adjust the identification results of risks and opportunities based on the direction of business development and stakeholder concerns, ensuring the foresight and adaptability of its sustainability strategy.

Financial Impacts and Responses to Climate Change



Risk Type	Risk Category	Major Risk Issues	Impact on Schedule	Potential Financial Impact	Key Response Measures
Transition Risk	Regulations	Government-imposed carbon fee	Medium to long term	Carbon emission costs under Taiwan's carbon pricing.	- Annual greenhouse gas inventory per ISO 14064-1 with third-party verification. - In-house carbon management platform integrating inventory and reduction efforts across departments.
	Regulations	Net Zero Emissions	Medium to long term	- Capital expenditure for green energy equipment. - Higher operating costs from purchasing green electricity.	- Installed self-use solar PV system to cut grid electricity use and emissions. - Procured green electricity and certificates to offset Scope 2 emissions.
	Technology	Low-carbon technology investment	Short, medium, and long term	- Capital investment in replacing energy-intensive equipment - Higher operating costs from energy-saving initiatives	Promote and implement energy-saving measures (replacement of energy-consuming equipment, equipment improvement, and management enhancement).
	Technology	Low-carbon product substitution	Short, medium, and long term	R&D costs for low-carbon sustainable products.	Invest in R&D resources to develop low-carbon products that enhance customer product efficiency and reduce carbon content
				R&D costs for using low-carbon materials.	Invest in R&D resources to develop low-carbon products that use low-carbon materials or can reduce energy consumption during the manufacturing process
	Market	Changes in customer behavior	Long-term	Higher operating costs from climate initiatives and carbon footprint verification	- Evaluate participation in the CDP Climate Questionnaire Assessment. - Gradually establish a product carbon footprint database.
Physical Risk	Market	Increase in raw material costs	Medium to long term	Imported carbon taxes and higher electricity prices drive up raw material costs	Introduce raw material carbon footprint management and assess the feasibility of switching to procurement of low-carbon materials.
	Long-term	Sea level rise	Long-term	Flooding causes production or supply chain interruptions.	- Purchase relevant disaster insurance - Evaluate the real-time flexible scheduling mechanism in the production area
Opportunity	Market	Develop low-carbon products	Short, medium, and long term	Satisfy customer needs and increase revenue.	Develop low-carbon products that can reduce the carbon content of customers' products and enter the low-carbon supply chain market.
	Resource Efficiency	Using high-efficiency processes	Short, medium, and long term	Reduce electricity consumption and lower operating costs.	Implement energy-saving measures to mitigate rising electricity costs and future carbon fees.
	Resource Efficiency	Recycling and reuse	Short, medium, and long term	Resource recycling, reducing operating costs.	Promote the recycling and reuse of waste solvents to reduce the consumption of new raw materials and the cost of outsourced incineration treatment.
				Process by-product recycling to increase revenue.	Promote the resource utilization of polyimide and process by-products, and resell to customers to create economic benefits.

4.1.3 Climate Change Scenario Analysis

Based on the **TCFD** framework, the Company will analyze the potential impacts of major transition risks and physical risks on its operations under different future global carbon emission scenarios. At the same time, by following the **SBTi** and other decarbonization pathways, the Company will develop climate strategy resilience to address physical risks and assess the potential financial impacts caused by transition risks.

Transformation Risk

Different carbon pricing will affect the extent to which companies are impacted by carbon prices. Referring to the International Energy Agency (**IEA**) report, the future carbon prices under the Net-Zero Emissions Scenario, NZE and the Stated Policies Scenario, STEPS are selected. Changes in carbon emissions resulting from the company's future business growth are taken into account to assess the financial impact differences after implementing various energy-saving and carbon-reduction actions.

Risk Type	Scenario Simulation	Scenario Description	Warming Scenario	Parameter Assumptions	Context Source/Tool
Transformation Risk	STEPS Established Policy Scenario (High carbon emissions)	According to the actual energy and climate measures adopted by each country Emissions will plateau in 2050 , and net zero emissions will not be achieved.	2.5°C	NT\$ 1,500 (Note 1) (per ton CO₂e) (2030 Carbon Price)	International Energy Agency (IEA)
	NZE Net Zero Emissions Scenario (Low Carbon Emission)	Target 60% reduction in carbon emissions by 2050 ; Achieve net zero emissions in this century	1.5°C	NT\$ 2,880 (Note 2) (per ton CO₂e) (2030 Carbon Price)	

※ Note 1: According to the Ministry of Environment's carbon fee review recommendation, the carbon fee per metric ton in 2030 is NT\$ 1,200 - 1,800 (using the average value).

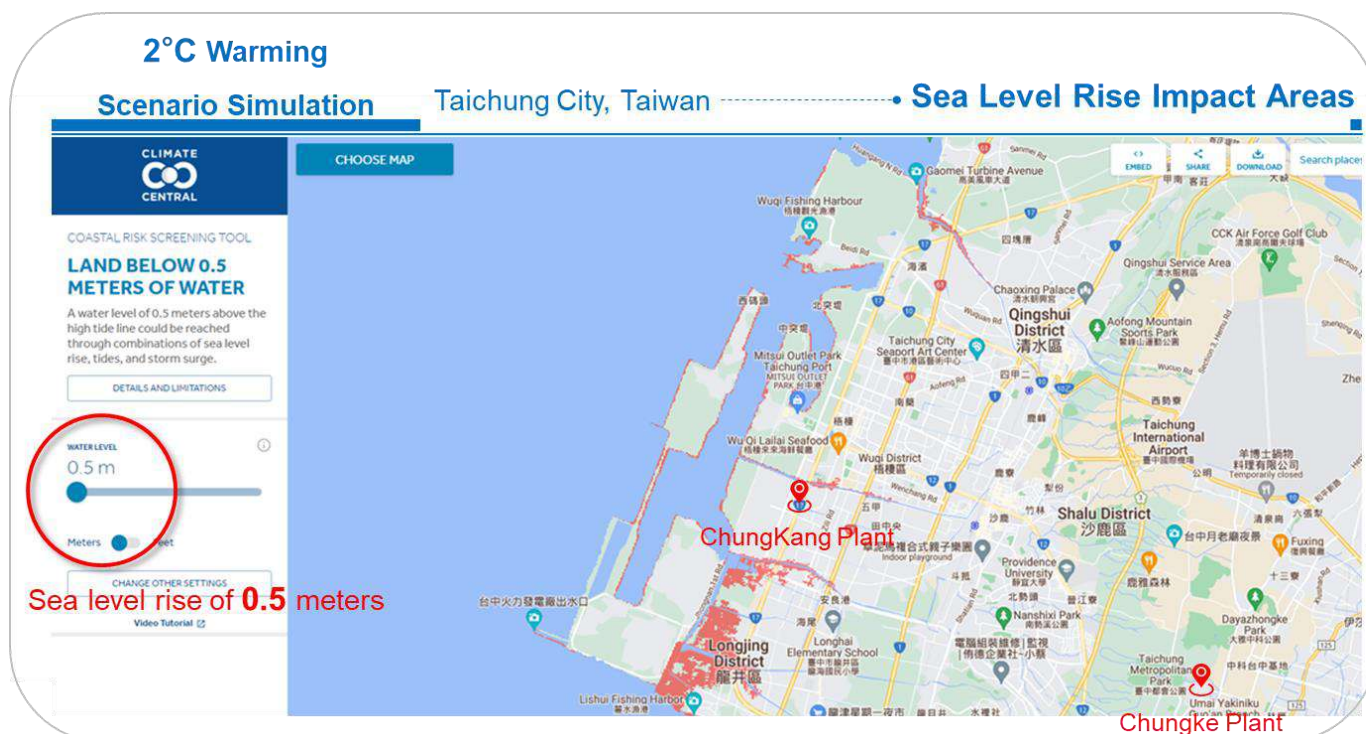
※ Note 2: According to the International Energy Agency NZE scenario, the carbon price per metric ton in 2030 is USD 90 (NT\$2,880).

Physical Risk

Using the Taiwan climate data scenarios provided by the National Science and Technology Council's "Taiwan Climate Change Projection Information and Adaptation Knowledge Platform" (based on the 6th Assessment Report AR6 released by the Intergovernmental Panel on Climate Change IPCC), the low emission scenario (SSP1-2.6) and the very high emission scenario (SSP5-8.5) under the Shared Socioeconomic Pathway (Shared Socioeconomic Pathway, SSP) are used to simulate the sea level rise values in Taiwan under different warming scenarios, serving as the basis for the strategic resilience assessment of our company's operating sites in the face of extreme climate.

In the face of physical risks, Daxin pays close attention to the issue of "sea level rise" caused by global warming, which may result in the flooding of factory sites or surrounding roads, leading to production interruptions and revenue losses. To address this, the company utilizes the "Taiwan Climate Change Projection Information and Adaptation Knowledge Platform" and selects the 2°C warming scenario (SSP1-2.6) for simulation, estimating that the sea level around Taiwan will rise by 0.5 meters. The simulation results indicate that all operating sites are not located in areas at risk of seawater inundation, so the impact on production and operations is relatively low.

Risk Type	Scenario Simulation	Scenario Description	Warming Scenario	Parameter Assumptions	Context Source/Tool
Physical Risk	SSP5 - 8.5 Extremely High Emission Scenario	- Taiwan Climate Data (AR6 Scale) Scenario - Simulate sea level rise values in Taiwan under different warming scenarios	4°C	1.2 m Sea level rise	Taiwan Climate Change Projection Information With the Adaptive Knowledge Platform
	SSP1 - 2.6 Low Emission Scenario		2°C	0.5 m Sea level rise	



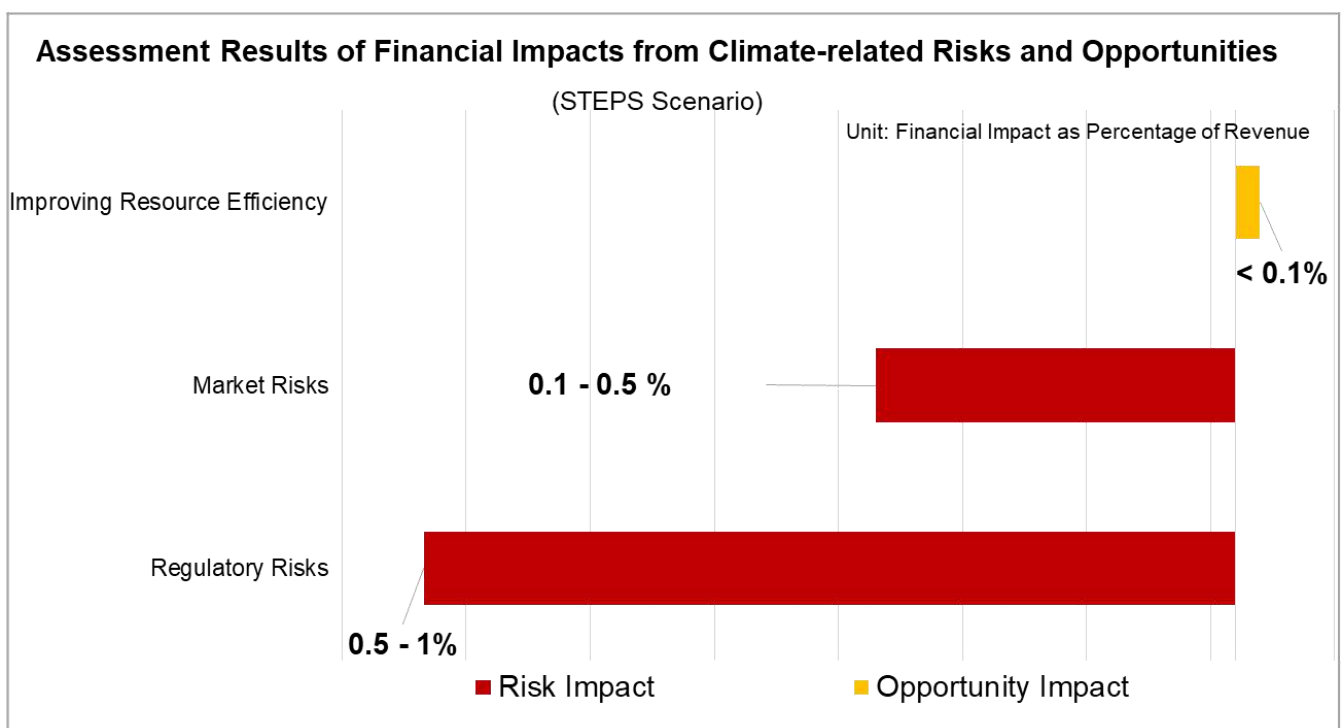
4.1.4 Climate-Related Financial Impact Assessment

Daxin conducts financial impact assessments regarding transition risks and opportunities, using the proportion of impact on company revenue as an indicator. The company evaluates the potential impacts under different climate change scenarios, serving as the basis for formulating risk response measures and opportunity development strategies.

Assessment of Financial Impact from Transition Risks

The company adopts the **STEPS** climate scenario to analyze the potential financial impacts of various climate risks. The main items analyzed include increased carbon fees due to regulatory risks, rising electricity costs caused by market risks, and investment costs for carbon reduction measures resulting from technological risks. The analysis results show that the impact of regulatory carbon pricing is more significant, with the estimated financial impact in **2030** accounting for approximately 0.5%~1% of revenue.

In the future, the company will continue to monitor carbon fee policies and market trends, and promptly adjust response strategies, including improving energy efficiency and optimizing production processes to reduce energy and carbon costs. In addition, the company is investing in renewable energy and increasing the proportion of green electricity used to mitigate the impact of carbon fees. At the same time, we are considering investments in low-carbon technologies and related R&D to enhance competitiveness and reduce long-term operational risks. Amid the global trend toward low-carbon transformation, we will strengthen climate change risk management to ensure our competitive advantage while achieving corporate sustainability goals.



Regulatory Carbon Pricing Impact Assessment

In the aforementioned transition risk assessment, the company specifically analyzed the potential financial impact of regulatory carbon pricing. The Net Zero Emissions (NZE) and Stated Policies Scenario (STEPS) climate scenarios were selected, and it was assumed that two strategies—'no carbon reduction management measures adopted' and 'actively promoting carbon reduction management measures'—would be used to simulate the impact of carbon pricing on revenue under different scenarios.

The analysis results indicate that the financial impact under the NZE scenario is significantly higher than that under the STEPS scenario. However, by following the decarbonization roadmap, actively promoting energy-saving and carbon reduction measures, and expanding the use of renewable energy, energy efficiency can be effectively improved, carbon and energy costs can be reduced, and thus the financial impact caused by carbon pricing can be mitigated.

Taking the **STEPS** scenario carbon price as an example, through proactive carbon reduction management, the revenue impact can be reduced to **0.1% - 0.3%**; under the more stringent **NZE** scenario, the financial impact can also be controlled within **0.3% - 0.5%**. This clearly demonstrates that deploying carbon reduction strategies in advance not only reduces potential risks, but also enhances corporate resilience and competitiveness, enabling steady development amid the global low-carbon transition trend.

Transition Risk-Regulatory Carbon Pricing Impact Analysis

Unit: Proportion of Financial Impact to Operating Revenue

Management Measures/Scenario	STEPS Scenario	NZE Scenario
No implementation of carbon reduction management measures	0.5 - 0.7%	0.8 - 1%
Active Carbon Reduction Management Measures	0.1 - 0.3%	0.3 - 0.5%

※ Note 1: The financial impact only assesses the effect of regulatory carbon pricing and does not include related carbon reduction costs.

※ Note 2: Assuming that starting from 2030, it will be included as a target for carbon fee collection by the Ministry of Environment, 2030 is used as the financial assessment year.

※ Note 3: STEPS scenario carbon price, according to the Ministry of Environment's carbon fee review recommendation, starting from 2030, the carbon price per metric ton will be NT\$1,500.

※ Note 4: NZE scenario carbon price, according to the International Energy Agency (IEA) report, starting from 2030, the carbon price per metric ton is US\$90 (approximately NT\$2,880).

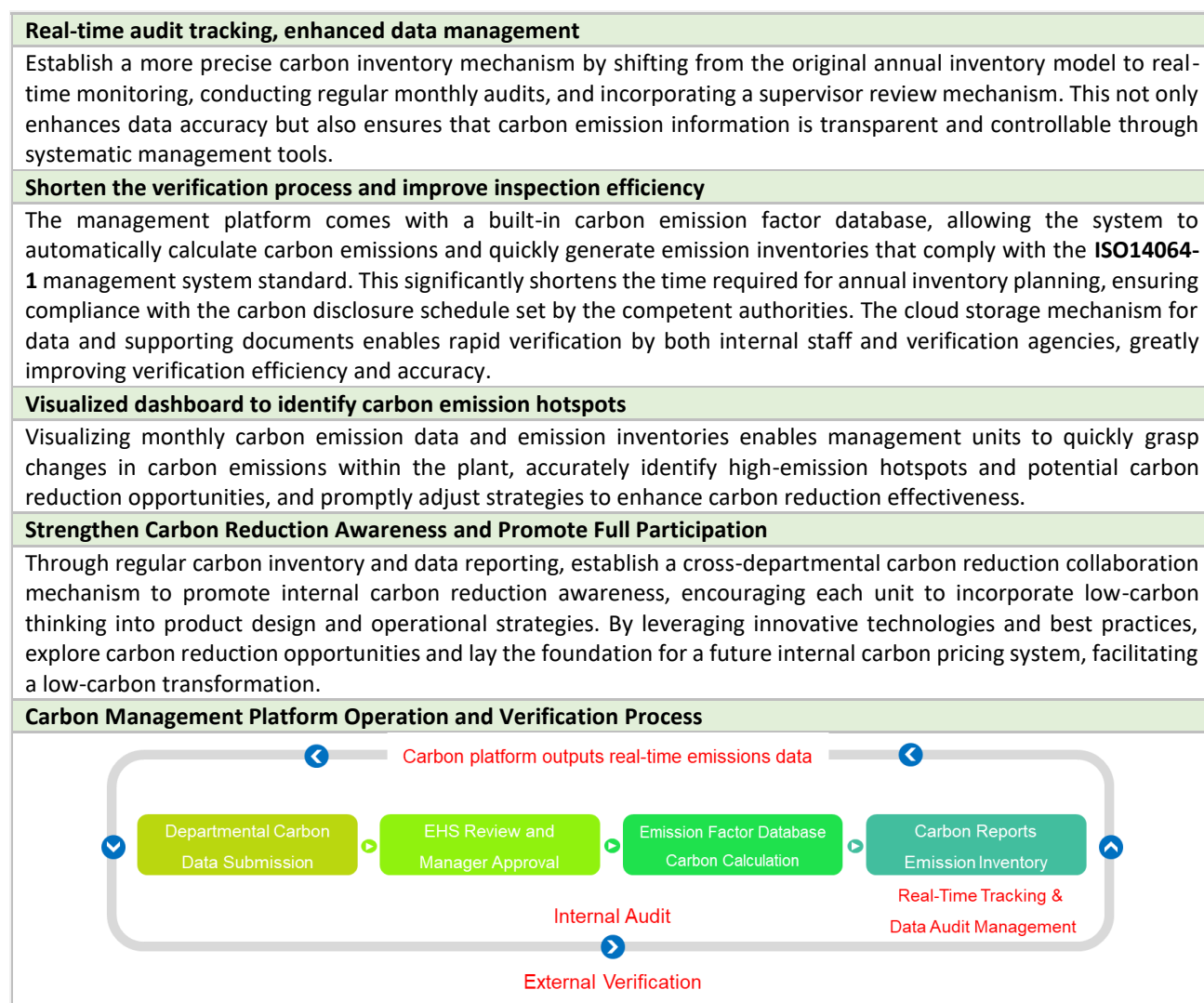
4.2 Greenhouse Gas Management

Daxin is actively promoting energy conservation and carbon reduction through strategies such as improving energy efficiency, utilizing renewable energy, and adopting low-carbon equipment, with the goal of comprehensively reduce carbon emissions. Using **2022** as the base year (total greenhouse gas emissions from all plants: **7,341** metric tons **CO₂e**), the company has set a medium- to long-term target of a **20%** reduction in carbon emissions by **2030**, and is taking concrete actions to meet the expectations of various stakeholders.

4.2.1 Greenhouse Gas Inventory

Carbon Management Platform Establishment

In order to ensure that the company's operational development aligns with the carbon reduction pathway, the company independently developed and established a carbon management platform in **2023**, systematically carrying out greenhouse gas inventory tasks. In **2024**, the platform passed external verification. The purpose is to coordinate and integrate carbon inventory activities and energy-saving/carbon-reduction projects across various departments to improve operational efficiency and achieve carbon reduction goals.

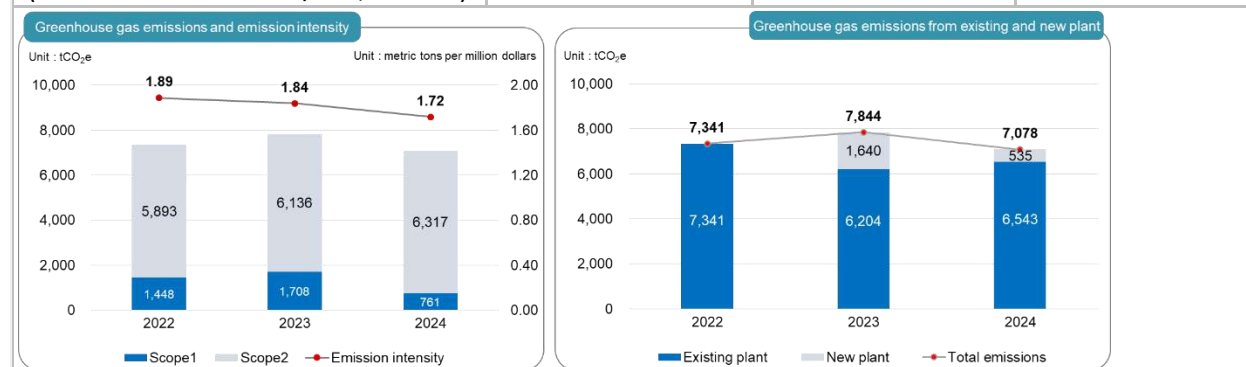


Greenhouse Gas Inventory and Disclosure

Since **2022**, Daxin has followed international standards such as **The Greenhouse Gas Protocol** and **ISO 14064-1:2018**, adopting the operational control approach to inventory greenhouse gas emissions from facilities under actual operational control, including Daxin and other sites. The company obtains verification statements from third-party verification bodies annually. By fully grasping emission data from its sites and indirect emissions from the upstream and downstream value chain, Daxin continuously improves its greenhouse gas management and carbon reduction actions based on this foundation.

In **2024**, the company's total greenhouse gas emissions amounted to **7,078** metric tons **CO₂e**, representing a reduction of approximately **3.6%** compared to the baseline year of **2022**. Excluding the greenhouse gas emissions resulting from the capacity expansion of the new plant (Advanced Manufacturing Center **II**-Daxin Semiconductor Materials Plant), the existing plants have already reduced greenhouse gas emissions by about **10.9%** compared to the baseline year of **2022**. Both Scope **1** and Scope **2** show a downward trend, demonstrating that the company has achieved substantial results in greenhouse gas management and carbon reduction actions, and will continue to move steadily toward the goal of a **20%** reduction by **2030**.

Item	2022		2023		2024	
Category 1: Direct Greenhouse Gas Emissions (Unit: metric tons CO₂e)	1,448	20%	1,708	20%	761	11%
Category 2: Indirect Greenhouse Gas Emissions from Energy (Unit: metric tons CO₂e)	5,893	80%	6,136	80%	6,317	89%
Total greenhouse gas emissions (Unit: metric tons CO₂e)	7,341	100%	7,844	100%	7,078	100%
Operating Revenue (Unit: NT\$ Million)	3,889		4,264		4,118	
Greenhouse Gas Emission Intensity (Unit: metric tons CO₂e / NT\$ Million)	1.89		1.84		1.72	



※ Note 1: The data represents the total for all plants (Chungke and Chungkang plant).

※ Note 2: 2024 is the result of an internal preliminary inventory. Third-party external verification is expected to be conducted in March 2025, and the verification certificate will be obtained before the end of April 4.

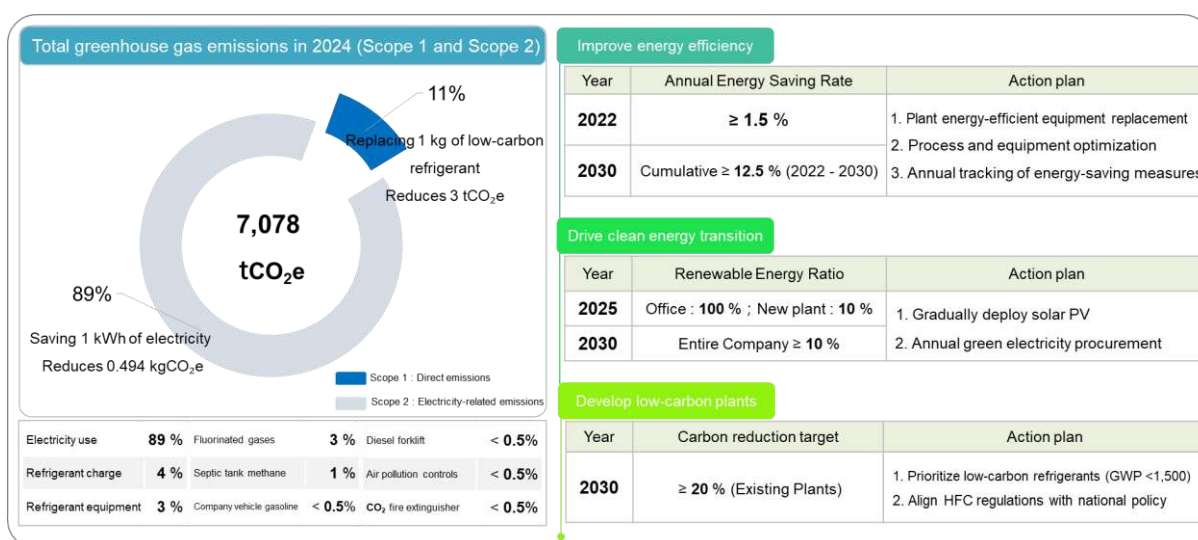
※ Note 3 : New Plants refer to those officially put into operation after 2023, including the Advanced Manufacturing Center **II**- Daxin Semiconductor Materials Plant.

※ Note 4 : Existing plants refer to all company operation sites excluding New Plants.

Carbon Emission Hotspots and Key Actions

According to the 2024 greenhouse gas inventory results, indirect emissions from purchased electricity account for as much as 89%, making this the main carbon emission hotspot. In addition to promoting energy-saving measures to reduce excess energy consumption and lower carbon emissions at its plants, Daxin is also introducing the use of renewable energy, including investing in the construction of solar photovoltaic systems (for self-use), purchasing green electricity for transfer supply, and other methods to obtain renewable energy certificates to offset carbon emissions, thereby achieving its established carbon reduction pathway and targets.

Greenhouse gas direct emissions account for **11%**, mainly originating from fugitive emissions of hydrofluorocarbon (**HFCs**) refrigerants used in process cooling equipment and maintenance of refrigeration and freezing equipment. Since hydrofluorocarbons have a high Global Warming Potential (**GWP**), in order to reduce HFC emissions, our company refers to the **COP28** Global Cooling Pledge (**Global Cooling Pledge**) and advanced HFC management regulations from Europe and the United States, giving priority to the selection of low-carbon refrigerants with a (**GWP**) value below **1,500**, and continuously strengthening equipment maintenance and management. Through these measures, we aim to reduce HFC emissions from newly purchased equipment and maintenance refills, thereby further mitigating climate impact.



4.2.2 Green Value Chain Management

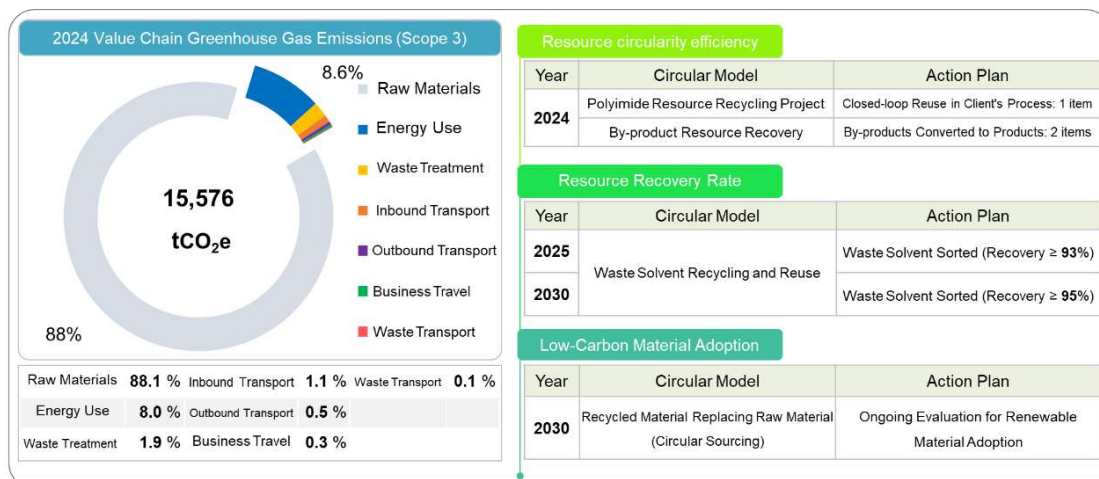
Value Chain Greenhouse Gas Emissions

Greenhouse gas management in the upstream and downstream value chain is key to corporate emission reduction. To effectively reduce the carbon footprint of the supply chain, Daxin has included Scope 3 in its inventory, allowing for a more comprehensive assessment of carbon emission sources within the value chain and identifying emission-intensive activities in the value chain.

During the reporting period of **2024**, the upstream and downstream value chain carbon emissions (Scope 3) related to the Company's operations were identified in accordance with the **ISO 14064-1:2018** management system standard for significant indirect emission identification criteria. This year, a total of **7** categories of indirect emission sources were selected and included in the inventory, comprising **4** transportation and **3** upstream indirect emission sources for quantification, totaling 15,576 metric tons of **CO₂e**. This complies with the Financial Supervisory Commission's adoption of International Financial Reporting Standards (**IFRS**) and the requirements of relevant stakeholders, and has obtained a verification statement from a third-party verification body, continuously improving value chain greenhouse gas emission management.

Value Chain (Scope 3: Other Indirect Greenhouse Gas) Emissions Summary

Item	Emission Source	Source of event data
Transportation and Delivery Indirect greenhouse gas emissions	Upstream raw material transportation	Calculate the greenhouse gas emissions generated by transportation vehicles for the main raw materials used in the production process, from the actual shipping locations of suppliers to all plant sites.
	Downstream product transportation	Calculate the greenhouse gas emissions generated by transportation vehicles from the production site of our company to the customer for shipped products.
	Employee Business Travel	Calculate the greenhouse gas emissions generated by employees through the travel system, covering transportation modes such as high-speed rail, private cars, and taxis.
	Waste Removal	Calculate the greenhouse gas emissions generated from outsourcing the transportation of waste produced by all plant areas to treatment facilities.
Indirect greenhouse gas emissions caused by the organization's use of products	Raw materials for procurement	Calculate the emissions generated during the life cycle of the top 40 main raw materials and tap water before procurement (using the carbon footprint database announced by the Ministry of Environment as the selection basis).
	Waste Disposal	Calculate the greenhouse gas emissions generated from wastewater/waste disposal treatment in all plant areas, including incineration, solvent recovery, physical/cleaning treatment, outsourced wastewater treatment, and pipeline wastewater treatment.
	Fuel/Energy-related activities (excluding Scope 1 & 2)	Calculate the amount of energy resources consumed by the company, including diesel, gasoline, and electricity, and convert the related emissions using the cradle-to-gate coefficients for energy resources announced by the Ministry of Environment.



Product Carbon Footprint

In order to advance the development of a low-carbon supply chain, Daxin is responding to the Group's 2024 "Low-Carbon Supply Chain Ecosystem Establishment and Promotion Project" by introducing the product carbon footprint system developed by the Group. Following the **ISO14067** inventory standard, a carbon footprint template and calculation methodology have been established to account for carbon emissions at each stage of the product lifecycle, from raw material manufacturing and transportation to production.

In addition, internal training was provided to **25** supervisors from R&D, process, procurement, and plant operations departments as seed personnel for carbon inventory, enhancing the company's internal capability for independent carbon footprint assessment. In the future, a product carbon footprint database will be gradually established to ensure that carbon reduction decisions are more scientifically based, thereby strengthening the company's sustainable competitiveness.



Driving Green Performance Across the Entire Value Chain

Summary of **2024** Greenhouse Gas Reduction Achievements: For Scope 1 direct emissions, a reduction of **10** metric tons **CO₂e** was achieved by promoting low-carbon refrigerants. For Scope 2 indirect emissions from purchased energy, a total carbon reduction of approximately **257** metric tons **CO₂e** was accomplished through **32** energy-saving measures (about **197** metric tons **CO₂e**) and self-use of green electricity generated by solar photovoltaic equipment (about **60** metric tons **CO₂e**). For Scope 3 other indirect emissions, carbon reduction benefits of **1,353** metric tons **CO₂e** were generated for the upstream and downstream supply chain through resource recycling, by-product reutilization, and waste solvent recycling and reuse (including energy recovery). Overall, the construction of low-carbon facilities this year enabled the entire value chain to reduce **1,620** metric tons **CO₂e**, concretely implementing Daxin's climate strategies and actions.

Boundary	Greenhouse Gas	Carbon Emissions (Unit: : tCO ₂ e)	Carbon Reduction (Unit: : tCO ₂ e)	2024 Value Chain Carbon Reduction Performance (Unit: : tCO ₂ e)
Daxin Materials	Scope 1 Scope 2	7,078	267	Low-Carbon Refrigerants Energy Saving Measures Renewable Energy Carbon Reduction 10 197 60
Value Chain	Scope 3	15,576	1,353	Waste Solvent Recovery Resource Circulation Project By-product Resource Recovery Carbon Reduction 1,044 48 261

Greenhouse Gas	Emission source	Action Plan	Carbon Reduction Strategy	Carbon Reduction Benefits
Category1	Refrigerant (HFCs)	Promote low-carbon refrigerant standards	Choose low-carbon refrigerants (GWP value < 1,500) to reduce emissions generated from new equipment purchases or refilling.	In 2024, promoted the replacement of R407H refrigerant for R407C refrigerant, resulting in a reduction of GWP value by approximately 15% and a carbon reduction of about 10 metric tons of CO ₂ e.
Scope 2	Purchased Electricity	Annual Energy-Saving Measures Management	Reduce energy consumption and emissions through the replacement of energy-consuming equipment, equipment improvement, and enhanced management.	32 measures were implemented in 2024, saving a total of 399,346 kWh of electricity and reducing carbon emissions by approximately 197 metric tons of CO ₂ e.
		Investment in the construction of a new solar photovoltaic system (for self-use)	Solar photovoltaic equipment is installed on the factory rooftop for self-use, utilizing green electricity to obtain certificates, while simultaneously reducing the consumption and emissions of gray (Taiwan) electricity.	2024, approximately 120,000 kWh of green electricity was obtained, resulting in a carbon reduction of about 60 metric tons of CO ₂ e.
		Green Electricity Procurement Plan (Green electricity wheeling or certificate)	By signing a green power purchase agreement (PPA) or purchasing renewable energy certificates, obtain sufficient green electricity to offset Scope 2 emissions.	2024 Completed the green electricity purchase and sale contract, and it is expected that starting from 2025, approximately 150,000 kWh/year of green electricity can be obtained, reducing carbon emissions by about 74 metric tons/year.
Category 3	Waste Disposal	Outsourcing of plant waste solvent recycling and reuse (including energy recovery)	Outsourcing the treatment of waste solvents allows them to be used as industrial-grade solvents by other factories (reducing the amount of new materials purchased), or as auxiliary fuel (reducing fuel consumption), thereby lowering the overall carbon emissions of the supply chain.	2024 waste solvent recycling rate 94%, overall supply chain carbon reduction approximately 1,044 metric tons CO ₂ e/year.
		Polyimide Resource Recycling Project	In cooperation with the client, the purified recycled solution from Daxin is returned to the client's production process for reuse, significantly reducing waste treatment and the carbon emissions generated from the client's purchase of new materials.	In 2024, the overall supply chain reduced by 48 metric tons of CO ₂ e.
		Resource Utilization and Conversion of By-products from Manufacturing Process for Product Sales (Acetic Acid)	Processing and treatment: converting by-products from the manufacturing process into industrial-grade recycled products (reducing waste disposal), supplying them for use by other factories (reducing the amount of new material purchased), and lowering the overall carbon emissions of the supply chain.	2024 Process by-products were converted into resources, with sales of converted products reaching 127 metric tons, reducing approximately 254 metric tons of CO ₂ e across the entire supply chain.
		Resource Recycling and Conversion of By-products for Product Sales (IPA)	Distillation and purification processes convert by-products from manufacturing into industrial-grade recycled products (reducing waste disposal), which are supplied to other factories for use (reducing the amount of new material purchased), thereby lowering the overall carbon emissions of the supply chain.	2024, process by-products were converted into resources, with 3.85 metric tons of converted products sold, reducing approximately 7 metric tons of CO ₂ e in the overall supply chain.

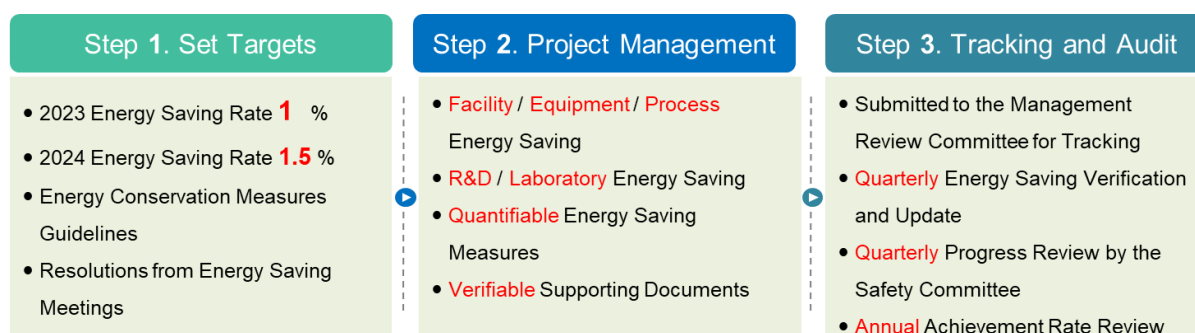
4.3 Energy Management

4.3.1 Energy Structure

Management Strategies and Objectives

Energy use is closely related to carbon emissions and environmental sustainability. Effective energy utilization is key to mitigating climate change. Daxin has set energy-saving targets for its plants to reduce inefficient energy consumption. Centered on high-efficiency production, the company promotes the introduction of energy-saving equipment, process optimization, and advanced management strategies to enhance the energy efficiency of plant systems and processes, while simultaneously and effectively reducing greenhouse gas emissions.

In order to coordinate and integrate effective energy-saving measures proposed by various departments, the company has formulated guidelines for the management and tracking of energy-saving measures, established a follow-up audit mechanism, convened energy-saving meetings to confirm the effectiveness of the plans, regularly reviewed and evaluated electricity-saving performance, and provided routine reports at Environmental Management System review meetings, adjusting management policies as needed based on actual conditions. **2024** energy-saving targets have been raised, with an annual electricity-saving rate of $\geq 1.5\%$, and a cumulative electricity-saving rate of $\geq 12.5\%$ by **2030** (calculated from the baseline year of **2022**), moving towards energy transition and fulfilling climate action commitments.



Energy Consumption Statistical Analysis

Energy statistics are based on the boundaries of Daxin (Chungke and Chungkang plant). During the reporting period of **2024**, the consumption of various types of energy was as follows: purchased electricity: **12,762,400** kWh, gasoline: **8,695** liters, diesel: **1,183** liters, self-generated solar power: **121,565** kWh. The total energy consumption is equivalent to **46,709 GJ** (10^9 joules), with the energy usage structure mainly consisting of purchased non-renewable electricity, accounting for more than **98 %**.

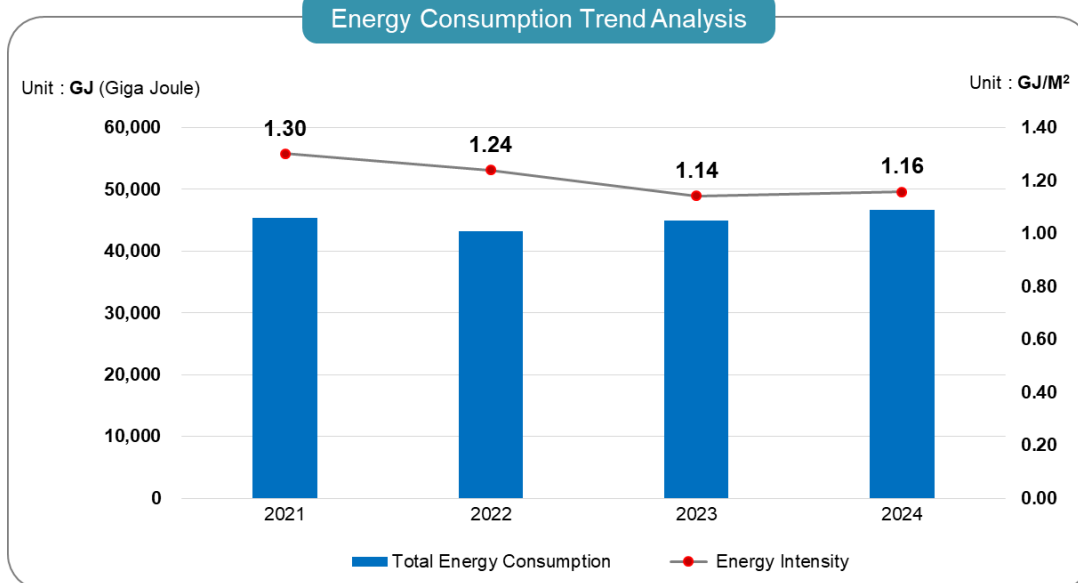
In addition, the main sources of process heat come from electric boilers and electric thermal oil heaters, with no fossil fuels used in the process. Diesel is only used for the plant's emergency generators, fire pumps, and **1** diesel forklift, while gasoline is used for official vehicles.

2024 energy intensity was **1.16 GJ/M²**, representing a decrease of **11 %** and **6 %** compared to **2021** and **2022**, respectively, showing a downward trend in energy intensity. Although the total electricity consumption increased by **4.2 %** compared to **2023** due to the gradual expansion of production lines and increased capacity at the new plant (Advanced Manufacturing Center II - Daxin Semiconductor Materials Plant), the introduction of solar power generation equipment and high-efficiency energy-saving equipment has reduced energy consumption at the new plant. Existing plants have also maintained good energy-saving performance through process optimization and equipment improvements, keeping electricity consumption growth under control at

1.0 %. Compared to the electricity consumption peak in **2021**, there has been a reduction of about **6 %**, clearly demonstrating that with the gradual improvement in the efficiency of plant systems and process energy resource utilization in recent years, energy consumption management has become effective.

Energy Consumption Items		Energy Consumption Note			
		2021	2022	2023	2024
Externally Purchased Non-Renewable Energy	Electricity	44,838	42,748	44,531	45,945
	Gasoline	414	363	354	284
	Diesel	66	61	41	42
Total Non-Renewable Energy Consumption		45,318	43,172	44,926	46,271
Procured Renewable Energy	Electricity	0	0	0	0
Self-generated energy (solar energy)	Electricity	0	0	0	438
Total Renewable Energy Consumption		0	0	0	438
Total Energy Consumption		45,318	43,172	44,926	46,709
Operating Area (M ²)		34,824	34,824	39,309	40,359
Energy Intensity (GJ/M ²)		1.30	1.24	1.14	1.16
Percentage of Purchased Electricity (%)		99%	99%	99%	98%
Renewable Energy Usage Rate (%)		0%	0%	0%	0.9%

Energy Consumption Trend Analysis



※ Note 1: The statistical boundary covers Chungke and Chungkang plant; Unit: gigajoule (GJ).

※ Note 2: The calorific value is based on the data from the Energy Statistics Handbook, 2023, Ministry of Economic Affairs.

※ Note3: Power calorific value conversion is 1 kWh = 0.0036GJ, 1 kcal = 4.184 KJ, fossil fuel calorific values (gasoline: 7,800 kcal/L; diesel: 8,400 kcal/L; natural gas: 8,000kcal/m³).

※ Note 4: Considering the gradual expansion of production lines to increase capacity for operational development, the operational area is used as the metric for measuring energy intensity.

4.3.2 Renewable Energy

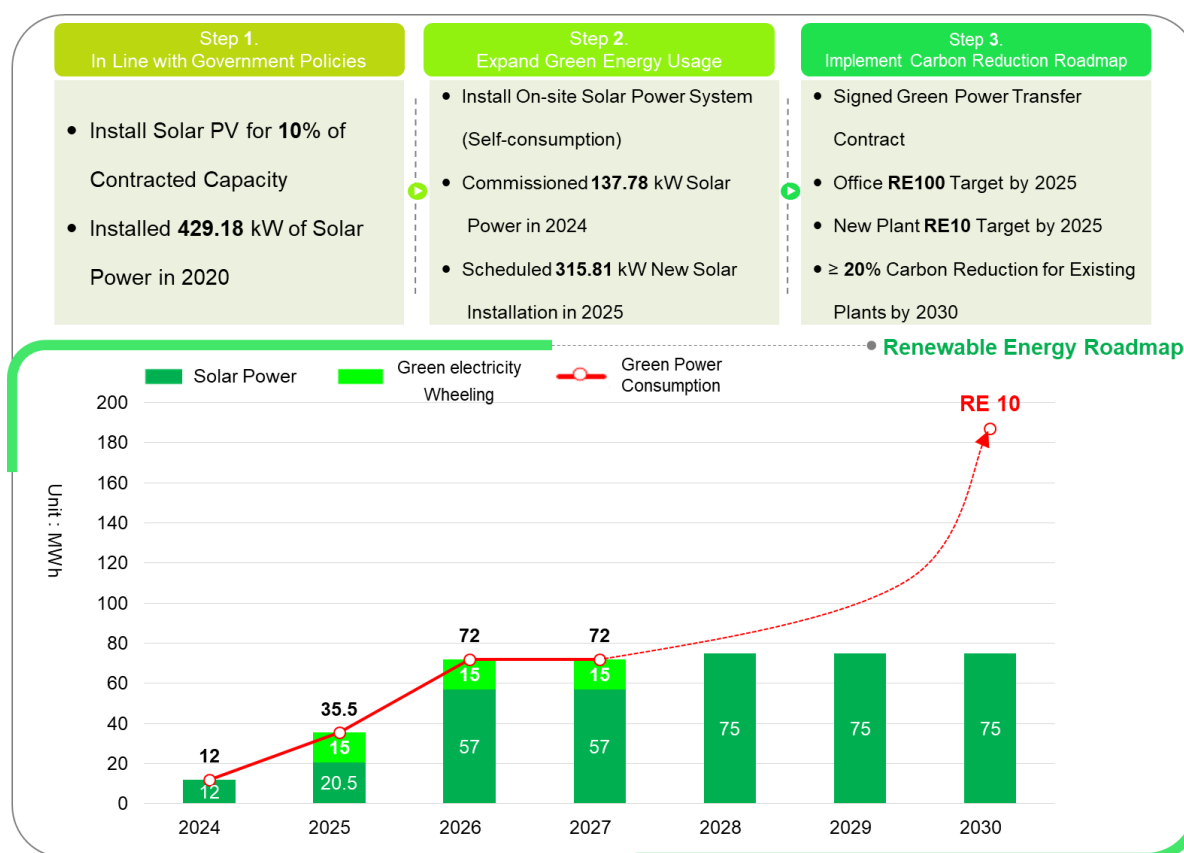
Green Energy Strategic Deployment

Clean energy and energy-saving measures complement each other and are key to effectively reducing greenhouse gas emissions. Our company is implementing a green electricity strategy in three phases. In the first phase, in line with government agencies' promotion of green electricity policies, a solar photovoltaic power generation system with an installed capacity of **429.18 kW** was set up in **2020** to meet the regulatory requirements for major electricity users.

In response to the net zero carbon emission trend and to expand the use of renewable energy, a solar power system with an installed capacity of **137.78 kW** was officially launched in **2024**. For the first time, renewable energy electricity is being used in the plant area and production processes, marking the first step towards clean energy. In addition, in **2025**, a new solar power system with an estimated installed capacity of approximately **315.18 kW** is planned to be constructed. The company will continue to assess rooftop space in the plant area to increase investment in solar power equipment, expand self-generated and self-used green electricity, and, together with energy-saving measures, continuously reduce the use of grey (Taiwan) electricity and carbon emissions.

In line with the internally established renewable energy targets and the carbon reduction roadmap, any shortfall will be addressed by planning to sign renewable energy power purchase agreements, ensuring the achievement of the **2025** office **RE100**, **2030** entire company **RE10**, and organizational greenhouse gas reduction of **20%** targets.

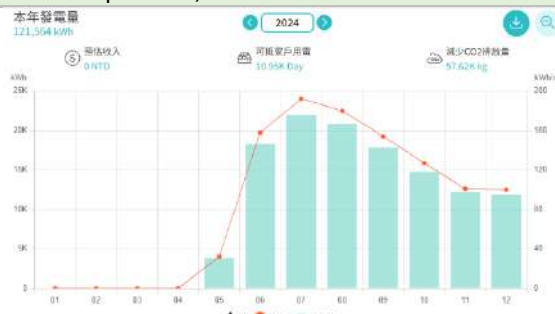
※ Note: **RE (Renewable Energy)** indicates the proportion of renewable energy.



Renewable Energy Usage

Daxin has invested in renewable energy by installing a rooftop solar photovoltaic system at the new plant (Advanced Manufacturing Center II – Daxin Semiconductor Materials Plant) for self-use. In 2024, green electricity generation totaled approximately 120,000 kWh, accounting for 0.9% of total company consumption, with the new plant achieving 10.1% renewable energy usage—meeting the RE10 target ahead of schedule.

Through the construction and optimization of solar facilities, we continue to increase the share of renewable energy, advance low-carbon transformation, enhance energy management efficiency, and fulfill our climate action commitments. Looking ahead, we will further expand renewable energy adoption, reduce carbon emissions, and move toward sustainable manufacturing to align with global decarbonization trends and meet customers' green supply chain expectations. **2024 Renewable Energy Usage Statistics.**

Renewable Energy Statistics	Source of green electricity	Estimated Green Power Generation (10,000 kWh/year)	Actual Usage (kWh) in 2024
Self-generated energy (solar energy)	Chungkang plant - Rooftop Solar Power Generation System	18	121,565
Self-generated energy (solar energy)	Chungke plants - Rooftop Solar Power Generation System (Expected to be operational in the second half of 2025)	39	(Under contract construction)
Purchased Electricity	Signing of Green Power Purchase and Sale Agreement (Starting from 2025)	15	(Application for sub-metering in progress)
2024 Total Renewable Energy Consumption			121,565
Chungkang plant - Rooftop Solar Power Generation System Installed capacity 137.78 Kw		2024 Power Generation Total Output: 121,565 kWh	
			
2024 Renewable Energy Usage Ratio			
Unit : MWh 1,000 100 10 1 12 1,288 Entire Company Unit : Renewable Energy Ratio 12% 10% 8% 6% 4% 2% 0% 10.10% 120 New Plant Green Power Consumption Total Electricity Consumption Renewable Energy Ratio			
※ Note 1: The New Plant refers to the plant officially put into operation after 2023 (Advanced Manufacturing Center II - Daxin Semiconductor Materials Plant). ※ Note 2: RE (Renewable Energy) indicates the proportion of renewable energy.			

4.3.3 Energy Conservation Promotion Plan

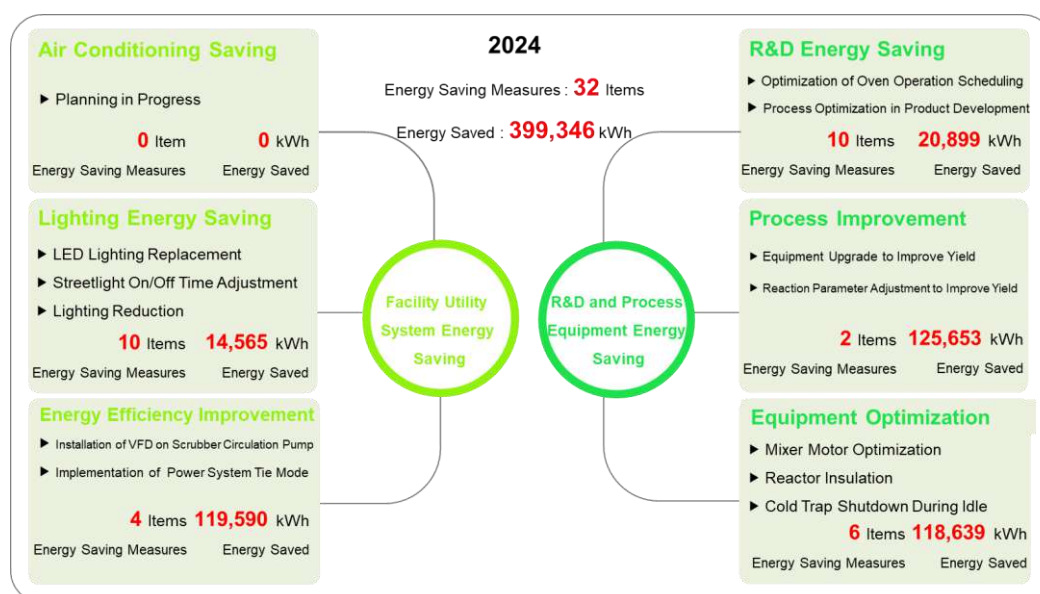
Energy-saving Measures

Set the annual energy-saving rate for 2024 as a management target of $\geq 1.5\%$, and expand the implementation of energy-saving programs. These programs cover energy-saving teams in the plant areas (including facility, equipment, and manufacturing units) as well as laboratory energy-saving teams (R&D units), which propose energy-saving measures. The criteria for listing energy-saving measures are "measurable energy-saving actions" and "verifiable supporting documents." Energy-saving meetings are held to discuss and make decisions, and the final proposals are submitted to the Environmental Management System Review Meeting for case tracking and management. The energy-saving performance is tracked and audited every quarter.

During the reporting period of **2024**, a total of **32** energy-saving measures were managed, covering **22** items for utility systems and production equipment, and **10** items for R&D laboratory energy saving (with a total investment of NT\$**487** thousand). Through various measures such as process optimization (implementation of **13** process reactor insulation projects), plant lighting energy saving (use of **LED** lighting), and improvement of process equipment efficiency (installation of inverters for scrubber circulating water pumps, etc.), the efficiency of energy and resource utilization in production areas and processes has been enhanced.

2024 Annual Energy Conservation Measures Management Guidelines

Regulatory Guidelines	Direct Measurement Record	Indirect Calculation Method (Theoretical Power Savings)
Energy-saving measures can be quantified	- Install independent electric meters - Actual electricity consumption before and after energy-saving measures	- Theoretical thermodynamics or energy conversion calculation formulas - Refer to the calculation method of energy-saving cases announced by the government
Supporting documents are verifiable.	- System Diagram Control Record - Manual Meter Reading Record - Regular calibration of independent electric meters	- Investment Equipment: Specification documents proving the improvement of equipment energy efficiency (such as fixed frequency/inverter, power, horsepower, operating frequency, etc.) - Management Improvement: Proof of operation or parameter change hourly record forms (such as start/stop records, operating frequency, pressure, temperature, humidity, number of production batches, etc.)



Energy Saving Results

This year, due to the implementation of energy-saving measures, electricity savings reached **399,346 kWh**, with an annual energy saving rate of approximately **3.0%**, achieving the expected annual energy saving target of $\geq 1.5\%$. At the same time, **197** metric tons of **CO₂e** carbon emissions were reduced, with a total carbon reduction benefit of about **2.8%** across all plants. In the future, we will continue to promote energy conservation and carbon reduction actions, moving towards the goal of a **20%** reduction in organizational greenhouse gas emissions by **2030**.

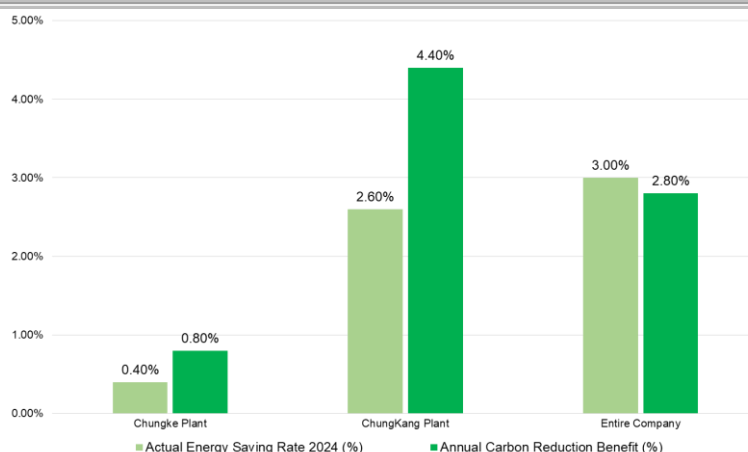
2024 Energy Saving Performance

Plant Area	Electricity Consumption (kWhr)	Power Saving Amount (kWhr)	Energy-saving Benefits (%)	Carbon Emissions (metric tonsCO ₂ e)	Carbon Reduction Amount (metric tonsCO ₂ e)	Carbon Reduction Benefits (%)
Chungke plants	5,321,200	51,848	0.4%	3,159	26	0.5%
Chungkang plant	7,562,765	347,499	2.6%	3,919	172	4.6%
Total for all plants	12,883,965	399,346	3.0%	7,078	197	2.8%

※ Note 1 : The carbon reduction amount is estimated based on the **2023** electricity emission factor of **0.494 kgCO₂e/kWh**.

※ Note 2 : All plants refer to Chungke and Chungkang plant.

All Plants **Annual Energy Saving Rate 3.0%**
All Plants **Annual Carbon Reduction Benefit 2.8%**



4.4 Emissions

4.4.1 Air Pollution Control

Air Pollution Emission Monitoring

Daxin complies with environmental protection regulations to prevent air pollution and adopts multiple pollution control measures to reduce environmental impact. In addition to implementing pre-treatment technologies such as condensation and scrubbing for on-site source reduction, fixed pollution source control facilities are installed at the back end, including central air pollution control equipment such as fluidized bed adsorption/desorption systems, scrubbers, and activated carbon adsorption towers, effectively treating air pollutants emitted from experiments or production processes.

In accordance with legal regulations, the company has obtained fixed pollution source installation and operation permits, appointed dedicated personnel and agents responsible for the management and supervision of air pollution prevention, and regularly conducts inspections of air pollutant control items to ensure that emission data meet standards, with timely reporting to the competent authorities. In addition, to further strengthen real-time monitoring and response mechanisms, Daxin has installed additional CCTV surveillance systems around the emission pipelines to ensure the transparency and monitoring effectiveness of end-point emissions, thereby simultaneously enhancing the response efficiency of on-duty personnel. During the past three years of monitoring and managing of fixed pollution sources, all plant emissions have complied with regulatory standards, with no environmental penalties incurred.



Air pollutants	2022	2023	2024
	Emissions (kg)	Emissions (kg)	Emissions (kg)
Volatile Organic Compounds (VOCs)	2,520	2,565	3,064
Particulate Matter (TSP)	134	124	116
Sulfur oxides (SO _x)	745	702	704
Nitrogen oxides (NO _x)	1,619	1,492	1,398
※ Note1 : The air pollutant emissions are the total from Chungke and Chungkang plant. ※ Note 2: The data on air pollutant emissions is sourced from the Environmental Protection Administration's Fixed Pollution Source Management Information Disclosure Platform. ※ Note3: To enhance statistical consistency, the data sources and classifications have been redefined this year, resulting in slight differences in data presentation compared to previous years. This information is also disclosed in the main explanation of information changes.			

Process Source Management

Daxin prioritizes source management in manufacturing processes by monitoring and controlling process equipment components, and tracking improvements through a KPI for component leakage rates. This approach effectively reduces fugitive VOC emissions at the process source.

The company has implemented an internal, self-imposed control standard stricter than regulations (VOCs net detection value < 100 ppm). If this threshold is exceeded, on-site supervisors must immediately locate the leak source and implement corrective measures. Over the past three reporting years, despite a yearly increase in the number of process equipment components, the VOC leakage rate has remained at 0%, demonstrating consistently strong operational management.

2022 – 2024 Process Equipment Component Leakage Rate

Reporting Year	Equipment Component Monitoring Points	VOCs leakage rate (%)
2022	10,303	0.0
2023	13,814	0.0
2024	14,009	0.0

※Note1 : Process Equipment Component Leakage RateKPI (Key Performance Indicator) is based on the draft amendment of the Ministry of Environment's 'Volatile Organic Compounds Air Pollution Control and Emission Standards'. The in-plant equipment component VOCs net detection value is voluntarily controlled with a stricter standard of <100ppm.

4.4.2 Wastewater Treatment

Emission Control

All Daxin plants are equipped with fully developed rainwater and wastewater separation systems. Discharge standards are maintained through regular internal and third-party water quality testing. All plant wastewater is directed into the sewer systems of the Chungke and Chungkang plant, where it is properly treated at the parks' wastewater treatment facilities. This ensures that effluent complies with national discharge standards and the stricter environmental impact assessment requirements before release.

Over the past three reporting years, there have been no environmental penalties related to wastewater management, and discharge quality has consistently met or exceeded standards. Internal controls have been strengthened through autonomous monitoring and daily inspections to ensure compliance at all plants.

Plant Area	Inspection Items	2022		2023		2024	
		Emission Standards	Annual Average Monitoring Value	Emission Standards	Annual average monitoring value	Emission Standards	Annual Average Monitoring Value
Chungke plants	pH	5 - 10	7.70	5 - 10	7.65	5 - 10	7.60
	COD (mg/L)	500	43.40	500	89.30	500	99.45
	SS (mg/L)	300	13.85	300	7.60	300	9.90
	Ammonia Nitrogen (mg/L)	50	10.50	50	20.75	50	20.95
Chungkang plant	pH	5 - 9	7.50	5 - 9	7.05	5 - 9	6.90
	COD (mg/L)	450	78.45	450	197	450	163.65
	SS (mg/L)	250	11.35	250	10.7	250	18.35
	Ammonia Nitrogen (mg/L)	100	3.93	100	0.04	100	1.94

※ Note1 : The annual average monitoring value is the average of the outsourced regular testing data from the first and second half of the year.

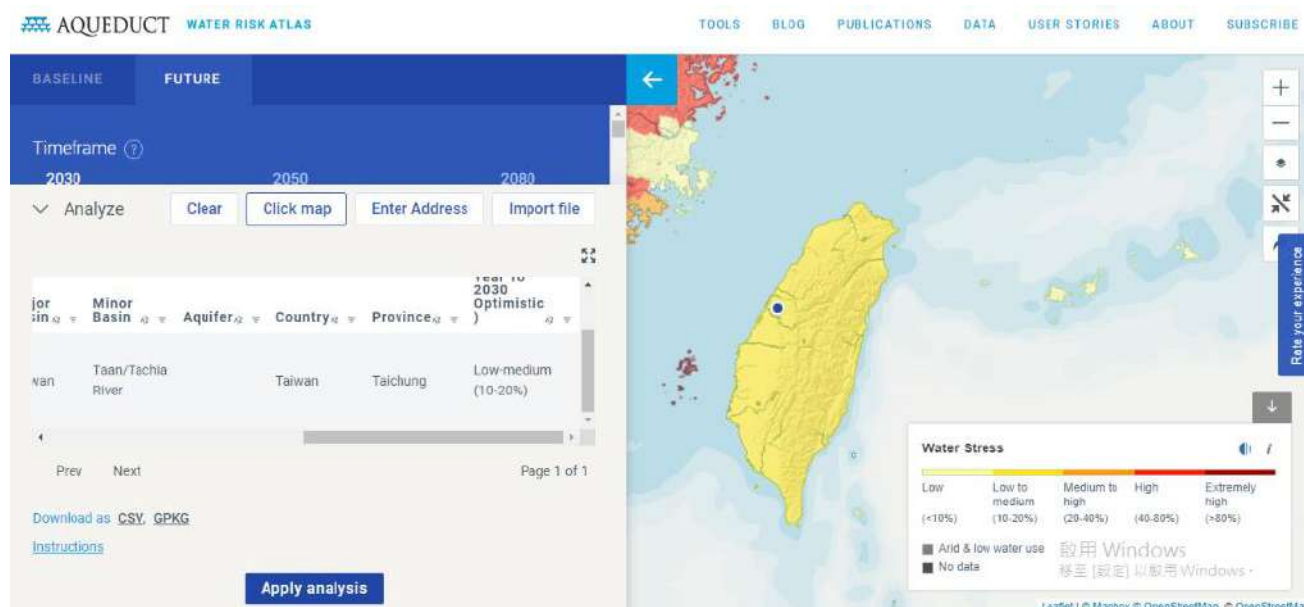
4.5 Resource Circulation

4.5.1 Water Resources

Water Resource Management Strategy

Both the Chungke and Chungkang plant are located in Taichung City, Taiwan. According to the World Resources Institute's "Water Risk Assessment Tool," the water stress level in the area where the company is located is classified as Low - medium (**10 - 20%**). The main water source is tap water, supplied by the Taichung Park of the Central Taiwan Science Park and the ChungKang Technology Industrial Park water supply systems, respectively. There is no groundwater or other sources of water supply, and there is no significant impact on water resources.

2024 unit water consumption per square meter was **3.6** metric tons/m², representing an increase of **9 %** compared to **2023**. The main reason was the increased water usage due to expanded production demand for semiconductor wet chemicals. We continue to reuse recyclable water, and according to the content and format of the water usage plan submitted to the Water Resources Agency, Ministry of Economic Affairs, the plant-wide water recycling rate (reuse rate) in 2024 was approximately **97 %**, meeting the water usage plan requirements of the Central Taiwan Science Park and Taichung Port Technology Industrial Park (referencing the recommended plant-wide water recycling rates for the manufacturing industry announced by the Water Resources Agency, Ministry of Economic Affairs: chemical raw material manufacturing industry **62%**, other optoelectronic materials and component manufacturing industries **97%**). In addition, the company introduced and installed a reverse osmosis wastewater recycling and reuse system (RORR) in 2021, which can reduce water consumption by an average of **33** metric tons per day, and continues to manage water usage with the goal of not using water-intensive processes.



Water Usage (Note 1)			
Item	2022	2023	2024
Water Withdraw (million liters) I (Note 2)	119	131	146
Discharge Volume (million liters)	72	74	82
Water Consumption (million liters) (Note 3)	47	57	64
Reused Water Volume (million liters) (Note 4)	4,310	4,758	4,758
Water Recovery Rate (Reuse Rate) (%) (Note 5)	98 %	98 %	97 %
Operating Area (m ²)	34,824	39,309	40,359
Unit Water Consumption per Area (metric tons/m ²) (Note 6)	3.4	3.3	3.6
※ Note 1 : The water usage data is the total of Chungke and Chungkang plant. ※ Note 2 : Water intake = Sum of tap water and recycled water (condensate) ※ Note 3 : Water consumption=Water intake-Wastewater discharge ※ Note 4 : Amount of Reused Water = The sum of total circulating water (cooling towers, scrubbers) and total reclaimed water ※ Note 5 : Water Recovery Rate (Reuse Rate) = (Volume of Reused Water + Condensate (Recovered Water Volume)) / (Water Intake + Volume of Reused Water)*100% ※ Note 6 : Water consumption per unit area = Water intake / Operating area ※ Note 7 : The water recycling rate (reuse rate) is calculated based on the content and format of the water use plan documents from the Water Resources Agency, Ministry of Economic Affairs.			

4.5.2 Raw Materials

Daxin has long been dedicated to developing and manufacturing electronic chemical materials, utilizing over 300 types of chemical raw materials widely applied in synthesis and formulation processes. Due to the industry's stringent standards and product functionality requirements, most products and packaging materials come into direct contact with chemicals. Recycling and reusing these materials would require extensive chemical solvent cleaning, potentially creating a greater environmental burden. As such, relevant recycling measures have not yet been implemented.

Nonetheless, Daxin places strong emphasis on advancing the circular economy and sustainable resource management. In the future, should customers promote upstream and downstream recycling integration mechanisms that are both feasible and environmentally beneficial, the company will, in the spirit of collaboration, actively assess and participate in relevant recycling and reuse initiatives.

Raw Material Name	Unit	Renewable (Note 1)/ Non-renewable (Note 2) resources	2022 Year	2023Year	2024 Year
23L Plastic Photoresist Barrel	PCS	Non-renewable	18,400	26,400	28,000
20L Plastic Photoresist Drum	PCS	Non-renewable	12,384	17,236	19,124
40L Plastic Photoresist Drum	PCS	Non-renewable	13,462	20,754	21,472
60L photoresist steel drum	PCS	Non-renewable	2,916	4,860	4,212
20L Photoresist Drum	PCS	Non-renewable	88,640	98,944	96,992
3.8L gallon bottle	PCS	Non-renewable	14,844	24,840	18,240
Chemical Raw Materials (Note3)	metric ton	Non-renewable	12,628	14,458	12,378
Carton Packaging Materials	PCS	Renewable	27,042	14,510	13,100

※ Note 1: Renewable material — resources that can be replenished within a short period through ecological cycles or agricultural cultivation. Due to their renewable nature, materials derived from these resources will not be depleted and can continue to be used by future generations. Examples include water, plants, and sunlight.

※ Note 2: Non-renewable material — resources that cannot be regenerated within a short period. Examples include coal, natural gas, metals, minerals, and petroleum.

※ Note 3: To enhance statistical consistency, the data sources and classifications have been redefined this year, resulting in slight differences in data presentation compared to previous years. This information is also disclosed in the main explanation of information changes.

For certain process materials and packaging materials, the use of recycled and regenerated materials has been gradually promoted:

Item	Description
Alignment Film for LCD Recycled and Remanufactured	Cooperate with customers to recycle alignment layers after online use at the customer end, and then remanufacture them. The recycling rate is 20–30%, and it may vary depending on the source of recycled materials and customer usage conditions.
LCD Edge Cleaning Agent Recycled and Remanufactured	Through partners, we recycle customers' online Edge Bead Remover (EBR) for purification and remanufacturing, with a recovery rate of 50–60%. The recovery rate varies depending on the source of recycled materials and customer usage.
Plastic Pallet	Procurement of carrier product plastic pallets made from recycled plastic to reduce the use of single-use materials.
Plastic Drum for Photoresist	Some components of the plastic photoresist barrels used in procurement are made from recycled plastic.

4.5.3 Waste Management

Waste Generation Structure

The structure of waste output is divided into three categories: general waste, general industrial waste, and hazardous industrial waste. Storage, removal, and treatment are carried out in accordance with the "Waste Disposal Act" and related regulations. Third-party removal agencies with waste removal permits are commissioned, and environmental protection partner removal vendors are required to install real-time tracking systems (GPS) on transportation equipment for route management as stipulated.

The main sources of hazardous industrial waste are waste liquids and related containers, which are transported to qualified Class A private waste treatment facilities or comprehensive industrial waste treatment centers guided by the Ministry of Economic Affairs for processing. General waste and general industrial waste refer to wastes other than those mentioned above, as well as employee domestic garbage, which are transported to public or private treatment facilities for processing, or handled in accordance with the relevant regulations on resource recycling and reuse as stipulated in the "Regulations for the Reuse Management of Common Industrial Waste."

In **2024**, the total waste output from Daxin and other sites amounted to **913** metric tons, including **740** metric tons of hazardous industrial waste and **173** metric tons of general industrial waste. According to the **GRI 306: Waste (2020)** standard, the total amount of waste transferred for off-site treatment this year was **518** metric tons, while the total amount directly disposed of was **395** metric tons. All industrial waste was properly handled by qualified environmental partners for off-site treatment. Since the start of operations, the on-site storage management and final outsourced clearance of waste generated at Daxin and other plants have not incurred any environmental penalties, and all practices comply with the Waste Disposal Act and related sub-laws.

As a company focused on the research, design, and manufacturing of specialty chemical materials, Daxin operates laboratories and new product projects across various fields and attributes. Due to the diverse types of R&D pilot production and new project introductions, the waste generated from these activities is characterized by a wide variety, high complexity, and low output volume, and is often classified as hazardous industrial waste. Despite the unique constraints of the industry, the company actively promotes waste recycling and resource recovery through container recycling, solvent recycling, and energy recovery, thereby increasing the waste conversion rate.

In **2024**, approximately **94%** of hazardous industrial waste was recycled (including energy recovery) or converted into resources, totaling **692** metric tons; **64%** was recycled (excluding energy recovery) or converted into resources, totaling **477** metric tons.

Overall, the waste generated by the Company during operational activities and production processes mainly consists of waste solvents and packaging materials for raw materials and waste liquids (including plastic, iron, and glass containers). Among these, waste packaging materials accounted for a total output of 288 metric tons this year, representing approximately 39% of the total hazardous industrial waste. All of these were outsourced for recycling and reuse to ensure the sustainability of environmental resources.

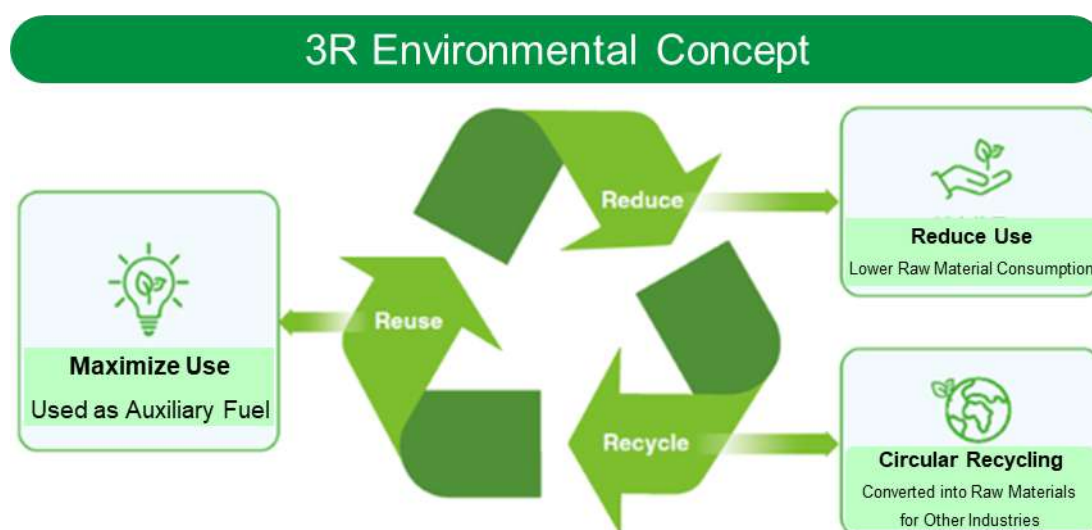
Waste Disposal Status				
Nature	Processing Method		metric tons/year	Explanation
Hazardous Industrial Waste	Other Recycling Methods	Container Recycling	288	Physical treatment (crushing and pelletizing, whole drum) or cleaning treatment (cleaning and washing), to be used as resource products (plastic pellets/sheets, recycled drums)
		Solvent Recovery	189	Distillation purification, as an industrial-grade resource product
	Incineration	Including energy recovery	215	Convert waste solvents or other mixed waste into auxiliary fuel
		Not including energy recovery	48	Burial
General Industrial Waste	Other Recycling Methods	Solvent Recovery	41	Distillation purification, as an industrial-grade resource product
	Incineration	Including energy recovery	132	Convert waste solvents or other mixed waste into auxiliary fuel
※ Note1 : The industrial waste output data is compiled from the Ministry of Environment's Industrial Waste Declaration and Management Information System manifest declaration data (data is uniformly rounded to the nearest integer). ※ Note2 : The industrial waste output data is the total of Chungke and Chungkang plant. ※ Note3 : All industrial waste is properly handled by qualified environmental protection partners for "off-site" disposal.				
5% 2024 Industrial Waste 913 tons 95% Recyclable Non-Recyclable 38% 2024 Recyclable 865 tons 25% 32% Container Recycling Solvent Recycling Energy Recovery				

Source Reduction and Resource Utilization

Daxin adheres to the 3R (Reduce, Reuse, and Recycle) environmental philosophy, aiming to achieve waste reduction at the source and resource reutilization. As the primary step, we are committed to reducing the amount of waste generated by optimizing management measures and production processes, thereby improving resource utilization efficiency and minimizing the use of raw materials. Secondly, we emphasize the reuse of waste, encouraging resource sharing between internal laboratories and projects. Through proper on-site classification management, we recycle reusable solvents to maximize their life cycle. Finally, our company comprehensively promotes waste recycling and treatment, ensuring that all recyclable materials are effectively processed and reused, reducing the demand for natural resources, minimizing waste, and maximizing resource utilization.

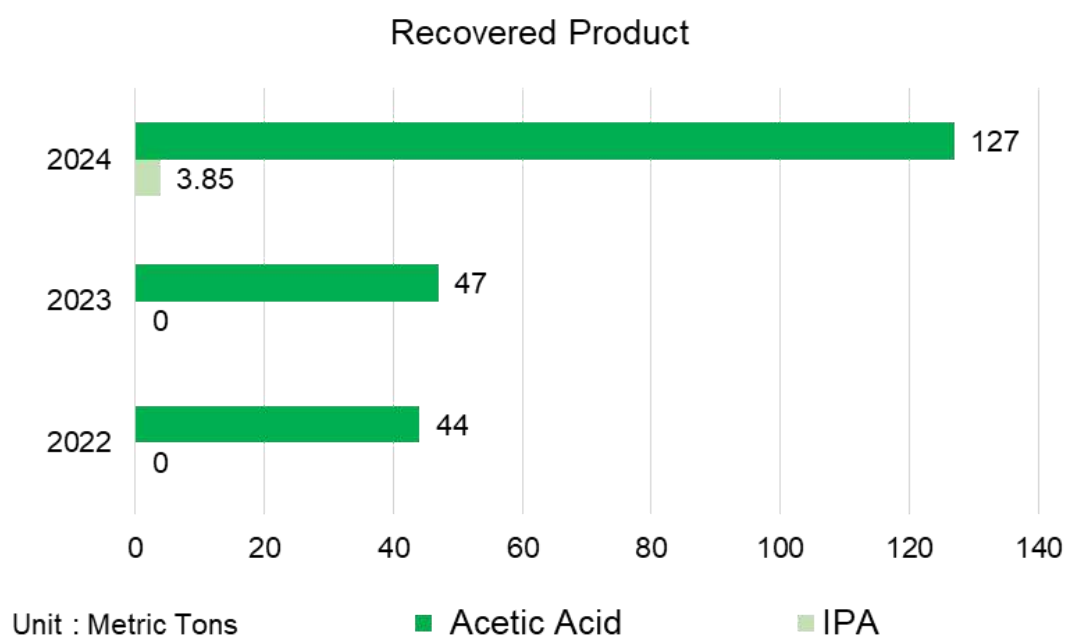
Despite facing challenges in waste management such as diverse categories, complex compositions, small output volumes, and a high proportion of hazardous industrial waste, the company continues to actively promote waste recycling and resource recovery. **2024** reporting period, each production line has improved the reuse rate of process cleaning solvents through advancements in cleaning procedures and product quality control. In addition, by processing by-products from production such as waste acid (acetic acid) and waste solvents (IPA&NMP), including preparation and fractional distillation, we successfully converted them into **130.85** metric tons of industrial-grade recycled products for sale, further implementing the circular economy and enhancing resource utilization efficiency.

3R Environmental Protection Concept



Waste Reduction Measures

Project Management	Reduction Measures	Circular Benefits
Laboratory waste solvents	- Proper classification and collection of mixed waste solvents generated during the R&D stage.	Enhance the added value of recycling and reuse.
Process cleaning waste solvent	- Enhance cleaning processes and quality control in each production line.	Reduce the generation of waste solvent from cleaning. Reduce the usage of solvent raw materials.
Resource Utilization of Process By-products	- Converted to high-purity acetic acid ($\geq 95\%$) for sale. - Converted to high-purity IPA ($\geq 97\%$) for sale.	Resource recycling product sales 127 metric tons/year. Resource product sales 3.85 metric tons/year.

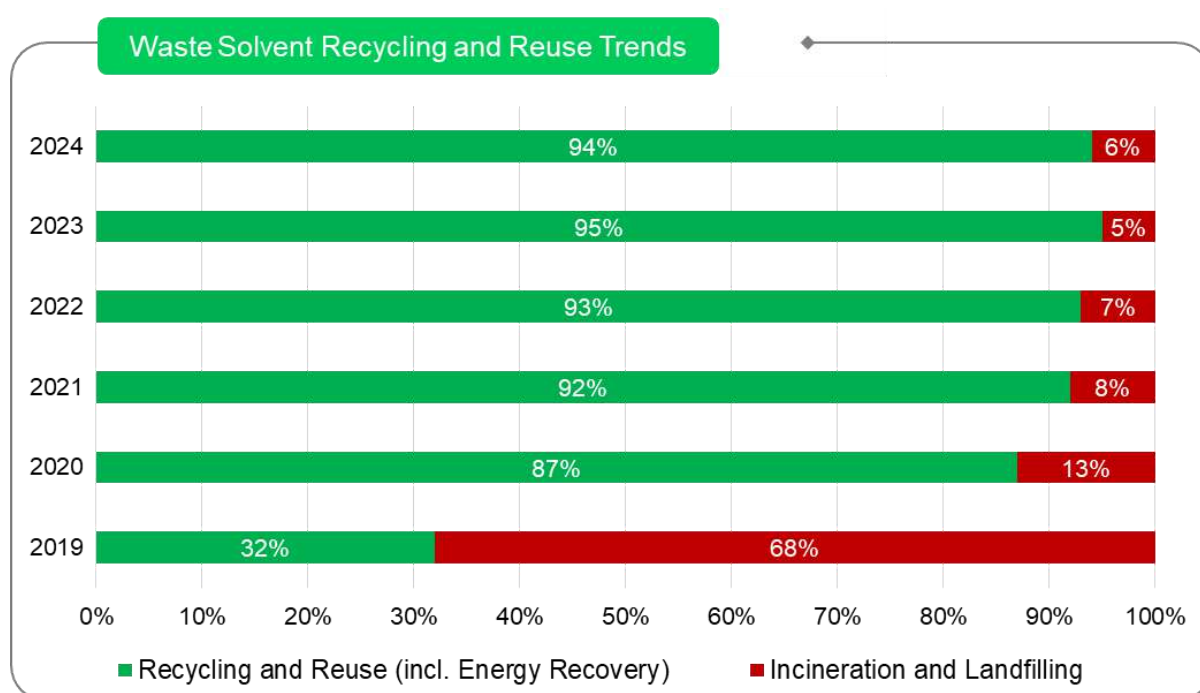


Make the Most of Resources and Recycle for Reuse

Daxin is an enterprise engaged in the research, development, design, and manufacturing of specialty chemical materials. The waste generated from laboratories of various fields and attributes, as well as from new product projects, is characterized by a wide variety of categories, high complexity, low output volume, and is often classified as hazardous industrial waste. Among these, waste solvents that cannot be recycled or upgraded in value through classification, distillation, or purification are the primary challenge in internal waste management.

For this reason, since **2017**, we have been promoting the conversion of waste solvents into fuel through the integration of internal and external efforts and resources.. High calorific value waste solvents that do not have material recycling benefits are directed to appropriate disposal channels, provided to environmental partners (treatment organizations) as auxiliary fuel, reducing the amount of fuel purchased by downstream treatment organizations. During the incineration process, energy is recovered, simultaneously creating carbon reduction benefits in the downstream value chain.

The overall solvent waste recycling rate of the company has increased year by year to **94%** (including energy recovery); **41%** (excluding energy recovery), with the aim of reducing direct incineration and landfill disposal, and maximizing the utilization of all solvent waste.



In **2024**, the total amount of waste solvent was **554** metric tons. If all of it were outsourced for direct incineration and landfill disposal (without energy recovery), it would generate a carbon emission of **200** metric tons **CO₂e**. Through effective source classification and management, **292** metric tons of waste mixed solvents were outsourced for energy recovery (used as auxiliary fuel), and **230** metric tons of high-purity waste solvents were outsourced for material recovery (industrial-grade solvents). Ultimately, only **32** metric tons of waste solvents were directly incinerated and landfilled.

Reducing the direct incineration and landfill of waste solvents can lower the carbon emissions derived from downstream waste treatment, resulting in a carbon reduction benefit of **34** metric tons **CO₂e** in Scope 3 (indirect emissions from waste treatment) for the company. Outsourcing waste solvent for energy recovery as auxiliary fuel can replace a total of **182,500 M³** of natural gas usage at downstream treatment plants, indirectly reducing **343** metric tons **CO₂e** emissions. Outsourcing waste solvent for recycling and reuse as industrial-grade solvent allows downstream buyers to reduce the procurement of new materials, which, based on the carbon footprint of solvent raw materials, can reduce **666** metric tons **CO₂e** emissions. In total, statistics for **2024** show a reduction of **1,044** metric tons **CO₂e** of carbon emissions across the entire supply chain, significantly enhancing the company's overall value chain carbon reduction performance.

Waste Solvent Recycling & Reuse



Carbon Emission Sources	Carbon Reduction Description	Value Chain	Baseline Carbon Emissions (Unit : tCO ₂ e)	Carbon Emissions from Resource Recovery (Unit : tCO ₂ e)	Carbon Reduction Benefits (Unit : tCO ₂ e)
Waste Treatment	Minimize incineration and landfill to maximize waste solvent value.	Waste Treatment Plant	200	165	35
Fossil Fuel Combustion	Replace natural gas with high-calorific waste solvents to cut fuel emissions.	Waste Treatment Plant	0	- 343	343
New Raw Material Procurement	Reuse high-purity waste solvents to lower raw material emissions downstream.	Downstream Customer	0	- 666	666
Total			200	- 844	1,044

※ Note 1 : Baseline scenario refers to conventional waste solvent disposal by direct outsourcing for incineration, without any resource recycling measures.

※ Note 2 : Resource recovery measures refer to the use of high-calorific waste solvents as auxiliary fuel by treatment facilities; and the recycling of high-purity waste solvents for reuse as industrial-grade solvents by downstream customers.

Creating Environmental Benefits through a Circular Supply Chain

Circular economy has become a core trend in global sustainable development. According to research by the Ellen MacArthur Foundation, improving energy efficiency and expanding the use of renewable energy can reduce 55% of global greenhouse gas emissions, but achieving the remaining 45% of carbon reduction targets still relies on the circular economy. Daxin has initiated a circular transformation, starting from the supply chain to reshape the production and usage models of downstream products, thereby driving the circular economy.

Our company continues to develop in the field of resource recycling. The two resource recycling projects, polyimide and acetic acid, have been implemented for many years. This year, a new IPA resource recycling project was added. During the 2024 reporting period, Daxin reduced a total of 332 metric tons of **CO₂e** greenhouse gas emissions for the entire supply chain, further helping to create carbon reduction benefits for the industry chain.

Polyimide Resource Recycling Project

The liquid polyimide overflowed from the client's process, according to Article 2 of the Waste Disposal Act, is not considered waste as it has not lost its original utility and still possesses market economic value. After purification, it can be reused in the original manufacturing process. Therefore, it does not require reuse qualification and can be purified by the downstream supply chain, further resource-processed into regenerated polyimide solution, and returned to the original factory process for circular use, which constitutes resource circulation. Daxin collaborates with clients to promote the 『Polyimide Resource Circulation Project』, which is the first resource circulation project approved for review after the Ministry of Environment issued the Review Operation Reference Guidelines (2nd revised edition) in December 2019. The Polyimide Resource Circulation Project achieved a recycling and regeneration rate of 94 % during **2021 - 2024**.

Carbon Reduction Benefits in the Supply Chain

The client's process produces polyimide primary solution, which was originally incinerated as waste, resulting in 5 metric tons of **CO₂e** emissions for downstream treatment plants in **2024**. In the resource recycling project, Daxin assists with distillation and purification. Although this process increases energy consumption and generates **4** metric tons of **CO₂e** emissions, the waste mixed solvents produced from the distillation and purification process are outsourced by Daxin to be used as auxiliary fuel for energy recovery at treatment facilities. This allows downstream treatment plants to save **2,077 M³** of natural gas fuel, indirectly reducing **4** metric tons of **CO₂e** emissions. The regenerated polyimide solution purified by Daxin is supplied to clients for circular use, enabling clients to reduce **43** metric tons of **CO₂e** emissions from new material procurement. From the perspective of the entire supply chain, the product life cycle of polyimide creates a total carbon reduction benefit of **48** metric tons of **CO₂e**.

In addition, in 2024, process by-products were further recycled to produce 127 metric tons of high-purity acetic acid and 3.85 metric tons of high-purity IPA, which were resold for use by other clients. Although this resulted in an increase of 23 metric tons of **CO₂e** emissions due to higher process energy consumption, it enabled downstream customers and processing organizations to reduce carbon emissions by approximately 267 metric tons of **CO₂e**. Compared to the original outsourced incineration treatment, which would have generated 17 metric tons of **CO₂e** emissions, resource recycling not only brings economic benefits but also creates a carbon reduction benefit of 261 metric tons for the overall value chain.

Create a Circular Supply Chain



Resource Recycling Project	Carbon Emission Sources	Value Chain	Baseline Carbon Emissions (Unit : tCO ₂ e)	Carbon Emissions from Resource Recovery (Unit : tCO ₂ e)	Carbon Reduction Benefits (Unit : tCO ₂ e)
Polyimide Resource Recycling	Waste Treatment	Waste Treatment Plant	5	1	4
	Fossil Fuel Combustion	Waste Treatment Plant	0	- 4	4
	New Raw Material Procurement	Downstream Customer	0	- 43	43
	Resource Purification Process	Daxin Materials	0	3	- 3
	Project Subtotal		5	- 43	48
Process By-product Utilization	Waste Treatment	Waste Treatment Plant	17	0	17
	Fossil Fuel Combustion	Waste Treatment Plant	0	-1	1
	New Raw Material Procurement	Downstream Customer	0	- 266	266
	Resource Purification Process	Daxin Materials	0	23	- 23
	Project Subtotal		17	- 244	261
Total			22	- 287	309

※ Note 1 : The baseline scenario refers to direct outsourced incineration of materials without any resource recycling measures.

※ Note 2 : Resource recovery measures include in-plant purification of materials for resale and reuse by downstream customers as industrial-grade solvents, and outsourced energy recovery of process residues as auxiliary fuel.

Environmental Partner Evaluation

Every year, there are frequent cases of illegal disposal of industrial waste, resulting in large amounts of industrial waste spreading throughout Taiwan and causing severe environmental pollution. The environmental impact continues to expand and is difficult to estimate, with far-reaching consequences. In view of this, Daxin has designated waste management as a major topic. To effectively clarify the flow of waste leaving the site and ensure that downstream processing institutions fulfill their entrusted waste treatment responsibilities, the company has established the "Environmental Partner Evaluation and Control Measures." This policy evaluates the qualifications of environmental partners to ensure the legality of outsourced waste operations and to fulfill the duty of due diligence in business-entrusted waste clearance. The "Environmental Partner Evaluation and Control Measures" establishes a comprehensive operating procedure for each stage, including the development and investigation of environmental partners, procurement and contracting, regular or unannounced audits, and annual evaluations.

When selecting a new processing agency, the Environmental Safety unit, together with the waste management or procurement unit, will conduct an investigation. In addition to reviewing the necessary relevant permit documents, they will also confirm the agency's historical violation records, operational performance, on-site machinery and equipment, and other information. The audit items will be recorded in the "Environmental Partner Evaluation Report Form" for review and approval by the management representative. Once determined to be a qualified environmental partner, procurement operations and contract signing will proceed.

Daxin, depending on the waste disposal situation, will independently or jointly with the responsible waste authority conduct on-site audits of all processing agencies at least once a year, utilizing multiple methods such as regular audits, ride-along audits, or unannounced audits. The audit items are based on the "Environmental Protection Partner Evaluation Report Form," and photos or videos may be taken as necessary during the audit process for documentation.

In addition, an annual evaluation is conducted for existing environmental protection partners. The evaluation results are divided into **A**, **B**, and **C** levels. The annual evaluation results serve as the basis for selecting or replacing environmental protection partners, thereby ensuring the quality of these partners and preventing the possibility of illegal waste disposal. This year, the on-site audit rate of processing institutions reached **100 %**, and all environmental protection partners received an **A** grade in the evaluation.

In **2024**, Daxin continues to identify waste management as a major topic for supervision, with its impact ranking elevated in quantitative assessments. The company will keep improving its waste management system in the future. For certain hazardous or special wastes that are difficult to handle, Daxin seeks internal and external technological innovation resources, exploring the potential applications of **AIoT** for a gradual transition toward intelligent tracking and management. This ensures proper removal and treatment of downstream waste, preventing significant environmental impacts caused by illegal dumping. Through a more comprehensive and innovative management system, the company aims to fulfill the "Criteria for Determining the Due Diligence Obligations of Enterprises Entrusting Waste Disposal" announced by the Environmental Protection Administration.

Looking ahead to our medium- and long-term goals, we are gradually requiring our environmental partners (processing organizations) to obtain external certification for environment, safety, and health management systems (such as **ISO 14001**, **ISO 14064-1**, or **ISO 45001**) to enhance the sustainability and resilience of our environmental partners. This year, approximately **88%** of waste processing plants have obtained certification for environment, safety, and health management systems.

Evaluation Grade	Percentage Range	Subsequent adjustments
A	≥ 80 points	Maintain the current status and list as a priority vendor for contract renewal in the next year.
B	65 - 79 points	Added to the watch list, notified for improvement, and increased audit frequency.
C	≤ 64 points	Seek alternative suppliers for elimination to reduce the company's operational risks.

Environmental Education

The sustainable development of an enterprise relies not only on technological innovation and environmental protection policies, but also requires environmental education and awareness as key driving forces for promoting sustainability. By enhancing the environmental awareness of internal employees and external stakeholders through environmental education, companies can not only strengthen their environmental management capabilities, but also simultaneously influence the supply chain and society, jointly promoting sustainable transformation.

Daxin is committed to environmental education, deepening employees' understanding of climate change, resource management, and environmental protection actions through various forms of internal and external training and activities. According to research by the International Energy Agency (IEA), global carbon emissions can be reduced by approximately **8%** through changes in consumer behavior and resource recycling, demonstrating the profound impact of resource management and consumption behavior on environmental sustainability.

This year, our company responded to the advocacy and promotion of environmental education by the Organic Living Environment Education Promotion Association of the Republic of China. We invited expert lecturers from the association to hold seminars on environmental friendliness, discussing "Green Actions in Daily Life" and encouraging individuals to start with small steps, such as reducing single-use plastics, bringing their own eco-friendly products, and improving resource use efficiency. At the same time, our company initiated outdoor voluntary environmental protection activities, calling on employees to become mountain-cleaning volunteers and participate in mountain-cleaning actions to practice green living. We were awarded the 2024 Green Enterprise by the Environmental Education Promotion Association.

Environmental education is not only a personal guide to action, but also an important pathway for enterprises to move toward a low-carbon economy and strengthen sustainable competitiveness. Daxin will continue to deepen environmental education, enhance employees' environmental awareness through diverse channels, and internalize environmental concepts into daily operations. By implementing green actions from within, we guide employees and stakeholders to jointly realize sustainable actions.



5 Social Inclusion

5.1 Friendly Workplace

We are committed to fostering an inclusive workplace culture that celebrates diversity, respects individual differences, and embraces varied perspectives. Our approach supports each employee's unique career development needs while providing equitable and compelling advancement opportunities. This empowers employees to maximize their potential and advance our sustainability mission.

Corresponding GRI Material Topics: 401 Employment Relations, 402 Labor-Management Relations, 405 Employee Diversity and Equal Opportunity	
Management Policy	❖ Policies and Actions Daxin evaluates candidates and employees based on job performance and professional competencies, eliminating all forms of bias and discrimination to ensure equal opportunities. We create challenging, high-growth roles supported by competitive compensation and exceptional employee experiences, establishing a workplace environment that attracts and retains top innovative talent while fostering sustainable organizational development. • Competitive and differentiated compensation strategy • Enhanced campus partnerships and diversified talent acquisition channels • Employee-centric experience design • New hire retention and support initiatives
	❖ Management Evaluation Mechanism • Benchmark against Taiwan Stock Exchange annual disclosures of average and median salaries for full-time non-managerial employees at listed companies to ensure competitive salary adjustments and incentive programs. • Implement systematic performance management through regular evaluations that inform reward allocation and career development planning • Monitor new hire retention metrics annually with periodic reporting to executive leadership on talent retention performance • Maintain regulatory compliance by continuously updating internal policies to align with evolving legal requirements
	❖ Preventive or Mitigation Measures • All external job postings explicitly prohibit discrimination. Our Human Rights Policy is available on the corporate website, complemented by dedicated communication channels including a recruitment email (Recruiting@daxinmat.com) and data privacy request email (hr@daxinmat.com) for timely candidate support and comprehensive assistance. • Comprehensive onboarding support programs utilize surveys and structured interviews to identify new employee needs and deliver immediate solutions, fostering organizational commitment and enhancing job satisfaction.

	• Provide multi-channel employee engagement platforms that facilitate open communication through regular dialogue sessions and targeted employee experience initiatives.
Objectives and Targets	❖ 2024 Performance Outcomes • Compensation benchmarking: Top 25th percentile industry positioning • New hire retention: 17.2% turnover rate within first year (Note 1) ❖ Short-term Objectives (2025) • Compensation benchmarking: Maintain top 25th percentile industry positioning • New hire retention: Reduce turnover rate to under 12% within first year ❖ Medium to Long-term Objectives (2030) • Compensation benchmarking: Sustain top 25th percentile industry positioning • New hire retention: Achieve turnover rate below 10% within first year

※ Note 1: Elevated talent mobility reflects broader labor market volatility and rapid high-tech sector expansion. In response, we have strengthened our new hire integration and retention capabilities through enhanced onboarding support initiatives.

5.1.1 Human Rights Policy

To establish a friendly, safe, and sustainable workplace that protects human rights, we announced our "Human Rights Policy" in February 2020, affirming our commitment to respecting and protecting human rights. In 2024, we completed our "Diversity, Equity, and Inclusion Declaration" to address stakeholder concerns and demonstrate our dedication to fostering mutual prosperity between talent and the organization.

Our company strictly complies with local regulations across all operating locations while upholding key international standards, including the Universal Declaration of Human Rights (UDHR), International Labour Organization (ILO), and the Ten Principles of the UN Global Compact. We align our practices with the Responsible Business Alliance (RBA) Code of Conduct and Taiwan's Labor Standards Act to ensure all employees work in an environment that promotes dignity and respect while maintaining safety.

The company strictly prohibits sexual harassment and discrimination in the workplace. We ensure that recruitment, compensation, promotion, rewards, and training opportunities are free from differential treatment based on race, color, age, gender, sexual orientation, gender identity, ethnicity, nationality, disability, pregnancy, religion, political affiliation, group background, veteran status, genetic information, or marital status. Additionally, we prohibit illegal medical tests, forced labor, child labor, and improper employment practices to fully protect employees' fundamental rights and create a human rights-respecting environment across our entire workforce.

To strengthen the implementation and oversight of human rights issues, Daxin regularly undergoes comprehensive reviews by external stakeholders. In 2024, we conducted 8 audit sessions with zero human rights violations discovered and no cases of human rights-related deficiencies, demonstrating our unwavering commitment and robust execution in protecting human rights.



Human Rights Risk Assessment

The company is committed to fostering labor-management communication and human rights-centered management. Our human rights policies and programs include:

Human Rights Issues	Affected Parties	Specific Plan	Mitigation and Remedial Measures
Free of violence, discrimination and harassment to ensure equality in the workplace	All Employees Candidates	1. Strictly comply with government labor laws to implement relevant internal rules and regulations 2. Establish clear and fair regulations about promotion, rewards and training policy 3. From the beginning of recruitment, all hiring procedures are to comply with the law and eliminate discrimination	Employees can report discrimination through multiple channels established in our Human Rights Policy. The Human Resources Department oversees investigation and resolution to ensure all complaints are properly addressed.
Provide a safe and healthy work environment	All Employees Contractors	1. Hold quarterly Safety Committee and Management System Review meetings to assess environmental health and safety implementation, conduct improvement reviews, and provide employees with a safe working environment. 2. Daxin employs an occupational health nurse with monthly on-site medical services to provide personalized healthcare for high-risk operation employees and conducts regular health checkups per legal requirements. 3. Establish a maternity protection plan with workplace safety measures, flexible duties, no night shifts, and parental leave options available. 4. Implement Workplace Misconduct Prevention Policies and establish employee report channels 5. Strengthen workplace safety management for contractors	We maintain internal and external reporting channels managed by Human Resources to ensure swift investigation and resolution of complaints, protecting employee rights and creating a respectful work environment.

Human Rights Issues	Affected Parties	Specific Plan	Mitigation and Remedial Measures
Forbid forced labor	All Employees	1. In strict compliance with government labor laws, Daxin will not force nor threaten any non-willing personnel to carry out work-related tasks 2. Through the attendance system settings, we prevent illegal scheduling and lawfully provide overtime pay 3. Forbid to withhold any employee certificates or ask for security deposits	To help supervisors monitor employee working hours, the attendance system includes automatic email alerts to employees and their direct supervisors when overtime hours become excessive.
Foster a culture of open communication	All Employees Newcomers	1. Establish several internal communication channels to ensure open and transparent communications between managers and employees 2. Build mentoring program for new hires, including holding the first one-month and three-month check-ins to help them feel more engaged in the organization	1. We strictly protect whistleblower confidentiality and prohibit retaliation against those who report violations, ensuring their rights are safeguarded. 2. We maintain multiple communication channels including email, physical suggestion boxes, and hotlines, accepting anonymous reports to ensure employees can safely express concerns.

Human Rights Issues	Affected Parties	Specific Plan	Mitigation and Remedial Measures
Zero tolerance for child labor	Newcomers Candidates	Daxin only accepts applicants over 18 years old and will double-check the age to avoid any mistakes and omissions	1. Child Labor Remediation: Upon discovering child labor, we immediately prioritize the child's welfare by conducting health checks, stopping work, contacting guardians, and covering all costs for safe return home while coordinating with social services as needed. 2. Young Worker Protection: We directly employ workers aged 16-18 and restrict them from hazardous duties, night work, and overtime in accordance with Labor Standards Act.

Human Rights and Compliance Training

In 2024, we delivered a total of 552 hours of human rights training to 448 employees and contractors. We remain committed to advancing human rights education to mitigate potential risks.

Our security services are provided by qualified external firms. All security personnel undergo annual training, including a 30-minute individual session for new hires, covering topics such as workplace violence prevention, sexual harassment prevention, and emergency response protocols. Additionally, 100% of security staff have signed declarations pledging zero tolerance for workplace violence and sexual harassment.

Supplier Human Rights Risk Assessment

To advance supply chain social responsibility and environmental stewardship, we conduct ESG self-assessments of our top 20 suppliers by annual procurement value, as well as key raw material suppliers, in alignment with the Responsible Business Alliance (RBA) standards. These assessments cover labor and human rights, occupational health and safety, environmental protection, business ethics, and management systems. In 2024, we carried out 15 audits, with zero human rights violations or deficiencies identified, thereby strengthening our positive influence across the value chain.

5.1.2 Overview of Human Resources

Daxin firmly believes that human capital is the driving force of R&D innovation. We trust and respect every employee while committed to cultivating a safe, comprehensive, and human-centric work environment that stimulates creativity and fosters professional growth. As of December 2024, Daxin's total workforce comprised 424 employees (296 male, 128 female), with 423 permanent staff and 1 temporary employee. We maintain no zero-hour contract positions, with our headcount remaining stable compared to the previous year and no significant fluctuations during the reporting period. Female employees represent approximately 30% of our total workforce, demonstrating our commitment to achieving gender diversity within specialized technical domains.

Daxin champions gender equality and equitable career advancement by creating an open, inclusive environment where every employee can fully utilize their abilities and unlock their potential. In 2024, our overall workforce comprised 30% female and 70% male employees. Notably, 68% of our female workforce operates within STEM functions encompassing R&D, manufacturing, quality assurance, intellectual property, and product development. Women constitute 25% of our entire STEM workforce, illustrating the growing influence of female talent in technical fields. To enhance workplace diversity and gender parity, we continue actively recruiting women with science and technology backgrounds while encouraging and supporting female professionals to excel in technical domains.

Analyzing workforce composition by hierarchy and functional categories reveals diverse female participation across organizational levels. Management positions demonstrate 24.1% female representation, while professional roles achieve 41.5% female participation, and technical positions maintain 19.2% female representation. Within R&D—our strategic development priority—female professionals maintain substantial representation in specialized functions, underscoring the pivotal role of women in innovation and technological advancement. We remain committed to building a diverse workplace environment and will continue to benchmark against leading domestic and international enterprises to create an equitable and inclusive industry ecosystem.

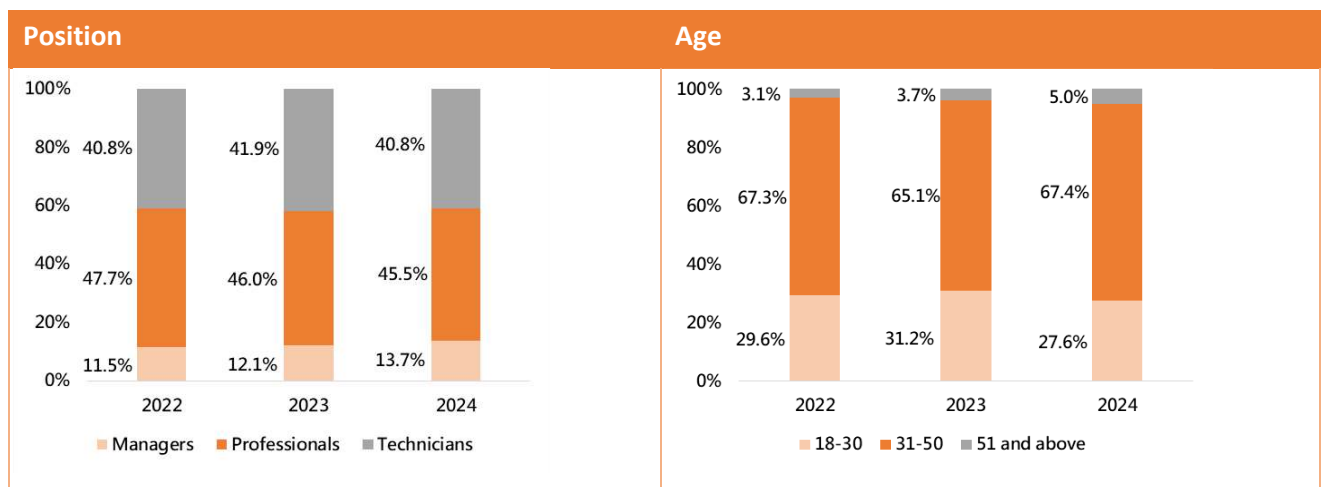
Workforce Structure

Category		Male		Female		Total	
		People	Percentage	People	Percentage	People	Percentage
All Employees	Permanent Employees (Note1)	296	70.0%	127	30.0%	423	99.8%
	Temporary Employees (Note2)	0	0.0%	1	100.0%	1	0.2%
Permanent Employee-Position	Managers	44	75.9%	14	24.1%	58	13.7%
	Professionals	113	58.5%	80	41.5%	193	45.6%
	Technicians	139	80.8%	33	19.2%	172	40.7%
Full-time Employee-Age	18-30	77	65.8%	40	34.2%	117	27.7%
	31-50	203	71.0%	83	29.0%	286	67.6%
	51 and above	16	80.0%	4	20.0%	20	4.7%

※ Note 1: Permanent employees are those with indefinite-term contracts, equivalent to permanently employed workers as defined by GRI Standards.

※ Note 2: Temporary employees are those with fixed-term contracts.

Percentage of All Employees



New Hire Onboarding and Retention

In 2024, Daxin recruited 29 new employees from diverse professional backgrounds, bringing fresh perspectives and expertise to our organization. To ensure smooth workplace integration, we established comprehensive support systems enabling new team members to achieve effective adaptation both professionally and personally.

Number of New Employees and New Hire Rate-By Gender and Age

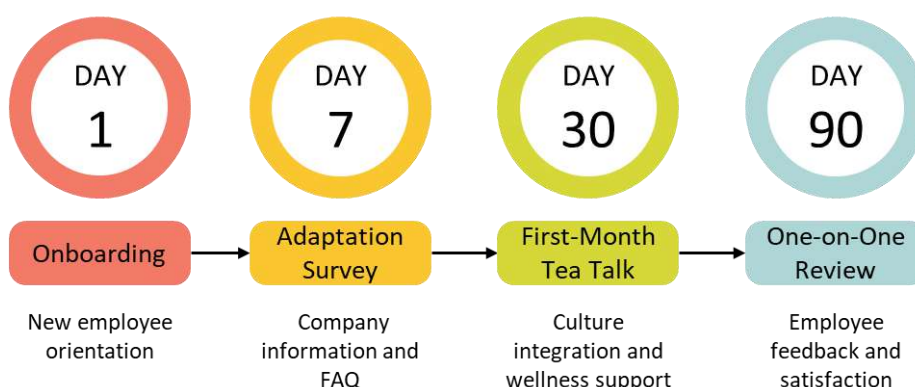
		2024		
Category		New Hire Count (A)	Total Workforce (B)	New Hire Rate (A/B)
Gender	Male	16	296	5%
	Female	13	128	10%
Age	18-30	20	117	17%
	31-50	9	286	3%
	51 and above	0	21	0%

※ Note 1: New hire count excludes employees who left during the reporting.

※ Note 2: Includes fixed-term contract employees; excludes personnel returning from unpaid leave.

Our structured mentorship program assigns experienced employees as mentors, providing real-time assistance and knowledge transfer throughout the integration process. A systematic touchpoint schedule includes an adaptation assessment survey on Day 7 to identify potential workplace challenges and deliver immediate solutions. At the 30-day milestone, new hires and their mentors participate in informal "first-month tea talks" to evaluate cultural assimilation progress, complemented by personalized health consultations with occupational medicine specialists.

Department leaders and HR professionals maintain regular engagement within the initial 90-day period, creating continuous feedback loops to monitor adaptation progress. This comprehensive approach achieved 100% participation rates across all survey responses and interview completions, demonstrating our commitment to successful talent integration.



Daxin's non-employee workforce primarily consists of professional contractors, totaling 16 individuals in 2024, consistent with the previous year's level.

Category	Contractual Arrangement	Total Headcount
Cleaning Services	Service Contract	8
Security Services	Service Contract	8

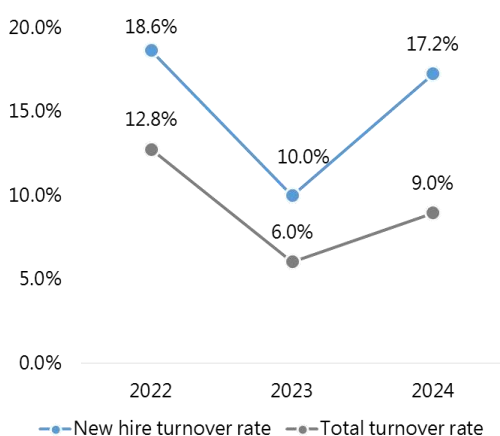
Maintain Healthy Turnover Rate

In 2024, talent mobility intensified due to broader labor market volatility and rapid high-tech sector expansion. Our overall employee turnover rate reached 9.0%, representing a 3.0 percentage point increase from 2023, while new hire turnover within the first year climbed to 17.2%, up 7.2 percentage points from the previous year.

While our comprehensive onboarding support initiatives have not yet yielded significant turnover reduction, preliminary feedback demonstrates enhanced cultural assimilation and accelerated confidence development among new employees. Moving forward, Daxin will strengthen pre-employment expectation management, refine our mentorship framework, and bolster departmental support to elevate new hire retention rates and achieve sustainable workforce stability.

Turnover analysis by demographics reveals higher attrition among women under 30. To mitigate talent mobility and strengthen retention outcomes, we continuously advance compensation benchmarking, diversified career pathways, and digital capability development. Through systematic performance management and real-time feedback mechanisms, we empower employees to establish personal development objectives, enhancing both job satisfaction and career longevity.

Turnover Rate



Number of Voluntary Turnover and Turnover Rate-By Gender and Age

Category		2024		
		Number of Voluntary Turnover (A)	Total Workforce (B)	Turnover Rate (A/B)
Gender	Male	23	296	8%
	Female	15	128	12%
Age	18-30	18	117	15%
	31-50	20	286	7%
	51 and above	0	21	0%

Note 1: Departed employees include those who resigned, were dismissed, retired, or died due to work-related incidents.

Note 2: Includes fixed-term contract employees; excludes personnel on unpaid leave.

Continued Employment of Employees with Disabilities

Daxin demonstrates commitment to disability inclusion by actively creating employment opportunities for individuals with disabilities, ensuring equitable workplace access and protecting employment rights for underrepresented and vulnerable populations.

In accordance with Article 38, Paragraph 2 of the People with Disabilities Rights Protection Act, Daxin employed three individuals with disabilities in 2024, meeting all regulatory compliance requirements.

Three-Year Employment Profile: Employees with Disabilities

Category		2022	2023	2024
Male	18-30	0	0	0
	31-50	1	1	1
	51 and above	0	0	0
Female	18-30	0	0	0
	31-50	1	1	1
	51 and above	0	1	1

5.1.3 Foster a culture of open communication

Daxin proactively cultivates positive employee relations through comprehensive communication infrastructure, including labor-management conferences, Employee Welfare Committee sessions, and company-wide business briefings. We conduct regular labor-management meetings in full legal compliance, with labor representatives serving four-year terms and eligible for re-election. All representatives are directly elected by the workforce through fully digitized voting systems, promoting active employee participation in corporate governance while enhancing decision-making transparency.

Daxin upholds employees' fundamental rights to freedom of assembly, association, and union formation. As of 2024, no employee-initiated union has been established, resulting in no collective bargaining agreements. Current employment terms and working conditions are governed by the Labor Standards Act, individual employment contracts, internal work regulations, and statutory labor-management consultation mechanisms, ensuring comprehensive legal compliance and robust employee rights protection.

During 2024, we convened 4 labor-management conferences, 4 Employee Welfare Committee sessions, and 1 Business briefing.

Business briefing



To deepen employee understanding of operational performance and strategic direction, Daxin conducts comprehensive business briefings where senior leadership directly presents overall business results, market trend analysis, and medium to long-term strategic initiatives.

Through direct executive engagement, employees gain valuable insights into both organizational performance and industry dynamics, strengthening alignment with corporate vision and strategic objectives. These regular, transparent communication forums reinforce our commitment to building an open, trust-based organizational culture that enhances employee engagement and organizational commitment.

Employees can voice their concerns through diverse feedback mechanisms, including internal website discussion forums, dedicated email channels, physical suggestion boxes at facility locations, and grievance hotlines. All submissions receive confidential handling with prompt employee response and systematic follow-up tracking, ensuring comprehensive issue resolution.

Daxin maintains a secure and trusted communication environment where employees are fully protected from retaliation when raising concerns or reporting issues. We recognize open dialogue as an essential driver of continuous organizational advancement and sustainable improvement.

Diverse Communication Channels



5.1.4 Compensation and Benefits

Provide Competitive Compensation Packages

Daxin embraces a profit-sharing philosophy, distributing operational success through performance-based compensation including seasonal bonuses, incentive awards, and employee profit sharing programs designed to attract, retain, and motivate exceptional talent. We regularly benchmark compensation with market standards to ensure our remuneration strategies remain competitive and aligned with evolving market dynamics.

In 2024, our CEO's total annual compensation represented an 18.7:1 ratio compared to the median total compensation of all employees (excluding the highest-paid individual). The CEO's compensation increase ratio relative to other employees stood at 1.13:1. Non-management employees achieved an average salary of NT\$1,552 thousand with a median of NT\$1,200 thousand, positioning our overall compensation within the industry's top 25th percentile.

New hire compensation determination follows objective criteria including role-specific competency requirements, educational qualifications, relevant professional experience, and prevailing market rates. Internal pay equity benchmarks ensure structural consistency across comparable positions. All starting salaries exceed statutory minimum wage requirements under the Labor Standards Act. Daxin maintains strict compensation equity, ensuring remuneration decisions remain independent of gender, ethnicity, age, religious beliefs, sexual orientation, or marital status, thereby safeguarding fundamental employee rights and workplace equality.

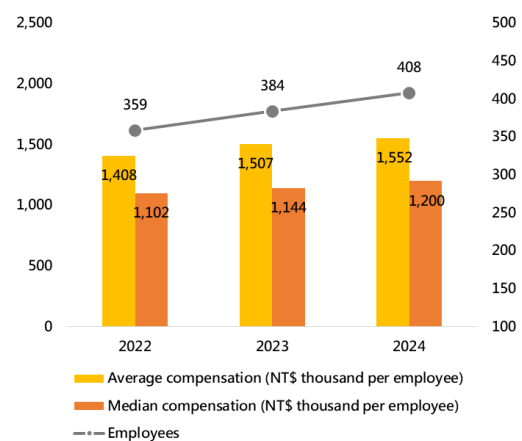
Compensation Ratio by Gender

Position	Compensation Ratio
Managers	0.97 : 1
Professionals	0.89 : 1
Technicians	0.98 : 1

※ Note 1: Female-to-male annual compensation ratio (Female : Male).

※ Note 2: Senior executives at Vice President level and above are excluded due to substantial compensation differentials compared to general employee ranges.

Average and Median Compensation



The Linkage to the Executive Compensation and Performance Evaluation

The procedures for determining remuneration to the Company's President and Vice Presidents are in accordance with the "Procedures of Remuneration to Managers" and "Procedures of Salary Distributions" formulated by the Remuneration Committee and Board of Directors. The remuneration includes fixed salary components such as monthly salary, holiday bonuses, etc., which are designed to be competitive in the market based on industry standards.

Additionally, there are variable remuneration components such as bonuses and employee remuneration, which are comprehensively considered based on the roles and responsibilities served by the Managers, as well as the Company's operational performance. The criteria for consideration include financial, innovation, and sustainability indicators, creating strong alignment between leadership incentives, long-term shareholder value creation, and ESG objective achievement.

- Financial indicators: Include the growth rate and achievement status of the Company's revenue and profit.
- Innovation indicators: Include the status of the Company's new product and new market development. Additionally, as the Company is research and development-oriented, investments in research and development in new areas are also considered evaluation targets.
- Sustainability indicators: Achievement rates across nine material ESG themes—green manufacturing, inclusive workplace culture, equitable development, community engagement, occupational health and safety, technological innovation with intellectual property protection, customer excellence, supply chain optimization, and product quality assurance—demonstrating our commitment to sustainable value creation and corporate responsibility.

5.1.5 Provide Comprehensive Benefits

We value every employee and foster a safe, supportive environment that encourages learning and creativity. Our comprehensive benefits exceed legal standards, promoting healthy work-life balance.

Employee-Centered Experience

Leave Benefits beyond the Labor Standards Act

Beyond statutory holidays, we offer additional vacation benefits above legal minimums.

Leave Type	Description
Flexible Leave	We offer 7 days of flexible leave in 2024, beyond statutory holidays, to enhance work-life balance.
Engagement Leave	Employees are entitled to 1 paid day off for engagement.
Birthday Leave	Employees are entitled to one birthday leave during their birthday month.

Comprehensive Insurance

We provide mandatory insurance, plus comprehensive company-paid group coverage (life, accident, medical, cancer, and business travel with International SOS). Employees can also purchase voluntary group insurance for their dependents at preferential rates.

Pension Contribution

Since establishment in 2006, Daxin has maintained compliance with the Labor Standards Act and Labor Pension Act by implementing both defined benefit and defined contribution pension schemes to safeguard employees' post-retirement financial security and demonstrate our enduring commitment to employee welfare.

Pension Plan	
Defined Benefit Plans	In accordance with the Labor Standards Act, Daxin allocates monthly retirement reserve funds to designated bank accounts and conducts regular actuarial evaluations to ensure adequate payment capacity.
Defined Contribution Plans	Under the Labor Pension Act, Daxin contributes 6% of each employee's monthly insured salary to individual pension accounts managed by the Bureau of Labor Insurance. Employees may voluntarily contribute up to an additional 6% of their monthly wages to their personal pension accounts.

As of December 31, 2024, no employee retirements have occurred.

Maternity Benefits

Daxin supports work-life balance with family-friendly benefits: NT\$60,000 congratulatory gifts for newborns, partnerships with childcare institutions, and on-site breastfeeding rooms. These initiatives help employees balance career development with family care.

Year	Gender/Total	Male	Female	Total
2024	Employees who met unpaid parental leave criteria in 2024 (A)	21	17	40
	Employees who applied for unpaid parental leave in 2024 (B)	2	2	4
	Unpaid parental leave Application Rate (B/A)	9.5%	11.8%	10.0%
	Employees expected to return to work after parental leave in 2024 (C)	1	1	2
	Employees who returned to work after parental leave in 2024 (D)	1	2	3
	Return to Work Rate % (D/C)	100%	200%	150% (Note 1)
2023	Employees who returned to work after parental leave in 2023 (E)	1	4	5
	Employees who returned to work after parental leave in 2023 and were still in service at the end of 2024 (F)	1	3	4
	Retention Rate % (F/E)	100%	75%	80%

※ Note 1: The main reason is that one employee returned to work before their scheduled leave end date, resulting in more employees returning than those whose leave officially ended that year.

※ Note2: Employees eligible for parental leave refers to those who applied for paternity or maternity leave within the past three years, with consecutive applicants counted only once.

Maternal Health Management

We protect female and pregnant employees through our Maternal Health Protection Procedures, conducting health assessments and arranging suitable work assignments. In 2024, we managed 11 cases of maternal health protection and provide designated parking spaces for pregnant employees. In addition, designated parking spaces for pregnant women are provided to ensure convenient and safe parking for pregnant employees.

Family-Friendly

We encourage employees to enjoy quality family time through periodic Family Day events and fully sponsor family-inclusive activities such as parent-child marathons, mountain conservation efforts, and beach cleanups, integrating family participation into our corporate culture.

To cultivate scientific literacy among the next generation, we prioritize the learning and development of employees' children. On Children's Day 2024, we presented science books to employees with children in high school and below, benefiting 232 children with an investment of nearly NT\$60,000 to inspire their scientific curiosity. Additionally, we provide internship opportunities for employees' children to help them explore their interests and potential.

Furthermore, we specially prepared cakes from local brands for Mother's Day and Father's Day, expressing gratitude for employees' dedication in balancing professional and family responsibilities while providing heartfelt care and support. This initiative involved an investment of nearly NT\$350,000, demonstrating our commitment to employee family welfare.

Family Day



To cultivate a workplace environment that harmonizes professional and family life, Daxin hosted the 2024 Family Day at Lihpao Land in Taichung, attracting nearly 700 employees and their families with full company sponsorship. The event provided access to both water park and theme park facilities, featuring enchanting bubble performances, children's face painting, and family bonding activities. These experiences enabled employees to strengthen family relationships and enhance emotional connections. Through Family Day, we reinforced team cohesion, embodied our "Shared Prosperity and Well-being" philosophy, and deepened the bond between our organization and employee families.

Friendly Work Environment

Supportive Work Environment Comprehensive Lifestyle Support

We are committed to cultivating a warm workplace culture through regular seasonal celebrations, monthly afternoon tea gatherings, quarterly birthday celebrations, KTV sessions, team sports competitions, and concerts. Additionally, exclusive partner store discounts—including restaurants, medical clinics, and hotel accommodations—provide comprehensive support for employees' diverse daily and leisure needs, fostering a welcoming and friendly work atmosphere.

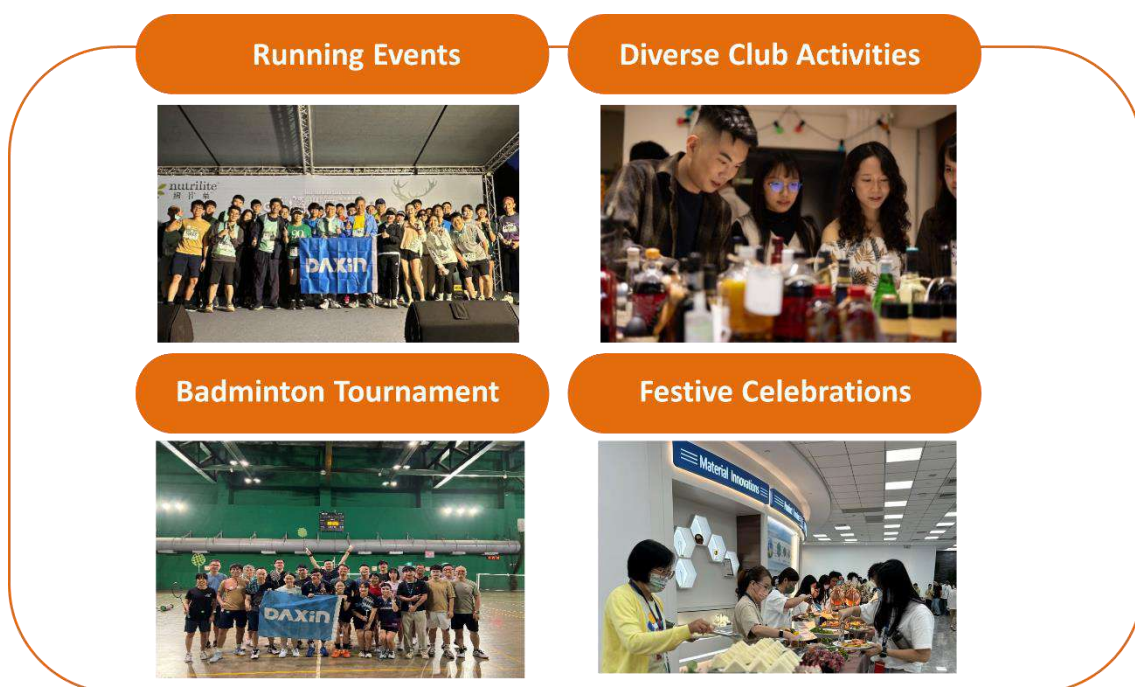
Employee Welfare Committee

Our Employee Welfare Committee, established in accordance with labor regulations, comprises elected employee representatives who meet quarterly to discuss welfare policies and plan initiatives that address evolving employee needs.

Beyond seasonal bonuses, birthday allowances, and travel subsidies, we provide a corporate benefits platform offering flexible point redemption based on personal preferences. Various subsidy programs support employees through significant life events, including childbirth, marriage, bereavement, and emergency assistance, helping alleviate financial burdens during important moments.

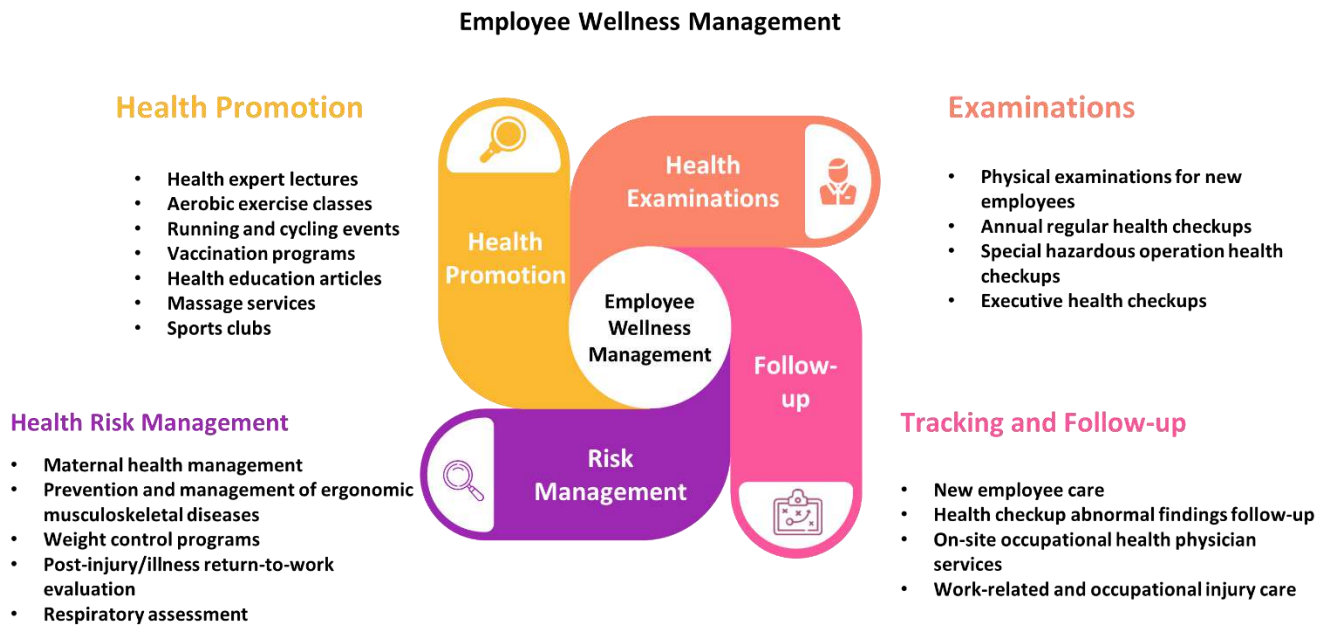
Employee Club Activities

To encourage work-life enrichment, we have established Club Management Guidelines supporting employee-organized clubs that expand social networks. Regular activities include badminton tournaments, hiking and environmental cleanup initiatives, and culinary experiences, promoting wellness and camaraderie.



5.1.6 Employee Health Care

Daxin cares for employee wellbeing through our Employee Health Program. We organize health promotion activities, provide regular health check-ups, and offer personalized medical consultations for at-risk groups. This comprehensive approach helps employees maintain good health while reducing workplace health risks.



Health Support

2023 health examination results show increasing obesity and metabolic disorders (hypertension, diabetes, and dyslipidemia) among employees, highlighting urgent need for chronic disease intervention. In response, we launched comprehensive 2024 health promotion programs including weight loss classes, exercise courses, badminton competitions, and health talks to help employees prevent obesity, manage metabolic health, and reduce chronic disease risks.

We encourage employees and their families to develop healthy exercise habits through road running and cycling events. In 2024, 200 participants covered over 2,100km in running activities, while nearly 20 employees and families cycled over 1,100km in our first cycling program. These efforts earned us three consecutive "iSports" certifications (2018, 2020, 2023) and the 2024 "Healthy Enterprise Citizen Award - Healthy 99 Enterprise," demonstrating our commitment to workplace wellness.

Health Promotion



- Health talks: 4 sessions, 147 participants
- Flu vaccination: 254 people
- Physical fitness assessment: 120 people
- Massage services: 1,512 people
- Sports clubs: Badminton (36 participants), Hiking (nearly 50 participants)
- Road running events: 200 participants, total distance exceeding 2,100 km
- Cycling events: Nearly 20 participants, total distance exceeding 1,100 km

Health Management for High-Risk Groups

To protect employee health and reduce disease risks, we provide follow-up care, consultation, and health resources for high-risk employees identified during checkups. 2024 initiatives include weight loss programs and aerobic exercise courses, promoting preventive health management through regular exercise and healthy lifestyle habits to create a safer, more energetic workplace.

Weight Loss Class

To help employees reduce metabolic syndrome risk and achieve healthy weight, we launched a comprehensive "Weight Loss Program" in 2024, integrating professional physicians, nutritionists, and fitness coaches to provide systematic courses and personalized support for establishing healthy lifestyles.

The program features health seminars where doctors and nutritionists explain weight loss principles, metabolism, and nutrition in accessible terms, plus one-on-one consultations for personalized dietary strategies.

Additionally, a professional fitness coach leads weekly group exercise classes to build strength and cardiorespiratory endurance, enhance metabolic efficiency, and foster supportive member interaction.

After 12 weeks, participants achieved 51kg total weight loss with 5.2% average body fat reduction. Health markers improved significantly: HbA1c decreased from 5.8% to 5.6% (normal: 5.7%) and blood lipids returned to healthy ranges.

Feedback shows participants not only achieved weight loss goals but developed positive mindsets and sustainable healthy lifestyles through continuous support. This program represents an important step toward promoting workplace health culture, not just a one-time intervention.

Weight Loss Program



- **Project Duration :** 2024/8/1~2024/11/15
- **Total weight loss:** 51kg (from 1,433kg to 1,382kg across all participants)
- **Average body fat reduction:** 5.2%
- **Blood Lipid Profile (Average) :**
 - HbA1c: 5.8 → 5.6 (Normal <5.7)
 - Triglycerides: 122 → 111 (Normal <150)
 - Total Cholesterol: 206 → 194 (Normal <200)
 - LDL Cholesterol: 135 → 119 (Normal <130)

Aerobic Exercise Class

To prevent "The Three Highs" diseases and enhance employee health, we promoted sports culture in 2024 through 31 group aerobic exercise classes led by professional coaches. Classes included drumstick aerobics and step aerobics with rhythm and movement variations, creating challenging yet enjoyable workouts that encouraged regular exercise habits and long-term healthy lifestyles.

64 participants accumulated over 494 exercise hours this year. Consistent aerobic training helped employees relieve stress, boost metabolism, and enhance cardiorespiratory endurance while stabilizing blood pressure, sugar, and lipids. Group classes also promoted cross-departmental communication, strengthening team cohesion and workplace belonging while creating a vibrant, healthy work environment.

Aerobic Exercise



Exercise Classes :

- Drumstick Aerobics
- Body Combat
- Step Aerobics



- Classes Offered: 31 sessions
- Total Participants: 64 person-times
- Total Exercise Hours: 494 hours
- Total Calories Burned: 177,840 kcal

Personalized Consultation Services and Health Management

Monthly occupational medicine specialists and nurses from medical centers provide on-site consultations and personalized health management services. We conduct care interviews and regular follow-ups for at-risk employees, along with post-injury or illness return-to-work support including necessary job adjustments to protect employee wellbeing. No occupational diseases have occurred in the past three years through 2024.

Health Management



- Occupational health physician and nurse on-site services: 24 sessions, 60 hours
- Individual employee care: 110 employees
- New employee physical examinations: 29 people
- Special hazardous operation health checkups: 55 people

5.2 Inclusive Development

On the path toward sustainable business, creating an inclusive and developmental workplace culture is essential for long-term growth. Daxin values every employee's potential and development opportunities, committed to fostering an environment that supports learning, diversity, inclusion, and fair advancement. By combining our core technologies and resources, we actively cultivate young scientists, from internal empowerment to social co-creation, fulfilling our corporate responsibility for talent sustainability.

In 2023, Daxin officially joined the "TALENT, in Taiwan" alliance, and continued as an advocacy partner in 2024. We also released our "Diversity, Equity, and Inclusion Statement", demonstrating our commitment to talent sustainability. Moving forward, we will continue to create an inclusive, healthy, and balanced work environment to strengthen the core foundation of our sustainable development.



Promote campus partnerships through internships, industry-academia collaboration, and support for academic research.

**Youth
Cultivation
Programs**

**Internal
Talent
Mobility**

Develop key talent through leadership, decision-making training, mobility opportunities, and knowledge transfer.

Enhance employees' expertise through targeted training and resources.

**Future-Ready
Capability
Building**

**Women's
Leadership
Development**

Actively promote and advance high-potential women, continuously increasing female participation.

Corresponding GRI Material Topics: 404 Training and Education, 405 Diversity and Equal Opportunity	
Management Policy	❖ Policies and Actions Human capital serves as the core driver of innovation and sustainable development. To support organizational growth requirements, Daxin continuously builds and retains key talent through comprehensive training strategies that foster diverse internal talent development, ensuring employees acquire contemporary knowledge, skills, and capabilities. Leveraging our core business expertise, we invest in youth cultivation, bridging academia and industry practice to nurture forward-thinking high-tech professionals. • Internal Talent Mobility • Women's Leadership Development • Future-Ready Capability Building • Youth Cultivation Programs
	❖ Management Evaluation Mechanism • Internal Mobility and Gender Inclusion: Annually review internal promotion rates to management positions and female leadership representation, with regular reporting to executive leadership. • Training Program Assessment: Conduct training needs surveys in Q4 annually, providing regular updates on training execution status and presenting upcoming year training initiatives. • Youth Cultivation Outcomes: Evaluate youth development project achievement rates during annual budget meetings and establish project budgets for the following year.
	❖ Preventive or Mitigation Measures • Promotion and Development Clear promotion guidelines are in place and reviewed regularly to ensure capable and high-potential employees are entrusted with key responsibilities. • Ongoing Training Department representatives regularly identify job-specific training needs. Training plans are reviewed and adjusted based on organizational priorities and outcomes. • Youth Talent Support A dedicated liaison enhances communication with target academic departments. Internal mentorship and resource support are provided through scholarships and internship programs.
Objectives and Targets	❖ 2024 Performance Outcomes Internal Talent Mobility • Percentage of management positions filled by internal promotion: 100% Women's Leadership Development • Female management representation: 24.1% Future-Ready Capability Building • Average annual learning hours per employee: 24.6 hours Youth Cultivation Programs • Graduate scholarships awarded: 8 recipients • Internship opportunities provided: 4 positions (Note 1) ❖ Short-term Objectives (2025) Internal Talent Mobility • Percentage of management positions filled by internal promotion: >80% Women's Leadership Development

	• Female management representation: >25% Future-Ready Capability Building • Average annual learning hours per employee: >30 hours Youth Cultivation Programs • Graduate scholarships awarded: ≥ 6 recipients • Internship opportunities provided: ≥ 6 people ❖ Medium to Long-term Objectives (2030) Internal Talent Mobility • Percentage of management positions filled by internal promotion: >80% Women's Leadership Development • Female management representation: >28% Future-Ready Capability Building • Average annual learning hours per employee: >40 hours Youth Cultivation Programs • Graduate scholarships awarded: ≥ 10 recipients • Internship opportunities provided: ≥ 10 people
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※ Note 1: Competition for internship positions among target student demographics is intense. Additionally, some students must decline external internship opportunities at short notice due to curriculum requirements or faculty-mandated summer research projects.

5.2.1 Building Future Workforce Capabilities

As we pursue sustainable development, Daxin recognizes talent as the fundamental driver of innovation and organizational growth. We are committed to fostering an inclusive, diverse workplace culture and establishing comprehensive talent development frameworks that cultivate professionals with both potential and initiative.

Performance Management

We strengthen employee performance and core values by linking work responsibilities with continuous development objectives. Through biannual performance management cycles, we establish bidirectional communication and real-time feedback mechanisms that help employees set performance targets and personal development goals, ensuring career growth aligns with corporate objectives.

In 2024, 100% of employees within the performance management framework completed the evaluation process, demonstrating our commitment to robust performance systems. Managers provide timely feedback throughout evaluation cycles to enhance employee self-reflection, professional capabilities, and engagement levels, enabling rapid response to market dynamics. We integrate vertical advancement with horizontal development, encouraging employees to pursue growth in seniority while exploring diverse functions and domains to broaden perspectives and achieve multifaceted development.

Women in Leadership

In 2024, women comprised 30.2% of our workforce, with 24.1% holding managerial positions—slightly above the industry average of 20-22% for related sectors (Note 1). We continue strengthening management selection and career development mechanisms to identify and support high-potential female talent. The company cultivates an organizational environment that supports women's career advancement through training programs and developmental opportunities, enhancing their visibility in professional and management roles. We regularly review workforce development plans to advance gender equality and inclusive culture initiatives.

※ Note 1: Data sourced from Taiwan Stock Exchange Market Observation Post System ESG disclosures on female management representation in related industries.

Internal Talent Mobility

In 2024, 100% of managerial vacancies were filled through internal promotions, with five positions filled by internal transfers. Daxin provides vertical and horizontal development opportunities, including internal promotions, job rotations, and lateral transfers, enabling employees to continuously expand their professional perspectives and skill sets.

Through performance management and evaluation processes, we encourage employees to gradually take on more diverse or challenging responsibilities after mastering their current roles, achieving vertical growth. Simultaneously, we support employees in exploring different functional areas within the company, promoting cross-departmental collaboration and learning.

For high-performing talent, we conduct regular dual-track selection and promotion processes for both managerial and specialist career paths. Our 100% internal promotion rate in 2024 reflects our strong commitment to talent development and internal advancement opportunities, demonstrating our dedication to establishing clear, forward-looking career progression pathways.

5.2.2 Equip employees with future knowledge and skills to drive innovation

Facing rapidly evolving AI technology and expanding industrial applications, Daxin maintains a forward-looking vision to plan our future talent blueprint. We understand that continuously upgrading employees' technical skills and digital mindset is essential to excel amid constant change. In 2024, we incorporated key areas including artificial intelligence applications, experimental design methods, and smart manufacturing into systematic training courses, launching our new-generation talent development program. Through interdisciplinary learning and practical competitions, we inspire employees' innovative potential and adaptability, strengthening the foundation for long-term competitiveness and organizational development.

The company implements five comprehensive global training strategies every year: materials design, advanced foundry, innovation, interdisciplinary capability, and sustainability. By aligning industry trends with operational needs, we systematically enhance employee capabilities and organizational performance, driving stable transformation and sustainable development.

Five Comprehensive Global Training Strategies



In 2024, we delivered a total of 10,413 training hours, providing each employee with an average of 24.6 hours of professional development. The total training expenses exceeded NT\$1,000,000, representing an average cost of NT\$2,392 per employee.

Employee Training Hours					
Item/Category	Supervisory		Non-supervisory		Total
Unit/Gender	Male	Female	Male	Female	
Total Personnel Number(persons)	44	14	252	114	424
Total Training Hours(hours)	1,572	470	5,936	2,435	10,413
Average Training Hours(hours/person)	35.7	33.6	23.6	21.4	24.6

R&D Talent Development in the AI Era



AI and Experimental Design Competition



Professional R&D Courses

To respond to rapid AI technology evolution and industrial applications, we continuously enhance our R&D team's capabilities through targeted training. In 2024, we launched "AI and Experimental Design" course series covering chemical theory, experimental design methods, AI applications, and smart manufacturing. With 635 total training hours (7 hours per employee), AI courses comprised 23% of R&D training, enabling colleagues to master latest technologies and apply them to development processes.

We also organized an "AI and Experimental Design Competition" with 19 teams and 90 R&D colleagues, encouraging flexible AI tool usage to enhance innovation and problem-solving skills. Through combined learning and competition, we stimulate employee potential and technical capabilities, implementing talent cultivation and sustainable development.

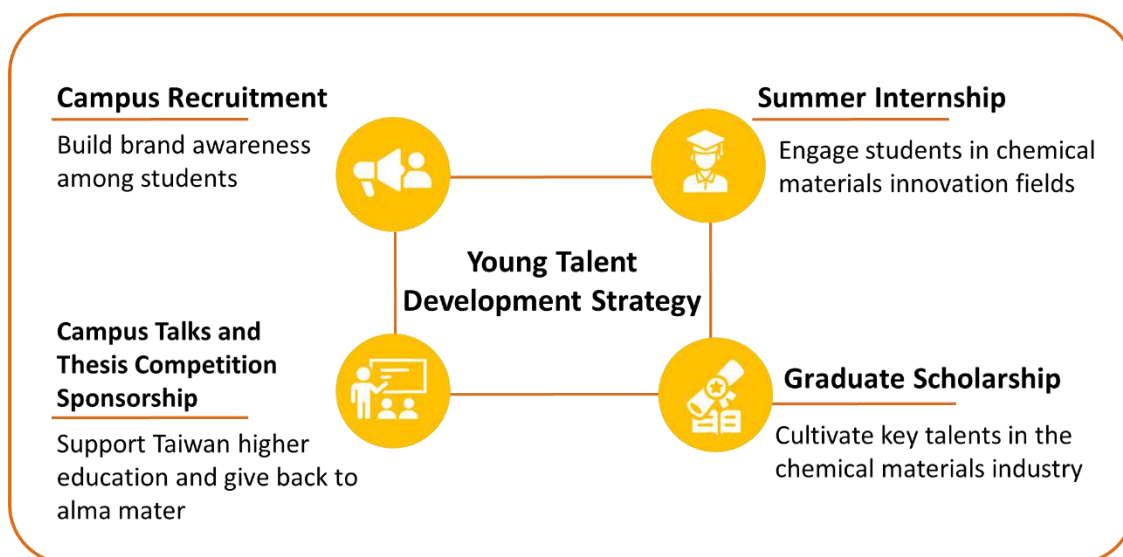
To align talent developments with company's goals, we plan annual courses following our "Education and Training Management Procedure" and equal opportunity principles for fair resource allocation. Our training combines internal and external instruction, online learning, and hands-on practice while fostering self-directed learning. We encourage employees to proactively enhance their competencies, strengthening knowledge, skills, and management capabilities to drive organizational growth.

Employee Training Program	
Target	Content
A. New Employee	Daxin provide systematic training for new hires covering company introduction, human rights and integrity policies, data protection, trade secrets, environmental health and safety regulations, information security, and other core courses, achieving a 100% pass rate. Each department provides job-specific training and cross-departmental collaboration guidance. Our mentor program enables quick adaptation to the work environment and strengthens organizational cohesion.
B. Management	Daxin cultivate strategic leaders through specialized training programs tailored to managers at all levels, aligned with our global service operating model and company growth objectives. Using case studies and group sharing, we strengthen strategic thinking, organizational design, and language proficiency, enabling supervisors to lead teams in responding to market changes and achieving sustainable development goals.
C. Professional	The company is committed to creating a continuous learning environment through internal and external resources supporting self-directed professional development. This includes keynote speeches, skills courses, industry seminars, and occupational safety and health training. Our commitment to employee growth is reflected in our 2024 advanced technology course satisfaction score of 90, demonstrating high recognition of learning quality.
D. General	To encourage employees to actively expand their professional knowledge, the company continuously provides diverse learning resources, encourages self-directed learning, and subsidizes training expenses. From the "hard skills" of developing innovative professional knowledge to the "soft skills" of critical thinking, analysis, and problem-solving, employees can continuously enhance their personal effectiveness to meet the organizational growth demands.

5.2.3 Cultivate Scientific Talents

Daxin promotes diversity and inclusion, balancing local connections with professional diversity for sustainable development. In 2024, Daxin conducted 6 campus recruitment events and 5 alumni sharing sessions across chemistry, chemical engineering, and materials fields, deepening campus connections and attracting outstanding talents. The company also organized 2 R&D technical seminars and participated in 5 professional conferences and poster competitions to promote industry-academia collaboration. We recruited 4 interns (3 master's, 1 bachelor's students) and offered internship opportunities for employees' children, helping the new generation explore career paths and achieve inclusive talent development.

Daxin sponsors graduate scholarships and strengthens industry-academia collaboration with tier 1 universities to encourage R&D innovation. This creates a diverse, forward-looking talent environment that drives continuous innovation for corporate sustainability.



Deepen Campus Engagement and Establish Diverse Recruitment Channels

Campus Recruitment

Through annual job fairs and alumni sharing sessions, we create a two-way communication platform connecting current employees (alumni) with students. Alumni introduce their industry fields, R&D work, and daily company life, helping students understand industry trends, workplace realities, and company culture. This direct engagement enhances our company's attractiveness and strengthens campus connections.

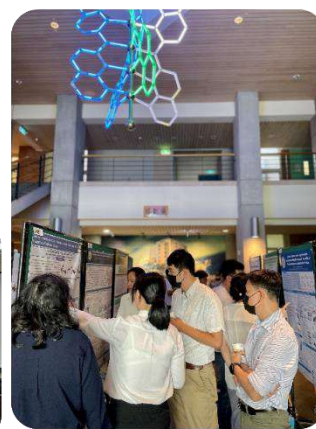
Campus Talks and Thesis Competition Sponsorship

To deepen industry-academia exchanges and inspire students' interest in materials research and development, Daxin regularly arranges R&D supervisors to deliver keynote speeches at relevant departments, sharing practical applications of materials science and career development experiences. In 2024, we held 2 R&D technology speeches reaching 300 university and graduate students, and participated in 5 professional conferences and poster competitions reaching 1,700 students in related fields. Through over NT\$300,000 in sponsorship, we continuously support technological talent cultivation and industry knowledge exchange, building a solid foundation for future technological development.

Campus Recruitment-
Alumni Sharing



Campus Talks and Thesis Competition
Sponsorship



Daxin Graduate Scholarship Program

Daxin upholds innovative education and talent development, dedicated to nurturing next-generation scientists with forward-looking technological capabilities. Established in 2010, our "Daxin Graduate Scholarship" has awarded 87 outstanding PhD and master's students from National Taiwan University, National Tsing Hua University, National Yang Ming Chiao Tung University, and National Cheng Kung University, with total funding exceeding NT\$19 million over fourteen years.

Due to increasing numbers of outstanding applicants, we expanded from 6 to 8 recipients in 2024, demonstrating continued support for potential talent. We also invite supervising professors and award-winning students for company visits, providing industry insights and practical career guidance while recruiting scholarship recipients to join Daxin.

This scholarship will continue supporting Taiwan's advanced materials research talent cultivation and long-term industry-academia collaboration development.

Daxin Scholarship Award Ceremony and Site Visit



Summer Internship Program

Since 2015, our annual summer internship program encourages students to experience and understand chemical materials R&D innovation applications. Through mentor guidance, interns apply their learning to practical projects, supported by lectures, courses, and site visits. This provides self-exploration opportunities and helps participants recognize the specialty chemical materials industry's important role in Taiwan's high-tech development. To date, 40 interns have completed the program (5 PhD, 25 master's, and 10 bachelor's students), with outstanding performers receiving pre-employment opportunities.

Summer Internship Program



5.3 Social Participation

Daxin embraces its vision as a responsible corporate citizen through active social engagement. By supporting local communities and assisting disadvantaged groups, we encourage employee participation in volunteer services, creating sustained positive impact for all stakeholders. These initiatives strengthen employee cohesion, promote shared social prosperity, and advance sustainable development—fostering a virtuous cycle that reflects our enduring commitment to society.

Corresponding GRI Material Topics: 404 Training and Education, 405 Diversity and Equal Opportunity

Management Policy	❖ Policies and Actions Daxin upholds the core philosophy of "Prospering Society through Innovation," believing that every profit should simultaneously benefit society. Through diverse social engagement opportunities, we encourage employees and their families to actively support disadvantaged groups and contribute to local communities. With enduring commitment to the communities where we operate, we strive to achieve the dual objectives of fulfilling corporate social responsibility and advancing sustainable development. • Local Community Support • Social Participation and Charitable Initiatives ❖ Management Evaluation Mechanism During annual budget meetings, we review the achievement rate of social participation projects to inform planning for the following year's initiatives, ensuring alignment with our core social engagement objectives. Project implementation effectiveness is also reported regularly to the management team to ensure strategic execution and efficient resource utilization. ❖ Preventive or Mitigation Measures This project aims to create positive impact for stakeholders and represents a proactive engagement initiative; therefore, no specific prevention or mitigation measures are required.
Objectives and Targets	❖ 2024 Performance Outcomes • Local Education Support: 6 "The Next Generation Scientist" sessions conducted • Local Arts and Culture Support: 5 arts and cultural events sponsored • Social Participation and Charitable Initiatives: 508 total volunteer service hours ❖ Short-term Objectives (2025) • Local Education Support: ≥ 6 "The Next Generation Scientist" sessions • Local Arts and Culture Support: ≥ 3 arts and cultural events sponsored • Social Participation and Charitable Initiatives: > 500 total volunteer service hours ❖ Medium to Long-term Objectives (2030) • Local Education Support: ≥ 8 "The Next Generation Scientist" sessions • Local Arts and Culture Support: ≥ 4 arts and cultural events sponsored • Social Participation and Charitable Initiatives: > 1,000 total volunteer service hours

5.3.1 Supporting Local Education

Daxin is committed to fulfilling its role as a responsible corporate citizen and supporting the United Nation's Sustainable Development Goals (SDGs) to implement sustainable measures. Located in Taichung, Daxin promote the "Next Generation Scientist Program" in central Taiwan, rallying employee volunteers with chemistry rooting spirit and utilizing our industry resources.

Our R&D design chemistry experiment lesson plans, collaborating with Wu-Nan Elementary School and Hai-Chian Elementary School in 2024 to conduct 6 science teaching sessions with 150 elementary students. Through engaging experiments like acid-base neutralization and redox reactions, we inspire students' interest in chemistry and technology, enabling fundamental science education to take root early and cultivating future generations with technological literacy, fulfilling our long-term commitment to education and sustainable development.

The Next Generation
Scientist Program



5.3.2 Support Local Arts and Culture

Since 2015, Daxin has been sponsoring Taichung City Symphony Orchestra (TCSO), collaborating to offer music courses (violin, flute, and guitar) to employees while actively promoting music education and enhancing artistic and cultural literacy for employees and their families. We consistently support local musicians through performance opportunities and cultural events.

In 2024, we invested over NT\$500,000 sponsoring five music events: New Year Concert, Hollywood Praise, Jazz Concert, Violin Recital, and Christmas Concert. Nearly 200 employees and their families participated, reaching an audience of over 2,000 people, demonstrating our long-term commitment to supporting local music and community arts development.

Support Local Arts and Culture



5.3.3 Social Participation and Charitable Initiatives

In 2024, Daxin continued advancing diverse charitable programs, leveraging employee volunteer efforts to actively address social needs.

Following the April 3 Hualien-Taitung Earthquake, our employees voluntarily donated funds to support reconstruction of the National Dong Hwa University chemistry laboratory, helping restore facilities and minimize the disaster's impact on student learning. Beyond disaster relief, the "Daxin Charity Club" regularly engages in sustained initiatives including donations, material support, and volunteer services, focusing on resource inequality among disadvantaged groups and environmental protection in Taiwan—demonstrating our long-term commitment to local communities.

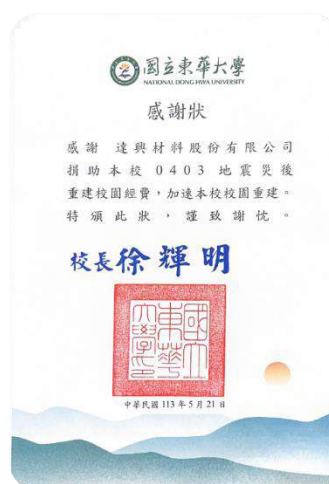
Moving forward, we will continue expanding our positive impact on education and support for the underprivileged through diverse volunteer services, charitable donations, and partnerships with social welfare organizations, reinforcing our commitment to sustainable corporate development.

Support for Dong Hwa University Chemistry Laboratory Reconstruction

Daxin has long been committed to nurturing talent in chemistry and chemical engineering to advance Taiwan's high-tech education. The April 3, 2024 Hualien-Taitung Earthquake triggered a fire in the National Dong Hwa University Department of Chemistry laboratory, causing substantial damage to facilities and equipment and severely impacting students' educational opportunities.

We initiated the effort by donating NT\$800,000, inspiring employees to contribute over NT\$300,000. In total, more than NT\$1.1 million was donated to the Department of Chemistry for laboratory reconstruction, demonstrating Daxin's commitment to charitable investment in higher scientific education.

Supporting Dong Hwa University Lab Reconstruction



Christmas Wish Project with Taiwan Fund for Children and Families (TFCF)

Since 2011, Daxin has partnered with the Taiwan Fund for Children and Families (TFCF) on the Christmas Wish Project for Disadvantaged Children, where employees sponsor children's wishes to help make Christmas dreams come true for kids from underprivileged families.

In 2024, collaborating with TFCF South Taichung Center, we delivered 109 gifts to children across eight administrative districts in Taichung: East, West, South, North, Central, Xitun, Beitun, and Nantun.

To date, we have helped 1,415 children fulfill their wishes through partnerships with TFCF centers in Taichung, Yunlin, and Penghu. Through our employees' compassion and action, we bring warmth and hope into children's lives while strengthening our collective charitable spirit. Moving forward, we will continue expanding participation to provide dream fulfillment opportunities for even more children.

Responding to Sustainable Partners and Caring for Diverse Social Issues

In support of AUO Sustainability Foundation's Sustainability Literacy Scholarship and Dream Fulfillment Fund, Daxin actively engages in initiatives that address both education and environmental needs. The Sustainability Literacy Scholarship helps underprivileged students continue their education with peace of mind, supports teachers and students in remote areas to participate in sustainability cultivation courses, and promotes science education to spark children's interest in science. The Dream Fulfillment Fund focuses on social poverty, rural education, and ecological protection, responding to diverse social needs through concrete actions and reflecting the company's long-term commitment to public welfare.

In 2024, we participated a total of 84 times, contributing over NT\$300,000, joining sustainability partners in addressing a wide range of social issues.

Corporate Volunteers

Since 2014, Daxin has participated in Corporate Volunteer Day activities, earning the Special Award in Taichung City's Corporate Volunteer Team Selection. Leveraging employee volunteer strength, we actively address resource inequality and environmental protection issues in Taiwan. In December 2024, the "Daxin Mountaineering Club" organized nearly 40 volunteers for the Dadu Mountain Great Wall Trail cleanup, removing nearly 60 kilograms of waste including plastics, metal cans, and paper—demonstrating our long-term commitment to environmental protection and local ecological conservation.

The Power of Doing Good through Sports

In 2024, Daxin fully sponsored employees and their families to participate in two local charity runs in central Taiwan—the Taichung City Half Marathon and Sun Moon Lake Sakura Dance Around-the-Lake Run—encouraging shared participation to experience urban and local scenery while developing exercise habits and promoting physical and mental health.

To further support low-carbon environmental principles, participants were encouraged to bring their own supplies, reducing single-use waste. Part of the registration fees was donated to the Taichung City Government Social Affairs Bureau, fulfilling our corporate social responsibility. The events attracted over 200 participants who covered a combined distance exceeding 2,100 km, demonstrating our commitment to integrating sustainability with charitable action.

Additionally, we actively encourage employees to explore diverse healthy activities. In 2024, we participated in cycling events for the first time—the Sun Moon Lake Merida Cup Cycling Carnival—encouraging employees to appreciate local natural beauty through cycling while enhancing physical and mental well-being and contributing to environmental protection.

Corporate Volunteers - Mountain Cleanup



Charity Through Athletic Events



5.4 Health and Safety

Employees and contractors are important assets and partners of Daxin, and they are also key forces in the company's operational development. As research, development, and production technologies continue to advance, the safety and health standards of the working environment must be simultaneously enhanced to ensure that every team member can demonstrate their professional value in a safe and secure environment.

The research and development, as well as the manufacturing, of chemical materials, while serving as the core driver of innovation, may also pose potential occupational safety and health risks. Therefore, Daxin regularly reviews its safety management measures, strengthens risk identification, preventive controls, and real-time response mechanisms, and implements comprehensive safety education and training for employees and contractors. These efforts aim to reduce occupational hazards during operations and ensure that a culture of safety is deeply embedded in every aspect of Daxin's operations.

Safety and health are not only corporate responsibilities, but also Daxin's commitment to all stakeholders. We will continue to make improvements, aiming for zero occupational injuries and minimizing health risks, to create a safer and more resilient working environment.

Corresponding GRI Material Topic: 403 Occupational Health and Safety

Management Policy	❖ Policies and Actions Daxin is committed to becoming an environmentally friendly and safe green enterprise, establishing a company management culture centered on environmental protection, safety, and health. The company strengthens management, establishes in-plant hazard identification, risk assessment, and control management procedures, identifies and eliminates sources of hazards, and reduces safety risks. • Continue to promote the ISO 45001 management system to achieve occupational health and safety performance. • Implement preventive management and audit systems to ensure workplace and operational safety. • Regularly hold various safety meetings, engage in multi-faceted communication, consultation, and decision-making participation to prevent accidents. • Continuous education and training, as well as promotion, are conducted annually for on-the-job employee education and training. • Improve chemical management, conduct workplace environment monitoring and chemical classification management in accordance with the law, and prevent occupational accidents.
	❖ Management Evaluation Mechanism • Regularly conduct internal and external audits. • Each quarterly Environmental, Safety, and Health Committee and Management Review Meeting operates based on the dynamic cycle of "Planning PLAN", "Implementation and Operation DO", "Inspection CHECK", and "Management Review ACTION", with management policies adjusted according to actual circumstances. • Annually pass the ISO 45001 Occupational Health and Safety Management System external verification.
	❖ Preventive or Mitigation Measures To ensure the proper operation and implementation of various occupational safety and health management measures, audits are conducted in accordance with the Environmental Safety Audit Operation Control Procedure. During the audit, the execution of operational controls is examined. For any deficiencies found, an Environmental Safety Abnormality

	Report is issued for follow-up and handling, thereby promoting continuous improvement and effective implementation of occupational safety and health operations.
Objectives and Targets	❖ 2024 Performance Outcomes • Number of major occupational accidents 0, amount of fines for violations of occupational safety and health laws 0. • Emergency (Disaster) Incident Response Drill Completion Rate: 100%. • Disabling Injury Frequency (FR): 1.16 (per million working hours), Disabling Injury Severity Rate (SR): 4 (per million working hours). • Completion rate of on-the-job employee departmental risk education and training: 100%. • Chemical work environment monitoring results ≤ Permissible Exposure Limit 1/2: 100%; ≤ Permissible Exposure Limit 1/10: 99%. ❖ Short-term Objectives (2025) • Number of major occupational accidents 0, amount of fines for violations of occupational safety and health laws 0. • Emergency (Disaster) Incident Response Drill Completion Rate: 100%. • Disabling Injury Frequency (FR) < 1.35 (per million working hours), Disabling Injury Severity Rate (SR) < 15 (per million working hours). • Completion rate of on-the-job employee departmental risk education and training: 100%. • Chemical work environment monitoring results ≤ Permissible Exposure Limit 1/2: 100% ; ≤ Permissible Exposure Limit 1/10: 98%. ❖ Medium to Long-term Objectives (2030) • Number of major occupational accidents 0, amount of fines for violations of occupational safety and health laws 0. • Emergency (Disaster) Incident Response Drill Completion Rate: 100%. • Disabling Injury Frequency (FR) < 1.00 (per million working hours), Disabling Injury Severity Rate (SR) < 5 (per million working hours). • Completion rate of on-the-job employee departmental risk education and training: 100%. • Chemical work environment monitoring results ≤ Permissible Exposure Limit 1/2: 100%; ≤ Permissible Exposure Limit 1/10: 98%.

5.4.1 Occupational Safety and Health

Promotion of Safety Culture

During the **2024** reporting period, occupational safety and health issues continued to rank as the top priority in the comprehensive assessment of major sustainability impacts for the company. Daxin is committed to establishing a company culture centered on occupational safety and health, with "zero safety incidents" as the goal for sustainable development, and places great importance on the safety and health of every employee. The company has established an Occupational Safety and Health Department, which sets management objectives and formulates implementation plans in accordance with the company's philosophy and policies, and tracks and audits management performance according to the plans. Through various forms of two-way communication and exchange, such as risk assessment, hazard identification, safety and health education and training, promotion, occupational safety liaison meeting, R&D department risk meetings, and manufacturing division safety meetings, the company continuously enhances employees' hazard awareness and builds a corporate safety culture.

To ensure that all employees of the company fully understand workplace safety and health, the "Workplace Safety and Health Code" has been established in accordance with legal requirements. The content covers topics such as workplace safety, hygiene, and the prevention of occupational hazards. In addition, the "Contractor Environmental Safety and Health Management Operation Guidelines" have been formulated to establish a clear management mechanism. Through the implementation of the aforementioned systems, a safe, healthy, and environmentally friendly working environment is created to ensure that all employees and contractors can work under safe and healthy conditions.

EHS Organizational Structure

Daxin has established an Occupational Safety and Health Committee in accordance with the Occupational Safety and Health Management Regulations. The Committee provides recommendations on the company's proposed safety and health policies and management systems, and is responsible for reviewing, coordinating, and advising on matters related to safety and health. In **2024**, the Committee consists of a total of **31** members, including **14** employee (employees) representatives, accounting for **45%** of the committee members.

The committee holds meetings every quarter to consolidate the results of occupational safety and health implementation, review deficiencies and improvements, and works together with management to discuss, coordinate, plan, and make decisions on occupational safety and health-related issues. This ensures employee participation, consultation, and communication, providing a safe working environment for employees.



Occupational Safety and Health Management System

The occupational safety and health management system is established and continuously operates a systematic risk management and prevention mechanism, covering all workers in the workplace, including employees (All employees), as well as non-directly employed personnel such as contractors, subcontractors, visitors, and other individuals engaged in activities managed or controlled by the company within the workplace. As of the end of December 2024, the total number of Daxin employees was **424** people; the total number of non-employees (resident contractors) was **16** people, accounting for 100% (denominator: **16** people); currently, there are no client resident personnel at the plant.

Daxin follows the latest version of the ISO 45001:2018 management system standard and has been certified by Taiwan SGS, obtaining the **ISO 45001:2018** Occupational Health and Safety Management System certification. External expert audits are conducted annually to ensure continuous improvement and review. The scope of the Occupational Health and Safety Management System covers the environmental and occupational health and safety impacts arising from Daxin's activities, products, and services. The company is committed to establishing high-standard environmental, safety, and health regulations to protect the well-being and safety of employees and relevant stakeholders.



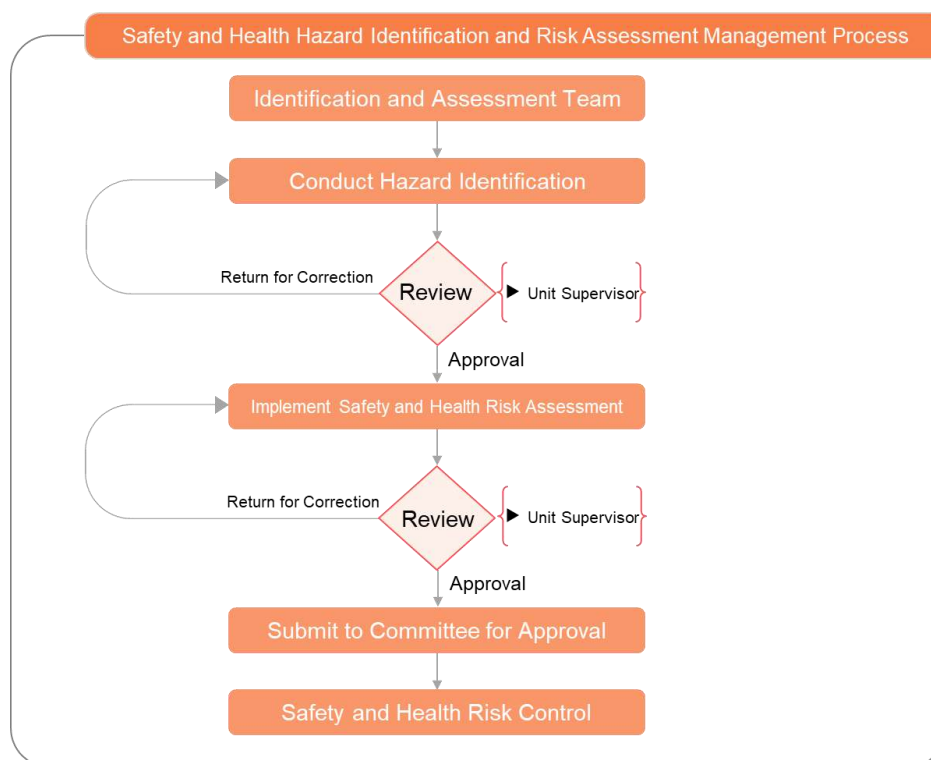
Safety Hazards and Risk Control

In order to effectively identify occupational hazards and risks, Daxin has established the "Occupational Safety and Health Hazard Identification and Risk Assessment Management Procedure." Comprehensive hazard identification and assessment are conducted for both routine and non-routine operations that may cause personnel injuries or accidents. The company also reviews and evaluates the effectiveness of safety and health management performance and its control measures, thereby formulating policies and objectives as the basis for planning the occupational safety and health management system.

Each department establishes a Risk Identification and Assessment Team. According to the scope of operational jurisdiction, the team divides and records the processes, operational tasks, involved raw materials, machinery, equipment, tools, degree of impact on personnel/and equipment, occurrence of incidents (including abnormal incidents and near misses), as well as current control and monitoring methods in the "Occupational Safety and Health Hazard Identification and Risk Assessment Form" to conduct occupational safety and health risk assessments.

The risk level is determined by the risk score (R) = occurrence frequency (F) $\times$ severity (S) $\times$ risk weighting (RW). Items classified as high risk must be recorded in the "Unacceptable Risk Control Table", submitted to the management representative for approval, and listed as priority improvement items. These serve as the basis for setting objectives and management plans, and a report must be presented during the annual management review.

To ensure the effectiveness and applicability of risk assessment, comprehensive hazard identification and risk assessment are conducted annually by the Risk Identification and Assessment Team. When there are changes in related equipment processes, raw materials, products, services, or associated activities, identification and assessment operations are carried out immediately.

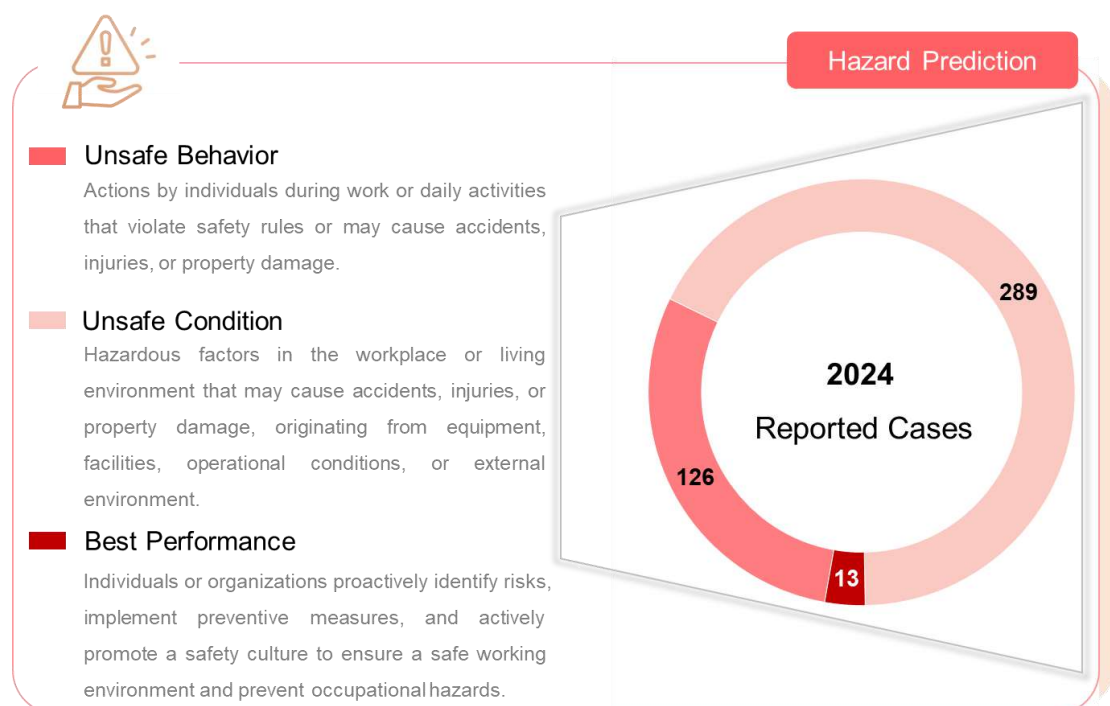


Hazard Awareness Promotion

Daxin actively promotes the Hazard Prediction Reporting Activity, encouraging all employees to participate in order to enhance the effectiveness of workplace safety management. Emphasizing the importance of "controllable risks, achievable safety," employees are required to immediately take corrective actions to ensure operational safety whenever they identify any potential hazards that may endanger personnel during work. All detected abnormalities and improvement actions must be reported to the Hazard Prediction Reporting System, with detailed records of the on-site situation. The Occupational Safety and Health Department regularly compiles and analyzes the data as an important basis for subsequent planning of safety and health programs, continuously improving the work environment and reducing occupational hazard risks. In addition, the company selects the best proposals each quarter and provides rewards to encourage active employee participation. These are discussed in the Occupational Safety and Health Committee to ensure that outstanding safety improvement measures can be widely implemented.

2024 saw a total of 428 reports submitted, including 289 cases of unsafe conditions, 126 cases of unsafe behaviors, 13 cases of best practices, and 39 outstanding proposals rewarded. Based on the content of the proposals, hazard classifications were conducted, and the statistics showed that "slips, trips, and falls" and "equipment operation/work safety" were the most common types of hazards. Accordingly, we communicate potential improvement measures with the proposers and list these items as key inspection points during supervisors' daily rounds to strengthen preventive mechanisms.

In the category of 'Personal Protective Equipment', most issues stem from employees not properly wearing protective gear. We will further assess the feasibility of engineering improvements, review the comfort level of current protective equipment, and seek more suitable options. In addition, by communicating with employees, we will emphasize the importance of protective equipment to ensure proper usage and enhance safety awareness. Moving forward, we will continue to strengthen occupational safety management through data analysis and improvement plans, reduce workplace risks, and achieve a safer working environment.



Occupational Injury Statistical Analysis

The company conducts **FR** and **SR** statistical analyses every month, and reports and announces the results to employees at the quarterly Occupational Safety and Health Committee meetings. In **2024**, the number of cases of disabling injuries among employees was **1**, with the type of injury. The total number of lost workdays due to injury was **4**. The disabling injury frequency rate (**FR**) was **1.16**, and the disabling injury severity rate (**SR**) was **4**, both meeting the set target goals.

In order to effectively prevent "operational cuts," a comprehensive inventory and enhanced management of high-risk equipment (such as glass reaction vessels) has been carried out. Related improvement measures include: a thorough inspection of the integrity of glass vessels, and the installation of anti-static polycarbonate (ESD PC) protective panels with impact resistance and flame-retardant properties at operation interfaces to prevent injury from flying glass fragments. At the same time, process gas source pressure has been reduced and strict implementation of the Lockout/Tagout (LOTO) management system is enforced to prevent unauthorized activation, further reducing the risk of similar incidents recurring.

In accordance with **GRI 403: Occupational Health and Safety (2018)**, both the fatality rate and the rate of severe occupational injuries caused by workplace accidents are zero, while the recordable occupational injury rate is **1.16**. Looking ahead to **2025**, Daxin will continue to promote a safety culture involving all employees, steadily moving toward the goal of zero accidents.

Occupational Injury Status				
Reporting Year		2022	2023	2024
Total working hours		783,592	810,079	865,252
Number of deaths caused by occupational injuries		0	0	0
Number of serious occupational injuries (excluding fatalities)		0	0	0
Recordable Occupational Injury Cases	Female	1	0	1
	Male	0	1	0
	Total	1	1	1
The mortality rate caused by occupational injuries		0	0	0
Severe Occupational Injury Rate		0	0	0
Recordable Occupational Injury Rate		1.28	1.23	1.16
※ Note1 : Occupational injury fatality rate = (Number of deaths caused by occupational injuries / working hours) *1,000,000. ※ Note2 : Serious occupational injury rate = (Number of serious occupational injuries (excluding deaths) / working hours) *1,000,000. ※ Note3 : Recordable occupational injury rate = (Number of recordable occupational injuries (including deaths and serious occupational injuries) / working hours) *1,000,000. ※ Note4 : Serious occupational injury refers to an occupational injury that cannot be restored to a healthy state within 6 months. ※ Note5 : Recordable occupational injuries do not include occupational injuries caused by commuting to and from work. ※ Note6 : The total working hours record is the sum of employees from Chungke plant and Chungkang Plant. Updated after external assurance in May 2024, with a redefined data calculation formula. The data presentation differs slightly from previous versions. This information is also disclosed in the main explanation of information changes.				

Occupational Safety and Health Education and Training

Daxin conducts general and external occupational safety and health education and training to ensure workplace safety, prevent accidents, and reduce the risk of occupational hazards. By strengthening employees' awareness of occupational safety and health, they can effectively respond to potential risks and help establish a workplace culture that values safety. The education and training targets all employees at the Daxin (Central Taiwan Science Park Plant) and Daxin (Chungkang Plant). During the reporting period of **2024**, a total of **1,666** participants completed the training, with a cumulative total of **2,287.5** training hours.

The company is committed to enhancing employees' and contractors' understanding of in-plant safety regulations. By creating our own digital training materials and integrating public resources from the Occupational Safety and Health Administration of the Ministry of Labor (such as the Occupational Safety and Health Digital Learning Platform), we make the courses more practical and improve learning effectiveness and application capabilities. Currently, we have implemented several occupational safety and health education trainings, including an introduction to high-risk laboratory environments, automatic inspection guidelines for emergency showers and eyewash stations, instructions for operating the Chemical Management System (CMS), office safety and health education, and contractor safety training.

In order to enhance learning effectiveness, Daxin continuously refines its course content and introduces digital tools to improve learning quality, ensuring that employees and contractors can promptly grasp the latest safety standards to achieve **ESG** sustainable management goals. In addition, by utilizing the built-in assessment mechanism of the digital education and training system, the company reviews trainees' mastery of course content to ensure training effectiveness. For new personnel, the company also makes use of government resources to strengthen training efficiency and ensure compliance with regulatory standards. In the future, we will continue to improve the occupational safety and health education and training system, enhance employees' professional skills, ensure workplace safety, and promote the long-term development of our operations.

Course Name	Hours	People	Total
2024 Hazard Identification and Risk Assessment Workshop	3	38	114
ISO14001/45001 Internal Auditor Training	6	43	258
ISO14064 Internal Auditor Training	3	31	93
RD Department Risk Meeting	1	208	208
TCFD Climate-Related Financial Disclosure Education and Training	3	23	69
Sustainability and Environmental Education Seminar	1.5	65	97.5
Respiratory Protective Equipment Donning Training and Fit Test	1	76	76
Fire Safety Education and Training (New Employees)	1	40	40
Basic Safety Education and Training for High-Risk Laboratories	1	22	22
Departmental Risk Education Training	1	759	759
New Employee and On-the-Job Employee Job Change Education and Training	6	33	198
Greenhouse Gas Inventory Series Courses	2	25	50
Emergency Response Drill	1	67	67
Manufacturing Division Safety Meeting Education and Training	1	236	236
Total	31.5	1,666	2,287.5

Occupational Safety and Health Certification Management

Daxin has established a personnel certification and training database, enabling real-time monitoring of certification status across all departments through systematic management, ensuring that all on-site personnel meet professional qualification requirements. Comprehensive occupational safety and health certification management is not only related to workplace safety but also directly impacts the stability and sustainable development of corporate operations. Therefore, our company actively strengthens mechanisms related to education, training, and certification management, effectively reducing occupational hazard risks, enhancing workplace safety standards, and fulfilling our commitment to **ESG** sustainable operations.

To enhance the effectiveness of certification and on-the-job training implementation, our company conducts regular monthly progress tracking and proactively notifies relevant personnel **90** days before certificate expiration to ensure the smooth advancement of training programs. Through rigorous certification management, we not only maintain compliance with regulatory standards but also ensure that employees possess sufficient professional capabilities to address various workplace risks, thereby improving work efficiency and corporate competitiveness. In addition, all education and training related to environmental and occupational safety are incorporated into the training system to improve the accuracy of records and the efficiency of inquiries, establishing a traceable compliance management mechanism and further strengthening corporate governance.



In the future, our company will continue to deepen the management system for occupational safety and health certifications, integrating digital tools to enhance management efficiency and ensure compliance with international standards. We will promote **ESG** sustainable development through a safe and stable operational model, thereby strengthening corporate resilience and social responsibility, and realizing a sustainable business model.

License Name	Number of sheets
Firefighting category	21
Radiation Safety Category	1
Environmental Category	28
Occupational Safety	300

※ Note1 : Statistics as of the end of December 2024.

Employee Consultation and Communication

Valuing and listening to employees' voices, Daxin has established the "Environmental, Safety, and Health Consultation and Communication Management Procedure" to create a comprehensive process for communication, consultation, and participation. This procedure is designed to collect and respond to environmental, safety, and health concerns from both internal and external stakeholders, prevent operational issues caused by poor communication, and serve as a basis for continuous improvement.

Employees may report, inquire, propose, or provide suggestions regarding environmental/occupational safety and health improvements, pollution/occupational accident prevention, and the promotion of environmental protection/occupational safety and health affairs through verbal or written means (such as **E-mail**), or via internal company meetings related to workplace safety (such as the occupational safety liaison meeting, **RD** Department Risk Meeting, Manufacturing Division Safety Meeting, Occupational Safety and Health Committee, and Management Review Meeting), and subsequent handling procedures will be carried out accordingly. To encourage whistleblowers to bravely expose illegal activities, the company has established a "Whistleblowing Channel and Protection System," which ensures the confidentiality and protection of the whistleblower's identity and the content of the report, preventing any improper treatment of the whistleblower.

Contractor Management and Audit

Daxin has established the "Contractor Environmental, Safety, and Health Management Regulations." Before entering the plant area for operations, contractors must obtain a Contractor Safety, Health, and Environmental Protection Training Certificate and submit an application in advance according to the nature of the work. Construction can only begin after joint approval by the relevant departments. For special hazardous operations such as hot work or confined spaces, a safety protection meeting must be held, and approval and permission from the plant manager are required.

Before construction, our company's supervision unit conducts on-site hazard notification at the security office, assisting contractors in understanding the escape routes and hazards of the work environment. The "Contractor Pre-Construction Hazard Notification Form" is completed, and the operation details are accurately recorded for management purposes. During construction, our company's supervision unit oversees and manages the process, ensuring full control over the contractor's work content and the number of workers on site. The Occupational Safety and Health Department will conduct irregular inspections of the construction site. If there are any violations of plant requirements, a Contractor Violation Notice will be issued to the supervision unit, requiring rectification within a specified period. After construction, contractors are required to report to the supervision unit upon completion of the day's work to ensure that all isolated objects and systems at the construction site that need to be restored have been restored and are safe. On-site control measures must be implemented in the construction area, such as fencing notices (construction warning tape and construction notice boards) and material storage signage, while also completing the cleanup of the work site environment.

In addition, the annual contractor agreement and safety management meeting is held every fourth quarter. In addition to strengthening the promotion of internal contractor EHS management operation regulations and reminding about safety precautions for high-risk special operations, this meeting also serves as a platform for in-depth discussions through suggestions raised by contractors, achieving effective two-way communication.

In **2024**, in order to enhance operational safety and efficiency within the plant, our company implemented a classification management system for contractors based on the type of work, and issued corresponding work permits. New categories such as "Routine," "On-site," and "Transportation" were added, including routine maintenance, catering service providers, and chemical transport tank truck personnel under contractor

management. This ensures that all personnel comply with safety regulations and effectively reduces operational risks.

In addition, the company utilizes a digital system to establish an access control mechanism, accurately recording the information of personnel entering and exiting to ensure real-time monitoring of the number of people on site, and further supporting safety management and operational monitoring. This digital system can also serve as the foundation for subsequent data analysis and **KPI** calculation, further enhancing the accuracy and efficiency of management. The **2024** project engineering, through the above-mentioned classification management mechanism, ensures that the engineering process complies with relevant management regulations, reduces operational risks, prevents potential negative impacts on workers' health and safety, and at the same time increases the transparency and traceability of supply chain management.

5.4.2 High-Risk Process

Safety Management Operations

Under the occupational safety and health management system, Daxin integrates Process Safety Information (PSI), process hazard control measures, and Mechanical Integrity (MI) to establish high-risk process safety management. The company assigns qualified process safety assessment personnel to plan and promote related evaluation operations. The process safety assessment team is composed of professionals in process, equipment, plant affairs, and safety and health. Through interdisciplinary discussion and collaboration, they conduct comprehensive analysis from various perspectives to fully identify potential hazards in the process, and manage these hazards through a robust risk management system.

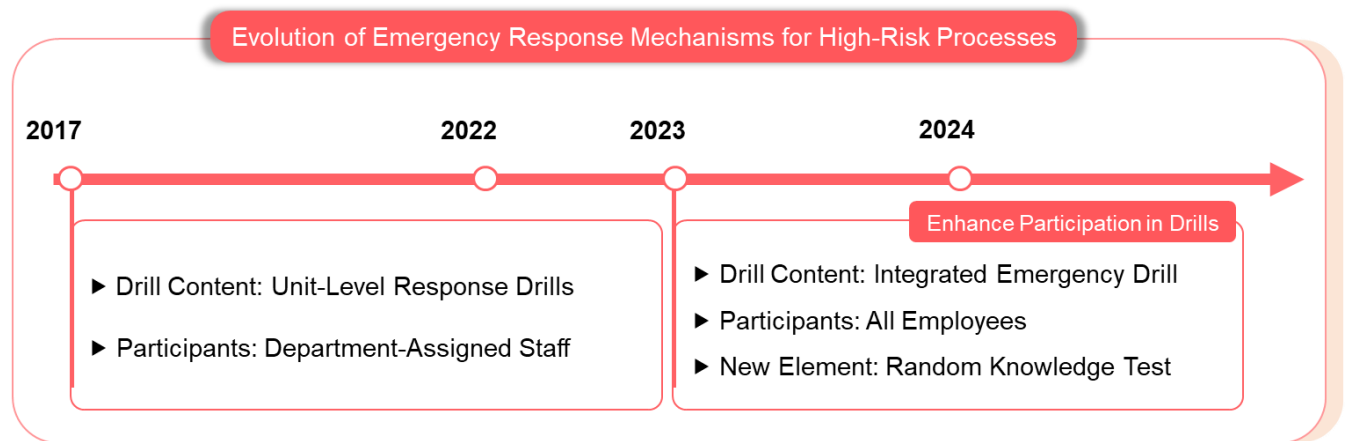
The safety assessment process for high-risk processes begins at the initial stage of process design. By collecting and establishing process safety information, potential process hazards are identified, and a preliminary hazard analysis is conducted to uncover major potential hazard areas. For these areas, a detailed process safety assessment (**HazOp**) is carried out, and based on the results of the risk assessment, the effectiveness and completeness of process hazard control measures are determined.

In order to ensure the safe operation of process equipment throughout its life cycle, the company has established an equipment list for six categories of equipment, including pressure vessels, storage tanks, pipelines, release systems, emission systems, control systems, and pumps. Through a critical equipment screening process, a tiered maintenance system has been implemented to ensure the safety and integrity of process equipment. In addition, comprehensive procedural documents related to process safety management have been established, including: standard operating procedures, training and education, contractor management, pre-startup safety review, hot work permits, management of change, incident investigation, emergency response management, audit systems, and trade secrets. A monthly manufacturing division safety meeting is held to regularly review and confirm the implementation of process safety management, ensuring the effective operation and continuous improvement of the system.

Emergency Response Mechanism

In order to enhance the safety awareness and disaster response capabilities of all employees, Daxin regularly arranges emergency response drills and spot check activities for high-risk processes within the plant. Through these activities, on-site employees are trained to respond promptly and correctly to abnormal situations. All personnel involved in high-risk processes are required to complete emergency response training, which mainly covers safety system alarms, fire, and abnormal leakage. Emergency response spot check activities will randomly select personnel to participate and conduct drills based on two or more simulated scenarios.

Personnel who do not participate in the simulation drills are also required to take on-the-spot tests to ensure that all operating personnel can participate and improve their response capabilities. After each drill and spot check activity, the highest supervisor of the plant and the head of the occupational safety department will conduct reviews and provide suggestions, continuously improving to strengthen the plant's emergency response management capabilities.



Abnormal Report



Abnormal Inspection



Leak Handling



Fire Emergency Response



Evacuate the entire plant



Drill Review

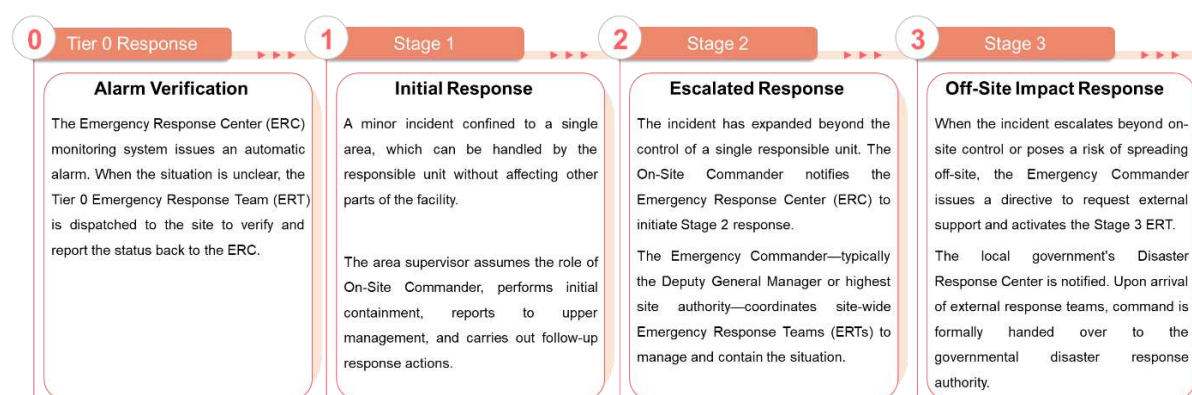
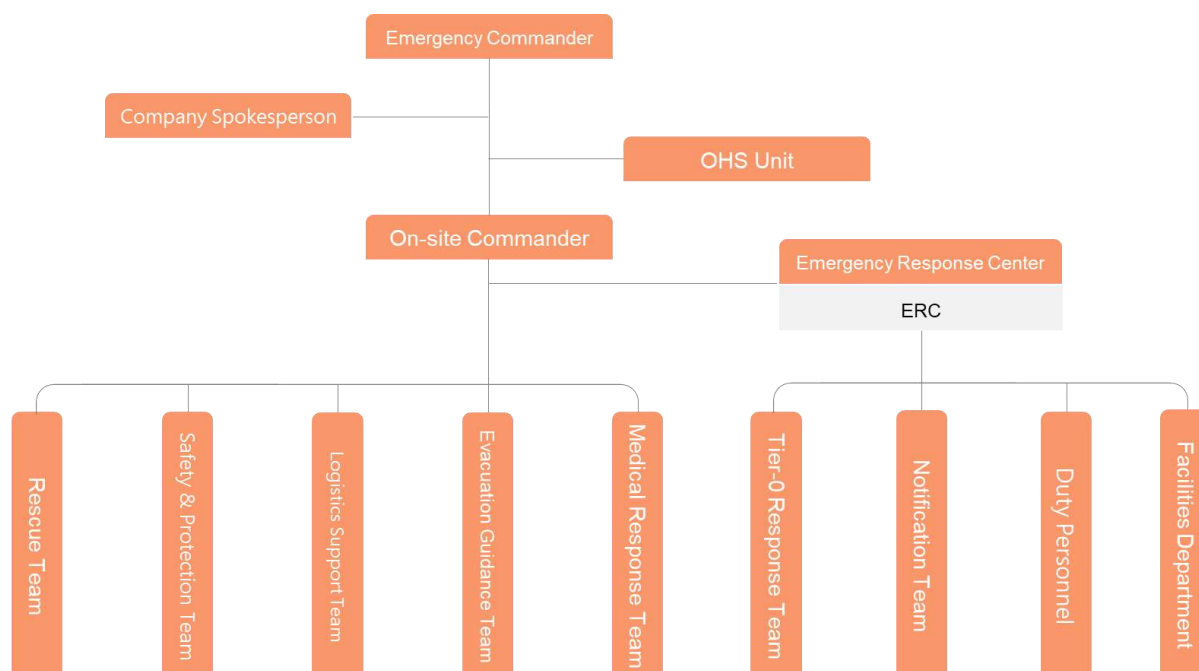


5.4.3 Emergency Response Management

Organizational Structure and Operations

Daxin strengthens operational resilience and safety management. In response to various potential internal emergencies—including fire, power outage, earthquake, typhoon, flood, gas or chemical leaks, abnormal emissions of exhaust gas or wastewater, and other incidents caused by malfunctions in production or processing facilities that may endanger personnel within the plant, residents in the surrounding area, or cause environmental pollution—the company has established the "Emergency Response Management Procedure" as a guideline. An emergency response organizational structure has been set up to ensure the adoption of correct and effective response measures, enabling rapid disaster control, loss reduction, and enhanced emergency response capabilities.

The company classifies emergency incidents into four stages and activates corresponding response teams based on the scale and severity of the incident, ensuring effective handling at each stage.



Drill Planning and Execution

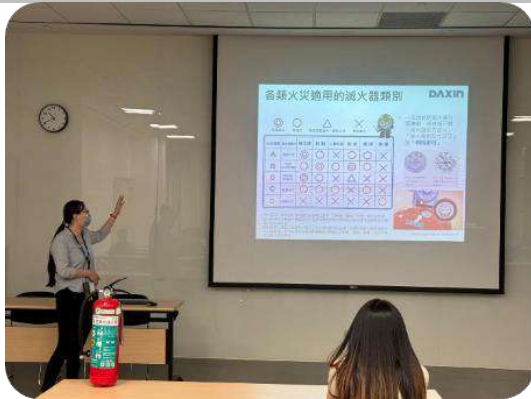
In light of the frequent major industrial safety incidents in Taiwan in recent years, Daxin has strengthened its internal emergency response management and developed a comprehensive, practical, and feasible emergency response training program. At least four emergency response drills are held annually, with a focus on chemical spill handling, evacuation and escape, and fire extinguisher training. Through these regular annual drills, the company aims to ensure a rapid and effective response in various emergency situations, thereby safeguarding the safety of all employees and ensuring the continued development of the company's business.

Chemical Spill Handling



By simulating various chemical spill scenarios, employees are trained to quickly identify hazardous substances, take appropriate protective measures, and master effective methods for handling spills. The drills emphasize hands-on practice to ensure effective response to chemical spill incidents in real situations.

Fire Extinguisher Training



Through theoretical knowledge and hands-on training with fire extinguishers, employees are able to select the correct type of extinguisher when facing different types of fires. At the same time, practical simulation drills help enhance employees' familiarity and confidence in using fire extinguishers, ensuring effective response in the early stages of a fire.

Evacuation and Escape



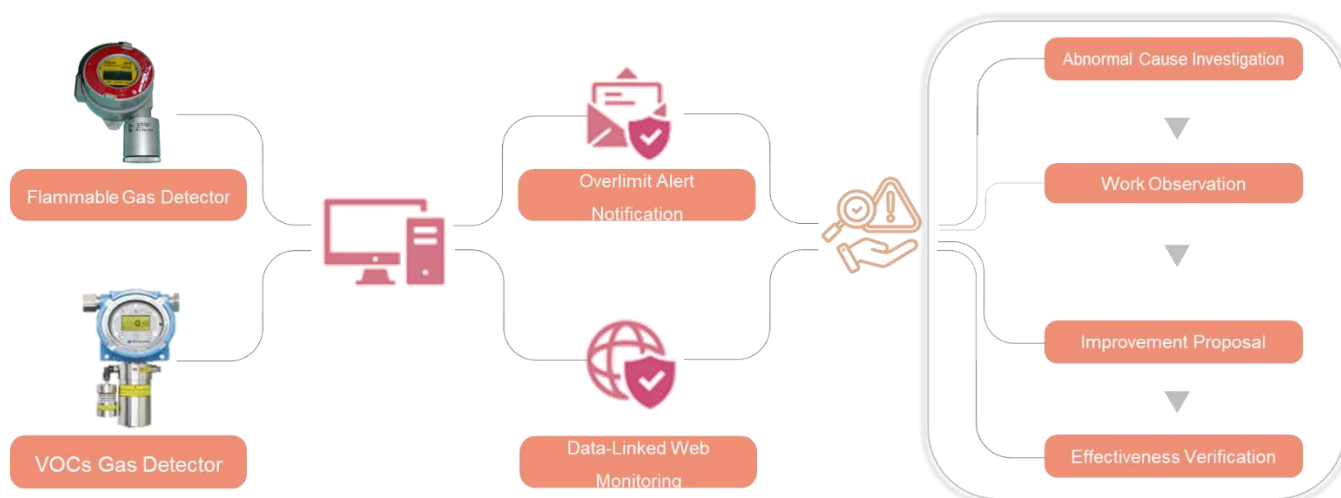
Understand the importance of evacuation and escape, as well as the basic evacuation procedures, and emphasize response strategies in special situations.

5.4.4 Operational Environment Monitoring Management

Work Environment Management

In order to prevent disasters and effectively monitor the concentration of volatile organic compounds (VOCs) in the operating environment, Daxin has established a real-time monitoring system. In addition to installing combustible gas detectors in each process operation area, low-concentration VOC gas detectors are also installed in organic solvent operation areas. When an abnormal leak occurs and the VOC concentration exceeds the control threshold, the system will immediately send an alarm notification to relevant units to take necessary emergency response measures, effectively achieving disaster prevention and real-time alert functions. At the same time, to maintain the operation and accuracy of the gas detectors, the company conducts monthly function tests and commissions the original manufacturer to calibrate the detectors annually, ensuring that the detectors operate properly.

In addition, in order to effectively prevent the emission of volatile organic compounds (VOCs) during production operations, our company prioritizes the use of enclosed exhaust facilities for operations, including enclosed material feeding and enclosed material discharge, with the goal of achieving an odor-free plant area as the target for VOC control.



Workplace Environment Monitoring

In order to effectively monitor and assess the exposure status of on-site employees, Daxin regularly commissions external monitoring agencies to conduct workplace environment monitoring. The monitoring items include chemical and physical factors. For chemical factors, the sampling strategy is primarily personal sampling, supplemented by area sampling. For chemical operations where the exposure concentration exceeds the permissible exposure limit, the company will immediately convene relevant units to form an improvement team, prioritizing closed operations as the main improvement goal. For chemical operations where the exposure concentration is greater than **1/10** of the permissible exposure limit, regular review and observation of work practices are conducted, and improvements are proposed for suboptimal work methods, aiming to reduce and prevent worker exposure.

In the past **3** years of environmental monitoring results, **100%** of physical factors (such as noise, illumination, etc.) complied with regulatory standards. The monitoring results for chemical factors showed that over **90%** of the results were classified as first-level management. This year, **100%** of the chemical work environment monitoring results were less than **1/2** of the permissible exposure standard, and **99%** were less than **1/10** of the permissible exposure standard.

Monitoring Results of Chemical Agents in Recent Years

Exposure Level	Level Rules	Chungke plant			Chungkang plant		
		2022	2023	2024	2022	2023	2024
1	$X < 0.1 \text{ PEL}$	100%	100%	98%	98%	99%	100%
2	$0.1 \text{ PEL} \leq X < 0.5 \text{ PEL}$	0%	0%	2%	2%	1%	0%
3	$0.5 \text{ PEL} \leq X < 1 \text{ PEL}$	0%	0%	0%	0%	0%	0%
4	$X \geq 1 \text{ PEL}$	0%	0%	0%	0%	0%	0%

※ Note1: X represents the sampling concentration result (unit: ppm or mg/m³).

Appendix

Appendix 1: GRI Index

General Disclosure Items

Standard	Disclosure Item	Chapter in the Report	Page
The organization and its reporting practices			
GRI 2: General Disclosures 2021	2-1 Organization details	About Daxin	6
	2-2 Entities included in the organization's sustainability reporting	About The Report	1
	2-3 Reporting period, frequency and contact point	About The Report	1
	2-4 Restatements of information	About The Report	1
	2-5 External assurance	About The Report	1
Activities and workers			
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	About Daxin	6
	2-7 Employees	5.1 Friendly Workplace	110
	2-8 Workers who are not employees	5.1 Friendly Workplace	110
Governance			
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	2.1 Corporate Governance	17
	2-10 Nomination and selection of the highest governance body	2.1 Corporate Governance	17
	2-11 Chair of the highest governance body	2.1 Corporate Governance	17
	2-12 Role of the highest governance body in overseeing the management of impacts	1.1 Sustainability Organization & Operations	9
	2-13 Delegation of responsibility for managing impacts	1.1 Sustainability Organization & Operations	9
	2-14 Role of the highest governance body in sustainability reporting	1.1 Sustainability Organization & Operations	9
	2-15 Conflicts of interest	2.1 Corporate Governance	17
	2-16 Communication of critical concerns	2.1 Corporate Governance	17
	2-17 Collective knowledge of the highest governance body	2.1 Corporate Governance	17
	2-18 Evaluation of the performance of the highest governance body	2.1 Corporate Governance	17

Standard	Disclosure Item	Chapter in the Report	Page
Governance			
GRI 2: General Disclosures 2021	2-19 Remuneration policies	2.1 Corporate Governance	17
	2-20 Process to determine remuneration	2.1 Corporate Governance	17
	2-21 Annual total compensation ratio	5.1 Friendly Workplace	117
Strategy, policies and practices			
GRI 2 : General Disclosure 2021	2-22 Statement on sustainable development strategy	Letter from Our Chairman	3
	2-23 Policy commitments	2.3 Business Integrity	24
		5.1 Friendly Workplace	105
	2-24 Embedding policy commitments	2.3 Business Integrity	24
		5.1 Friendly Workplace	105
	2-25 Processes to remediate negative impacts	1.2 Stakeholder Management	11
		2.4 Risk Management	27
		5.1 Friendly Workplace	105
	2-26 Mechanisms for seeking advice and raising concerns	2.3 Business Integrity	24
		5.1 Friendly Workplace	105
	2-27 Compliance with laws and regulations	2.3 Business Integrity	24
		5.1 Friendly Workplace	105
	2-28 Membership associations	About Daxin	8
Stakeholder engagement			
GRI 2 : General Disclosure 2021	2-29 Approach to stakeholder engagement	1.2 Stakeholder Management	11
	2-30 Collective bargaining agreements	5.1 Friendly Workplace	115
GRI 3: Material Topics 2021			
GRI 3 : Major Topics 2021	3-1 Process to determine material topics	1.3 Material Topic Analysis	12
	3-2 List of material topics	1.3 Material Topic Analysis	12

Material Topic Disclosure

Standard	Disclosure Item	Chapter in the Report	Page
Specific Topic: Economic Aspect			
Supply chain management			
3-3 Management of material topics		2.6 Supply Chain Management	38
GRI 204 : Procurement Practices 2016	204-1 Proportion of spending on local suppliers	2.6 Supply Chain Management	38
Specific Topic: Environmental Aspect			
Energy			
3-3 Management of material topics		4 Green Manufacturing	60
GRI 302: Energy 2016	302-1 Energy consumption within the organization	4.3 Energy Management	81
	302-3 Energy intensity	4.3 Energy Management	81
	302-4 Reduction of energy consumption	4.3 Energy Management	81
	302-5 Reductions in energy requirements of products and services	4.3 Energy Management	81
Emission			
3-3 Management of material topics		4 Green Manufacturing	60
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	4.2 Greenhouse Gas Management	74
	305-2 Energy indirect (Scope 2) GHG emissions	4.2 Greenhouse Gas Management	74
	305-3 Other indirect (Scope 3) GHG emissions	4.2 Greenhouse Gas Management	74
	305-4 GHG emissions intensity	4.2 Greenhouse Gas Management	74
	305-5 Greenhouse Gas Emissions Reduction	4.2 Greenhouse Gas Management	74
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	4.4 Emissions	87
Waste			
3-3 Management of material topics		4 Green Manufacturing	60
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	4.5 Resource Circulation	89
	306-2 Management of significant waste-related impacts	4.5 Resource Circulation	89
	306-3 Waste generated	4.5 Resource Circulation	89
	306-4 Waste diverted from disposal	4.5 Resource Circulation	89
	306-5 Waste directed to disposal	4.5 Resource Circulation	89
Supplier Environmental Assessment			
3-3 Management of material topics		2.6 Supply Chain Management	38
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	2.6 Supply Chain Management	38
	308-2 Negative environmental impacts in the supply chain and actions taken	2.6 Supply Chain Management	38

Standard	Disclosure Item	Chapter in the Report	Page
Specific Topic: Social Aspect			
Employment			
3-3 Management of material topics		5.1 Friendly Workplace	103
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	5.1 Friendly Workplace	110
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.1 Friendly Workplace	119
	401-3 Parental leave	5.1 Friendly Workplace	119
Labor/Management Relations			
3-3 Management of material topics		5.1 Friendly Workplace	103
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	All major operational notifications of the company are handled in accordance with local laws and regulations.	-
Occupational Safety and Health			
3-3 Management of material topics		5.4 Health and Safety	143
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	5.4 Health and Safety	145
	403-2 Hazard identification, risk assessment, and incident investigation	5.4 Health and Safety	145
	403-3 Occupational health services	5.1 Friendly Workplace	123
	403-4 Worker participation, consultation, and communication on occupational health and safety	5.4 Health and Safety	145
	403-5 Worker training on occupational health and safety	5.4 Health and Safety	145
	403-6 Promotion of worker health	5.1 Friendly Workplace	123
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.4 Health and Safety	145
	403-8 Workers covered by an occupational health and safety management system	5.4 Health and Safety	145
	403-9 Work-related injuries	5.4 Health and Safety	145
	403-10 Work-related ill health	5.1 Friendly Workplace	123

Standard	Disclosure Item	Chapter in the Report	Page
Training and Education			
3-3 Management of material topics		5.2 Inclusive Development	127
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	5.2 Inclusive Development	131
	404-2 Programs for upgrading employee skills and transition assistance programs	5.2 Inclusive Development	131
	404-3 Percentage of employees receiving regular performance and career development reviews	5.2 Inclusive Development	130
Diversity and Equal Opportunity			
3-3 Management of material topics		5.1 Friendly Workplace	103
GRI 405 : Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2.1 Corporate Governance	17
		5.1 Friendly Workplace	110
	405-2 Ratio of basic salary and remuneration of women to men	5.1 Friendly Workplace	117
Local Communities			
3-3 Management of material topics		5.3 Social Participation	138
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	5.3 Social Participation	138
	413-2 Operations with significant actual and potential negative impacts on local communities	No significant negative impact operational activities during the reporting year	-
Supplier Social Assessment			
3-3 Management of material topics		2.6 Supply Chain Management	38
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	2.6 Supply Chain Management	38
	414-2 Negative social impacts in the supply chain and actions taken	2.6 Supply Chain Management	38
Research and Innovation			
3-3 Management of material topics		3 Research and Innovation	50
Customer Service			
3-3 Management of material topics		2.5 Customer Service	35

Specific Topic Disclosure Items

Standard	Disclosure Item	Chapter in the Report	Page
Other Topics			
Economic Performance			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	2.2 Financial Performance	21
	201-2 Financial implications and other risks and opportunities due to climate change	4.1 Climate Action	64
	201-3 Defined benefit plan obligations and other retirement plans	5.1 Friendly Workplace	117
Anti-Corruption			
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	2.3 Business Integrity	24
	205-3 Confirmed incidents of corruption and actions taken	2.3 Business Integrity	24
Tax			
GRI 207: Tax 2019	207-1 Approach to tax	2.2 Financial Performance	21
	207-2 Tax governance, control, and risk management	2.2 Financial Performance	21
Material			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	4.5 Resource Circulation	89
	301-2 Recycled input materials used	4.5 Resource Circulation	89
	301-3 Reclaimed products and their packaging materials	4.5 Resource Circulation	89
Water and Effluent			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	4.5 Resource Circulation	89
	303-2 Management of water discharge-related impacts	4.5 Resource Circulation	89
	303-3 Water withdrawal	4.5 Resource Circulation	89
	303-4 Water discharge	4.5 Resource Circulation	89
	303-5 Water consumption	4.5 Resource Circulation	89

Standard	Disclosure Item	Chapter in the Report	Page
Non-discrimination			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	5.1 Friendly Workplace	103
Freedom of Association and Collective Bargaining			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	5.1 Friendly Workplace	103
Child Labor			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	5.1 Friendly Workplace	103
Forced or Compulsory Labor			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.1 Friendly Workplace	103
Security Practices			
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	5.1 Friendly Workplace	103
Public Policy			
GRI 415: Public Policy 2016	415-1 Political contributions	No political donations for the reporting year.	-
Marketing and Labeling			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	2.5 Customer Service	35
	417-2 Incidents of non-compliance concerning product and service information and labeling	2.5 Customer Service	35
	417-3 Incidents of non-compliance concerning marketing communications	2.5 Customer Service	35
Customer Privacy			
GRI 418 : Customer Privacy 2016	418–1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No complaints regarding infringement of customer privacy or loss of customer data were received during the reporting year.	-

Appendix 2: SASB Standards Index Table

SASB Industry: RT-CH

SASB Indicator Number	Disclosure Items	Section of the Report	Page
Greenhouse Gas Emissions			
RT-CH-110a.1	Gross global Scope 1 emissions, percentage covered under Emissions-limiting regulations	4.2 Greenhouse Gas Management	74
RT-CH-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets		
Air Quality			
RT-CH-120a.1	Air emissions of the following pollutants: (1) Nitrogen oxides (2) Sulfur oxides (3) Volatile organic compounds (4) Hazardous air pollutants	4.4 Pollution Control	87
Energy Management			
RT-CH-130a.1	(1) Total energy consumed (GJ) (2) Percentage grid electricity (3) Percentage renewable energy (4) Total Self-generated energy (Note 1)	4.3 Energy Management	81
Water Management			
RT-CH-140a.1	(1) Total water withdrawn (2) total water consumed (3) percentage of each in regions with high or extremely high baseline water stress	4.5 Resource Circulation	89
RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards and regulations		
RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks		

SASB Indicator Number	Disclosure Items	Section of the Report	Page
Hazardous Waste Management			
RT-CH-150a.1	Amount of hazardous waste generated; percentage recycled	4.5 Resource Circulation	89
Community Relations			
RT-CH-210a.1	Discussion of engagement processes to manage risks and Opportunities associated with community interests	All plant sites are not adjacent to any communities, so this indicator is not applicable.	-
RT-CH-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for direct employees and contract employees	5.4 Health and Safety	143
RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks		
Enhancing Efficiency During the Product Usage Stage Through Design			
RT-CH-410a.1	Revenue from products designed for use-phase resource efficiency	Non-end product, this indicator is not applicable.	-
Chemical Safety and Environmental Management			
RT-CH-410b.1	(1) Percentage of products that contain Globally Harmonised System of Classification and Labelling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	Currently, there are no relevant statistics available. For chemical management, please refer to 2.7 Product Quality and Safety	43
RT-CH-410b.2	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	A management method for hazardous substances in green products has been established, and high-concern chemicals are classified as regulated chemicals for assessment and control.	
Genetically Modified Organisms			
RT-CH-410c.1	Percentage of products by revenue that contain genetically Modified organisms (gmos)	Our company does not have any genetically modified products.	-
Law and Regulatory Compliance			
RT-CH-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	4 Green Manufacturing	60
		5 Social Inclusion	103
Occupational Safety and Emergency Response			
RT-CH-540a.1	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR) (Note 2)	According to statistics, no process safety incidents have occurred.	-
RT-CH-540a.2	Number of transport incidents (Note 3)	No transportation accidents occurred.	-

※ Note 1: RT-CH-130a.1 - Efforts to reduce energy consumption and/or improve energy efficiency during the production process.

※ Note 2: RT-CH-540a.1 - Should describe incidents of severity level 1 or 2, including root causes, outcomes, and corrective actions taken in response.

※ Note 3: RT-CH-540a.2 - Should describe significant transportation incidents, including their root causes, outcomes, and corrective actions taken in response.

SASB Industry: TC-HW

SASB Indicator Number	Disclosure Items	Section of the Report	Page
Product Safety			
TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	The company's products belong to upstream chemical materials for optoelectronics and semiconductors, so the product attributes are not applicable.	-
Employee Diversity and Inclusion			
TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees (Note 4)	5.1 Friendly Workplace	103
Product Life Cycle			
TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances (Note 5)	Non-end product, this indicator is not applicable.	-
TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent (Note 6)		
TC-HW-410a.3	Percentage of eligible products, by revenue, certified to an energy efficiency certification		
TC-HW-410a.4	Weight of end-of-life products and e-waste recovered; percentage recycled		
Supply Chain Management			
TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	Referring to the RBA standards, promote the supplier sustainability management self-assessment system. Please refer to 2.6 Supply Chain Management.	38
TC-HW-430a.2	Tier 1 suppliers’ (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances		
Material Procurement			
TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	2.6 Supply Chain Management	38

※ Note 4: TC-HW-330a.1 - Description of the company's policies and programs to promote employee equality.

※ Note 5: TC-HW-410a.1 - Should include management methods for the use of IEC 62474 declarable substances.

※ Note 6: TC-HW-410a.2 - Should include an explanation of incorporating environmental protection principles into product design.

Appendix 3: TWSE Sustainability Disclosure Index – Optoelectronics Industry

Code	Activity Metrics	Category	Annual Disclosure	Unit	Note
1	Amount of total energy consumed, percentage grid electricity, and percentage renewable	Quantitative	Total Energy Consumption:46,709 GJ Percentage of Purchased Electricity:98 % Renewable energy usage rate:0.9 %	Gigajoules (GJ), Percentage(%)	Audited by KPMG Limited Assurance
2	Amount of total water withdrawn, and total water consumed	Quantitative	Total water intake: 146 thousand cubic meters Total water consumption: 64 thousand cubic meters	thousand cubic meters(1,000m³)	
3	Amount of hazardous waste generated, percentage recycled	Quantitative	Weight of hazardous waste generated: 740 metric tons Percentage of hazardous waste recycled: 94%	metric ton(t), percentage(%)	
4	Description of the type, number and rate of work-related injuries	Quantitative	Number of occupational accidents: 1 person Type of Occupational Injury: Cut Occupational accident rate: 1.16 (Note 1)	Quantity, Ratio(%)	
5	Description of the management of product lifecycle, amount of weight of end-of-life products and e-waste recovered, percentage recycled	Quantitative	Not applicable	metric ton(t), percentage(%)	-
6	Description of the management of risks associated with the use of critical materials	Qualitative Description	To implement the management requirements for suppliers not to use conflict minerals, written or on-site audits are conducted for the top 20 suppliers by annual procurement amount and key raw material suppliers. In 2024, all audited suppliers completed a 100% guarantee of not using conflict minerals.	Not applicable	-
7	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Quantitative	0	Reporting Currency	-
8	Number of units produced by product category	Quantitative	The products manufactured by our company are customized according to customer specifications and flexibly adjusted based on customer requirements. Therefore, the production volume data is not comparable and thus not applicable.	Varies by product type	-

※ Note 1: Refers to the Frequency Rate (FR) of disabling injuries, calculated as (the number of recordable occupational injuries, including fatalities and cases of severe occupational injury) / (work hours) * 1,000,000

Appendix 4: TWSE-listed & OTC-listed Companies' Climate Information

Item	Chapter in the Report /Response	Page
1. Description of the Board of Directors and management's supervision and governance of climate-related risks and opportunities.	4.1 Climate Action	64
2. Describe how the identified climate risks and opportunities affect the company's business, strategy, and finances (short-term, mid-term, long-term).		
3. Describe the impact of extreme climate events and transition actions on finances.		
4. Describe how the identification, assessment, and management process of climate risks is integrated into the overall risk management system.		
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analytical factors, and main financial impacts should be described.		
6. If there are transition plans to address the management of climate-related risks, describe the content of the plan, as well as the indicators and targets used to identify and manage physical risks and transition risks.		
7. If internal carbon pricing is used as a planning tool, the basis for price setting should be explained.	In planning	-
8. If climate-related goals are set, information on the covered activities, GHG emission categories, planning period, and annual progress should be provided. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these goals, the source and quantity of the offset carbon reductions or the number of RECs should be specified.	4.1 Climate Action	64
9. GHG inventory and verification situation	4.2 Greenhouse Gas Management	74

Appendix 5: UN Global Compact Comparison Table

Category	Principle	Corresponding Section	Page
Human rights	Businesses should support and respect the protection of internationally proclaimed human rights.	5.1 Friendly Workplace	103
	Make sure that they are not complicit in human rights abuses.		
Labor	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	5.1 Friendly Workplace	103
	The elimination of all forms of forced and compulsory labor.		
	The effective abolition of child labor.		
	The elimination of discrimination in respect of employment and occupation.		
Environment	Businesses should support a precautionary approach to environmental challenges.	4 Green Manufacturing	60
	Undertake initiatives to promote greater environmental responsibility.		
	Encourage the development and diffusion of environmentally friendly technologies.		
Anti-corruption	Businesses should work against corruption in all its forms, including extortion and bribery.	2.3 Business Integrity	24

Appendix 6: ISO 26000 Comparison Table

Topic		Corresponding Section	Page
Governance Organization	Decision and implementation system for execution of objectives	2.1 Corporate Governance	17
Human Rights	Compliance audit	2.3 Business Integrity	24
	Risk situation of human rights	5.1 Friendly Workplace	103
	Complicit relationship prevention direct, interested and implied complicit relationships	2.1 Corporate Governance	17
		2.3 Business Integrity	24
	Resolve labor complaints	5.1 Friendly Workplace	103
	Discriminated and disadvantaged groups	5.1 Friendly Workplace	103
	Citizen and political rights	5.1 Friendly Workplace	103
	Economic society and culture rights	5.2 Inclusive Development	127
	Basic rights of working	5.1 Friendly Workplace	103
Labor Practice	Employment and employment relationship	5.1 Friendly Workplace	103
	Working criteria and social protection	5.1 Friendly Workplace	103
	Social dialogue	5.1 Friendly Workplace	103
	Work health and safety	5.4 Health and Safety	143
	Personnel development and training	5.2 Inclusive Development	127
Environment	Pollution prevention	4.4 Emissions	87
	Sustainable resource utilization	4.5 Resource Circulation	89
	Lessening and adapting to climate change	4.1 Climate Action	64
	Protection and restoration of the natural environment	4 Green Manufacturing	60

Topic		Corresponding Section	Page
Fair Operating Practices	Anti-corruption	2.3 Business Integrity	24
	Responsible political participation	Did not participate in political activities during the reporting year	-
	Fair Competition	2.3 Business Integrity	24
	Promoting Social Responsibility in the Value Chain	2.6 Supply Chain Management	38
	Respect intellectual property rights	3.2 Intellectual Property Strategy	57
Consumer Issues	Fair Marketing, Information, and Contract Practices	2.5 Customer Service	35
	Protecting consumers' health and safety	2.5 Customer Service	35
	Consumer services, support, complaints, and dispute resolution	2.5 Customer Service	35
	Consumer Data Protection and Privacy	2.4 Risk Management	27
	Provide necessary services	2.5 Customer Service	35
Social Participation and Development	Community Engagement	5.3 Social Participation	138
	Education and Culture	5.3 Social Participation	138
	Creating Employment and Technological Development	3.1 Technological Innovation	52
	Technological Development	3.1 Technological Innovation	52
	Create wealth and income	2.2 Financial Performance	21
	Health	5.1 Friendly Workplace	123
	Social Investment	5.3 Social Participation	138

Greenhouse Gas Verification Statement



Independent Assurance Opinion

Opinion No.:
C623566-2022-AG-TWN-DNV

Issued date:
31 August, 2023

Page 1 of 2

This is to verify initiate reporting of Greenhouse Gas Inventory Management Report (2022) of

Daxin Materials Corporation

Scope of Verification

DNV Business Assurance (DNV) has been commissioned by DAXIN MATERIALS CORPORATION ('DAXIN' or the Organization) to perform a verification of the greenhouse gas statements of Greenhouse Gas Inventory Management Report (2022) (hereafter the "Inventory Report") in Taiwan, ROC with respect to the sites listed in Appendix A.

The Reporting Boundary for the verification including direct GHG emissions and removals, indirect GHG emissions from imported energy, indirect GHG emissions from transportation, indirect GHG emissions from products used by the Organization. The further descriptions for the Reporting Boundary listed in Appendix B.

Verification Criteria and GHG Programme

The verification was performed on the basis of ISO 14064-1:2018 as well as criteria given to provide for consistent GHG emission identification, calculation, monitoring and reporting.

The verification was conducted in accordance with ISO 14066:2011, ISO 14065:2020, ISO14064-3:2019

Verification Statement

It is DNV's opinion that the Inventory Report (2022), which was published on Aug 25, 2022, is free from material discrepancies in accordance with the verification criteria identified as stated above. The opinion is decided based on the following approaches,

- For the Direct (Category 1) and Indirect GHG emissions from imported energy (Category 2), the reliability of the information within the Inventory Report (2022) were verified with reasonable level of assurance.
- For the other indirect GHG emissions, the involved information was verified and tested using agreed-upon procedures, AUP, defined in Inventory Report.

Also, the GHG information as stated in Appendix B and C have been verified during the process.

Alvin Chen
GHG Verifier

Place and date:
Taipei, 31 August, 2023

For the issuing office:
DNV Business Assurance Co., Ltd.
29FL, No. 293, Sec. 2, Wenhua Rd.,
Bangiao District, New Taipei City 220,
Taiwan

Management Representative

Lack of fulfillment of conditions as set out in the Certification Agreement may render this Certificate invalid.
This Verification Opinion is based on the information made available to us and the engagement conditions detailed above. Hence, DNV cannot guarantee the accuracy or correctness of the information. DNV cannot be held liable by any party relying or acting upon the Verification Opinion.
立達國際商務驗證股份有限公司, 臺北市政府經濟文化局二樓243室29樓, TEL: +886-2-82527990, website: www.dnv.com/tw
DNV ZINATW-CP-ISO, Rev.10, 2022-2

TWSAE 3000 Assurance Statement

Independent Limited Assurance Report

To Daxin Materials Corporation:

We were engaged by Daxin Materials Corporation (“Daxin”) to provide limited assurance over the selected information (“the Subject Matter Information”) on the 2024 Sustainability Report of Daxin (“the Report”) for the year ended December 31, 2024.

Applicable Criteria of the Subject Matter Information

Daxin shall prepare the Subject Matter Information in accordance with applicable criteria required by Article 4 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies (“the Regulation”), and the Global Reporting Initiative Standards (“GRI Standards”) issued by Global Sustainability Standards Board (“GSSB”), as set forth in Appendix I.

Management’s Responsibilities

Daxin is responsible for determining its objectives with respect to sustainable development performance and reporting, including the identification of stakeholders and material aspects, and using the applicable criteria to fairly prepare and present the Subject Matter Information. Daxin is also responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We performed our work in accordance with the Standard on Assurance Engagements TWSAE3000 “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” issued by the Accounting Research and Development Foundation in Taiwan and to issue a limited assurance conclusion on whether the Subject Matter Information is free from material misstatement. Also, we have considered appropriate limited assurance procedures according to the understanding of relevant internal controls in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the internal control over the design or implementation of the Report.

Independence and Standards on Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In addition, we applied Standards on Quality Management. Accordingly, we maintained a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.

Summary of Work Performed

As stated in applicable criteria of the Subject Matter Information paragraph, our main work on the selected information included:

- Reading the Report of Daxin;
- Inquiries with responsible management level and non-management level personnel to understand the operational processes and information systems used to collect and process the Subject Matter Information.
- On the basis of the understanding obtained mentioned above, perform analytical procedures on the Subject Matter Information and if necessary, inspect related documents to gather sufficient and appropriate evidence in a limited assurance engagement.

The work described above is based on professional judgment and consideration of the level of assurance and our assessment of the risk of material misstatement of the Subject Matter Information, whether due to fraud or error. We believe that the work performed and evidence we have obtained are sufficient and appropriate to provide a basis of our conclusion. However, the work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

The Report for the year ended December 31, 2024 includes the disclosures of non-financial information that involved significant judgments, assumptions and interpretations by the management of Daxin. Therefore, the different stakeholders may have different interpretations of such information.

Conclusion

Based on the work we have performed and the evidence we have obtained, as described above, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been properly prepared, in all material aspects, in accordance with the applicable criteria.

Other Matters

We shall not be responsible for conducting any further assurance work for any change of the subject matter information or the criteria applied after the issuance date of this report.

KPMG

Taipei, Taiwan (Republic of China)

Aug. 11, 2025

Notes to readers

The limited assurance report and the accompanying selected information are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report and the selected information, the Chinese version shall prevail.

Appendix I : Summary of the Subject Matter Information

No.	Corresponding Section	Subject Matter Information	Applicable Criteria
1	4.3 Energy Management / Appendix 3: TWSE Sustainability Disclosure Index – Optoelectronics Industry	Total energy consumption : 46,709 GJ Percentage of purchased electricity : 98 % Utilization rate(renewable energy/total energy) : 0.9 %	Taiwan Stock Exchange Corporation Rules Table 1-10 No.1 Total energy consumption, percentage of purchased electricity, utilization rate(renewable energy/total energy)
2	4.5 Resource Circulation / Appendix 3: TWSE Sustainability Disclosure Index – Optoelectronics Industry	Total water withdrawn : 146 thousand cubic meters Total water consumption : 64 thousand cubic meters	Taiwan Stock Exchange Corporation Rules Table 1-10 No.2 Total water withdrawn, total water consumption
3	4.5 Resource Circulation / Appendix 3: TWSE Sustainability Disclosure Index – Optoelectronics Industry	Total amount of hazardous industrial wastes generated : 740 tons Rate of hazardous industrial wastes : 94 %	Taiwan Stock Exchange Corporation Rules Table 1-10 No.3 Total amount of hazardous wastes generated during the production process of products and percentage of hazardous wastes recycled
4	5.4 Health and Safety / Appendix 3: TWSE Sustainability Disclosure Index – Optoelectronics Industry	Number of employees in occupational accidents : 1 Type of employees in occupational accidents : Laceration Rate of occupational accidents : 1.16 ^(Note) Note : Refers to the Disability Injury Frequency Rate (FR), calculated as: (Number of recordable occupational injuries — including fatalities and severe occupational injuries — divided by total work hours) × 1,000,000.	Taiwan Stock Exchange Corporation Rules Table 1-10 No.4 Number, types, and incidence rate of occupational accidents among employees
5	4.4 Emissions	Volatile Organic Compounds (VOCs): 3,064 kg Total Suspended Particles (TSP): 116 kg Sulfur Oxides (SOx): 704 kg Nitrogen Oxides (NOx): 1,398 kg Note 1: Air pollutant emissions represent combined totals from Chungke and Chungkang plant. Note 2: Emission data is sourced from the Ministry of Environment's Public Information Platform for Stationary Pollution Source Management.	GRI 305-7: Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions

DAXin