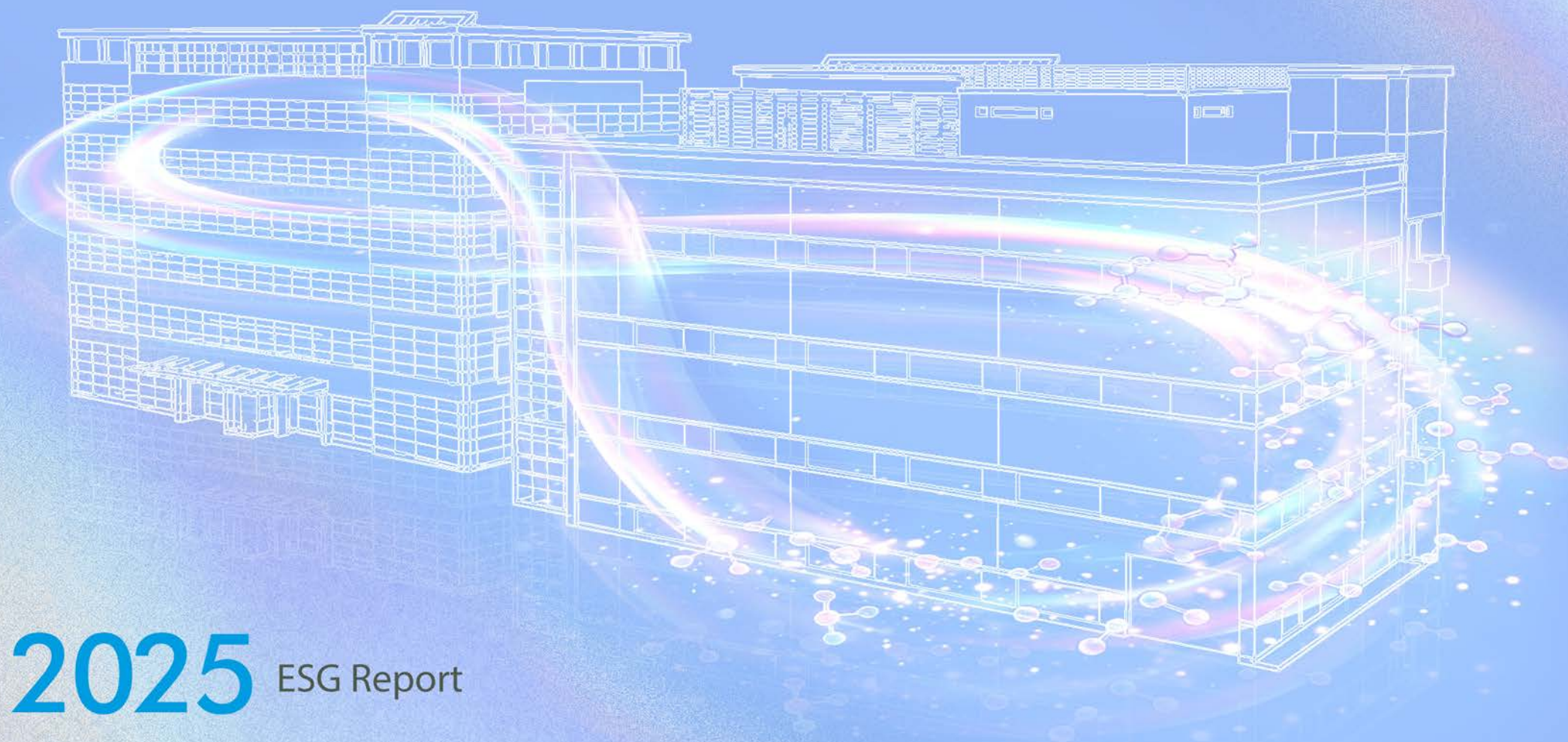


A Materials Design House, and More.



2025 ESG Report

CONTENTS

About The Report	3
Letter from Our Chairman	4
2025 Sustainability Performance	5
About Daxin	7

1 Sustainability Commitment

1.1 Sustainability Organization & Operations ..	9
1.2 Stakeholder Engagement	10
1.3 Material Topic Analysis	12

2 Operations and Governance

2.1 Corporate Governance	16
2.2 Financial Performance	19
2.3 Business Integrity	21
2.4 Risk Management	23
2.5 Customer Service	26
2.6 Supply Chain Management	28
2.7 Product Quality and Safety	32

3 Research and Innovation

3.1 Technological Innovation	36
3.2 Intellectual Property Strategy	40

Appendix

Appendix 1: GRI Index	107	Appendix 5: UN Global Compact Comparison Table	115
Appendix 2: SASB Standards Index Table	111	Appendix 6: ISO 26000 Comparison Table	115
Appendix 3: TWSE Sustainability Disclosure Index – Optoelectronics Industry	113	Greenhouse Gas Verification Statement	117
Appendix 4: TWSE-listed & OTC- listed Companies' Climate Information	114	TWSAE 3000 Assurance Statement	118

4 Green Manufacturing

4.1 Climate Action	45
4.2 Greenhouse Gas Management	51
4.3 Energy Management	59
4.4 Pollution Prevention and Control ...	63
4.5 Resource Circularity	65

5 Social Inclusion

5.1 Talent Sustainability	74
5.2 Social Engagement	92
5.3 Health and Safety	98



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.

This report outlines Daxin's 2025 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 the expectations of its partners and stakeholders, 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, 2025, 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 and operational overview, please refer to our 2025 Annual Report. Consolidated financial statements are available on the "Investor Relations" section of Daxin's official website and the Market Observation Post System. [↗](#)

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.

Major Disclosure Revisions

The 2025 report includes revised data for air pollutants. For detailed information, please refer to:

Item	Report Section
Air Pollutants	4.4.1 Air Pollution Control ↗

Report Publication

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

Current edition: August 2026

Reporting period: January 1 to December 31, 2025

Contact Information

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

Please contact us using the information below:

Investor	Ir@daxinmat.com	Supplier	Procurement@daxinmat.com
Employee	Question@daxinmat.com	Official Website	www.daxinmat.com
Customer	ProductInfo@daxinmat.com		



Cover Design Story: Designing with Materials, Drafting a Sustainable Blueprint

The rainbow light and shadow weaving through two buildings flows along the trajectory of an infinity symbol, representing the innovative energy that originates from Daxin's laboratories, intertwined with the Company's sustainability commitment in an endless cycle. The flowing light between the buildings reflects Daxin's core focus on specialty chemical materials R&D and its long-established presence across the semiconductor, display, and critical raw materials sectors. The imagery of infinite circulation represents the symbiotic relationship between innovation and sustainability — where every R&D achievement continuously creates value for the industry and reduces the burden on the planet, defining Daxin's own sustainable position.

Letter from Our Chairman



Chairman & CEO
Cheng-Yih Lin

2025 was a milestone year for Daxin, delivering strong operational performance and steady growth across the business. Surging demand from artificial intelligence (AI), high-performance computing (HPC), and data centers drove significant growth in our core semiconductor materials business, making it the primary engine of revenue and profitability. The display materials business held steady through customers' technology transitions, while the key raw materials segment actively expanded into next-generation advanced material applications, strengthening local supply chain resilience and building cross-industry material solutions.

Daxin sustains high R&D investment and a strong proportion of R&D talent, leveraging core capabilities in process and equipment technology alongside AI to boost R&D efficiency. The Company is committed to developing high-quality, low-impact products, driving innovation in material technologies and diverse solutions that protect the planet and create lasting sustainable value.

Green Manufacturing, Advancing Environmental Sustainability

As Daxin drives steady growth, the Company is aligning with national net-zero transition policies and 2030 carbon reduction targets. The Company has built climate risk management and decarbonization into its operational decisions, progressively increasing the ambition and scope of its medium- and long-term carbon reduction pathways. The Company is also raising renewable energy use in phases, driving energy transition and process optimization, developing low-carbon operating models, and strengthening its climate resilience and operational adaptability — fulfilling its environmental responsibilities as a corporation.

In 2025, Daxin's environmental management performance earned the "Environmental Management System Performance Excellence Award" from SGS Taiwan — reflecting the Company's achievements in institutionalizing environmental governance and continuously improving management effectiveness.

Talent Development, Creating Shared Social Value

Believing that talent drives innovation, Daxin is committed to building a safe and healthy workplace that supports employees at every career stage. In 2025, the Company launched its first Employee Opinion Survey and

Human Rights Due Diligence exercise, formalizing employee listening and risk assessment mechanisms that safeguard employee rights and embed human rights values into the organization's growth.

Daxin has served as an advocacy partner of the TALENT in Taiwan Alliance for three consecutive years. In 2025, the Company earned the "Workplace Health Promotion Self-Assessment Qualification" from the Health Promotion Administration, Ministry of Health and Welfare, and was honored with the "Taichung City Happy Workplace Three-Star Award." On talent development, Daxin has long maintained its Graduate Scholarship program. In 2025, the Company increased both the number of recipients and award amounts, while deepening industry-academia collaboration to cultivate the next generation of technology innovators and strengthen Taiwan's technology industry.

Sound Governance, Driving Sustainable Growth

Strong corporate governance is the foundation of Daxin's long-term sustainability. The Company regards information transparency, robust institutional frameworks, and stakeholder communication as cornerstones of its operations. In 2025, Daxin elevated the Sustainable Development Committee to the board level, strengthening board oversight of sustainability strategy and performance. To ensure the reliability and consistency of sustainability disclosures, the sustainability report underwent third-party limited assurance — with expanded scope covering SASB-related indicators — and was approved by the Board. These governance efforts earned external recognition with the "Potential Progress Award" from the Taiwan Investor Relations Association.

Looking ahead, Daxin will continue to pursue innovation-driven growth while embedding sustainability into operational decision-making. The Company remains attentive to environmental, social, and governance issues, responding to industry shifts and market challenges with a cautious, forward-looking approach. Together with our stakeholders, Daxin is committed to creating long-term value and advancing toward a future where sustainable growth and corporate excellence are mutually reinforcing.

2025 Sustainability Performance

Environment

GHG Reduction

17% (vs. 2022 baseline)

Low-Carbon Transition

10 products carbon footprint
Low-GWP refrigerants
589 tCO₂e reduced

Renewable Energy

Headquarters RE100
337 MWh
160 tCO₂e reduced

Energy Efficiency

Electricity Savings rate 2.1%
287 MWh
136 tCO₂e reduced

Resource Circularity

Waste recovery rate 94%
1,132 tCO₂e reduced

Social

Industry-academia collaboration projects

NT\$ 4.1 million

Supporting science education through our core business

NT\$ 2.85 million invested
NT\$ 21 million cumulative scholarships
47 summer interns to date
128 participants reached through “Next Generation Scientist Program”

Making a difference in our local community

1,520 children's wishes fulfilled through the Christmas Wish Project
518 hours of volunteer service

Governance

R&D investment as a percentage of revenue

12.1%

R&D personnel as a percentage of total employees

50.5%

Intellectual property management

TIPS Level A certified

Information security management

ISO 27001 certified

Incidents harming company or customer reputation

0 incidents

Awards and Recognition

E Driving a Green Future

SGS Taiwan - Environmental Management System Performance Excellence Award



G Advancing Sustainable Governance

Taiwan Investor Relations Association (TIRI) - Potential Progress Award



S Building an Innovative and Healthy Workplace

Taichung City - Taichung Happy Workplace 3-Star Award



Science Park Administration (Chungkang Plant) - Family-Friendly Workplace Award
Advocacy partner of Talent in Taiwan



Advocacy partner of Talent in Taiwan



Taiwan iSports Certification



Health Promotion Administration - Workplace Health Promotion Self-Assessment Qualification



About Daxin

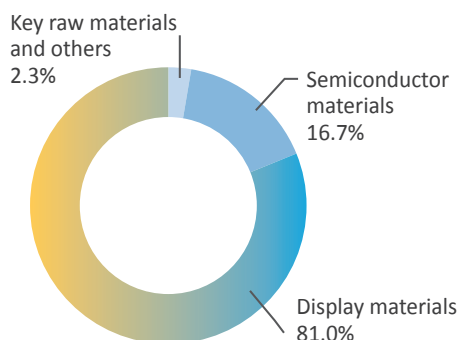
Established on July 12, 2006, Daxin Materials Corporation is headquartered in Central Taiwan Science Park, Taichung City, with production facilities in Central Taiwan Science Park and Taichung Port Technology Industrial Park. The Company specializes in the research, development, manufacturing, and sales of chemical materials for the semiconductor and optoelectronics industries, with core products spanning three specialty chemical segments: semiconductor materials, display materials, and key raw materials.

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	Dr. Feng-Yu Chuang
Number of Employees	440 employees, with more than 50% being R&D personnel
Capital	NT\$1.027 billion
Main Products	Semiconductor materials, display materials, key raw materials

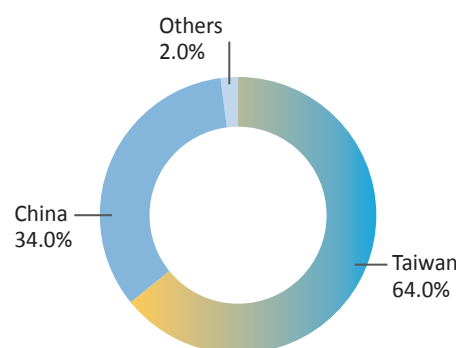
Main Products

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, chemical-related application industries.

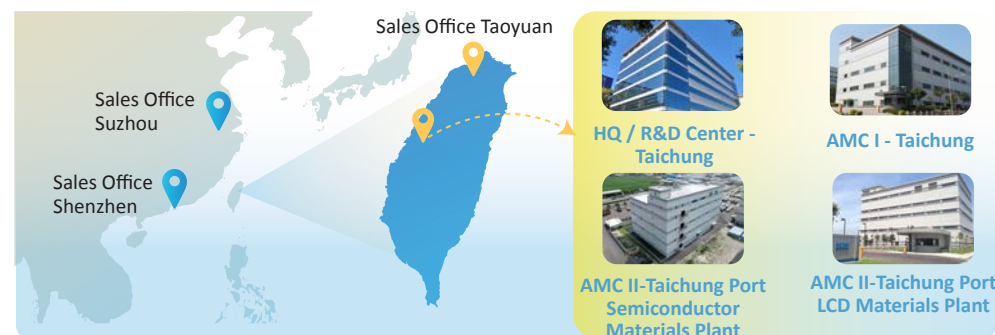
By Product Revenue Proportion%



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

01

Chapter

Sustainability Commitment

1.1 Sustainability Organization & Operations

1.2 Stakeholder Engagement

1.3 Material Topic Analysis

1.1 Sustainability Commitment

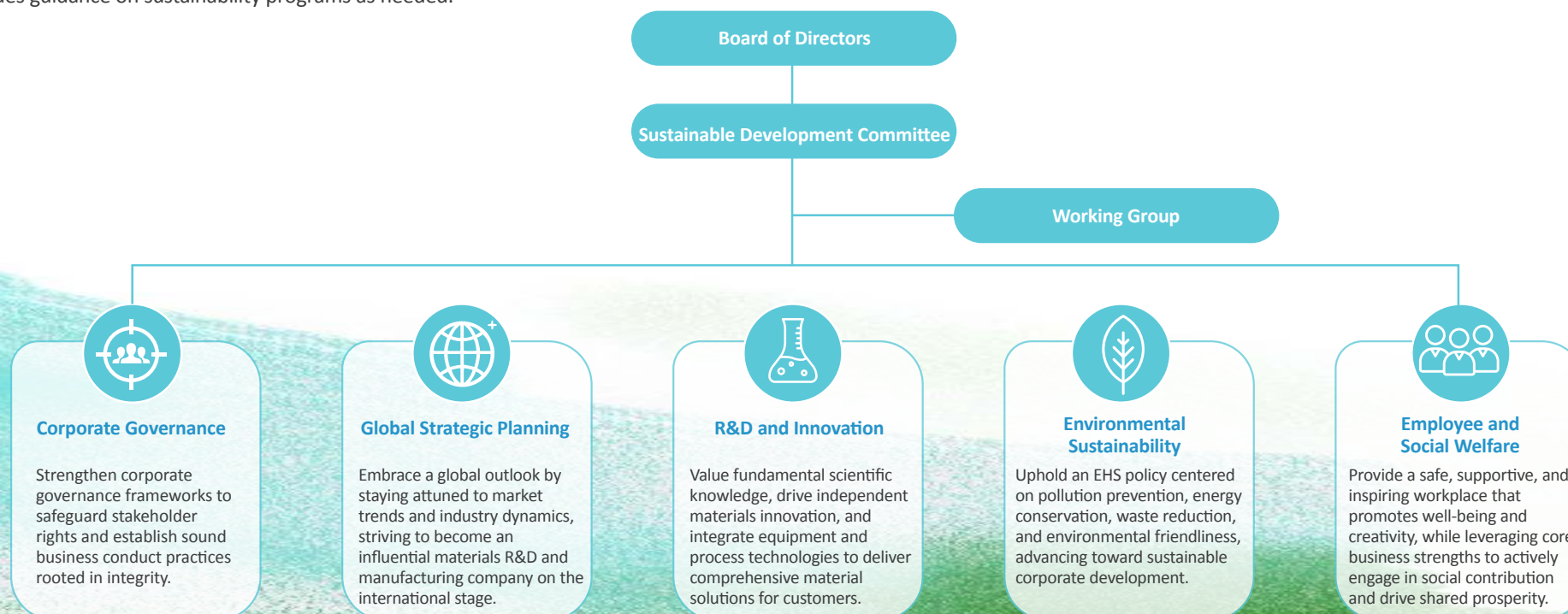
Daxin is guided by its core values of integrity, innovation and adaptability, value chain integration, open communication and collaboration, and respect for individuals, as it strives to become a world-class supplier of chemical materials.

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.

ESG Implementation Framework

Daxin established a cross-departmental Sustainable Development Committee in 2021. On August 11, 2025, the Committee was elevated to report directly to the Board of Directors, taking on responsibility for overseeing sustainability implementation, supervising sustainability disclosures, and reviewing the sustainability report.

The Committee evaluates environmental, social, and governance issues relevant to the Company's operations, referencing international sustainability trends, GRI Standards, and industry benchmarks to identify material sustainability topics. The Committee reports to the Board annually, covering stakeholder engagement, material topics and their management objectives and approaches, and progress on sustainability initiatives. The Board reviews the Company's goal attainment and execution outcomes, assesses the effectiveness of management strategies, and provides guidance on sustainability programs as needed.



1.2 Stakeholder Engagement

In accordance with the AA1000 Stakeholder Engagement Standard (SES) and GRI Standards, the Sustainable Development Committee and department heads identify and categorize key stakeholder groups based on criteria including dependency, responsibility, influence, diversity of perspectives, and urgency. Six key stakeholder groups have been identified: customers, employees, suppliers and contractors, shareholders and investors, government authorities, and academics and research institutions.

Daxin provides diverse communication channels and engagement mechanisms. In addition to routine business interactions, dedicated mailboxes are available on the official Daxin website, with designated personnel responsible for responding to inquiries. By understanding stakeholder expectations and sustainability concerns, the Company translates feedback into meaningful input for its sustainability strategy. To enhance governance transparency, the Sustainable Development Committee reports stakeholder engagement outcomes and corresponding actions to the Board of Directors annually, ensuring that key issues receive attention and follow-through at the highest level.

Category	The Significance to Daxin	Focus Issues	Communication Channels	Frequency	2025 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.	- Product Quality and Safety - Customer Relationship Management - Ethical Business Conduct	Communication and Discussion Meetings Customer Audits Annual Customer Satisfaction Survey Customer Visits Technical Exchange and Email Communications	Regular Regular Regular Regular Real-time	- All evaluation items in the customer satisfaction survey met the required standards. Customer feedback and improvement suggestions have been incorporated into the internal review mechanism as a basis for enhancing service quality. - Customer annual audits were conducted in accordance with customer requirements.
 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.	- Employee Benefits and Compensation - Product Quality and Safety - Labor-Management Communication	Labor-Management Meeting Employee Welfare Committee Business Briefing Official Website Internal Communications Platform Employee Opinion Box Dedicated Appeal Mailbox (Misconduct/Sexual Harassment Reporting Mailbox, Confidential Mailbox, Personal Data Request Mailbox)	Regular Regular Regular Real-time/Irregular Real-time/Irregular Real-time/Irregular Real-time/Irregular	- Quarterly labor-management meetings promote effective communication and collaboration. - The Welfare Committee meets quarterly to discuss employee benefits and manage related expenditures. - The employee suggestion box and multiple grievance channels (including internal online and physical channels, and an external mailbox) received 13 submissions this year, with a 100% response rate. - Monthly occupational medicine physician on-site services, coordinated with plant nurses, provided health management support for at-risk employees — 32 sessions conducted this year. - Personal data protection training was updated in 2025, with all employees completing a total of 437 training hours; new hire training on workplace misconduct prevention and sexual harassment prevention totaled 40 hours. - Compliance training on ethical business conduct totaled 2,374 hours, with an average of 5.4 hours per employee.

Category	The Significance to Daxin	Focus Issues	Communication Channels	Frequency	2025 Communication Achievements
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.	- Ethical Business Conduct - Occupational Health and Safety - Economic Performance	Review Report or Meeting Conduct written or on-site supplier audits annually Environmental Safety and Health or Corporate Social Responsibility Explanation Irregular meetings/price negotiations Annual Audit	Regular Regular Regular Irregular Regular	- Completed audits and evaluations for the top 20 suppliers and key raw material suppliers, totaling 32 companies, including 28 Grade A suppliers (81%) and 4 Grade B suppliers (19%), with no Grade C suppliers. Five outstanding suppliers were selected and awarded certificates of recognition. - The Supplier Quality Process Audit form includes EHS and corporate social responsibility self-assessments, which are also promoted during on-site audits. All suppliers achieved a score of 80% or above for both evaluation items.
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.	- Economic Performance - Employee Benefits and Compensation - Product Quality and Safety	Annual Shareholders' Meeting Investor Conference Market Observation Post System, company website and spokesperson system	Regular Regular Real-time	- Shareholders' Meeting was convened on May 14, 2025. - Investor Conferences were convened on February 26 and August 13, 2025. - 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, while the annual report and sustainability report are published annually. - Required disclosures and publication of material information in accordance with regulations.
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.	- Occupational Health and Safety - Waste Management - Product Quality and Safety	Set up a contact window to maintain good interaction Participate in conferences or seminars Comply with inspections by authorities Reporting Regulatory Information Phone and email communication Meeting	Real-time/Irregular Irregular Real-time Regular Real-time Irregular	- In cooperation with the Taiwan Stock Exchange, a comprehensive greenhouse gas inventory was conducted for all plant sites, with external verification obtained in March 2026. - A total of 26 unscheduled inspections were conducted in cooperation with competent authorities under occupational safety and health and fire safety guidance programs. - A total of 280 person-hours of staff attendance at government-organized promotional meetings and training courses this year.
Academics and Research Institutions	Industry-academia collaboration is key to maintaining Daxin's technological edge. Through deep partnerships, we translate frontier research into industrial momentum and build a pipeline of advanced talent.	- Employee Benefits and Compensation - Research and Innovation - Ethical Business Conduct	Industry-Academia Collaboration Project Meetings Daxin Graduate Scholarship Academic Conferences and Thesis Competition Site Visits and Technical Seminars	Regular Regular Regular Irregular	- Executed 4 industry-academia collaboration projects, deepening technical exchange with 4 leading universities. - Sponsored 4 professional annual conferences and thesis competitions, with total campus sponsorship exceeding NT\$ 630,000. - Held the 15th Daxin Graduate Scholarship, recognizing 8 outstanding master's and doctoral students; cumulative scholarship awards have surpassed NT\$ 21 million.

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, the Sustainable Development Committee conducts internal assessments to identify, prioritize, and validate topics most significant to the Company's sustainable operations. These results provide the foundation for selecting material topics and determining disclosures for our 2025 Sustainability Report.

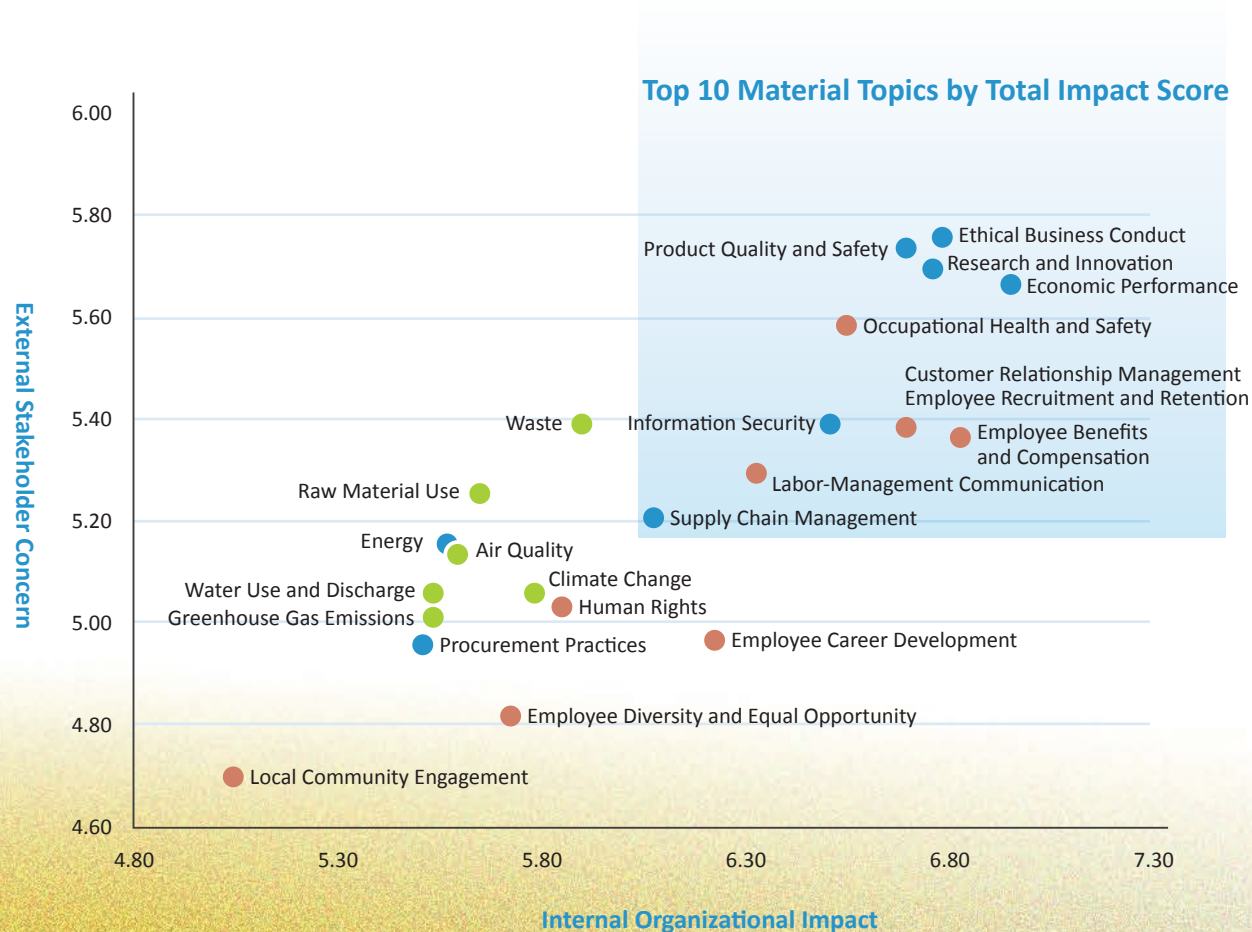
Item	Materiality Assessment Process	
 Understand the organization's context	Identifying stakeholders In alignment with the AA1000 Stakeholder Engagement Standard and GRI Standards, Daxin identified 6 primary stakeholder groups: customers, employees, suppliers and contractors, shareholders and investors, government authorities, and academics and research institutions. Sustainability Trends and Issue Identification Sustainability topics were gathered by referencing global initiatives (SDGs, TCFD, SASB), industry standards, peer benchmarks, and annual sustainability objectives, combined with internal and external stakeholder feedback, resulting in 23 topics for evaluation.	6 Stakeholder Groups 23 Topics
 Identify actual and potential impacts	Stakeholder Concerns To assess stakeholder concerns across sustainability topics, Daxin conducted a questionnaire survey, receiving responses from 336 stakeholders: 20 customers, 246 employees, 40 suppliers/contractors, 5 shareholders/investors, 8 government authorities, and 17 academics and research institutions. Impact on Operations 32 senior management representatives participated in scoring the impact of each topic on company operations based on the Company's development vision and business objectives.	336 Stakeholders 32 Senior Managers
 Assess the significance of the impacts	Impact Analysis Survey results and internal discussion outcomes were synthesized to analyze the actual and potential positive and negative impacts of each sustainability topic across economic, environmental, and social dimensions. Define Material Issues The Sustainable Development Committee convened cross-functional project meetings to assess the materiality of sustainability topics, confirm 8 material topics, and discuss corresponding management strategies for integration into daily operations.	8 Material Topics
 Disclosures on material topics	Information Compilation and Public Disclosure Material topics were analyzed across the value chain — covering upstream procurement, Daxin's operations, and downstream customer use. Relevant disclosures were reviewed by the Sustainable Development Committee Chair, approved by the Board of Directors, and published on the Market Observation Post System and the official Daxin website.	Officially published on the Daxin website ↗

1.3.1 Material Topic Identification Results

Through the materiality assessment process, stakeholder concern, significance of external impacts, and influence on organizational operations were evaluated in an integrated manner. The Sustainable Development Committee applied materiality principles to assess the actual and potential likelihood and positive/negative impact of environmental, social, and governance issues relevant to company operations, quantifying impact scores to produce a prioritized ranking.

Through matrix analysis, the top 10 topics by total impact score were used as the selection threshold, with reference to global initiatives (SDGs, TCFD, SASB), industry standards, and peer benchmarks. Based on balance, consistency, and comparability of sustainability disclosures, the following topics were identified as material: Waste, Supply Chain Management, Greenhouse Gas Emissions, Climate Change, Energy, Employee Career Development, and Social Engagement. Corporate governance indicators including Economic Performance and Ethical Business Conduct, as well as Information Security and Labor-Management Communication, were not classified as material topics but are nonetheless reported.

To better align with sustainability development priorities, the Sustainable Development Committee resolved through project meetings to merge "Friendly Workplace" and "Inclusive Development" into "Talent Sustainability," finalizing 8 material sustainability topics. The material topics were confirmed by all Sustainable Development Committee members, with risk assessments and management strategies subsequently developed and integrated into daily operations.



1.3.2 Material Topics and Value Chain

Daxin has established management approaches and implementation plans for each material sustainability topic, with goals and indicators formulated based on strategic direction and outcomes monitored regularly. In addition to the 8 material topics identified in this assessment, other topics not classified as material are appropriately disclosed in this report to provide stakeholders with a comprehensive understanding of Daxin's overall sustainability performance.

Material Topics	Sustainability Issue	GRI Standard	SASB Standard	Value Chain Impact Scope			Response Section
				Supply Chain	Daxin Operation	Customer Use	
Customer Service	Customer Relationship Management	Custom Topic	—		V	V	2.5 Customer Service
Supply Chain Management	Supply Chain Management	Supplier Environmental Assessment, Supplier Social Assessment	TC-HW-430a.1 、TC-HW-430a.2	V	V	V	2.6 Supply Chain Management
	Procurement Practices	Procurement Practices		V	V		
Product Quality and Safety	Product Quality and Safety	Custom Topic	—	V	V		2.7 Product Quality and Safety
Research and Innovation	Research and Innovation	Custom Topic	TC-HW-410a.3 、TC-HW-410a.4 RT-CH-410a.1 RT-CH-410c.1		V		3 Research and Innovation
Green Manufacturing	Waste	Waste	RT-CH-150a.1	V	V		4 Green Manufacturing
	Greenhouse Gas Emissions	Emissions	RT-CH-110a.1 、RT-CH-110a.2		V		
	Climate Change	Economic Performance	—	V	V		
	Energy	Energy	RT-CH-130a.1	V	V	V	
Talent Sustainability	Employee Benefits and Compensation	Economic Performance, Market Presence, Employment, Labor-Management Relations, Employee Diversity and Equal Opportunity	—		V		5.1 Talent Sustainability
	Employee Recruitment and Retention	Market Presence, Employment	—		V		
	Employee Career Development	Training and Education	—		V		
Social Engagement	Local Community Engagement	Local Communities	RT-CH-210a.1		V		5.2 Social Engagement
Occupational Health Safety	Occupational Health and Safety	Occupational Health and Safety	RT-CH-320a.1 、RT-CH-320a.2 RT-CH-540a.1 、RT-CH-540a.2	V	V		5.3 Health and Safety

Note: V indicates that the topic has a material impact at the respective value chain stage, or represents a key ESG focus area for Daxin.

02

Chapter

Operations and Governance

- 2.1 Corporate Governance
- 2.2 Financial Performance
- 2.3 Business Integrity
- 2.4 Risk Management
- 2.5 Customer Service
- 2.6 Supply Chain Management
- 2.7 Product Quality and Safety

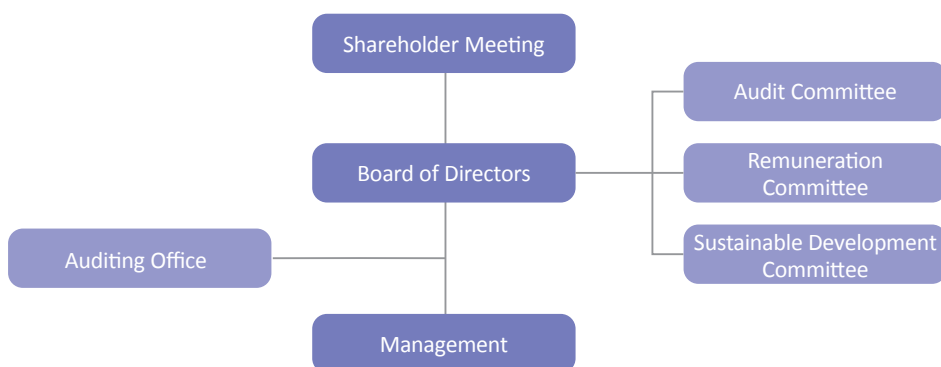
2.1 Corporate Governance

Robust governance is the foundation of sustainable development. Daxin's Board of Directors serves as the highest governance body, overseeing the Company's operations. To strengthen governance oversight, the Board is supported by the Audit Committee, Remuneration Committee, and Sustainable Development Committee, which supervise matters related to corporate governance, regulatory compliance, internal control, and sustainability initiatives.

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.

Board Structure and Composition

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. Daxin convenes board meetings regularly, at least once every quarter. During these meetings, the management team updates the Board on key operational information. In 2025, the Board held 5 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).



Note: Daxin re-elected nine directors (including four independent directors) at the Annual General Meeting held on May 22, 2026. For details of Board members, please refer to the Company's website. [↗](#)

Diversification of the Board of Directors

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.

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

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 irregularly 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 2025, all directors met or exceeded these training standards. For relevant information, please refer to the Market Observation Post System (MOPS). [↗](#)

Functional Committee

Audit Committee

Members

4 independent directors.

Responsibilities

- Adoption or amendment of an internal control system.
- Assessment of the effectiveness of the internal control system.
- Adoption or amendment of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, monetary loans to others, or endorsements or guarantees for others.
- A matter relating to the personal interest of a director.
- A material asset or derivatives trade.
- A material monetary loan, endorsement, or provision of guarantee.
- The offering, issuance, or private placement of equity-type securities.
- The engagement, discharge, or compensation of an attesting CPA.
- The appointment or discharge of a financial, accounting, or internal auditing officer.
- Annual financial reports and financial reports that must be audited and attested by a CPA, which are signed or sealed by the chairperson, managerial officer, and accounting officer.
- Any other material matter so required by the company or the Competent Authority.

Operational Status

At least once every quarter; 4 meetings were convened in 2025 with a 100% attendance rate.

Remuneration Committee

Members

4 independent directors.

Responsibilities

- Review organizational regulations periodically and propose amendments.
- 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.
- 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.

Operational Status

- At least twice a year; 2 meetings were convened in 2025 with a 100% attendance rate.
- For detailed information regarding the remuneration policy and other related matters, please refer to Chapter 2, Corporate Governance Report, of Daxin Annual Report. [↗](#)

Sustainable Development Committee

Members

1 director and 3 senior management members

Responsibilities

- Review organizational regulations periodically and propose amendments.
- Formulate, promote, and strengthen the company's sustainable development policies, annual plans, and strategies.
- Review, track, and revise the implementation and effectiveness of sustainability initiatives.
- Supervise the disclosure of sustainability-related information and review the sustainability report.
- Oversee the implementation of other sustainability-related tasks as resolved by the Board of Directors.

Operational Status

At least once a year; 1 meeting was convened in 2025 with a 100% attendance rate.

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

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, 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 2025 were all rated as "Excellent." The results were reported to the Board of Directors on February 24, 2026, 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, and (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. [↗](#)

Evaluation Method

- Company-provided documents
- Director self-assessment questionnaires
- On-site interviews with the Chairman, Corporate Governance Officer, Audit Committee Convener, and Chief Auditing Officer

5 Aspects

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, and (5) the Board's involvement in corporate social responsibility.

Evaluation Results

The results were reported to the Board of Directors on February 25, 2025.

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. Regarding the recusal of directors from proposals involving conflicts of interest, please refer to Chapter 2, Corporate Governance Report, of the Daxin Annual Report. [↗](#)

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 external 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.

2.2 Financial Performance

2.2.1 2025 Financial Performance

In 2025, Daxin achieved solid growth amid challenges. Semiconductor materials, with continued investment in R&D and technology, experienced strong demand and emerged as a key driving force of the Company's revenue and profitability. Following two years of drastic adjustments in the display industry, Daxin maintained stable operating performance by aligning core material solutions with customers' technological transitions. Overall, the Company delivered year-over-year growth in both revenue and profit. Operating revenue in 2025 was NT\$4.63 billion, representing an increase of NT\$512 million, or 12.4%, from NT\$4.118 billion in 2024. Daxin will continue to enhance its competitive advantages through product innovation, technology differentiation, and process optimization, aligning with industry megatrends to drive solid operational growth. For detailed financial information, please refer to the "Investor Relations" section of Daxin's official website or the Market Observation Post System.

NT\$ **4.63** billion

Operating revenue in 2025

↑ **12.4%**

Revenue Increase Compared with 2024

Unit: NT\$ thousands

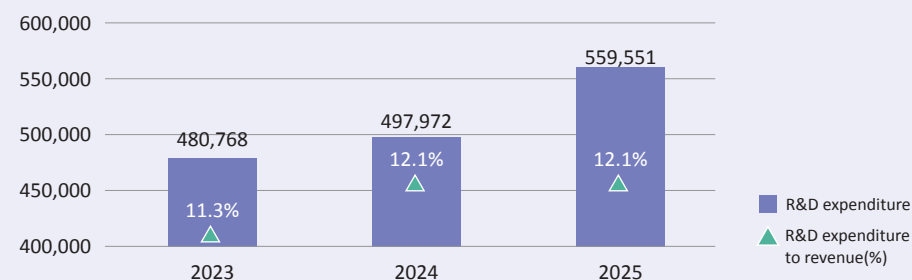
Item/Year	2023	2024	2025
Operating revenue	4,264,121	4,117,847	4,629,779
Gross profit	1,479,091	1,517,847	1,879,496
Operating income	610,788	607,165	852,798
Non-operating income and expenses	(5,339)	51,422	30,750
Profit before income tax	605,449	658,587	883,548
Net income	523,354	570,612	756,955
Total comprehensive income	524,664	570,612	756,955
Dividends to shareholders ^{Note 1}	421,135	513,580	667,653
Earnings per share (NT\$)	5.10	5.56	7.37

Note 1: Dividends for the fiscal year are distributed in the subsequent year.

Research and Development Expenditures Over the Years

Daxin has consistently upheld a policy of substantial R&D investment and a robust R&D workforce. More than half of the employees are engaged in R&D, with annual R&D expenditure representing approximately 10% or more of total revenue.

R&D expenditure (NT\$ thousands)



Earnings Per Share and Dividends Over the Years

Daxin has maintained consistent profitability every year since its 2012 listing on the Taiwan Stock Exchange. The management team remains dedicated to rewarding shareholders' long-term support and trust through stable operating performance, distributing annual earnings as cash dividends, with a payout ratio consistently exceeding 80% over the past five years.

Year	Earnings Per Share (EPS)	Cash Dividend Per Share	Stock Dividend Per Share	Dividend Payout Ratio
2025	7.37	6.5	0.0	88%
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%

Employee Salary and Benefit

Unit: NT\$ thousands

Item/Year	2023	2024	2025
Salary	684,799	740,102	854,337
Labor and health insurance	41,917	44,956	49,200
Pension	19,544	21,286	22,516
Others	19,585	23,164	25,279
Total	765,845	829,508	951,332

2.2.2 Tax Management

All Daxin's operations are conducted in compliance with relevant tax laws and regulations. Tax implications are comprehensively considered in major business decisions, and the Company has established multiple communication channels with tax authorities based on mutual respect.

Tax matters are managed by the Finance Division in coordination with relevant departments to ensure tax compliance. The ultimate responsibility for tax governance rests with the Chief Financial Officer, while daily tax administration and management are delegated to the head of the Accounting Department, who is supported by experienced accounting professionals to fulfill the Company's tax obligations. Additionally, the Company engages external tax experts to obtain professional advice and strengthen 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	2023	2024	2025
Payment to the government	81,501	114,102	112,137

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's operating scale has not yet reached the threshold for preparing the Master File and the Country-by-Country Report (CbCR); therefore, a CbCR is not required.

Note3: Daxin applies annually for investment tax credit and exemptions under the Statute for Industrial Innovation to reduce its income tax payable.

2.3 Business Integrity

2.3.1 Integrity Culture

Policy and Commitment

"Integrity" is one of Daxin's most important core values. The Company upholds the principles of honesty, transparency, and accountability, and has established the " Ethical Corporate Management Best Practice Principles " and " Employee Code of Conduct " to strictly prohibit any form of corruption or bribery. Employees are required to proactively uphold ethical standards and embed integrity into their daily work. Daxin promotes shared industry prosperity through ethical business practices, working alongside customers and supply chain partners to advance sustainable operations. A confidential Ethics Mailbox is available for stakeholders to report any violations of integrity standards.

2025 Integrity Implementation Highlights

Awareness

Employee Ethics and Integrity Assessment

100% Pass Rate

Ethics and Compliance Training Hours

2,374hrs

Total **5.4**hrs/employee

Commitment

Employee Commitment to Integrity

100% Signing Rate

Key Supplier Integrity Commitment

100% Signing Rate

Actions

Reputational Impact Events Involving the Company or Clients

0 cases

Employee Conflict of Interest Declarations

100% compliance

Integrity Promotion Mechanism at the Governance Level

Daxin has established the "Code of Ethical Conduct for Directors and Managers," with directors receiving integrity training and signing a "Declaration of Integrity" prior to taking office, building a top-down corporate governance and risk management framework. The Board approved the " Ethical Corporate Management Best Practice Principles " on November 4, 2020, designating HR as the responsible unit for policy formulation and oversight. A cross-functional Integrity Management Team integrates resources across departments to implement integrity initiatives and reports to the Board annually.

Integrity Commitment and Conflict of Interest Management

Focus Case: Company-wide Re-signing of Integrity Commitment Declarations

In 2025, Daxin implemented a company-wide initiative for all employees to re-sign their Integrity Commitment Declarations, conducted entirely through electronic signatures, achieving a 100% completion rate. Employees were required to complete an online integrity training video prior to signing to ensure consistent understanding of the policy. The shift to electronic processes also reduced paper usage, with a carbon reduction of 2.71 kg — equivalent to the daily carbon sequestration of 82 trees.

Course

Online Integrity Training

Assessment

Annual Ethics and Integrity Assessment

Signing

Updated Commitment Letter with E-Signature

Employees in designated roles or integrity-sensitive positions are required to file annual declarations of potential conflicts of interest involving themselves or immediate family members. A proactive self-reporting mechanism is also in place for all employees to disclose any potential or actual conflicts of interest as they arise. In 2025, 100% of all designated employees completed their conflict of interest declarations.

No Incidents of Corruption, Anti-Competitive Conduct, Antitrust Violations or Monopolistic Practices

Daxin has established anti-corruption and anti-bribery policies, with annual integrity promotion and training conducted company-wide. In 2025, no significant risks of violations related to ethical business conduct or corruption were identified, and no incidents of bribery, corruption, money laundering, violations of the Company Act, or insider trading occurred.

Daxin's Antitrust Compliance Guidelines mandate regular training on competition and trade secret protection for new employees, supervisors, and sales and marketing personnel. In 2025, 3 Trade Secret Act training sessions were held, accumulating 79 training hours. The Fair Trade Commission's Department of Manufacturing Industry Competition was also invited to conduct a Fair Trade Act awareness session, with participation exceeding 70% among target roles including supervisors and sales and marketing personnel. No incidents of anti-competitive behavior, antitrust violations, monopolistic practices, or other violation of ethical business occurred in 2025.

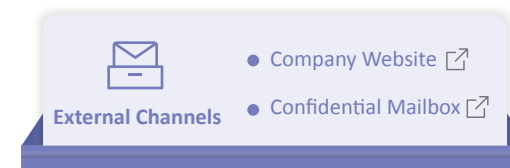
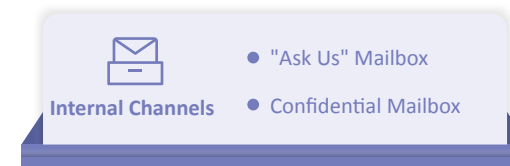
2.3.2 Whistleblowing System and Confidentiality Mechanism

Daxin has established the "Reporting Channels and Whistleblower Protection" policy, providing a Confidential Mailbox for employees and external parties to anonymously report violations. Reports 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 the confidentiality of whistleblower's identity and related information strictly maintained throughout the process. Information obtained during the course of an investigation may not be used for purposes other than the reported matter, except as required by law.

The Human Resources Management Department is responsible for formulating and overseeing the implementation of integrity management policies and prevention programs, reporting compliance status and improvement actions to the Board at least once annually. The internal audit unit develops risk-based annual audit plans approved by the Board, with findings reported quarterly to the Board and Audit Committee to ensure effective implementation of ethical business conduct.

Upon confirmation of violations, Daxin immediately requires cessation of related behaviors and takes appropriate action based on severity, including reporting to authorities, judicial referral, or legal proceedings to protect the Company's reputation and interests. In 2025, no illegal cases were reported and no corruption incidents were discovered. Based on 2025 training programs and annual integrity self-assessments, no significant risks were identified.

Appeal Channels



2.4 Risk Management

2.4.1 Risk Management System

In compliance with applicable regulations, an internal control system has been established, along with an internal audit unit reporting directly to the Board of Directors. Each year, an audit plan is developed based on risk assessment results to evaluate the effectiveness and compliance of existing control systems and procedures, and to continuously review and improve risk management processes. Risk assessments and controls are conducted by department heads during daily operations, management mechanisms are established for identified risks, and relevant control procedures are ensured to be effectively implemented.

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 manufacturing solutions to reduce environmental and labor burdens.	4 Green Manufacturing 4.2 Greenhouse Gas Management
	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.	4.3 Energy Management 4.5 Resource Circulation
Society	Declining Birthrate and Labor Shortage	- Invest in STEM education programs to cultivate Taiwan's future technology talent - Adopt automation technologies to enhance operational efficiency and enable employees to focus on higher value-added work.	5 Social Inclusion 5.1 Talent Sustainability
	Key Talent Attrition	- Provide diverse learning and career development opportunities to strengthen key talent competitiveness and retention. - Establish a senior leadership succession plan to ensure leadership stability and operational continuity.	
	Labor Regulatory Compliance	In response to evolving global and local labor regulations, raise management awareness of compliance obligations through internal audit mechanisms and training programs, to ensure regulatory compliance and reduce the risk of violations.	
Governance	Technological and industrial trend changes	- Continuously monitor market and technological trends. - Regularly participate in leading international technical forums and industry networking events. - 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. - Maintain close engagement with customers to capture market demand trends and product introduction schedules. - Embrace a R&D model that equally emphasizes chemistry, processes, equipment, and AI, while actively collaborating with major international corporations.	
	Product Patent Risk	- Conduct phased patent searches and risk assessments during early stages of product development and prior to sample submission. - Maintain patent dispute handling guidelines and conduct ongoing analysis of relevant regulations. - Leverage AI for molecular structure design and establish a patent analysis system to strengthen innovation planning.	3 Research and Innovation 3.2 Intellectual Property Strategy
	Economic Risk (including risks of fluctuations in exchange rates, interest rates, inflation, etc.)	- Adopt natural hedging methods to minimize net foreign currency positions. - Follow established derivative transaction procedures and apply financial instruments to reduce financial risk.	2 Operations and Governance
	Information Security Risk	- Strengthen information security safeguards and backup operations; certified under ISO 27001:2022. - Perform periodic vulnerability scans and penetration tests to identify and remediate security vulnerabilities. - Regularly perform disaster recovery tests to verify backup system availability.	2 Operations and Governance
	Supply chain risks affecting supply quality or delivery schedule	- Conduct regular supplier audits and guidance. - Pursue supplier diversification to ensure at least two sources for key raw materials. - Establish long-term supply agreements for critical raw materials. - Continuously monitor international shipping conditions and plan diversified transportation routes and backup logistics.	2 Operations and Governance 2.6 Supply Chain Management

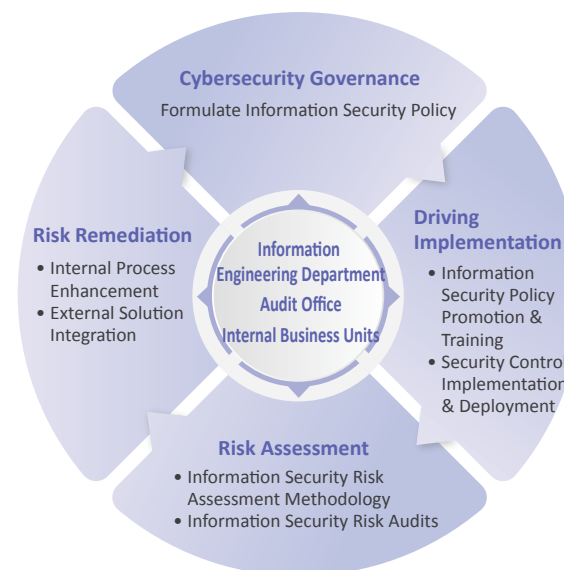
2.4.2 Information Security

Information Security Policy

To establish a secure and trustworthy operating environment and safeguard the interests of employees, shareholders, vendors, and customers, Daxin has established an information security policy under its information security risk management framework. The policy covers regulatory compliance, segregation of duties, third-party confidentiality agreements, employee training, confidential data protection, software license management, antivirus and firewall maintenance, data backup and recovery mechanisms, and regular business continuity drills. Clear procedures are also defined for handling employee violations of information security regulations.

Information Security Risk Management Framework

The Information Engineering Department serves as the responsible unit for information security, led by an Information Security Supervisor and supported by qualified professionals responsible for formulating, promoting, and implementing information security policies, as well as conducting training to enhance employee security awareness. Information security audits are conducted by the Audit Office, with "information and communications security inspection" formally incorporated into the annual audit plan in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies." Any identified deficiencies require the audited unit to submit improvement plans, with implementation progress tracked on a regular basis.



Information Security Management Measures

Management Items	Specific Management Measures
Information Security Certification	Certified to ISO 27001 by the British Standards Institution (BSI).
Network Security Management	Deploy enterprise-grade firewalls to block external attacks; enforce internet access policies and content filtering to prevent access to harmful websites.
System Access Control	Require account passwords for all information systems with regular mandatory changes; set user permissions based on the Need-to-Know and Principle of Least Privilege.
Computer and Server Security Management	Implement automated system updates; install antivirus software with continuous virus definition updates; restrict use of USB storage devices without prior authorization.
Email Security Protection	Implement an anti-spam system; install multiple antivirus solutions on email systems for layered protection.
Data Backup	Conduct daily backups of critical databases and files; implement offline and offsite backup strategies.
System Reliability Management	Implement high availability mechanisms for critical information systems; perform full daily backups of application systems.
Emergency Response	Conduct annual restoration drills for critical systems to validate recovery procedures.
Supply Chain Information Security	Conduct annual information security questionnaires for key suppliers to assess supply chain security levels.
Penetration Testing	Engage external parties to conduct vulnerability assessments and penetration testing.
Endpoint Protection	Implement endpoint protection for critical endpoint devices to strengthen security posture.
Information Security Awareness	Mandatory security training for new and in-service employees annually; regular security incident case sharing; annual social engineering drills.
Information Security Capability	Dedicated information security supervisors and personnel; regular participation in professional training and seminars.

Resources Invested in Information Security Management

Management Items	Specific Management Measures
Hardware and Software Upgrade	Deployment of next-generation firewalls (NGFW); implementation of a Managed Detection and Response (MDR) solution; establishment of an email security gateway; implementation of a multi-factor authentication (MFA) system.
Education and Training	Company-wide social engineering drill completion rate: 100%; 5 cybersecurity awareness articles published; dedicated information security personnel training: 40 hours/person.
Safety Inspection	Regular backup and restoration drills; quarterly system vulnerability scans; continuous monitoring through an information security risk management platform; membership in TWCERT/CC and SPISAC collaborative defense organizations.

Social Engineering Drill

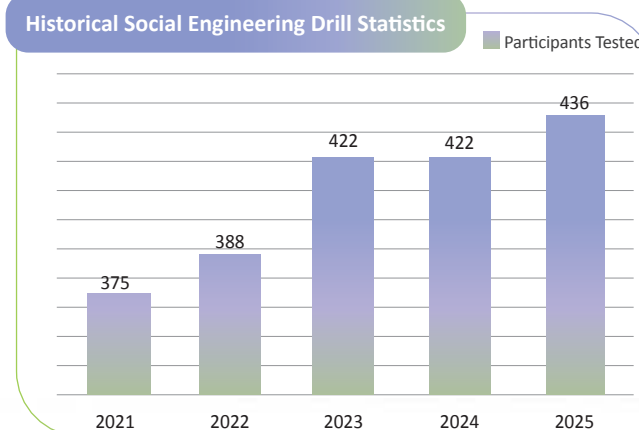
Daxin conducts annual company-wide information security training and social engineering drills to strengthen employees' ability to respond to phishing and other social engineering attacks. Employees who fail the drill are required to complete in-person security remedial training; repeated failures result in external network access restrictions to reduce the risk of compromise.

Privacy Protection

Daxin integrates privacy protection into its overall internal control and risk management framework, ensuring that personal data of customers, employees, and suppliers is strictly handled in compliance with applicable regulations throughout the collection, processing, and utilization stages. The Company's Personal Data Protection Guidelines serve as the overarching compliance standard, clearly defining data collection purposes, scope, cross-border transfers, and retention periods across all business processes.

To build company-wide privacy awareness, all new employees are required to complete Personal Data Protection Act and training within 30 days of joining. In 2025, Daxin comprehensively updated its online training materials on Personal Data Protection and Privacy Rights, reinforcing the importance of safeguarding personal, customer, and supplier data. All employees were required to retake the course and complete an assessment, achieving a pass rate of 90%. Additionally, Daxin issues annual reminders for employees to verify the accuracy of their personal data and enables them to update such data in real time through internal systems, thereby allowing data subjects to manage their own personal data.

For implementation oversight, the internal audit unit conducts unscheduled spot checks to verify the effectiveness of management. In the event of a data breach, the Personal Data Management Team immediately activates emergency response protocols, notifying the relevant authorities and initiating investigation procedures. Relevant departments subsequently convene review meetings to develop preventive measures and strengthen controls. A dedicated personal data request mailbox is also available to ensure stakeholders can effectively exercise their legal rights. Through both institutional and technical safeguards, Daxin remains committed to maintaining a secure and transparent data environment.



0 case

2025 confirmed personal data protection violations resulting in regulatory penalties

0 case

2025 substantiated personal data protection violations reported to hr@daxinmat.com

2.5 Customer Service

Daxin is committed to providing outstanding products and high-quality services, actively listening to customer needs, continuously deepening product quality and service experience, and building solid partnerships for long-term growth together.



Policies and Actions



Management Policy

- Regularly visit customers to understand production line status and material needs, providing customized products and differentiated services.
- A rapid response mechanism ensures customer issues are addressed promptly when abnormal events occur.
- Customer information security is prioritized through dedicated information security management procedures.
- Supply chain management is implemented to ensure stable product supply and meet customer requirements for quality and delivery.

2025 Performance Outcomes

- ✔ **Customer Satisfaction Survey:**
4.92 points (full score: 5 points)
- ✔ **Customer feedback case closure rate 100%**

Short-term Objectives (2026)

- ⌚ **Customer Satisfaction Survey:**
≥4.70 points (full score: 5 points)
- ⌚ **Customer feedback case closure rate 100%**

Medium to Long-term Objectives (2030)

- ⌚ **Customer Satisfaction Survey:**
≥4.80 points (full score: 5 points)
- ⌚ **Customer feedback case closure rate 100%**



Objectives and Targets

Note 1: Although the 2025 target was exceeded, the annual threshold is maintained at 4.70 points to sustain service quality and drive continuous improvement as customer expectations rise.

2.5.1 Service Spirit

Daxin's approach to customer service centers on co-creating value. In the near term, this means developing new customers, improving order processing efficiency, and responding promptly to customer needs through close collaboration between sales and technical teams — helping customers minimize losses while building trust. Long-term, Daxin focuses on deepening strategic partnerships with key customers through joint development of high-specification materials, application validation, and integrated solutions spanning product design, process support, and technical services, while continuously expanding into new application markets through regular engagement and satisfaction tracking.

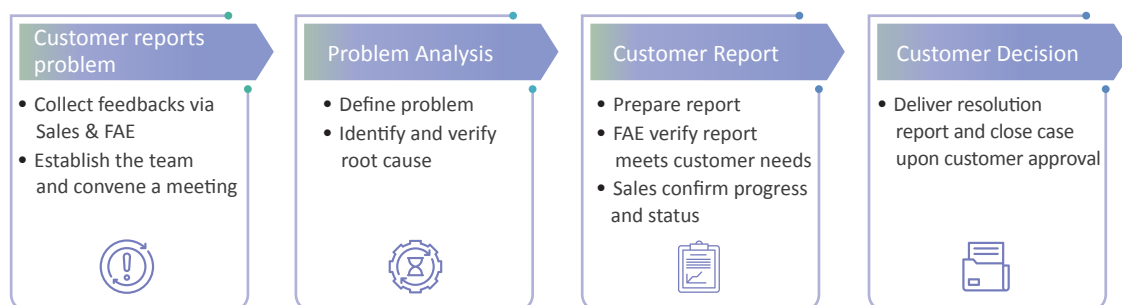
To fulfill our commitment to product quality and information transparency, Daxin has established the "Green Product Hazardous Substance Management Regulations" in accordance with ISO 9001:2015 and applicable laws, ensuring product information and labeling are clear, accurate, and regulatory-compliant. All products conform to the EU Restriction of Hazardous Substances (RoHS) directive. In 2025, there were no incidents of non-compliance with product information, labeling, or marketing and communication regulations.

2.5.2 Customer Satisfaction

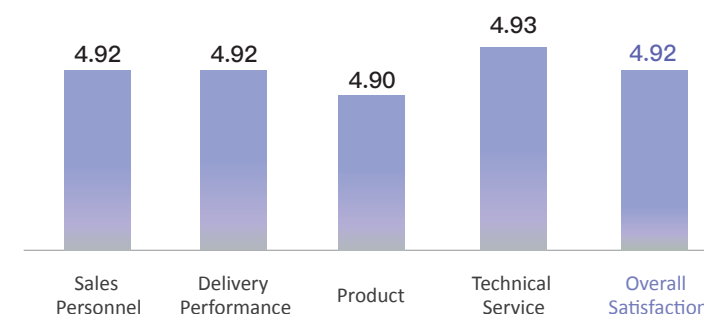
Daxin conducts annual customer satisfaction surveys covering business service, delivery performance, product quality, and technical support. The 2025 overall satisfaction score reached 4.92 points, exceeding the annual target and improving further from 2024. In response to rising customer expectations for product specifications and quality, Daxin continues to increase customer visit frequency and deepen technical exchanges, ensuring customer issues are addressed promptly to strengthen long-term partnerships.

Daxin maintains a customer feedback handling procedure that clearly defines responsibilities and response workflows. A dedicated mailbox (ProductInfo@daxinmat.com) is available on the Company's website for customer inquiries. Upon receiving an abnormality report, the Quality Engineering Department provides a preliminary response within 3 working days and a complete handling report within 7 working days, with cases closed only upon customer approval. The customer feedback case closure rate reached 100% in 2025.

Looking ahead, Daxin will continue strengthening manufacturing and quality management capabilities, deepening engagement between sales and technical teams and customers, and delivering prompt technical support and differentiated services to enhance satisfaction and build enduring partnerships.



2025 Overall Customer Satisfaction



2.6 Supply Chain Management

To strengthen supply chain sustainability, Daxin is committed to building value-sharing partnerships with suppliers and working together toward responsible and sustainable operations. Regular audits are conducted for key and critical raw material suppliers to ensure alignment on environmental, social, and governance commitments, advancing the shared goal of a responsible supply chain.

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



Policies and Actions



Management Policy

In accordance with the "Supplier Management Procedure" audit standards, on-site or document-based audits are conducted covering quality system certification, quality management, production and manufacturing management, environmental safety and health, and ESG.

- For materials procurement, local sourcing is prioritized to enhance supply chain stability.
- Key and critical raw material suppliers are required to implement a conflict minerals-free policy, reinforcing responsible procurement.
- Suppliers rated Grade C are required to submit continuous improvement measures; otherwise, procurement will be suspended.

2025 Performance Outcomes

- ✓ **Key and Critical Raw Material Supplier Management** Note 1
 - Proportion of suppliers rated Grade A or above: **81%**
 - Signed Guarantee of Non-use of Hazardous and Prohibited Substances: **100%**
- ✓ **Sustainability performance weighting in supplier selection increased to: 14% (new target)** Note 2
- ✓ **Conflict-free minerals guarantee: 100%** Note 3
- ✓ **Sustainability management self-assessment questionnaire completion rate: 100%** Note 3

Short-term Objectives (2026)

- ✓ **Key and Critical Raw Material Supplier Management**
 - Proportion of suppliers rated Grade A or above: **>75%**
 - Signed Guarantee of Non-use of Hazardous and Prohibited Substances: **100%**
- ✓ **Sustainability performance weighting in supplier selection increased to: 20%**

Medium to Long-term Objectives (2030)

- ✓ **Key and Critical Raw Material Supplier Management** Note 4
 - Proportion of suppliers rated Grade A or above: **>85%**
 - Signed Guarantee of Non-use of Hazardous and Prohibited Substances: **100%**
- ✓ **Sustainability performance weighting in supplier selection increased to: 25%**

Note 1: Key and Critical Raw Material Supplier refer to the top 20 suppliers by annual transaction volume and annually selected critical raw material suppliers for 2025.

Note 2: By increasing the sustainability performance weighting, Daxin encourages suppliers to invest in green transition.

Note 3: The conflict-free minerals guarantee and sustainability management self-assessment have been incorporated into the supplier evaluation mechanism and are no longer tracked as separate targets.

Note 4: Key and Critical Raw Material Supplier refer to the top 30 suppliers by annual transaction volume and annually selected critical raw material suppliers for 2030.



Objectives and Targets

2.6.1 Supplier Management Policy

Daxin has established a "Supplier Management Procedure" governing the selection, auditing, and evaluation of suppliers and contractors. Key and Critical Raw Material Suppliers undergo an annual Quality Process Audit (QPA) covering production processes, manufacturing environment, transportation management, and hazardous substance management, as well as verification of compliance with Green Product Specification (GP), ISO 9001, ISO 14001, and ISO 45001 certifications.

In addition to quality, delivery, and pricing requirements, all suppliers providing chemicals to Daxin are required to sign and comply with the "Chemical Substance Control Compliance Declaration" and the "Hazardous Substance Guarantee Letter," ensuring that all chemicals used are consistent with our commitments to environmental protection, personnel safety, and sustainable operations. The supplier signing completion rate reached 100%.

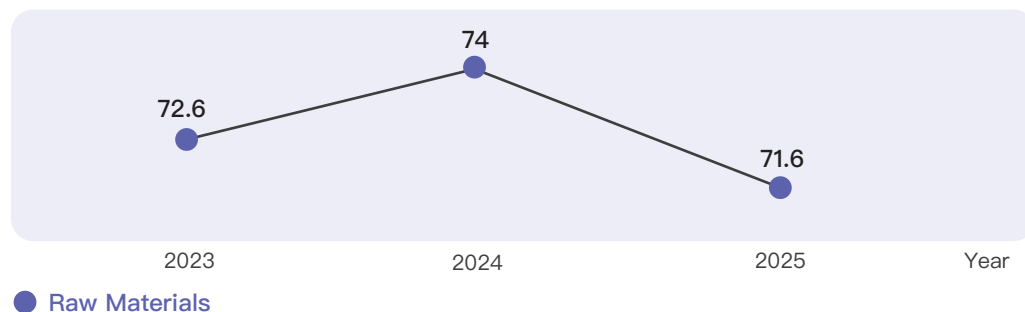
2.6.2 Local Procurement

Daxin builds long-term, stable partnerships with suppliers based on the principle of "local procurement, local production," supporting supply chain resilience and shared social responsibility.

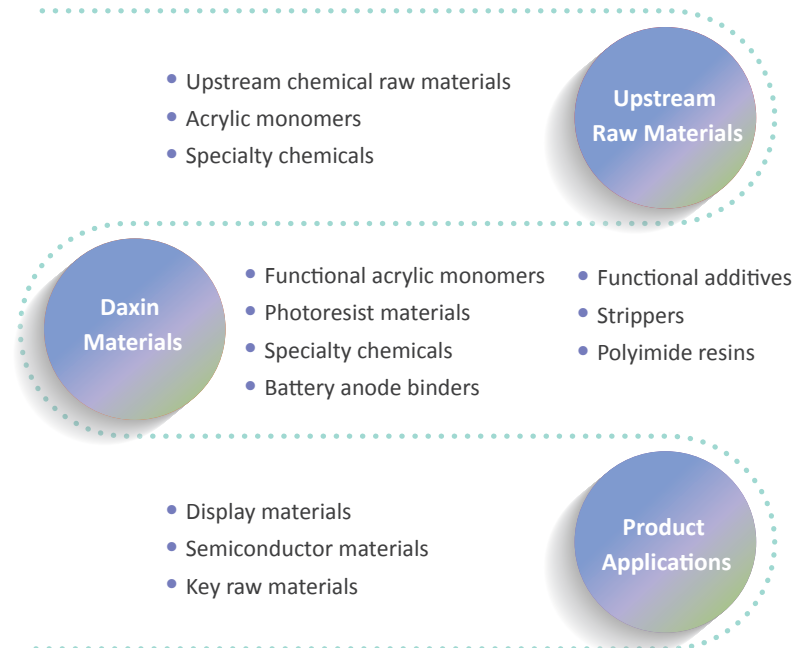
In 2025, local procurement accounted for 71.6% of total procurement value (Note 1). While key raw materials for mass production are primarily supplied by international manufacturers through domestic agents, Daxin remains committed to supporting the local industry and shortening supply chain distances to continuously strengthen local supply chain stability.

Note 1: "Local suppliers" are defined as companies with a registered address in Taiwan (transactions conducted in NTD)

Percentage of Local Raw Material Procurement



Daxin Materials: Upstream, Midstream & Downstream Supply Chain



2.6.3 Supplier Evaluation

Daxin implements systematic audit management for Key and Critical Raw Material Suppliers, covering both on-site and document-based audits. Audit scope includes quality system certification, quality management, production and manufacturing management, environmental safety and health, and ESG performance, providing a comprehensive assessment of supplier management capabilities and sustainability practices.

For day-to-day management, the Procurement and Quality teams conduct quarterly incoming material evaluations to monitor supplier quality performance and delivery reliability, with results recorded in the "Supplier Incoming Material Evaluation Form" along with improvement recommendations. At year-end, a joint audit team reviews the critical raw material list and designates the top 20 suppliers by annual procurement value as key suppliers, scheduling on-site or document audits for the following year with results incorporated into the annual supplier evaluation.

Supplier Assessment and Tiered Management

Annual evaluations comprise the Quality Process Audit (QPA) and quarterly incoming material scores. Starting in 2024, supplier sustainability management was incorporated into the QPA, requiring Key and Critical Raw Material Suppliers to complete a sustainability management self-assessment questionnaire covering labor and human rights, health and safety, environmental protection, ethical standards, and management systems — systematically assessing suppliers' sustainability capabilities and strengthening supply chain governance.

Suppliers are rated across four tiers: A, B+, B-, and C. Suppliers rated B- or C are required to submit improvement measures and may be subject to procurement suspension. The 2025 evaluation results show that among 32 Key and Critical Raw Material Suppliers, 28 were rated Grade A (81%) and 4 were rated Grade B (19%), with an overall pass rate of 100%.

Starting in 2025, Daxin has further adjusted its supplier selection mechanism to incorporate sustainability performance as a core weighting factor. This aims to build a more stable supply chain, strengthen guidance to suppliers on environmental protection and social responsibility, ensure alignment with international sustainability standards, reduce operational risk, and enhance the competitiveness of the overall value chain.

Category	Quarterly Evaluation	Annual Assessment	Supplier Audit (QPA)
Critical Raw Material Suppliers			
Key Suppliers			
Other Suppliers		—	Conducted upon quality nonconformance

81%

Grade A Supplier Ratio
(28 out of 32 suppliers)

2025 Evaluation Results

100%

Hazardous Substance Guarantee
Letter Signing Completion Rate

100% Completed

14%

Sustainability Performance Weighting
in Supplier Selection Mechanism

2025 New Target

2.6.4 Ethical Procurement

Conflict Minerals Management Policy

To uphold responsible procurement and human rights protection throughout the supply chain, Daxin has established a clear conflict minerals management policy requiring all suppliers to refrain from using metal raw materials sourced from armed conflict or high-risk regions. The Company promotes the signing of the "Conflict-Free Minerals Guarantee" across all suppliers and verifies compliance through document review or on-site audits. The supplier signing completion rate reached 100% in 2025.

Daxin Conflict Minerals Non-Use Statement:

All supplied goods, services, and related manufacturing or delivery processes that use or contain 3TG minerals (gold, tantalum, tin, and tungsten) must comply with the Responsible Minerals Assurance Process (RMAP) standards. Priority is given to sourcing from RMAP-certified smelters to ensure the supply chain is free from involvement in conflict, human rights violations, or illegal mining.

Responsible Procurement Management Mechanism



Conflict Minerals Policy

All suppliers are required to refrain from using metal raw materials sourced from armed conflict or high-risk regions. Compliance is verified through document review or on-site audits.

Gold (Au) / Tantalum (Ta) / Tin (Sn) / Tungsten (W)

3TG Minerals Control



RMAP Certification Requirement

Priority is given to sourcing from smelters certified under the Responsible Minerals Assurance Process (RMAP), ensuring the supply chain is free from conflict, human rights violations, and illegal mining.

Responsible Minerals Assurance Process



Sustainability Management Self-Assessment

Sustainability management is incorporated into the QPA, covering labor and human rights, health and safety, environmental protection, ethical standards, and management systems.

Completion Rate 100%



Conflict-Free Minerals Guarantee

All suppliers are required to sign the "Conflict-Free Minerals Guarantee." The signing completion rate reached 100% in 2025.

Signing Completion Rate 100%

2.7 Product Quality and Safety

Quality and safety are at the core of Daxin's commitment to its customers. Through rigorous quality control processes and comprehensive monitoring mechanisms, we maintain full traceability from source materials to end delivery, ensuring product performance and health safety while meeting customer needs with the highest standards.



Policies and Actions

In accordance with ISO 9001:2015 and the Green Product Hazardous Substance Management Regulations, all products — from design and manufacturing to sales — are developed in compliance with relevant regulations, ensuring continuous improvement of product quality and adherence to quality requirements and safety standards at every production stage.

- **Standardization:** From raw material inspection, process quality control, and final product confirmation to shipment inspection, a comprehensive quality management system is implemented to effectively reduce operational waste.
- **Systematization:** From raw material approval, supplier engineering changes, and supplier electronic Certificates of Analysis (eCOA) to SVM-to-HVM handover, systematization is applied throughout to minimize human error.
- **Digitalization:** Supplier information, shipment inspection data, raw material batch comparisons, and product stability data are integrated and automatically uploaded into the quality management system to enhance management efficiency.

2025 Performance Outcomes

- ✓ Customer audit deficiency completion rate ^{Note 1}: 100%
- ✓ Supplier continuous improvement project completion rate (new target): 91% ^{Note 2}
- ✓ Supplier ECN consent form completion rate: 100% ^{Note 3}
- ✓ Supplier eCOA completion rate: 100% ^{Note 4}

Short-term Objectives (2026)

- ⌚ Customer audit deficiency completion rate: > 95%
- ⌚ Supplier continuous improvement project completion rate: > 95%

Medium to Long-term Objectives (2030)

- ⌚ Customer audit deficiency completion rate: 100%
- ⌚ Supplier continuous improvement project completion rate: 100%

Note 1: Audit deficiencies involve management of personnel, machines, materials, methods, and environment. Systematic and automated optimization requires a longer improvement timeline; the completion window is three months from the date of issue.

Note 2: Supplier quality issues are continuously monitored with corrective actions implemented to improve quality levels and product conformity. Improvement plans must be completed and demonstrate results within three months.

Note 3: Engineering Change Notice (ECN) has become a mandatory supplier requirement and is no longer tracked as a separate target.

Note 4: Electronic Certificate of Analysis (eCOA) has become a mandatory supplier requirement and is no longer tracked as a separate target.



Management Policy



Objectives and Targets

2.7.1 Strengthen Quality Culture

All Daxin products undergo rigorous testing and inspection, complying with ISO 9001 and other international quality management standards as well as third-party certification, ensuring every product meets safety regulations. Our quality management team regularly conducts Statistical Process Control (SPC) reviews and monitors the quality management system through periodic review meetings. We have also implemented Failure Mode and Effects Analysis (FMEA) to identify and mitigate potential risks. Customer feedback is valued as a key input for enhancing product safety and quality.

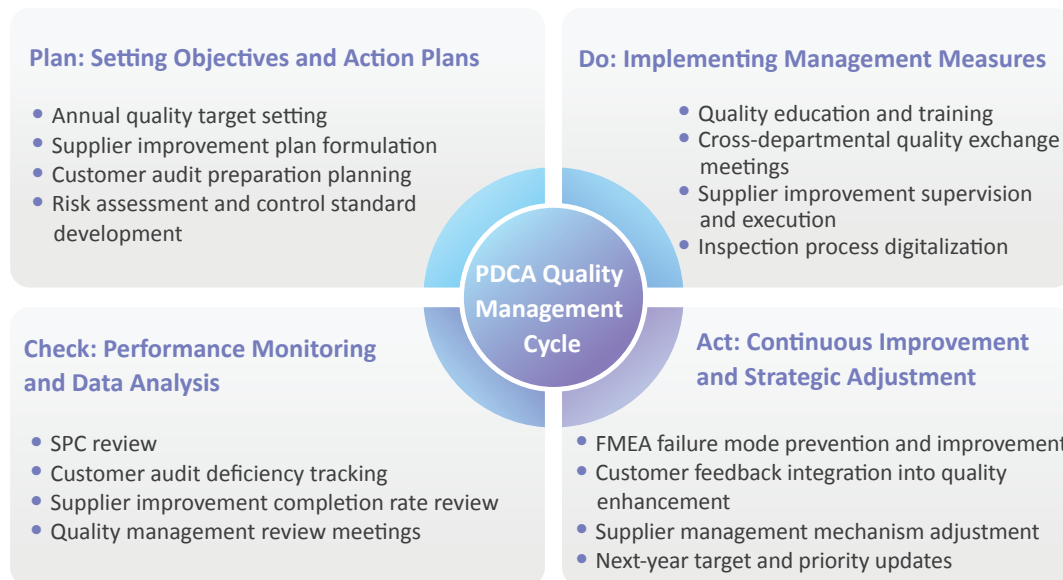
Quality Education and Training

Daxin is committed to building a company-wide quality culture through regular training and diverse communication channels, strengthening quality awareness and helping employees understand and implement quality policies.

New employee quality training achieved a 100% completion rate. To extend quality awareness across the organization, 11 quality promotion articles were published on the internal online discussion forum, accumulating 1,514 views.

To embed quality awareness into daily operations, Daxin extended training into cross-departmental collaboration, completing 18 cross-departmental quality exchange sessions throughout the year. These sessions systematically introduced the Best Known Method (BKM) for new raw material standards, compiled historical incident cases into preventive training materials, and introduced optimized sampling inspection processes to reduce error and improve inspection efficiency.

For quality personnel, 162 professional assessments (including instrument operation, machine principles, and inspection procedures) were completed during the year to strengthen technical capabilities and problem-solving skills.



Enhancement of Internal Inspection Process

The Company is progressively adopting inspection consumables with lower environmental impact to replace traditional materials, effectively reducing overall waste generation. Inspection machine data is automatically uploaded to the ERP system, reducing manual operations and paper records while enabling automatic generation of Certificates of Analysis (COA) and SPC monitoring, improving quality management efficiency and transparency.

2.7.2 Green Products

Daxin upholds the principle of "zero-waste design," striving to extend the product lifecycle to include end-of-use recycling and reuse, maximizing resource utilization and minimizing environmental impact. The 3R principles (Reduce, Reuse, Recycle) are deeply integrated into product design and development, with restricted substance control standards established to ensure compliance with international environmental requirements, including IECQ QC 080000 (Hazardous Substance Process Management System). All products are annually tested and certified by third-party bodies for RoHS and REACH compliance, fulfilling our commitment to product safety and environmental responsibility.

In accordance with ISO 9001:2015 and the Company's Green Product Hazardous Substance Management Regulations, all products from design through manufacturing to sales are developed in compliance with relevant regulations, ensuring continuous quality improvement at every production stage.

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 reached 100% during the 2025 reporting period.

Product Lifecycle Management Process



2.7.3 Quality Improvement Projects

Supplier Improvement Projects

Supplier improvement projects focus on strengthening raw material sourcing management and incoming quality control, establishing rigorous supplier selection mechanisms, material inspection standards, and full traceability systems to reduce quality risks at the source and improve process stability and product conformity.

For supplier quality nonconformances, a systematic monitoring and continuous improvement mechanism has been introduced, covering root cause analysis, corrective and preventive actions, and regular follow-up to ensure improvement effectiveness. Standardized management processes and performance evaluation frameworks strengthen suppliers' self-management capabilities and overall supply chain competitiveness.

During the 2025 reporting period, the supplier continuous improvement project completion rate (within three months of issuance) reached 91%. Going forward, Daxin will continue to optimize supplier management, strengthen risk assessment and performance tracking, and provide targeted training to build a resilient and sustainable supply chain.

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. Improvement measures are implemented based on audit findings and recommendations to further enhance competitiveness. The customer audit deficiency completion rate (within three months of issuance) reached 100% this year.

03

Chapter

Research and Innovation

3.1 Technological Innovation

3.2 Intellectual Property Strategy

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 comprehensive solutions for our customers. The Company places strong emphasis on intellectual property protection, safeguarding R&D achievements through patent applications, patent portfolio management, and trade secret management — enhancing our competitive advantage while protecting customer interests. Our R&D practices also incorporate green design principles to minimize environmental impact across the product lifecycle, advancing our vision of uniting innovation with sustainability.



Policies and Actions



Management Policy

Daxin's R&D strategy is anchored in multi-disciplinary fundamental chemistry research, integrated with process technology, equipment integration, analytical capabilities, and AI-assisted simulation. This approach spans three core application areas — semiconductor materials, display materials, and key raw materials — with continuous investment in next-generation advanced materials and forward-looking technology projects.

- Maintain high R&D investment and a strong R&D personnel ratio; integrate intelligent process controls to enhance production stability and flexibility.
- Actively develop low-energy, environmentally friendly materials in collaboration with customers to achieve shared ESG goals.
- Establish a systematic intellectual property management system to strengthen the protection of R&D outcomes and associated risk mitigation.



Objectives and Targets

2025 Performance Outcomes

- ✓ R&D Investment Ratio: **12.1%** Note 1
- ✓ R&D Personnel Ratio: **50.5%**
- ✓ Continuously maintain TIPS A-level certification Note 2
- ✓ Pre-R&D Intellectual Property Assessment Achievement Rate Note 3: **116%**
- ✓ Patent specialist external advanced training: **16.3 (hours/person)** Note 4
- ✓ Internal patent courses offered: **10 courses** Note 4
- ✓ Intellectual Property Management System: Patent Application Function Launched Note 4

Short-term Objectives (2026)

- ⊗ R&D Investment Ratio: **10%**
- ⊗ R&D Personnel Ratio: **50%**
- ⊗ Continuously maintain TIPS A-level certification
- ⊗ Maintain the scale of the patent portfolio: **300~350** Note 5

Medium to Long-term Objectives (2030)

- ⊗ R&D Investment Ratio: **10%**
- ⊗ R&D Personnel Ratio: **50%**
- ⊗ Continuously maintain TIPS A-level certification
- ⊗ Maintain the scale of the patent portfolio: **320~370**

Note 1: To support future growth, Daxin has continued to expand R&D investment in new products and semiconductor materials, with total R&D expenditure reaching NT\$559.6 million in 2025.

Note 2: First certified in 2022; re-certified in October 2025, valid through December 31, 2027.

Note 3: Achievement Rate = New cases opened in 2025 ÷ Researchers employed on or before June 30, 2024. Rates exceeding 100% indicate researchers with multiple cases. No separate target is set as TIPS A-level certification already covers this objective.

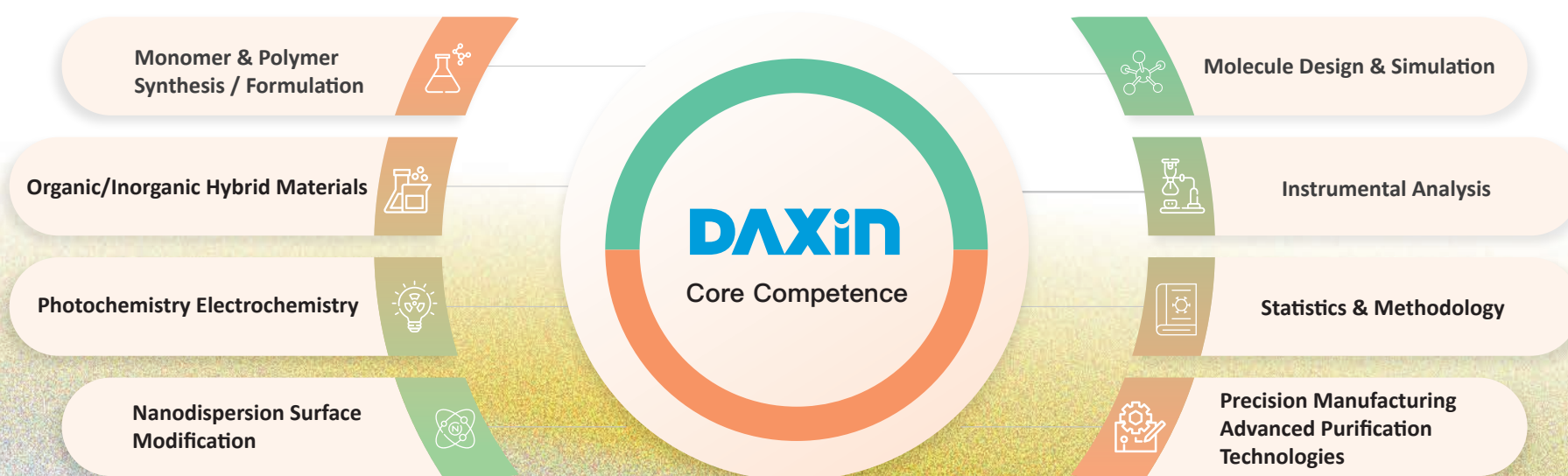
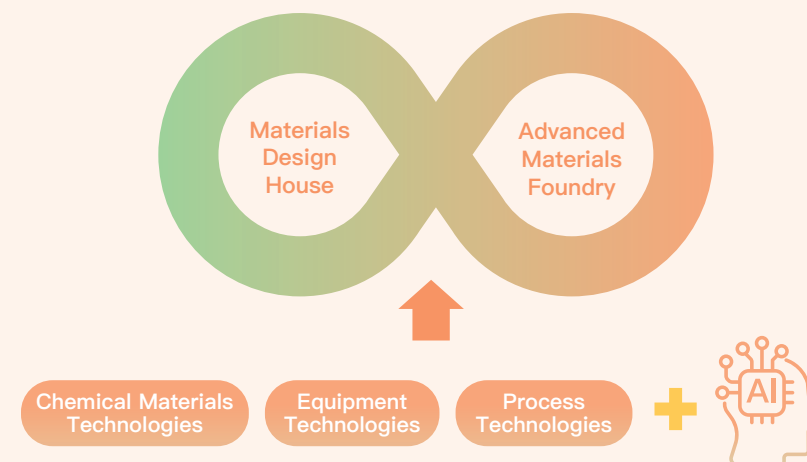
Note 4: No separate target is set as TIPS A-level certification already covers this objective.

Note 5: New target to balance patent quality and quantity. Cases are filed after internal review, with regular evaluation of existing patent maintenance.

3.1 Technological Innovation

Daxin's R&D team specializes in the design and development of specialty chemical materials, leveraging core capabilities in process and equipment technology alongside AI to enhance R&D efficiency and drive continuous innovation in advanced materials.

Grounded in solid fundamental knowledge, Daxin has cultivated a diverse portfolio of core technologies, including photochemistry, electrochemistry, molecular structure design, monomer and polymer synthesis, surface chemistry, dispersion science, organic-inorganic hybrid materials, nanomaterial development, and the precision manufacturing and purification techniques essential for semiconductor applications. These capabilities enable us to deliver advanced, customized chemical material solutions for semiconductor and display industries.



3.1.1 Research Achievements

Daxin focuses on semiconductor materials, display materials, and key raw materials as its three core development areas. In 2025, R&D expenditure reached NT\$560 million, reflecting our continued commitment to high R&D investment and a strong R&D personnel ratio. The Company has successfully renewed its TIPS Level A certification and continues to invest in advanced materials and forward-looking technologies to address future market needs.



Semiconductor Materials

Daxin provides key semiconductor material solutions spanning from front-end processes (FEOL/BEOL) to advanced packaging. Front-end wafer materials include lithography auxiliary materials (TARC/Top Coat), specialized rinse chemicals (FIRM), and high-selectivity etchants. Advanced packaging materials feature market-leading laser release layers, high-thermal-stability PSPI (Photosensitive Polyimide), and metal etchants. Driven by surging AI and HPC demand, several products have secured POR certification from leading international manufacturers and entered mass production, with further market share expansion and next-generation product development anticipated in the coming year.

Our laser release layer has established a leading global supplier position, becoming the preferred material for both Wafer-Level Packaging (WLP) and Panel-Level Packaging (PLP). High-purity resins for photoresists and strippers, co-developed with international partners, remain in stable mass production. Looking ahead, Daxin will deepen its Joint Development Project (JDP) collaborative model, serving as a technical extension of customers' R&D teams while continuing to develop specialty chemicals for advanced processes. Key photosensitive dielectric materials for FOPLP, developed under a Ministry of Economic Affairs subsidy program, will provide superior integration solutions for 2.5D and 3DIC advanced packaging — completing our evolution from a local supplier to a global strategic partner.



Display Materials

Daxin has a long-established presence in the display materials sector. Key 2025 R&D achievements include a low-temperature PSA liquid crystal alignment layer that significantly reduces process energy consumption, and a cholesterol liquid crystal alignment layer aligned with ESG trends that has been successfully adopted in automotive and e-paper applications. Despite global supply chain realignments and tariff uncertainties, growing demand for AI smart displays and ultra-large panels (85" and above) is expected to generate new market momentum. Daxin continues to strengthen its product portfolio, actively positioning in high-end, high-resolution, and MicroLED advanced materials to maintain technological leadership and market share.

In response to the global net-zero transition and customer demand for low-energy technologies, Daxin is working with customers to introduce ESG-compliant green materials in phases, focusing on reducing process temperatures and overall energy consumption. Future products in development include eco-friendly Black Matrix (BM), sustainable Photo Spacer (PS), and MicroLED/SEMI laser debonding adhesives. By pioneering low-temperature curing and other green process solutions, Daxin helps customers reduce carbon pressure while reinforcing its long-term competitive advantage in the sustainability era.



Key Raw Materials

Leveraging deep chemical R&D expertise, Daxin focuses on developing critical raw materials for displays, semiconductors, lithium-ion batteries, and advanced IC substrates. Core offerings include anode binders for lithium-ion batteries, proprietary patented PI functional monomers (CBDA), and low Dk/Df resin materials for high-frequency, high-speed transmission applications. Through specialized molecular structure design and in-house equipment development, Daxin precisely meets downstream requirements for purity and electrical performance, delivering customized solutions with high technical barriers.

With years of deep experience in electronic chemicals, Daxin continues to strengthen product competitiveness through proprietary R&D and high-purity manufacturing of key raw materials, playing a pivotal role in overcoming technical bottlenecks in next-generation advanced processes. Daxin drives Taiwan's specialty chemicals industry toward higher value-added development and has become a trusted strategic partner for global semiconductor leaders, co-developing high-purity polymer materials for advanced lithography.

Looking ahead, as semiconductor process and packaging technologies continue to evolve, Daxin will deepen strategic collaborations with international partners and advance the localization of upstream raw material production. In display materials, the Company will continue developing high-end products and low-temperature, energy-saving green materials to consolidate its competitive position. With a steady and measured approach, Daxin is progressing from a leader in display materials toward a strategic role at the core of the global semiconductor materials industry.

3.1.2 Industry-Academia Collaboration

Daxin has been actively building its industry-academia network since 2022, bridging academic research with industrial needs through joint projects and technical R&D platforms. By translating frontier chemical materials research and advanced application technologies into real industrial momentum, Daxin has completed 4 collaborative projects to date,

2025 Industry-Academia Collaboration Highlights

In 2025, Daxin partnered with 4 leading domestic universities and 5 professors, focusing on new materials R&D, intelligent processes, and environmental sustainability, with a total investment of NT\$4.1 million.

Industry-academia Joint Development Project

University	Professor	Project	Investment Amount	Project Duration
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	2022/05~2025/07
National Tsing Hua University	De-Hao Tsai	Detection service for organic substances in water using a differential mobility analyzer-condensation particle counter	NT\$425,000	2023/11~2025/10
National Taiwan University	Cheng-Che Hsu	Development of Plasma Technology for Surface Treatment of Fluorocarbon Polymers	NT\$870,000	2024/08~2026/07
National Taiwan University	Chen-Chia Chin	Material design and application development of functional adhesives for high-energy anodes	NT\$1,290,000	2025/08~2027/07

Our industry-academia efforts focus on three core objectives:



Technology Collaboration

Connecting academic research capabilities with industrial needs, bridging fundamental research through to pilot-scale production and market application to advance cutting-edge technology development.



Talent Development

Promoting hands-on internship programs that bridge the academic-industry gap, enabling students to gain practical R&D experience through project participation and technical validation.



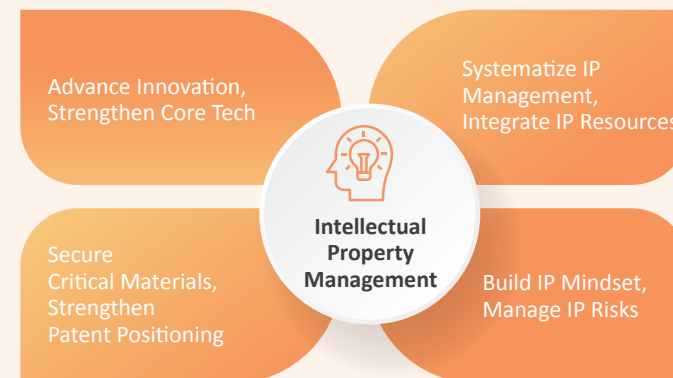
Innovation and Commercialization

Identifying and nurturing innovative ideas, accelerating technology commercialization and new business model development through strategic collaboration and resource integration.

Looking ahead, Daxin will continue deepening partnerships with leading domestic academic institutions while connecting with international academic resources and cross-disciplinary research teams. Through 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 aim to drive sustained momentum for Taiwan's materials science and global industrial innovation.

3.2 Intellectual Property Strategy

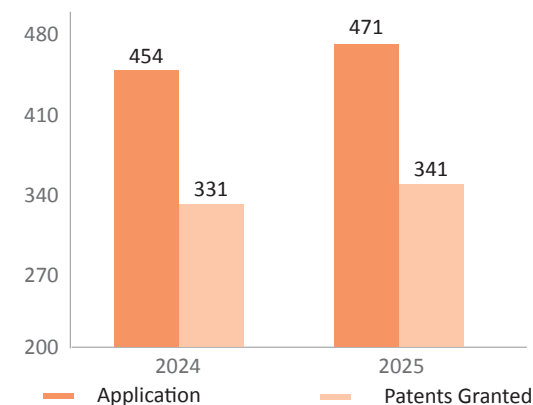
Daxin implements a comprehensive IP management policy covering the acquisition, protection, maintenance, and utilization of intellectual property, aligned with corporate objectives and its commitment to sustainable operations. Through structured management, we safeguard R&D achievements, mitigate operational risks, and report IP performance to the Board regularly, ensuring our intangible assets continuously enhance competitiveness and protect customers' core interests.



3.2.1 Key Achievements

Built on proprietary core technologies and integrated with marketing strategies, Daxin continues to strengthen its patent portfolio through strategic deployment of R&D achievements, with steady growth in both patent applications and grants. Existing display materials are continuously refined and innovated, while efforts are actively extended to semiconductor process-related materials, with patent coverage developed across semiconductor cleaning solutions, liquid crystal alignment agents, photosensitive resins, and key raw materials. As of December 31, 2025, cumulative global patent applications reached 471, an increase of 17 from the prior year; cumulative granted patents reached 341, an increase of 10 from the prior year.

Looking ahead to 2026, Daxin will continue to balance patent quality and portfolio scale. New R&D cases will be filed following internal review and assessment, while the maintenance effectiveness of existing patents will be evaluated regularly. The Company aims to maintain its patent portfolio within a target range of 300 to 350 patents.



3.2.2 Management System

Daxin has implemented an intellectual property management system, establishing the "Intellectual Property Management Manual" to actively enforce its IP management policy. TIPS A-level certification was first obtained in 2022, with re-certification completed in 2025, valid through December 31, 2027.

Following TIPS standards, we manage intellectual property throughout the complete cycle of acquisition, protection, maintenance, and utilization. Our patent incentive system promotes innovation through structured intellectual property training tailored to roles such as R&D personnel and TIPS audit staff, along with systematic reviews of internal R&D outcomes, aiming to generate high-quality patents and technically valuable trade secrets.



To safeguard confidential information, Daxin has established management protocols covering documents, work environments, and personnel, reinforced through training and internal communications. An external patent monitoring and analysis mechanism proactively identifies potential IP risks, providing management with timely intelligence and assessment recommendations, enabling preventive actions before disputes arise.

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

Daxin takes a dual-track approach to IP management, combining a project tracking mechanism with a proprietary IP management system. The project tracking mechanism enables real-time monitoring of external patent status, enhancing IP management effectiveness and strengthening patent portfolio planning and risk control. The proprietary IP management system consolidates technology proposals, patent applications, and examination progress into a single platform, supporting patent data analysis and value assessment to improve decision-making quality and overall IP management efficiency.

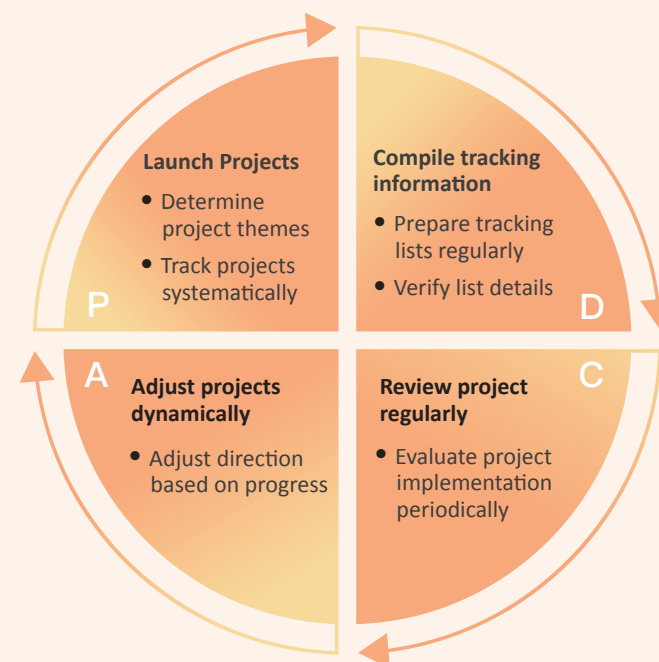


IP Management System

- Technical proposal tracking and analysis
- Patent application and management
- Patent analysis and portfolio planning
- Patent maintenance evaluation

Project Tracking Plan

- Real-time tracking of external patents
- Patent landscaping opportunity identification
- IP risk monitoring



04

Chapter

Green Manufacturing

- 4.1 Climate Action
- 4.2 Greenhouse Gas Management
- 4.3 Energy Management
- 4.4 Pollution Prevention and Control
- 4.5 Resource Circularity

4 Green Manufacturing

As Taiwan advances its carbon fee scheme and carbon trading market, enterprises face growing pressure on carbon cost internalization and climate disclosure. Daxin has positioned energy conservation and carbon reduction as core environmental strategies, focusing on process energy efficiency, energy structure optimization, and greenhouse gas management. Guided by circular economy principles, the Company actively identifies recyclable by-products and solvents, reducing final disposal rates and transforming environmental responsibility into sustainable value creation.

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

 Management Policy	Policies and Actions		Low-Carbon Facilities		Renewable Energy		Energy Efficiency		Source Reduction		Reuse and Resource Recovery	
	 Daxin follows ISO 14064-1:2018 to conduct regular greenhouse gas inventories with third-party verification, integrating climate risk response, energy efficiency, and resource circularity into operational decision-making.	 Conduct annual greenhouse gas inventories in accordance with ISO 14064-1:2018 with third-party verification.  Establish a carbon management platform to systematically integrate emissions data and progressively implement product carbon footprint accounting.  Strengthen refrigerant (HFCs) management to reduce the climate impact of high global warming potential gases.	 Install solar photovoltaic systems and continuously increase the share of renewable energy through green power transfer or Renewable Energy Certificate (T-REC) procurement.	 Implement energy-saving projects, replace high-energy-consuming equipment, optimize utility system operations, and drive process improvements to reduce energy consumption per unit of product.	 Continuously improve processes and optimize operating conditions to reduce raw material input and waste generation.	 Implement waste solvent segregation and collection, and improve overall resource efficiency through internal recycling and external resource recovery partnerships.						
 Objectives and Targets	2025 Performance Outcomes		Short-term Objectives (2026)		Mid- to Long-term Objectives (2030)							
	 Waste Solvent Recycling Rate (including energy recovery) : 94%  Hazardous Industrial Waste Recycling Rate (including energy recovery) : 94%  Waste Treatment Facilities with EHS Management System Certification : 75%  Annual Electricity Savings Rate ^{Note 1} : 2.1%  Completed Product Carbon Footprint Assessments : 10 products  Renewable Energy Usage : 3% ^{Note 2} (New Facilities) ^{Note 3} ; 100% (Headquarters Operations) ^{Note 4}  Major environmental violations: 0 ^(Note 5)  Waste treatment facility on-site audit completion rate: 100% ^(Note 6)  Organizational GHG verification under ISO 14064-1: External verification completed ^(Note 6)  Carbon management platform upgrade: Product carbon footprint module implemented ^(Note 6)	 Waste Solvent Recycling Rate (including energy recovery) : ≥ 93%  Hazardous Industrial Waste Recycling Rate (including energy recovery) : ≥ 93%  Waste Treatment Facilities with EHS Management System Certification : ≥ 75%  Annual Electricity Savings Rate : ≥ 1.5%  Completed Product Carbon Footprint Assessments : 10 products  Renewable Energy Usage : 10% (New Facilities) ^{Note 3} ; 100% (Headquarters Operations) ^{Note 4}	 Waste Solvent Recycling Rate (including energy recovery) : ≥ 95%  Hazardous Industrial Waste Recycling Rate (including energy recovery) : ≥ 95%  Waste Treatment Facilities with EHS Management System Certification : ≥ 80%  Cumulative Annual Electricity Savings Rate : ≥ 15% ^{Note 7}  Establishment of a Comprehensive Product Carbon Footprint Database  Renewable Energy Usage : 10% (Company-wide) : 100% (Headquarters Operations)  Organizational GHG Emissions Reduction : 25% (Existing Facilities) ^{Note 8}									

Note 1: Energy-saving measures cover facility utility systems, process equipment improvements, and R&D energy efficiency initiatives.

Note 2: The 2025 renewable energy target of 10% for new facilities was not met, primarily due to delays in the solar PV system installation schedule at the Chungke plant.

Note 3: "New facilities" refers to plants commissioned after 2023, including the Advanced Manufacturing Center II at the Chungkang Plant (semiconductor materials facility).

Note 4: Renewable energy data previously categorized under "office facilities" has been updated to "headquarters operations" to align with the operational site boundaries defined in this report.

Note 5: Major violations are defined as incidents where cumulative fines for a single event reach NT\$1,000,000 or above.

Note 6: These items have completed their phased targets and have been transitioned into ongoing operational mechanisms. They are no longer tracked as annual targets; implementation outcomes will continue to be disclosed in the relevant sections of this report.

Note 7: The mid- to long-term target has been revised to a cumulative electricity savings rate starting from 2022, reflecting strategic continuity and future uncertainties.

Note 8: "Existing facilities" refers to all operational sites excluding new facilities.

Milestones and Achievements

- Aug. 2007 First obtained third-party certification for the ISO 9001 management system.
- Jun. 2008 First obtained third-party certification for ISO 14001 and OHSAS 18001 management systems.
- Dec. 2010 First obtained third-party verification of greenhouse gas inventory in accordance with ISO 14064-1:2006.
- Jan. 2011 Received the 「Supplier Greenhouse Gas Inventory and Verification Demonstration Program」 award and became a member of AUO's green partner program.
- Jun. 2022 Recognized by customers with the 「Best Circular Economy Partner Award. 」
- Aug. 2022 First obtained third-party verification of greenhouse gas inventory in accordance with ISO 14064-1:2018.
- Nov. 2022 Received the 「Outstanding Unit for Waste Reduction and Circular Resource Management」 award from the Central Taiwan Science Park Bureau.
- Jun. 2023 Successfully passed recertification audits for ISO 14001:2015 and ISO 45001:2018 (three-year cycle).
- Dec. 2024 Recognized as a 「2024 Green Enterprise」 by the Chinese Association for Organic Living and Environmental Education Promotion.
- Nov. 2025 Received the “Environmental Management System Performance Benchmark Award” from an international certification body.



Note 1: Daxin's management systems (ISO 9001, ISO 14001, ISO 45001) undergo annual third-party certification, and GHG inventories under ISO 14064-1 are independently verified, ensuring compliance with international standards.

Key Highlight

In 2025, Daxin received the ISO 14001 Environmental Management System Performance Excellence Award, recognized alongside several leading industry companies for its achievements in environmental governance and continuous performance improvement.



2025 EMS Performance Benchmark Award



Joint Award Ceremony: 5 November 2025

Through comprehensive evaluation by a third-party international certification body and an expert review panel, Daxin received strong recognition for its commitment and implementation in environmental management. The Company demonstrated outstanding performance in the institutionalization of environmental governance, enhancement of management effectiveness, and continuous improvement mechanisms. As a result of the annual assessment, Daxin was awarded the ISO 14001 Environmental Management System Performance Benchmark Award, and was honored alongside other leading benchmark enterprises.



4.1 Climate Action

4.1.1 Climate Targets

Low-Carbon Transition Pathway

Daxin has established 2022 as its greenhouse gas emissions base year and is advancing its low-carbon transition through a three-phase strategy: Energy Efficiency and Carbon Reduction, Low-Carbon Energy Deployment, and Integrated Net-Zero Transition.

Phase 1 : Energy Efficiency and Carbon Reduction

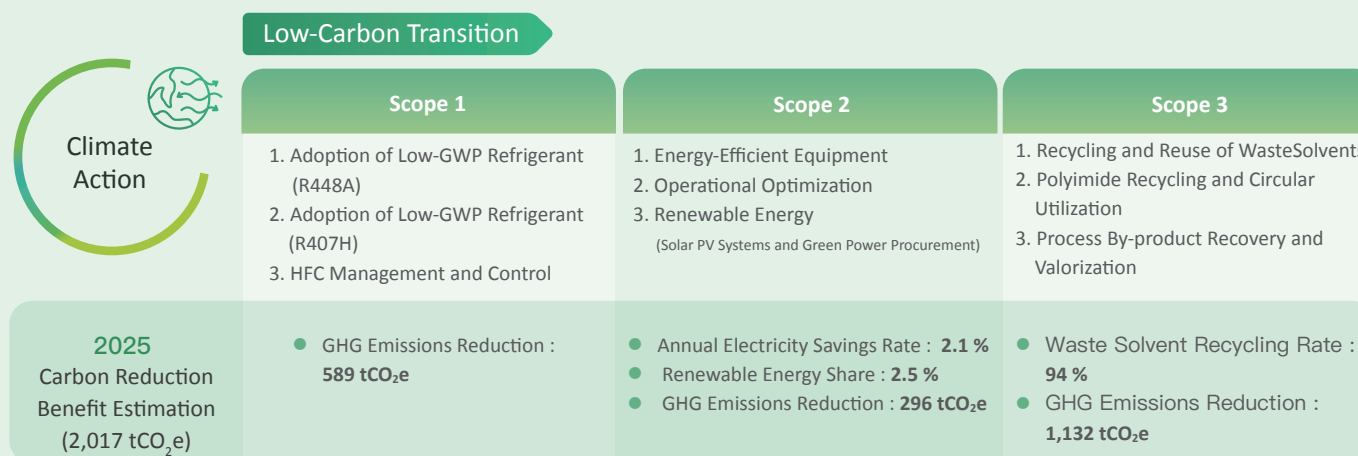
Daxin has established a greenhouse gas inventory system in accordance with international standards to identify major Scope 1 and Scope 2 emission sources. Through equipment upgrades, process efficiency improvements, and energy optimization, the Company reduces energy consumption per unit of product and operational carbon intensity.

Phase 2: Low-Carbon Energy Deployment

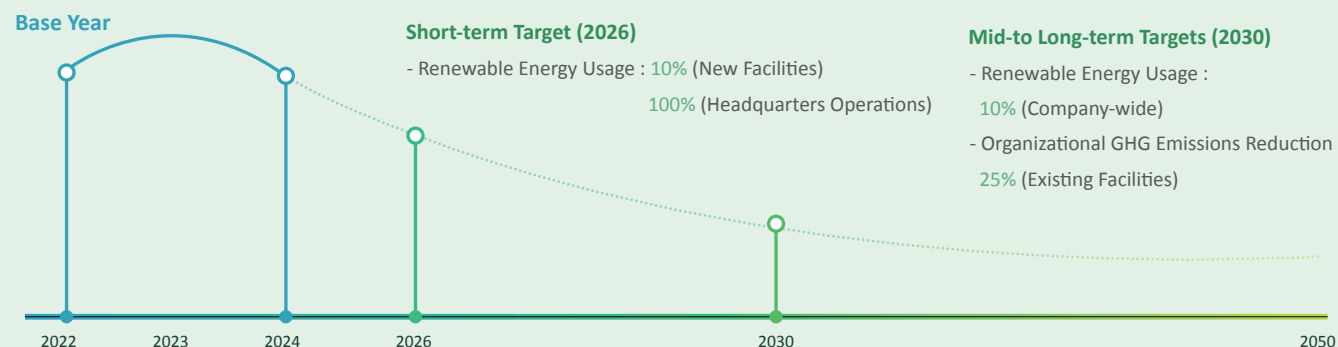
The Company expands low-carbon energy use through solar PV systems, green electricity procurement, and Renewable Energy Certificates (RECs), progressively increasing renewable energy share and reducing Scope 2 emissions while balancing cost efficiency and power supply stability.

Phase 3: Integrated Net-Zero Transition

Daxin deepens its low-carbon operating model by integrating energy and resource circularity mechanisms. Emerging low-carbon and net-zero technologies will be evaluated as they mature, with carbon credits and offset mechanisms considered as supplementary tools to reduce residual emissions in support of the global 2050 net-zero goal.



Note : GHG emissions reduction is estimated based on the difference in emissions before and after the implementation of respective climate actions, to reflect the carbon reduction contribution of such measures. This estimation does not represent the verified results of the annual GHG inventory.



Climate Action Commitment

Daxin prudently establishes short-term (2026) and mid- to long-term (2030) climate action commitments, advancing carbon reduction through systematic management and energy-saving measures. In 2025, energy-saving initiatives expanded to 43 projects, achieving an annual electricity savings rate of 2.1%. The headquarters reached 100% renewable energy usage, becoming Daxin's first RE100 demonstration site, with new facilities targeted to achieve RE10 by 2026. Through electricity savings, renewable energy adoption, and low-carbon refrigerant deployment, total GHG emissions in 2025 decreased by approximately 7% compared to the 2022 base year, with existing facilities achieving a 17% reduction, reflecting steady progress toward mid- to long-term decarbonization targets.

Strategies and Action Plans		2025 Performance Results	Short-term Targets (2026)	Mid- to Long-term Targets (2030)
	Enhancing Energy Efficiency Implement annual energy-saving initiatives to improve energy efficiency through energy-efficient equipment and operational optimization.	Annual Electricity Savings Rate ^{Note 3} : 2.1%	Annual Electricity Savings Rate $\geq$ 1.5%	Cumulative Electricity Savings Rate: $\geq$ 15% (Cumulative period : 2022–2030)
	Adoption of Clean Energy Invest in solar power generation systems and green electricity procurement to expand the use of renewable energy.	RE ^{Note2} : 100% (Corporate Headquarters) ^{Note 6} RE : 3% (New Facilities) ^{Note 4}	RE 100 (Corporate Headquarters) RE 10 (New Facilities)	RE 100 (Corporate Headquarters) RE 10 (Company-wide Operations)
	Development of Low-Carbon Facilities Conduct annual greenhouse gas verification to identify emissions hotspots across facilities and implement transition measures such as the adoption of low-carbon refrigerants.	GHG Emissions Reduction: 17% ^{Note 1} (Existing Facilities ^{Note 5}) Completed Product Carbon Footprint Assessments : 10 products	Completed Product Carbon Footprint Assessments : 10 products.	GHG Emissions Reduction : 25% (Existing Facilities) Establishment of a Comprehensive Product Carbon Footprint Database.

Note 1: The greenhouse gas emissions base year is set as 2022.

Note 2: RE (Renewable Energy) represents the share of renewable energy usage.

Note 3: Annual electricity savings rate = Electricity savings ÷ (Total electricity consumption + Electricity savings) × 100%.

Note 4: "New facilities" refers to plants commissioned after 2023, including the Advanced Manufacturing Center II at the Chungkang Plant (semiconductor materials facility).

Note 5: "Existing facilities" refers to all operational sites excluding new facilities.

Note 6: Renewable energy data previously categorized under "office facilities" has been updated to "headquarters operations" to align with the operational site boundaries defined in this report.

4.1.2 Climate Governance

Daxin's Sustainable Development Committee oversees climate action and management mechanisms, conducting climate-related risk and opportunity assessments in alignment with the TCFD framework to formulate response strategies and set management targets. The Company also references the IFRS S2 framework to disclose governance, strategy, risk management, and climate-related metrics and targets. Progress is reported to the Board of Directors annually, with the Board fulfilling its oversight responsibilities.

Level	Supervisory Body	Management Body	Working Group
Organization	Board of Directors	Sustainable Development Committee	Environmental Sustainability Task Force
Roles and Responsibilities	Oversee sustainability initiatives and provide guidance as appropriate.	- Identify material sustainability issues, climate-related risks and opportunities. - Review and approve sustainability policies, strategic planning, and response actions. - Report sustainability performance and progress to the Board of Directors.	- Implement climate risk management and mitigation and adaptation actions. - Track progress toward climate targets. (quarterly) - Report climate risk management performance to the Sustainable Development Committee. (annually)

Plan Risk Management

Risk Issue Assessment
Materiality Identification
How to Identify, Assess, and Manage Climate Risks

Action Governance

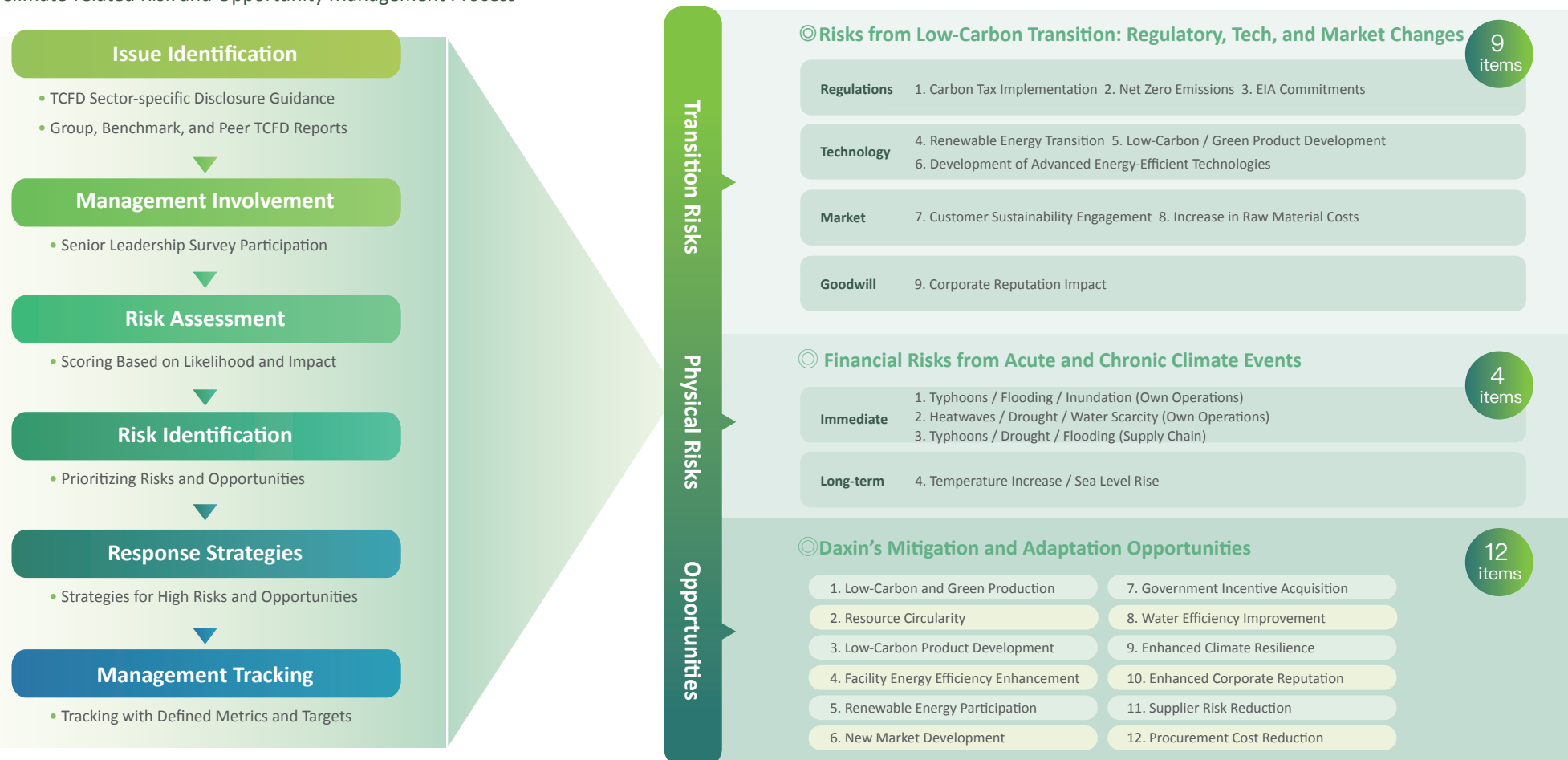
Climate-related Risks Management Oversight
Governance of Climate-related Risks and Opportunities
(Board /Sustainable Development Committee)



Identification and Management Process

Daxin has established a "Climate-related Risk and Opportunity Management Process" referencing the TCFD framework, comprising six stages: issue identification, executive engagement, risk assessment, risk identification, response strategy development, and management tracking. The assessment scope covers transition risks (regulatory, technological, market, and reputational), physical risks (acute and chronic), and climate-related opportunities (resource efficiency and product and service innovation), with analysis of potential impacts on operations and financial performance. Climate-related management approaches, risk assessment results, and implementation performance are reported to the Board of Directors annually to ensure effective execution of climate strategies.

Climate-related Risk and Opportunity Management Process



4.1.3 Risk Assessment

Identification of Climate-related Risks and Opportunities

Referencing IFRS S2 and peer TCFD disclosures, Daxin continuously assesses climate-related risks and opportunities, evaluating the likelihood of occurrence and potential financial impacts of each identified issue. Through cross-functional discussions, the Company has identified 8 material risks (7 transition risks and 1 physical risk) and 5 opportunities, with response strategies developed for short-, medium-, and long-term financial impacts.

Climate-related Financial Impacts and Responses

Risk Type	Risk Category	Material Risk Issues	Time Horizon	Potential Financial Impacts	Key Response Measures
Transition Risks	Regulatory	Carbon Pricing	Mid- to Long-term	- Domestic Carbon Pricing-Related Carbon Costs - Energy Saving and Carbon Reduction Measures and Green Power Costs	- ISO 14064 verification and digital carbon platforms support energy efficiency and renewable energy adoption.. - Rising carbon costs increase material and operating expenses, driving strict supply chain decarbonization demands.. Upstream, Daxin Operation, Downstream
	Technological	Net Zero Emissions	Mid- to Long-term	- Capex for Equipment Replacement - Opex Increase from Energy-Saving Measures	- Energy-saving upgrades utilize equipment modernization and operational optimization - Higher capital requirements for low-carbon manufacturing standards drive facility upgrades and operational efficiency. Daxin Operation, Downstream
		Renewable Energy Transition *	Mid- to Long-term	- Capex for Renewable Energy Facilities - Opex Increase from Green Electricity Procurement	- Solar PV investments and green power procurement secure on-site solar and renewable electricity sourcing. - Renewable energy pressure shifts procurement strategies, creating cost pressures and competitiveness risks. Daxin Operation, Downstream
		Low-Carbon Product Development	Mid- to Long-term	- R&D for Low-Carbon Sustainable Products - R&D for Low-Carbon Materials	- Sustainable product R&D drives low-carbon product development and process innovation. - Low-carbon market demand creates heightened customer expectations for eco-friendly product lines. Daxin Operation, Downstream
	Market	Customer Sustainability Engagement	Long-term	- Opex Increase from Climate Initiative Participation - Opex Increase from Carbon Footprint Verification	- CDP participation and product carbon footprint tracking ensure sustainability reporting. - Heightened sustainability disclosure requirements affect customer cooperation and supply chain transparency. Daxin Operation, Downstream
		Rising Raw Material Costs	Mid- to Long-term	- Import Carbon Tax Impact on Raw Material Costs - Electricity Price Impact on Raw Material Costs	- Raw Material Carbon Footprint Management and Low-Carbon Procurement Assessment - Raw material volatility introduces price fluctuations and operational vulnerabilities in the supply chain. Daxin Operation, Company
Physical Risks	Long-term	Sea Level Rise	Long-term	Flood-related Production and Supply Chain Disruption	- Climate resilience and business continuity planning (BCP) incorporate risk insurance and operational continuity. - Climate change risks pose operational vulnerabilities across global facilities and logistics networks. Upstream, Daxin Operation, Downstream
Opportunities	Market	Low-Carbon Product Development	Short-, Medium-, and Long-term	Revenue Growth through Customer Demand Fulfillment	- Carbon Emission Reduction and Carbon Cost Savings - Electricity Reduction and Operating Cost Savings Daxin Operation, Downstream
	Resource Efficiency	Low-Carbon Manufacturing Initiatives Improvement of Facility Energy Efficiency	Short-, Medium-, and Long-term	- Carbon Emission Reduction and Carbon Cost Savings - Electricity Reduction and Operating Cost Savings	Energy-saving initiatives lower electricity and carbon fee impacts.. Daxin Operation
		Participation in Renewable Energy Programs *	Short-, Medium-, and Long-term	Renewable Energy Certificates as Tradable Assets	- Solar PV Investment and Green Electricity Procurement for Renewable Energy Expansion - Renewable energy demands reshape procurement and customer partnerships. Daxin Operation, Downstream
		Recycling and Resource Recovery	Short-, Medium-, and Long-term	- Circular Economy for Operating Cost Reduction - By-product Valorization for Revenue Generation	- Polyimide and By-product Resource Recovery for Value Creation - Material and waste disposal costs reduce profit margins and resource circularity. Daxin Operation, Downstream

Note : * New climate-related risks and opportunities identified in 2025

4.1.4 Impact Analysis

Climate Scenario Assumptions

In alignment with the TCFD framework, Daxin analyzes the potential impacts of material transition and physical risks under different scenarios. For transition risks, the Company references IEA scenarios including the Net Zero Emissions Scenario (NZE) and Stated Policies Scenario (STEPS). For physical risks, the Company adopts the IPCC Sixth Assessment Report (AR6) scenarios, including the low-emissions scenario (SSP1-2.6) and very high-emissions scenario (SSP5-8.5). As no significant changes occurred in organizational scale, operating model, or site distribution this year, the level of climate risk exposure remains comparable to the prior year, and existing scenario assumptions and financial impact assessments remain applicable and relevant for decision-making.

Risk Type	Scenario Analysis	Scenario Description	Temperature Scenario	Assumptions	Scenario Tools
Transition Risks	STEPS Stated Policies Scenario (High Emissions Scenario)	Reflects currently implemented national energy and climate policies Emissions plateau by 2050, not reaching net zero	2.5°C	NT\$ 1,500 ^{Note1} (per tCO ₂ e) (2030 carbon price)	International Energy Agency (IEA)
	NZE Net Zero Emissions Scenario (Low Emissions Scenario)	60% Emissions Reduction by 2050 Net Zero Achieved Within the Century	1.5°C	NT\$ 2,880 ^{Note2} (per tCO ₂ e) (2030 carbon price)	International Energy Agency (IEA)
Physical Risks	SSP5-8.5: Very High Emissions Scenario SSP1-2.6 Low Emissions Scenario	Taiwan Climate Data (AR6 Scenarios) Sea Level Rise Projections under Different Warming Scenarios in Taiwan	4°C 2°C	1.2 m Sea Level Rise 0.5 m Sea Level Rise	Taiwan Climate Change Projection and Adaptation Knowledge Platform

Note 1 : 2030 carbon fee – NT\$1,200—1,800 per tCO₂e (midpoint), based on Ministry of Environment proposal.

Note 2: 2030 carbon price: USD 90 per tCO₂e (≈NT\$2,880), based on IEA NZE scenario.

Physical Risks

Daxin continuously monitors the potential impact of sea level rise on plant sites and surrounding roads. Under the 2°C warming scenario (SSP1-2.6), sea levels around Taiwan are projected to rise by approximately 0.5 meters, with both the Chungkang and Chungke plants assessed as low-risk areas with limited operational impact. Under the 4°C warming scenario (SSP5-8.5), projected sea level rise of approximately 1.2 meters may present higher risk exposure for the Chungkang plant. Assessment results are consistent with the prior year, and the Company will continue to monitor sea level changes and related risks.

Scenario Tools	Scenario Description	Scenario Analysis	Simulation Results
Taiwan Climate Change Projection and Adaptation Knowledge Platform	- Taiwan Climate Data (AR6 Scenarios) - Sea Level Rise Projections under Different Warming Scenarios in Taiwan	SSP1 - 2.6 Low Emissions Scenario	
		SSP5 - 8.5 very High Emissions Scenario	

Transition Risks

Under a no-mitigation scenario, the estimated financial impact in 2030 is approximately 0.5%–1% of revenue. Through continued energy-saving measures and renewable energy adoption, impacts can be reduced to approximately 0.1%–0.3% under the STEPS scenario and 0.3%–0.5% under the NZE scenario. As no significant changes in operational conditions occurred during the reporting year, assessment results remain consistent with prior analyses.

Regulatory Carbon Pricing Impact Analysis

Unit: Financial Impact as a Percentage of Revenue

Management Scenarios	STEPS Scenario	NZE Scenario
No Mitigation Scenario	0.5 - 0.7%	0.8 - 1%
Mitigation Scenario (Proactive Carbon Reduction)	0.1 - 0.3%	0.3 - 0.5%

- ※ Note 1 : Financial impact assessment considers only regulatory carbon pricing effects and excludes related decarbonization costs
- ※ Note 2 : It is assumed that the Company will be subject to carbon fee regulation by the Ministry of Environment starting in 2030, with 2030 as the base year for financial impact assessment.
- ※ Note 3 : For the STEPS scenario, the carbon price is assumed to be NT\$1,500 per tCO₂e from 2030 onward, based on the Ministry of Environment's carbon fee review proposal.
- ※ Note 4 : For the NZE scenario, the carbon price is assumed to be USD 90 per tCO₂e (approximately NT\$2,880), based on the International Energy Agency report.



Sustainability and Environmental Education Seminar



Enhancing Management's Sustainability Awareness and Environmental Responsibility, with Stronger Execution Capability

To enhance sustainability literacy and awareness among managerial personnel, Daxin organized a “Sustainability and Environmental Education Seminar” in 2025, featuring a keynote session by Distinguished Professor Shin-Cheng Yeh.

Professor Yeh has long been dedicated to sustainable development, climate governance, and environmental education, with extensive experience spanning academia, public policy, and corporate sustainability practices. The seminar, aligned with Daxin's industry characteristics and operational scale, provided a comprehensive overview of the evolution of CSR, the SDGs, and ESG. Key topics included climate-related risks, net-zero transition, and supply chain management. Through a macro-level and interdisciplinary perspective, the session aimed to deepen management's sustainability mindset, strengthen strategic thinking on climate governance and low-carbon transition, and further embed sustainability principles into Daxin's operational decision-making and corporate culture.

※ Sustainability Literacy :

An individual should possess the knowledge, skills, and mindset to understand the interconnections among social, economic, and environmental issues, and to make informed and effective decisions or take actions that advance both personal and organizational progress toward a sustainable future. • UNESCO, Education for Sustainable Development Goals: Learning Objectives, 2017



Sustainability Literacy X Climate Governance



4.2 Greenhouse Gas Management

Daxin continues to reduce greenhouse gas emissions through energy efficiency improvements, renewable energy adoption, and low-carbon equipment deployment. With 2022 as the base year, the Company has set a mid- to long-term target to reduce GHG emissions by 25% by 2030, driving ongoing climate action and carbon reduction management.

4.2.1 Greenhouse Gas Inventory

Carbon Management Platform

Daxin independently developed a carbon management platform in 2023 to digitally integrate departmental inventory data, improving the efficiency and accuracy of carbon emissions data collection and management. Third-party verification of the greenhouse gas inventory was completed in 2025, with the platform continuing to coordinate departmental carbon inventory activities and energy-saving and carbon reduction projects.

Greenhouse Gas Inventory and Disclosure

Since 2022, Daxin has conducted greenhouse gas inventories in accordance with ISO 14064-1:2018. The inventory boundary is consistent with the Company's financial reporting scope, covering headquarters, the Chungke plant, and the Chungkang plant. Subsidiaries are excluded due to the absence of actual operational activities. The operational control approach is used to quantify Scope 1, Scope 2, and Scope 3 emissions, with annual third-party verification conducted and verification statements obtained.



Carbon Management Platform

Real-time Monitoring and Data Audit Mechanism

Transitioning from an annual inventory approach to real-time monitoring, the Company strengthens data accuracy and traceability through monthly reviews and managerial verification.

Reduced Verification Time and Improved Audit Efficiency

A built-in emissions factor database enables automatic calculation and generation of emissions inventories compliant with ISO 14064-1, shortening inventory and verification timelines. Cloud-based storage of data and supporting documentation supports rapid review by verification bodies.

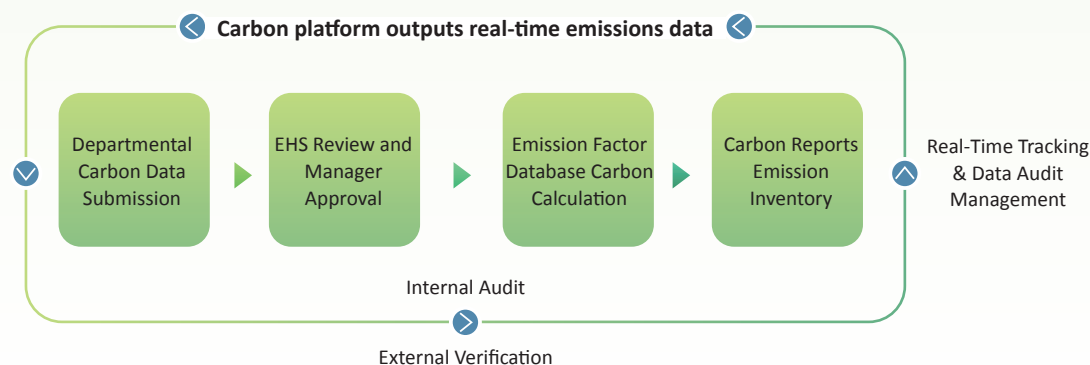
Emission Hotspot Visualization Dashboard

Monthly carbon emissions data is consolidated and visualized to help management monitor emission trends across facilities, identify high-emission hotspots, and inform carbon reduction planning.

Carbon Awareness and Employee Engagement

Regular GHG inventories and reporting mechanisms establish a cross-functional carbon reduction model, encouraging all departments to incorporate low-carbon thinking into product design and operational management. The Company continues to assess the feasibility of an internal carbon pricing mechanism to support its low-carbon transition.

Carbon Management Platform: Operation and Verification Process



Organizational Operational Emissions (Scope 1 and Scope 2)

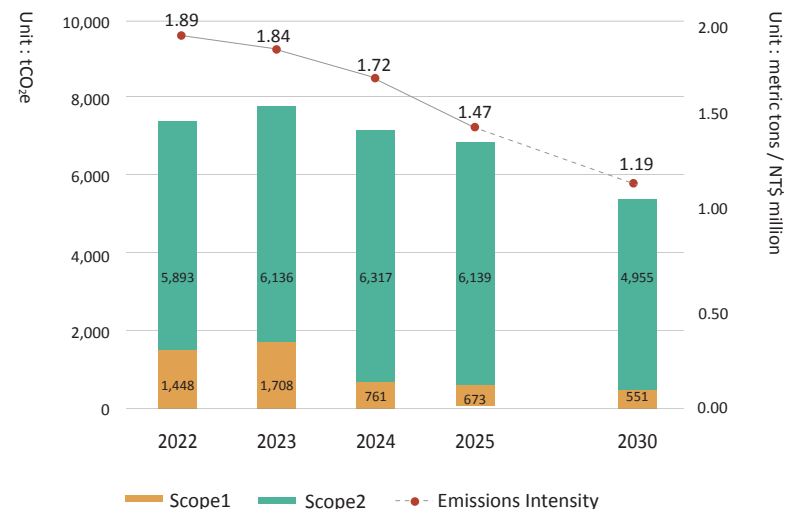
In 2025, total Scope 1 and Scope 2 emissions amounted to 6,812 tCO₂e, an approximate 7% reduction from the 2022 base year. Excluding capacity expansion at the new plant, emissions from existing facilities totaled 6,123 tCO₂e, a 17% reduction from the base year, reflecting steady progress toward the 2030 target of a 25% reduction.

Item	2023		2024		2025	
Scope 1: Direct Greenhouse Gas Emissions (Unit: tCO ₂ e)	1,708	22%	761	20%	673	10%
Scope 2 : Energy Indirect Greenhouse Gas Emissions (Unit: tCO ₂ e)	6,136	78%	6,317	80%	6,139	90%
Total Greenhouse Gas Emissions (Unit: tCO ₂ e)	7,844	100%	7,078	100%	6,812	100%
— Total Emissions from Existing Facilities (Unit: tCO ₂ e)	6,204	79%	6,543	92%	6,123	90%
— Total Emissions from New Facilities (Unit: tCO ₂ e)	1,640	21%	535	8%	689	10%
Revenue (Unit : NTD million)	4,264		4,118		4,630	
Greenhouse Gas Emission Intensity (Unit: tCO ₂ e / NTD million)	1.84		1.72		1.47	

※ Note 1 : Total emissions include all facilities (Chungke plant and Chungkang plant).

※ Note 2 : New facilities: Plants commissioned after 2023 (AMC II – Zhonggang Semiconductor Materials Plant).

※ Note 3 : Existing facilities exclude new facilities.



Value Chain Emissions (Scope 3)

Daxin includes Scope 3 emissions within its greenhouse gas inventory and verification boundary. In accordance with ISO 14064-1:2018, significant indirect emission sources are identified through a materiality assessment process. A total of 7 emission categories are disclosed — 4 transportation-related and 3 upstream indirect emission sources — with total Scope 3 emissions amounting to 20,003 tCO₂e in 2025.

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

ISO 14064	GHG Protocol	Activity Data Source	Emissions (tCO ₂ e)
Category 3 : Transport and Distribu- tion (Indirect Emissions)	C4 Upstream Transport and Distribution	Emissions from transport of key raw materials from supplier dispatch sites to all facilities.	192
	C9 Downstream Transport and Distribution	Emissions from outbound transportation of products from plants to customers.	100
	C6 Business Travel	Emissions from employee business travel (HSR, private vehicles, taxis, etc.)	44
	C5 Operational Waste (Collection and Disposal)	Emissions from transportation of operational waste to treatment facilities.	17
Category 4 : Products Used by the Organization (Indirect Emissions)	C1 Purchased Goods and Services	Life cycle emissions of top 40 purchased raw materials and tap water (MOENV carbon footprint database).	17,751
	C5 Operational Waste (Treatment)	Emissions from wastewater and waste treatment (incineration, chemical, physical treatment, and sewer discharge).	456
	C3 Fuel- and Energy-Related Activities (Excluding Scope 1 & 2)	Emissions from diesel, gasoline, and electricity consumption (MOENV cradle-to-gate factors).	1,443
Total Scope 3 (Other Indirect Emissions)			20,003

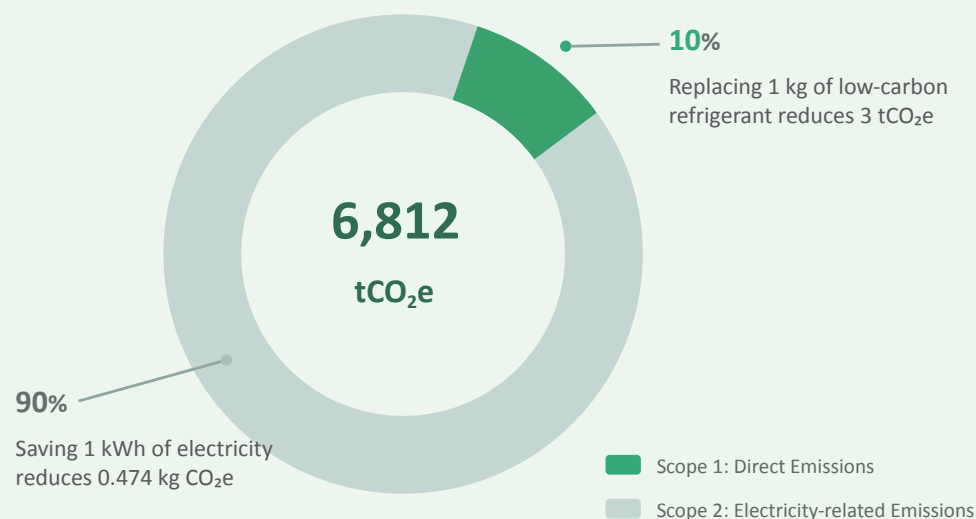
4.2.2 Operational Carbon Management

Emission Sources and Carbon Reduction Strategy (Scope 1 & Scope 2)

According to the 2025 greenhouse gas inventory, Scope 2 emissions (purchased electricity) account for approximately 90% of total operational emissions and represent the primary emission source. The Company reduces Scope 2 emissions through energy efficiency improvements, on-site solar PV systems, and green power purchase agreements.

Scope 1 emissions (direct emissions) account for approximately 10% of total emissions, primarily from HFC refrigerant leakage in process cooling and refrigeration systems. Given the high global warming potential (GWP) of HFCs, the Company references the COP28 Global Cooling Pledge and relevant regulatory frameworks in Europe and the United States to progressively adopt low-GWP refrigerants, combined with equipment management measures to reduce direct emissions and ensure alignment with mid- to long-term carbon reduction targets.

Total Greenhouse Gas Emissions in 2025 (Scope 1 and Scope 2)



Electricity Emissions	90%	Septic Tank CH ₄	1%	Air Pollution Control Systems	<0.5%
Refrigeration Equipment	5%	Company Vehicles (Gasoline)	<0.5%	CO ₂ Extinguishers	<0.5%
Refrigerant Charging	4%	Diesel Forklifts	<0.5%	CO ₂ Cylinders	<0.5%

Energy Efficiency

Year	Electricity Saving Rate (%)	Action Plan
2025	2.1%	1. Equipment Replacement (Energy Efficiency)
2030	Cumulative ≥ 15% (2022-2030)	2. Process and Equipment Optimization 3. Annual Energy-Saving Measures Tracking

Renewable Energy Expansion

Year	Renewable Energy (%)	Action Plan
2025	HQ : 100% ; New Facilities : 3%	1. Solar PV Deployment
2030	Company-wide ≥ 10%	2. Annual Green Power Procurement

Low-Carbon Facilities

Year	Reduction Target	Action Plan
2030	≥ 25% (Existing Facilities)	1. Use of Low-GWP Refrigerants (GWP < 1,500) 2. HFC Management in Line with National Policies



Project Initiatives : Expansion of Renewable Energy and Energy Efficiency



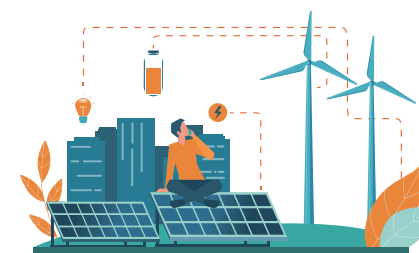
Operational Carbon Hotspots and Key Actions



Daxin continues to expand renewable energy usage through the installation of on-site solar photovoltaic systems (self-consumption) and the procurement of renewable electricity via green power purchase agreements.

In 2025, renewable electricity consumption reached 337,000 kWh, resulting in an estimated reduction of approximately 160 tCO₂e.

In parallel, the Company promotes energy-saving initiatives across utility systems, production equipment, and R&D laboratories. Through equipment efficiency improvements, optimized operational management, and process enhancements, energy efficiency has been improved, achieving annual electricity savings of 287,000 kWh, corresponding to an estimated reduction of approximately 136 tCO₂e.



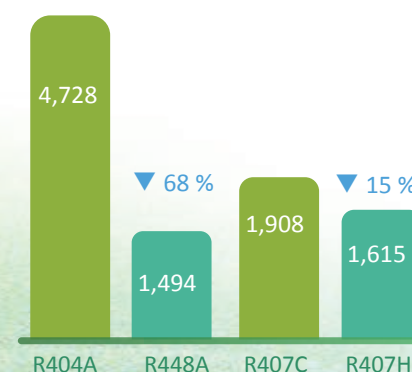
Project Initiative: Low-Carbon Refrigerant Adoption



The Company has introduced low global warming potential refrigerants, replacing R404A with R448A in refrigeration systems and R407C with R407H in process chillers. In 2025, these initiatives resulted in a carbon reduction of 589 tCO₂e, accounting for approximately 8% of the organization's operational carbon reduction.

Calculation Items	Case 1 (R448A replaces R404A)	Case 2 (R407H replaces R407C)
Refrigerant Charge (kg)	180	23
Baseline Emissions (tCO ₂ e)	851	44
Post-Improvement Emissions (tCO ₂ e)	269	37
Emission Reduction (tCO ₂ e)	582	7
Reduction Rate (%)	68%	15%

GWP



Carbon Reduction Performance

In 2025, Scope 1 emissions were reduced by 589 tCO₂e through the introduction of two low-carbon refrigerants (R448A and R407H). Scope 2 emissions were reduced by 296 tCO₂e through 43 energy-saving initiatives and renewable energy adoption. Total operational emissions from Daxin's production facilities decreased by 885 tCO₂e.

Emissions Boundary	Greenhouse Gases	Carbon Emissions (Unit : tCO ₂ e)	Carbon Reduction (Unit : tCO ₂ e)	2025 Carbon Reduction Performance (Unit : tCO ₂ e)		
Organizational Operations Daxin Materials	Scope 1	6,812	885	Carbon Reduction	Low-Carbon Refrigerant Energy-Saving Measures Renewable Energy	
	Scope 2				589	136
					160	

Greenhouse Gases	Emission Sources	Action Plans	Carbon Reduction Strategy	2025 Carbon Reduction Performance	Carbon Reduction (tCO ₂ e)
Scope 1	Refrigerants (HFCs)	Promotion of Low-Carbon Refrigerant Standards	Adopt low-carbon refrigerants (GWP < 1,500) to reduce carbon emissions from new equipment procurement and refrigerant charging.	Adoption of Low-Carbon Refrigerants (R407H replaces R407C) (R448A replaces R404A)	589
Scope 2	Purchased Electricity	Annual Tracking of Energy-Saving Measures	Reduce energy consumption and carbon emissions through equipment replacement, efficiency improvements, and enhanced operational management.	A total of 43 energy-saving measures were managed and tracked, resulting in electricity savings of 287,000 kWh.	136
		Investment in New On-site Solar Photovoltaic System (Self-consumption)	Install rooftop solar PV systems for self-consumption and obtain renewable energy certificates to reduce grid electricity usage and associated carbon emissions.	Self-consumption of renewable electricity: approximately 187,000 kWh	89
		Renewable Energy Procurement Plan (Green Power Wheeling or Certificates)	Sign power purchase agreements (PPAs) or procure renewable energy certificates to offset Scope 2 emissions.	Green electricity wheeling amounted to 150,000 kWh.	71

4.2.3 Value Chain Carbon Management

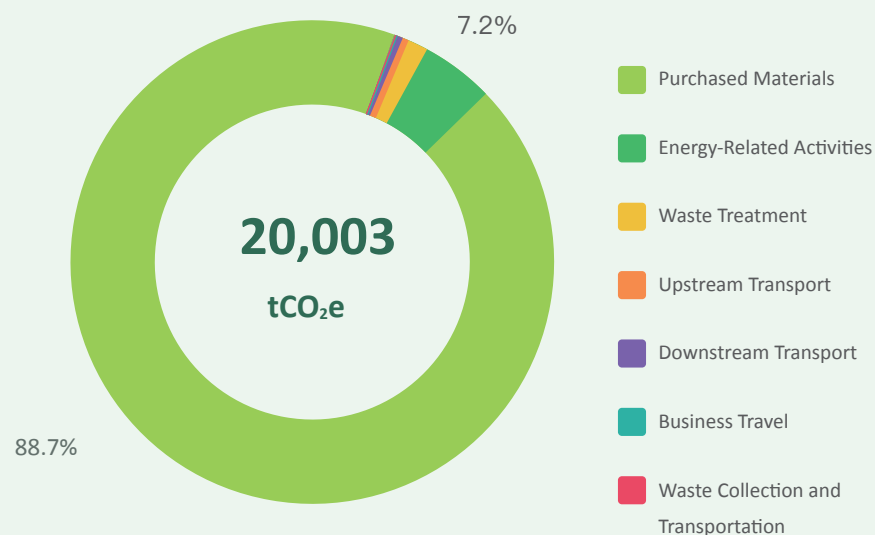
Emission Sources and Carbon Reduction Strategy (Scope 3)

According to the 2025 greenhouse gas inventory, Scope 3 emissions are primarily concentrated in upstream raw material procurement and waste treatment, together accounting for more than 90% of total Scope 3 emissions. These two categories are prioritized as key focus areas for Scope 3 carbon reduction, with ongoing control measures in place.

In raw material management, the Company has adopted a product carbon footprint system following ISO 14067 since 2024, establishing carbon footprint templates and calculation methodologies covering raw material production, transportation, and manufacturing stages. The feasibility of low-carbon material substitution and improved material efficiency is evaluated, with carbon considerations progressively integrated into procurement decisions.

In waste management, the Company promotes source reduction, resource circularity, and waste solvent recovery and reuse to reduce incineration and landfill emissions. In collaboration with customers and environmental service partners, waste solvents are converted into industrial-grade solvents or used as alternative fuels to replace natural gas, effectively reducing downstream carbon emissions associated with virgin material or fuel procurement.

2025 Value Chain Greenhouse Gas Emissions (Scope 3)



Purchased Materials	88.7%	Upstream Transport	1.0%	Waste Collection and Transportation	0.1%
Energy-Related Activities	7.2%	Downstream Transport	0.5%		
Waste Treatment	2.3%	Business Travel	0.2%		

Resource Efficiency

Year	Circular Model	Action Plan
2025	Polyimide Circular Economy Project	Closed-loop to Customer Process : 1
	By-product Recycling & Valorization	By-product to Product Conversion : 2

Recycling Rate

Year	Circular Model	Action Plan
2025	Waste Solvent Recyclin and Reuse	Proper Segregation of Waste Solvents (Recovery Rate ≥ 93%)
2030		Proper Segregation of Waste Solvents (Recovery Rate ≥ 95%)

Low-Carbon Materials

Year	Circular Model	Action Plan
2030	Substitution of Virgin Materials with Recycled Materials	Continuous Assessment of Recycled Material Adoption



Project Initiative : Circular Transformation



By reducing direct incineration and landfilling, the Company maximizes the resource value of waste solvents. High-calorific-value waste solvents are utilized as auxiliary fuels to replace natural gas (energy recovery), while high-purity waste solvents are reused as industrial-grade solvents (material recovery). These practices reduce carbon emissions associated with downstream value chain activities, including fuel procurement and the production of virgin materials.

※ Note 1 : The baseline scenario assumes that waste solvents are directly outsourced for incineration without any resource circularity measures.

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



Waste Solvent Recycling and Reuse

Value Chain	Emission Sources	Baseline Scenario	Recovery Measures	Carbon Reduction Benefits (Unit : tCO ₂ e)
Treatment Facility	Waste Treatment	Incineration Treatment	Distillation Recovery Treatment	27
Treatment Facility	Raw Material Procurement	Natural Gas	Auxiliary Fuel	114
Downstream Customers	Raw Material Procurement	Virgin Materials	Industrial-Grade Solvent	768
Total				909



Circular Supply Chain Development

Resource Circularity Project	Emission Sources	Value Chain	Carbon Reduction Benefits (Unit: tCO ₂ e)
Polyimide Circular Resource	Waste Treatment	Treatment Facility	6
	Fossil Fuel Procurement	Treatment Facility	0
	Virgin Material Procurement	Downstream Customers	76
	Purification of Recovered Materials	Daxin	-4
	Project Total		78
Process By-product Recycling and Valorization	Waste Treatment	Treatment Facility	13
	Fossil Fuel Procurement	Treatment Facility	1
	Virgin Material Procurement	Downstream Customers	145
	Purification of Recovered Materials	Daxin	-14
	Project Total		145
Overall Total			223

Daxin promotes resource circularity initiatives by purifying and distilling customer process-derived materials and returning them to the original production process for closed-loop use. This initiative generated a carbon reduction benefit of 78 tCO₂e over the product life cycle.

In 2025, through the valorization of process by-products, the Company recovered and produced 60 metric tons of high-purity acetic acid and 14.88 metric tons of high-purity IPA for reuse in other industries, resulting in a carbon reduction benefit of 145 tCO₂e. In total, these initiatives contributed a value chain carbon reduction benefit of 223 tCO₂e.

Total Value Chain Carbon Reduction

223 tCO₂e

Product Carbon Footprint

Since 2024, Daxin has aligned with the Group's "Low-Carbon Industrial Supply Chain Ecosystem Initiative," establishing carbon footprint templates and calculation methodologies in accordance with ISO 14067. Cross-functional training for managers from R&D, manufacturing, procurement, and facility departments has been completed, developing internal carbon inventory seed personnel. By 2025, product carbon footprint assessments have been expanded to 10 key products, laying the foundation for a comprehensive digital carbon footprint database.

01

2024 : Capability Building Phase

- Achievements**
Completed product carbon footprint assessments for 4 products.
- Seed Personnel Training**
Conducted professional training for managers from R&D, manufacturing, procurement, and facility departments to build internal capability for in-house carbon inventory management.
- Product Carbon Footprint System Implementation**
In alignment with government initiatives to promote a low-carbon supply chain, the Company implemented a product carbon footprint system developed by the Group and established standardized carbon accounting tools.

02

2025 : Inventory Expansion Phase

- Achievements**
Completed product carbon footprint assessments for 10 products.
- Tool and Process Optimization**
Established product carbon footprint templates and conducted segmented training for seed personnel to enhance carbon accounting capabilities and strengthen management of confidential information disclosure.
- Expansion of Inventory Coverage**
The scope of assessment was expanded from 4 to 10 products, covering mass-produced semiconductor materials, display materials, and key raw materials, thereby improving both coverage and accuracy of carbon footprint inventories.

03

2030 : Database Integration and Verification

- Mid- to Long-term Target**
Establish a comprehensive product carbon footprint database.
- Digitalization and Data Management**
Develop an electronic product carbon footprint database to enable tracking, visualization, and analysis of product carbon emissions. °
- Customer Integration**
Conduct verification in accordance with the ISO 14067 standard for product carbon footprint to ensure transparency and credibility of carbon footprint information, and support customers in advancing low-carbon supply chain management.

Scope 3 Carbon Reduction Performance

Emissions Boundary	Greenhouse Gases	Carbon Emissions (Unit : tCO ₂ e)	Carbon Reduction (Unit : tCO ₂ e)	2025 Carbon Reduction Performance (Unit : tCO ₂ e)	
Upstream and Downstream Value Chain	Scope 3	20,300	1,132	Carbon Reduction	909 78 145 Low-Carbon Refrigerant Energy-Saving Measures Renewable Energy

Greenhouse Gases	Emission Sources	Action Plans	Carbon Reduction Strategy	2025 Carbon Reduction Performance	Carbon Reduction (tCO ₂ e)
Scope3	Waste Treatment	Waste Solvent Outsourced Recycling and Reuse	Recovered solvents via distillation for industrial reuse or auxiliary fuel substitution, reducing virgin material and natural gas-related emissions.	Waste Solvent Recovery Rate : 94%	909
		Polyimide Resource Circularity Project	Closed-loop collaboration with customers to reuse purified regenerated solutions, reducing emissions from waste treatment and virgin material procurement.	Resource Circularity Rate : 93%	78
		Recycling and Value-Added Utilization of Process By-products	Purification and valorization of process by-products into industrial resources, reducing virgin material demand and value chain emissions.	By-product Derived Product Sales : 75 tons	145

4.3 Energy Management

4.3.1 Energy Structure

2026 Electricity Savings Target

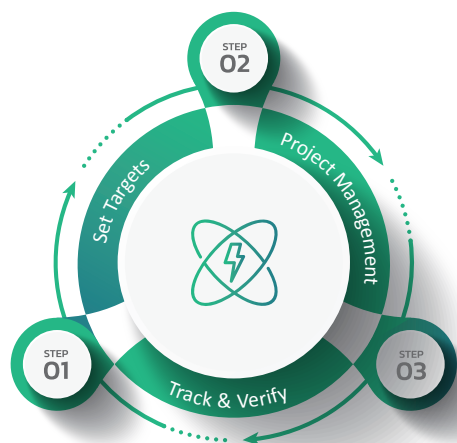
≥ 1.5%

2030 Cumulative Electricity Savings Target

≥ 15%

Management Strategy and Targets

Daxin incorporates energy management as a core operational priority, with objectives of improving energy efficiency, reducing energy consumption, and lowering greenhouse gas emissions. Through energy-efficient equipment adoption, process improvements, and enhanced operational management, the Company continuously improves facility and process energy efficiency. A cross-functional energy-saving management mechanism has been established, with defined criteria and tracking procedures for energy-saving initiatives, regular energy management meetings to review performance, and results incorporated into ISO 14001 management review meetings. The Company targets an annual electricity savings rate of more than 1.5% by 2026, with a cumulative electricity savings rate of more than 15% by 2030 based on the 2022 baseline year.



Step 1 Set Targets

- 2025 Electricity Saving Rate : 1.5%
- 2030 Cumulative Saving Rate : 15%
- Energy-Saving Management Criteria
- Energy Meeting Decisions

Step 2 Project Management

- Facility, Equipment & Process Energy Saving
- R&D & Laboratory Energy Saving
- Quantifiable Measures
- Verifiable Evidence

Step 3 Track & Verify

- Management Review Tracking
- Quarterly Electricity Saving Verification
- Quarterly Safety Committee Review
- Annual Target Achievement Review

Energy Consumption Statistics and Analysis

Daxin's energy inventory covers both the Chungke and Chungkang plants. Process heat is primarily supplied by electric boilers and electric thermal oil heaters, with no fossil fuels used in manufacturing processes. Diesel is used solely for emergency generators, fire pumps, and forklifts, while gasoline is used for company vehicles.

In 2025, total energy consumption amounted to 47,997 GJ, with an energy intensity of 1.19 GJ/m². The overall energy structure is dominated by purchased non-renewable electricity, accounting for more than 98% of total consumption. Total electricity consumption increased by 3.0% compared with 2024, primarily due to the phased expansion of production lines at the Advanced Manufacturing Center II – Chungkang Semiconductor Materials Plant. Electricity consumption growth at existing facilities was contained at 0.1%. Renewable energy accounted for 2.5% of total company-wide energy consumption in 2025, reflecting gradual diversification of the energy structure.

Energy Consumption Categories		Energy Consumption ^{Note}		
		2023	2024	2025
Purchased Non-renewable Energy	Electricity	44,531	45,945	46,548
	Gasoline	354	284	196
	Diesel	41	42	42
Total Non-renewable Energy Consumption		44,926	46,271	46,786
Purchased Renewable Energy	Electricity	0	0	540
Self-generated Energy (Solar Power)	Electricity	0	438	671
Total Renewable Energy Consumption		0	438	1,211
Total Energy Consumption		44,926	46,709	47,997
Operational Area (M ²)		39,309	40,359	40,359
Energy Intensity (GJ/M ²)		1.14	1.16	1.19
Purchased Electricity Ratio (%)		99%	98%	98%
Renewable Energy Utilization Rate (%)		0%	0.9%	2.5%

Note 1: The reporting boundary covers Daxin's Chungke and Chungkang plants. Unit: gigajoule (GJ).

Note 2: Calorific values are based on the 2024 Energy Statistics Handbook published by the Ministry of Economic Affairs.

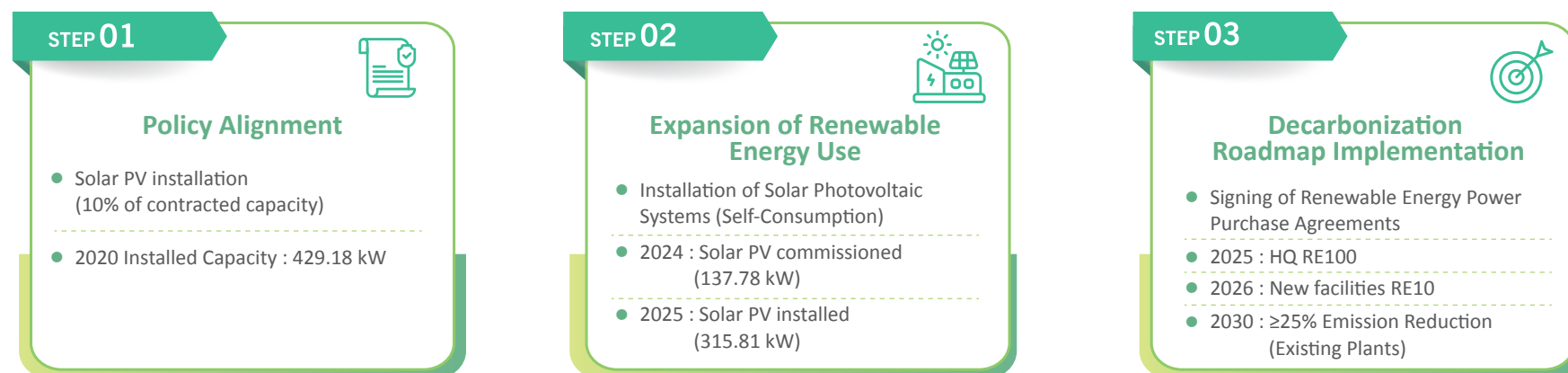
Note 3: Electricity conversion factor: 1 kWh = 0.0036 GJ; 1 kcal = 4.184 kJ. Calorific values of fossil fuels: gasoline: 7,520 kcal/L; diesel: 8,629 kcal/L.

Note 4: Operational area is adopted as the basis for energy intensity measurement, reflecting the Company's phased production line expansion and capacity growth.

4.3.2 Renewable Energy

Green Electricity Strategy

Daxin expands renewable energy usage through a dual approach of on-site renewable energy installations and external green electricity procurement. A 429.18 kW solar PV system was commissioned in 2020 in compliance with large electricity consumer regulations. In 2024, a 137.78 kW system was commissioned for self-consumption, marking the first introduction of renewable electricity into plant and manufacturing operations. In 2025, an additional 315.81 kW system was installed at the Chungke plant, further expanding on-site generation capacity. The Company continues to evaluate available rooftop space for further solar PV expansion, and combines energy-saving measures to reduce purchased electricity demand. For electricity demand not yet covered by on-site generation, renewable energy purchase agreements supplement green electricity supply, in support of the mid- to long-term targets of RE100 at headquarters by 2026 and RE10 company-wide by 2030.



Renewable Energy Use

As of 2025, Daxin has installed solar PV systems with a total capacity of 453.59 kW, with an estimated annual generation of approximately 570,000 kWh. A renewable energy power purchase agreement has also been signed, securing approximately 150,000 kWh annually, bringing total planned renewable electricity to approximately 720,000 kWh per year. Due to construction delays affecting the new solar PV system at the Chungke plant, actual renewable energy consumption in 2025 was 337,000 kWh, accounting for approximately 2.5% (RE2.5) of total company-wide electricity consumption. The headquarters has achieved its RE100 target, with new facilities planned to achieve RE10 by 2026.

2025 Renewable Energy Consumption Statistics

Renewable Energy Statistics	Green Power Sources	Estimated Green Electricity (10,000 kWh/year)	Actual Consumption in 2025 (10,000 kWh)
Self-generated Energy (Solar Power)	Chungkang Plant – Solar PV System	18	18.7
Self-generated Energy (Solar Power)	Chungke plant – Solar PV System	39	Expected to Commence Operation in 202615.0
Purchased Electricity	Signing of Renewable Energy Power Purchase Agreement	15	15.0
Total Renewable Energy Consumption in 2025 (10,000 kWh)			33.7

Chungkang Plant – Rooftop Solar PV

2025 Generation : ~**187,000** kWh



Corporate Power Purchase Agreement

2025 Purchase : ~**150,000** kWh



4.3.3 Energy-Saving Measures

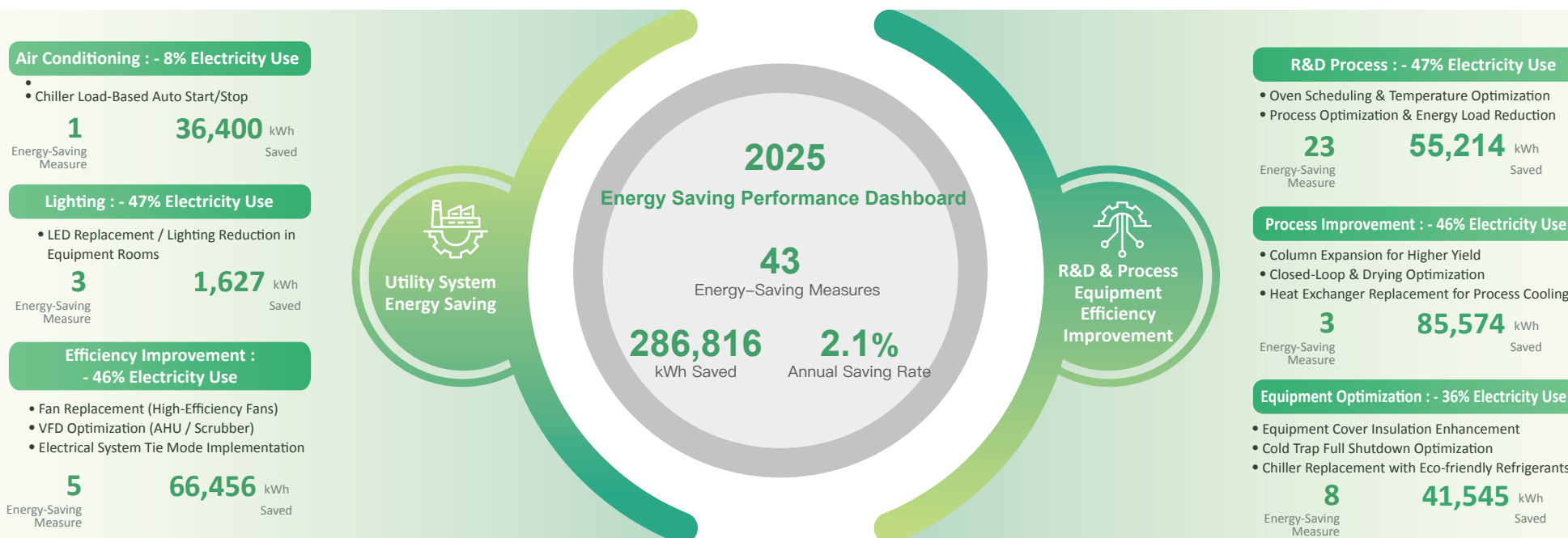
Energy-Saving Plan

Daxin continuously implements energy-saving projects through plant-level Energy Saving Teams (facility, equipment, and manufacturing units) and a Laboratory Energy Saving Team (R&D unit). Projects are evaluated based on quantifiable energy-saving benefits and traceable documentation, reviewed through regular energy-saving meetings, and incorporated into ISO 14001 management reviews with quarterly progress tracking. In 2025, 43 energy-saving projects were under management, comprising 20 utility system and production equipment improvement projects and 23 laboratory energy conservation projects. Key measures include:

- Process equipment improvements (cooling systems and reactor equipment)
- Air conditioning optimization (automated start/stop control of chiller systems)
- Lighting system upgrades (full adoption of LED lighting)
- Equipment efficiency enhancement (low-carbon refrigerant adoption for 9 chillers)

2025 Energy-Saving Measures Management Criteria

Management Criteria	Direct Measurement Records	Indirect Calculation Method (Theoretical Energy Savings)
Quantifiable Energy-Saving Measures	• Dedicated Meter Installation • Before/After Energy Use Comparison	• Thermodynamic / Energy Conversion Formulas • Government-Approved Energy-Saving Calculation Methods
Verifiable Supporting Documentation	• System Monitoring Logs • Manual Readings • Meter Calibration	• Capital Investment in Equipment: Specification Documents Demonstrating Equipment Efficiency Improvement (e.g., fixed-speed vs. variable-speed, power rating, horsepower, operating frequency, etc.) • Management Improvement: Time-Series Operational Records Demonstrating Changes in Operating Parameters (e.g., start/stop logs, operating frequency, pressure, temperature, humidity, number of production batches, etc.)

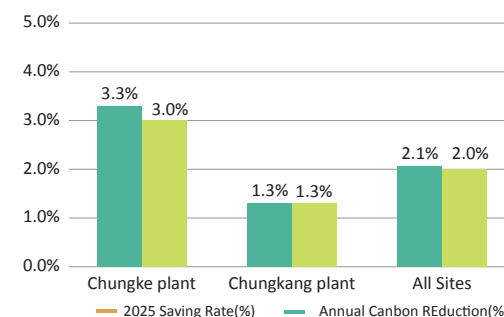


Energy-Saving Performance

In 2025, total electricity savings reached 286,816 kWh, with an investment of NT\$865.5 thousand, achieving an annual electricity savings rate of 2.1% and meeting the management target of $\geq 1.5\%$. These initiatives reduced greenhouse gas emissions by approximately 136 tCO₂e, representing an overall carbon reduction benefit of approximately 2.0% across the Company's facilities.

2025 Energy-Saving Performance

Plant	Electricity Consumption (kW)	Electricity Savings (kWh)	Energy-Saving Benefits (%)	Carbon Emissions (tCO ₂ e)	Carbon Reduction (tCO ₂ e)	Carbon Reduction Benefits (%)
Chungke plant	5,145,600	177,039	3.3%	2,723	84	3.0%
Chungkang plant	8,120,925	109,777	1.3%	4,088	52	1.3%
Total	13,266,525	286,816	2.1%	6,812	136	2.0%



※ Note 1 : Carbon reduction was estimated using the 2024 electricity emission factor of 0.474 kgCO₂e/kWh.

※ Note 2 : All figures represent the combined total of Daxin Materials' Chungke plant and Chungkang Plant.

All Facilities Saving Rate

2.1%

Annual Carbon Reduction

2.0%

4.4 Pollution Prevention and Control

4.4.1 Air Pollution Prevention and Control

Air Emissions Monitoring

Daxin complies with environmental regulations for air pollution prevention and adopts multi-layered control measures to minimize the environmental impact of process emissions. At the process level, pretreatment technologies such as condensation and scrubbing are applied for source reduction. End-of-pipe control facilities include fluidized bed adsorption/desorption systems, scrubbers, and activated carbon adsorption towers to treat air pollutants generated from testing and manufacturing processes.

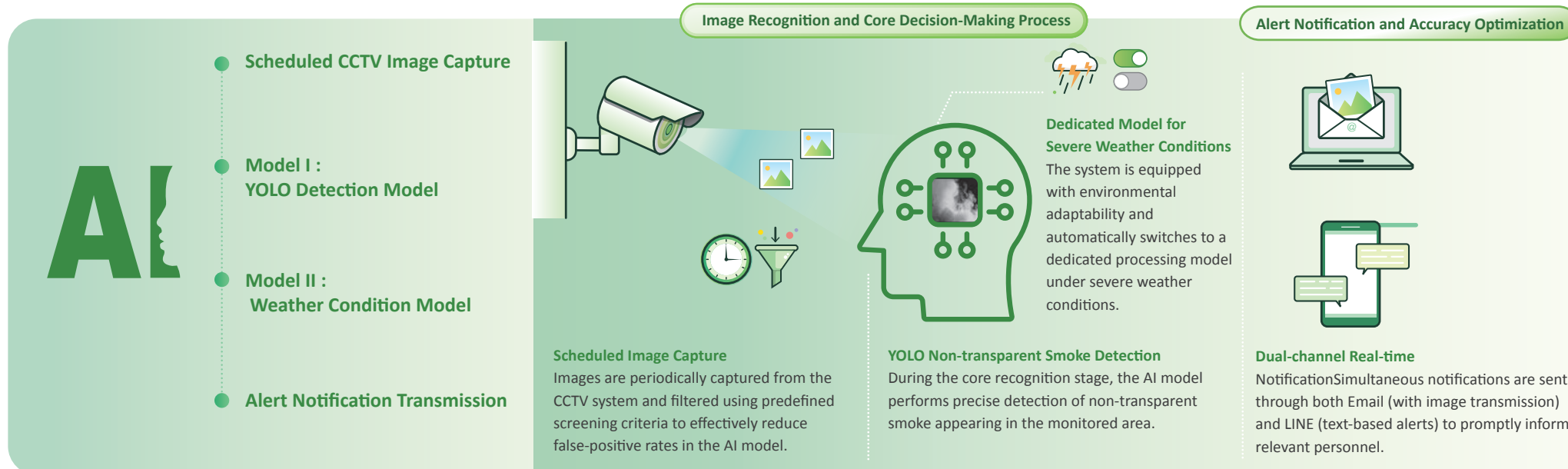
The Company holds permits for stationary emission sources, with dedicated personnel conducting regular emission monitoring to ensure regulatory compliance and timely reporting to competent authorities. The Chungkang Plant has additionally installed CCTV and AI-based image recognition systems around emission stacks to dynamically detect abnormal smoke emissions, improving response efficiency and management transparency. Over the past five years, all plant emissions have complied with applicable regulatory standards, with no environmental penalties incurred.

Air Pollutants	2023 Emissions (kg)	2024 Emissions (kg)	2025 Emissions (kg)
Volatile Organic Compounds (VOCs)	7,729	8,458	5,781
Total Suspended Particulates (TSP)	124	116	116
Sulfur Oxides (SOx)	702	704	616
Nitrogen Oxides (NOx)	1,492	1,398	1386

Note 1 : Air pollutant emissions represent the combined total of the Chungke plant and Chungkang Plant.

Note 2 : Air pollutant emission data were obtained from the Ministry of Environment's Stationary Pollution Source Management Information Disclosure Platform.

Note 3 : VOC emissions were recalculated in 2025 in response to regulatory authority requirements, and air pollutant data for 2023–2024 has been updated accordingly. This information is disclosed in the Major Disclosure Revisions section and on the Ministry of Environment's platform, and has not been subject to re-examination under limited assurance.



Process Source Control

Given the extensive use of organic solvents as primary raw materials, Daxin places strong emphasis on VOC emission control at the process level. Equipment components are continuously monitored, with leakage rate KPIs used as the basis for performance tracking. Internal management standards require net VOC monitoring values to remain below 100 ppm; if exceeded, on-site supervisors immediately identify and address the leakage source. Despite an increase in the number of process equipment components over the past three years, the VOC leakage rate has remained at 0%, demonstrating the continued effectiveness of the Company's process control and maintenance practices.

2023 - 2025 Process Equipment Component Leakage Rate

Reporting Year	Number of Equipment Component Monitoring Points	VOCs Leakage Rate (%)
2023	13,814	0.0
2024	14,009	0.0
2025	15,327	0.0

4.4.2 Wastewater Treatment

Discharge Management

Daxin has established rainwater and wastewater segregation systems at all facilities, with regular internal and external water quality monitoring to ensure compliance with discharge standards. All wastewater is discharged into the sewer systems of the Central Taiwan Science Park and Chungkang Industrial Park, treated by centralized wastewater treatment plants, and discharged only after meeting national regulatory requirements and the stricter Environmental Impact Assessment standards. Discharge quality is maintained through self-monitoring and daily inspections. Over the past five years, wastewater operations have remained stable with no environmental penalties incurred at any facility.

Plant	Monitoring Item	2023		2024		2025	
		Discharge Standard	Annual Average Value Note 1	Discharge Standard	Annual Average Value Note 1	Discharge Standard	Annual Average Value Note 1
Chungke plant	pH	5 - 10	7.65	5 - 10	7.6	5 - 10	7.35
	COD (mg/L)	500	89.3	500	99.45	500	46.80
	SS (mg/L)	300	7.6	300	9.9	300	6.70
	NH ₃ -N (mg/L)	50	20.75	50	20.95	50	13.80
Chungkang plant	pH	5 - 9	7.05	5 - 9	6.9	5 - 9	7.65
	COD (mg/L)	450	197	450	163.65	450	171
	SS (mg/L)	250	10.7	250	18.35	250	19.4
	NH ₃ -N (mg/L)	100	0.04	100	1.94	100	34.05

※ Note 1 : The annual average monitoring value was calculated based on the average results of outsourced semi-annual monitoring tests.

4.5 Resource Circularity

4.5.1 Water Resource Management

Water Resource Management Strategy

Daxin's Chungke and Chungkang plants are located in Taichung City, classified as a low-to-medium water stress region (10–20%) according to the WRI Water Risk Atlas. Both facilities source water exclusively from tap water supplied by the Central Taiwan Science Park and Chungkang Industrial Park water supply systems, with no groundwater usage, limiting the impact on local water resources. In 2025, water consumption intensity was 3.8 metric tons/m², a 4.5% increase from 2024, primarily due to expanded semiconductor wet chemical process capacity. The Company promotes water circularity through a Reverse Osmosis Recycled Water Reuse System (RORR), with a facility-wide water recycling rate target of 95% or above. Based on the Water Usage Plan calculation methodology issued by the Water Resources Agency, the 2025 water recycling rate reached approximately 97%, meeting park benchmarks and achieving average daily water savings of approximately 33 metric tons. This corresponds to an average water savings of approximately 33 metric tons per day. Through continuous monitoring and management of water usage, the Company reduces water-intensive process consumption and advances sustainable water resource management.

2025 facility-wide water recycling rate: **approximately 97%**
 Average daily water savings: **approximately 33** metric tons

WATER USAGE NOTE 1

ITEM	2023	2024	2025
Water Withdrawal Note 2 (Million Liters)	131	146	152
Water Discharge (Million Liters)	74	82	87
Water Consumption Note 3 (Million Liters)	57	64	65
Recycled / Reused Water Volume Note 4 (Million Liters)	4,758	4,758	4,758
Water Recycling Rate (Reuse Rate) Note 5 (%)	98 %	97 %	97 %
Operational Area (m ²)	39,309	40,359	40,359
Water Intensity Note 6 (Metric Tons/m ²)	3.3	3.6	3.8

Note 1 : Water consumption data represent the combined total of the Chungke plant and the Chungkang Plant.

Note 2 : Water withdrawal is defined as the sum of municipal water intake and reclaimed water (condensate recovery).

Note 3 : Water consumption = Water withdrawal – Water discharge.

Note 4 : Reused water volume refers to the total recycled water, including cooling tower water, scrubber water, and total reclaimed process water.

Note 5 : Water recycling rate (reuse rate) = (Reused water volume + condensate recovery) ÷ (Water withdrawal + Reused water volume) × 100%.

Note 6 : Water intensity = Water withdrawal ÷ operational area.

Note 7 : The water recycling rate (reuse rate) is calculated in accordance with the Water Usage Plan guidelines and format issued by 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 in synthesis and formulation processes. As most products and packaging materials come into direct contact with chemicals, recycling and reuse would require extensive solvent cleaning, potentially creating a greater environmental burden than the materials themselves. Comprehensive recycling measures have therefore not yet been implemented.

Daxin remains committed to the circular economy. Should customers promote upstream and downstream recycling integration mechanisms that are both feasible and environmentally beneficial, the Company will actively assess and participate in relevant initiatives.

Raw Material Name	Unit	Renewable ^{Note 1} / Non-renewable ^{Note 2} resources	2023	2024	2025
23L Plastic Photoresist Barrel	PCS	Non-renewable	26,400	28,000	32,800
20L Plastic Photoresist Drum	PCS	Non-renewable	17,236	19,124	23,432
40L Plastic Photoresist Drum	PCS	Non-renewable	20,754	21,472	28,200
60L photoresist steel drum	PCS	Non-renewable	4,860	4,212	No longer in use
20L Photoresist Drum	PCS	Non-renewable	98,944	96,992	88,192
3.8L gallon bottle	PCS	Non-renewable	24,840	18,240	33,463
Chemical Raw Materials ^{Note3}	metricton	Non-renewable	14,458	12,378	15,485
Carton Packaging Materials	PCS	Renewable	14,510	13,100	15,700

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.

For certain process materials and packaging materials, the Company actively promotes material purification and reprocessing, as well as the use of recycled plastic packaging, to effectively replace single-use materials. This reduces waste, advances circular economy principles, and lowers dependence on virgin materials — delivering both environmental and operational cost benefits.

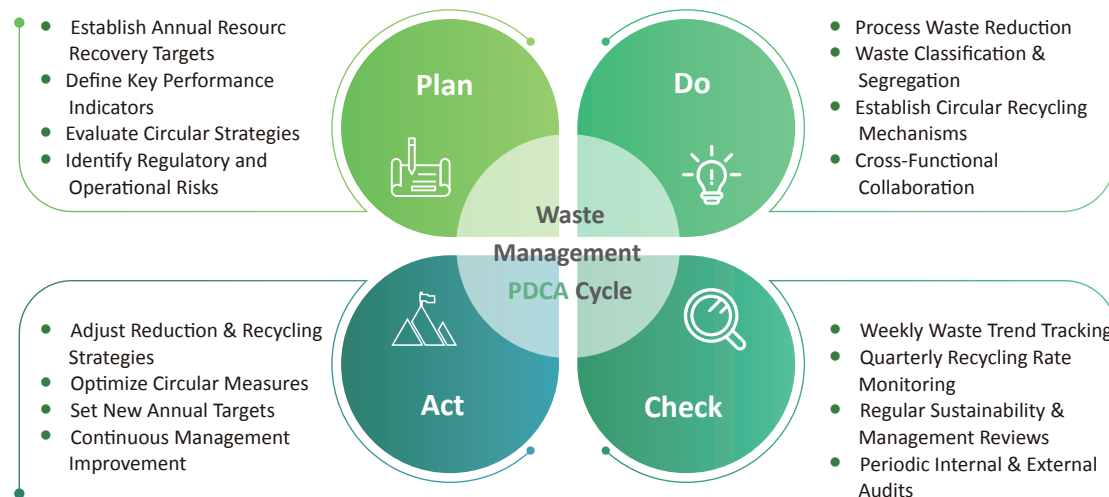


4.5.3 Waste Management

Management Strategy and Policy

Daxin has established a systematic waste management framework in accordance with ISO 14001, covering waste identification and classification, storage management, waste flow tracking, outsourced treatment supervision, and internal audits. The 3R principles (Reduce, Recycle, Reuse) are integrated into daily operations and manufacturing processes.

The Company applies the PDCA cycle to continuously improve waste management performance: the Plan phase establishes recycling and resource recovery targets based on annual risk assessments; the Do phase implements process improvements, source reduction, and resource recovery measures; the Check phase uses internal audits and performance indicators to evaluate waste generation intensity and resource recovery rates; and the Act phase dynamically adjusts management measures and annual targets based on performance outcomes.



Project Initiative : Solvent Material Flow Management



Key Material Flow in Operations



Daxin adopts source prevention as a core management principle. Through process optimization design, process control, and operational condition improvements, the Company enhances solvent utilization efficiency and reduces solvent consumption per unit of product. Recovered process solvents are purified through in-house solvent distillation systems and reused for cleaning purposes within operations.

In addition, real-time recording and tracking mechanisms are strengthened to identify abnormal end-of-process losses and output generation. Based on the analysis results, process parameters and management measures are continuously adjusted to reduce waste solvent generation and improve overall resource efficiency.

By applying distillation recovery and regeneration technologies, waste solvents are transformed into industrial-grade recycled solvent products for reintegration into both internal and external circular use systems. This approach increases the economic value and circularity benefits of resource reuse, while supporting waste minimization and resource value maximization.

By promoting solvent-sharing mechanisms among internal laboratories and project teams, combined with proper on-site waste classification and segregation management, Daxin maximizes the utilization of reusable solvents, extends their service life, and reduces the demand for new solvent procurement and raw material input.

Life Cycle Management

Daxin's waste life cycle management centers on source control, circular utilization, and compliant disposal, with waste management considerations embedded early in R&D and process design stages. Through process improvements, raw material usage controls, and material flow analysis, waste generation intensity per unit of product is continuously reduced.

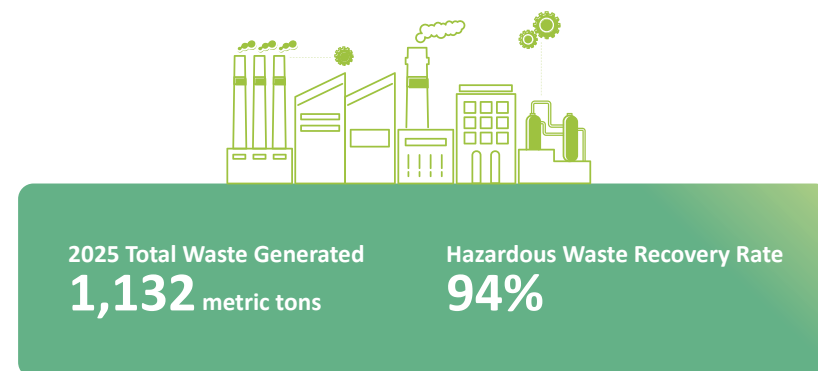
During production operations, standardized classification and quality control mechanisms strengthen waste segregation management. Internal reuse systems, combined with external environmental service providers, enable recycling, purification, and reuse initiatives. For waste that cannot be internally circulated, resource recovery feasibility is assessed first across diversified pathways; compliant final disposal is adopted only when resource recovery is not feasible. Supplier evaluation, periodic audits, and waste flow tracking ensure regulatory compliance, continuously advancing resource circulation maximization and minimizing final disposal.



Waste Generation Structure and Flow

Daxin's waste is classified into hazardous and non-hazardous industrial waste in accordance with the Waste Disposal Act, with a complete management process covering source segregation, on-site storage, collection and transportation, and final disposal. All industrial waste is handled by licensed contractors, with GPS real-time tracking installed on collection vehicles to ensure transparent and traceable waste flows.

In accordance with GRI 306, total industrial waste generation in 2025 from the Chungke and Chungkang plants amounted to 1,132 metric tons, comprising 896 metric tons of hazardous waste and 236 metric tons of non-hazardous waste. Approximately 94% (841 metric tons) of hazardous waste was treated through material and energy recovery pathways, of which approximately 69% (616 metric tons) was classified as non-energy material recovery. The Company has maintained a record of zero regulatory violations related to waste management to date.



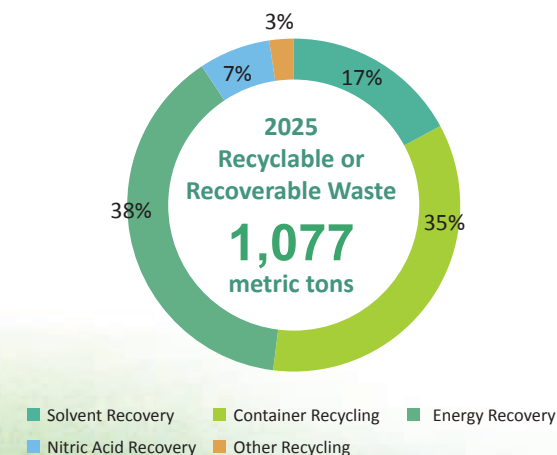
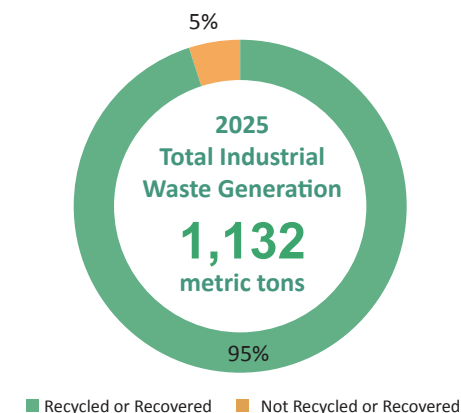
Waste Treatment Status

TYPE	TREATMENT METHOD		QUANTITY (T/YEAR)	DESCRIPTION
Hazardous Industrial Waste	Recycling	Container Recycling	366	Physical or cleaning treatment, converting waste into recycled drums, plastic pellets/sheets
		Solvent Recovery	167	Distillation and purification, converting waste into industrial-grade recycled solvents
		Nitric Acid Recovery	76	Chemical treatment, converting waste into industrial-grade sodium nitrate
		Other Recycling	7	Chemical treatment for neutralization or formulation in process applications
	Incineration	Including Energy Recovery	225	Waste solvents or mixed waste used as auxiliary fuel
		Excluding Energy Recovery	55	Landfill disposal
Non-hazardous Industrial Waste	Recycling	Container Recycling	9	Physical or cleaning treatment, converting waste into recovered resource products
		Solvent Recovery	20	Distillation and purification, converting waste into industrial-grade recycled solvents
		Other Recycling	22	R-class regulated recyclable waste
	Incineration	Including Energy Recovery	185	Waste solvents or mixed waste used as auxiliary fuel

Note 1 : Industrial waste generation data are compiled from the Environmental Protection Administration's Industrial Waste Reporting and Management Information System (online manifest reporting data), rounded to the nearest whole number.

Note 2 : Industrial waste generation data represent the combined total of the Chungke plant and the Chungkang plant.

Note 3 : All industrial waste is properly treated off-site by qualified environmental contractors.

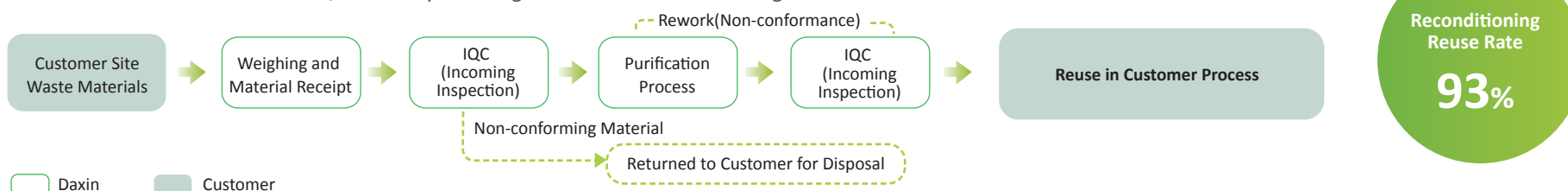


Value Chain Resource Circularity

Daxin follows the Ellen MacArthur Foundation (EMF) circular economy framework, implementing product life extension, by-product reuse, resource recovery, and energy recovery measures in collaboration with customers and environmental service partners to establish a cross-industry circular value chain.

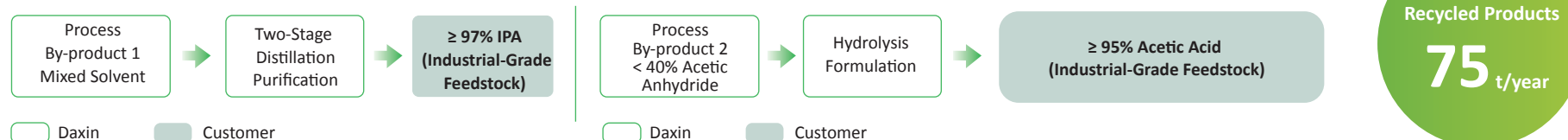
Circular Model 1: Product Life Extension

Polymer materials returned from customers are purified and quality-adjusted by Daxin for reintroduction into customers' original processes. The reuse rate exceeded 93% in 2025, effectively reducing customers' demand for virgin raw materials.



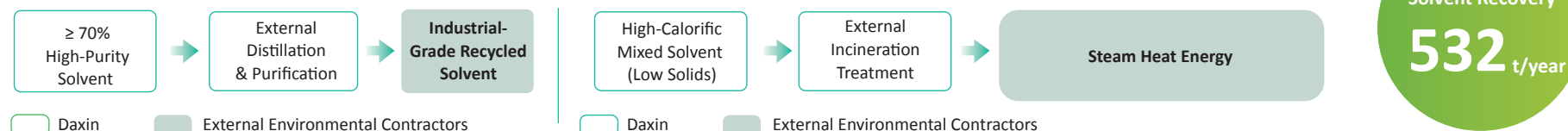
Circular Model 2: By-product Recovery and Industrial Symbiosis

Process by-products (IPA solvent and acetic acid) are converted through distillation purification into high-purity acetic acid ($\geq 95\%$) and IPA ($\geq 97\%$) for use as industrial raw materials. In 2025, approximately 75 metric tons of industrial-grade recovered products were generated and supplied to other industries, achieving cross-industry resource circularity.



Circular Model 3: Resource Recovery

Waste materials that cannot be reused internally are segregated by source and entrusted to qualified contractors for material recovery (industrial-grade recycled solvents) or energy recovery (auxiliary fuel). In 2025, approximately 532 metric tons of waste solvents were recovered, reducing final disposal rates.





Project Initiative : Polyimide Resource Circularity



First MOENV-Approved Circular Economy Project

In customer manufacturing processes, overflow liquid polyimide is determined, in accordance with Article 2 of the Waste Disposal Act, not to constitute waste as it has not lost its original functionality and retains market value. As such, it does not require formal reuse qualification and can be directly integrated into downstream value chain purification processes. The material is further converted into regenerated polyimide solution and returned to the customer's original production process for closed-loop reuse, forming a circular resource system. Daxin collaborates with customers to promote the 「Polyimide Resource Circularity Project」 which was the first resource circularity project approved by the Ministry of Environment under the “Review Guidelines for Resource Circularity Projects (2nd Revision, issued December 2019).”

From 2021 to 2025, the project achieved a recovery and regeneration rate of over 91%, demonstrating stable circular utilization performance.



Environmental Contractor Management and Audit System

Daxin has established the "Environmental Contractor Evaluation and Control Procedure," covering contractor qualification review, risk assessment, periodic on-site audits, and annual performance evaluations. During the selection of new treatment facilities, the validity of permits, approved treatment scope, historical violations, pollution control facilities, and waste flow traceability mechanisms are verified, with findings documented in the "Environmental Contractor Evaluation Report" and submitted for management approval before onboarding. All treatment facilities undergo at least one on-site audit annually — through scheduled, escort, or unannounced audits — to prevent illegal dumping or improper handling. In 2025, the on-site audit completion rate for treatment facilities reached 100%, with all facilities rated Grade A. Approximately 78% of contracted waste treatment facilities have obtained EHS management system certification, and Daxin continues to guide contractors toward broader certification coverage to strengthen sustainable governance across the value chain.



Evaluation Rating	Percentage Score Range	Follow-up Actions
A	≥ 80	Maintain and prioritize for renewal
B	65 - 79	Watch list with corrective actions and enhanced audits
C	≤ 64	Phase out and replace with alternative contractors



05

Chapter

Social Inclusion

5.1 Talent Sustainability

5.2 Social Engagement

5.3 Health and Safety

5.1 Talent Sustainability

Corresponding GRI Material Topics: 401 Employment Relations, 402 Labor-Management Relations, 405 Employee Diversity and Equal Opportunity



Policies and Actions



Management Policy

Talent is the driving force behind Daxin's innovation and sustainable development. We are committed to building a diverse, inclusive, and respectful workplace, providing fair and competitive development opportunities that support employees in realizing their potential at every stage of their careers. To meet organizational growth needs, Daxin continuously develops key talent through forward-looking learning strategies that strengthen professional capabilities and digital literacy.

- Competitive and differentiated compensation policy
- Women's talent development
- Strengthening AI capabilities

2025 Performance Outcomes

- ✓ **Compensation:**
Compensation level: Top **25th** percentile in the industry
- ✓ **Women's Leadership:**
Female manager ratio: **21.3%**
- ✓ **Future-Ready Capabilities:**
 - Average annual employee training hours: **30.3** hours
 - AI and digital tools training hours: **613** hours (new target) ^{Note 1}
- ✓ **First-year new hire turnover rate:** **8.0%** ^{Note 2}
- ✓ **Talent Mobility:**
 - Internal promotion rate for managerial positions: **100%** ^{Note 3}
- ✓ **Youth Development** ^{Note 4:}
 - Graduate scholarships awarded: **8**
 - Internship opportunities provided: **6**

Short-term Objectives (2026)

- ⌚ **Compensation:**
Compensation level: Top **25th** percentile in the industry
- ⌚ **Women's Leadership:**
Female manager ratio: **>20%**
- ⌚ **Future-Ready Capabilities:**
 - Average annual employee training hours: **> 30** hours
 - AI and digital tools training hours: **700** hours

Medium to Long-term Objectives (2030)

- ⌚ **Compensation:**
Compensation level: Top **25th** percentile in the industry
- ⌚ **Women's Leadership:**
Female manager ratio: **>23%**
- ⌚ **Future-Ready Capabilities:**
 - Average annual employee training hours: **> 40** hours
 - AI and digital tools training hours: **1000** hours



Objectives and Targets

Note 1: AI and digital tools training is provided on an ongoing basis to support employees' future-ready capabilities.

Note 2: Due to the small new hire population, individual departures cause significant indicator volatility. This metric is no longer tracked as a separate target.

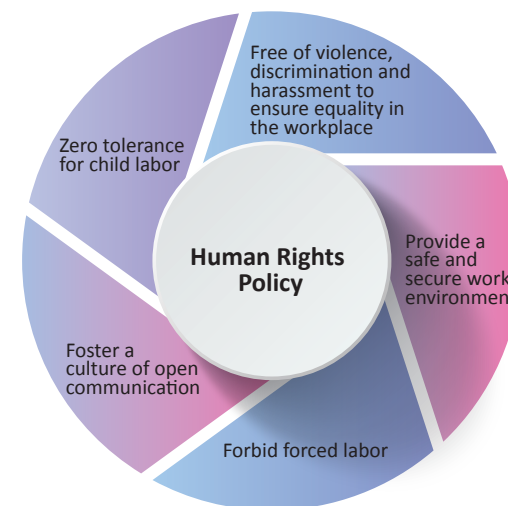
Note 3: Internal promotion to managerial positions has met the target for three consecutive years and is no longer tracked as a separate target.

Note 4: These indicators have been consolidated under the science education beneficiary indicators within the Social Engagement material topic.

5.1.1 Human Rights Policy

Daxin adheres to local regulations across all operating locations and upholds international standards including the UN Universal Declaration of Human Rights, International Labour Organization conventions, and the Ten Principles of the UN Global Compact. The Company's Human Rights Policy and Management Procedure is aligned with the Responsible Business Alliance (RBA) Code of Conduct and Taiwan's Labor Standards Act. HR serves as the responsible unit for implementation and oversight, covering all employees (including contract workers, temporary staff, and interns), with contractors and suppliers encouraged to comply with the same principles.

Daxin strictly prohibits any form of discrimination, harassment, or mistreatment, and safeguards the fundamental rights of employees and job applicants. Recruitment, compensation, promotion, rewards, and training are free from differential treatment based on race, color, age, gender, sexual orientation, gender identity and expression, nationality, disability, pregnancy, religion, political affiliation, group background, veteran status, protected genetic information, or marital status. The Company provides a safe and healthy working environment, prohibits forced labor and child labor, and maintains diverse communication and grievance channels. In 2025, Daxin underwent 9 human rights-related audits by customers and third-party organizations, with zero violations or deficiencies identified, demonstrating the Company's substantive commitment to human rights protection.

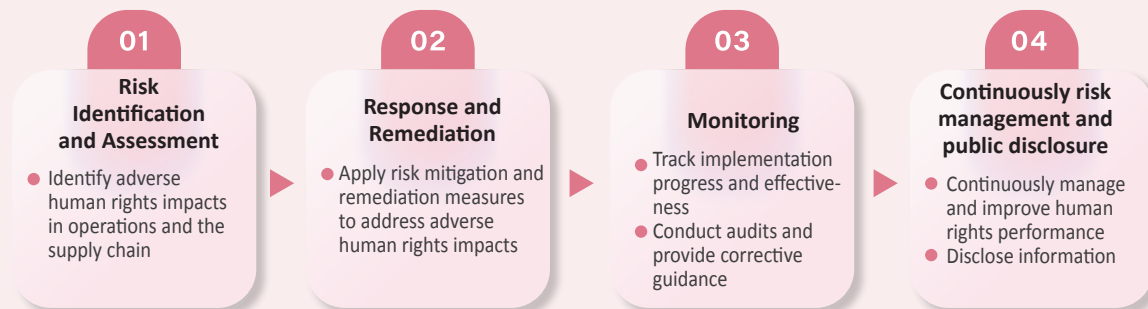


Human Rights Due Diligence

Daxin follows international human rights standards including the RBA Code of Conduct, implementing human rights risk management through a four-stage due diligence cycle. The assessment covers all employees and Key and Critical Raw Material Suppliers^{Note 1}, with the goal of embedding a culture of human rights protection, reducing operational risk, and upholding a zero-tolerance commitment to human rights violations.

Note 1: The top 20 suppliers by annual procurement value and critical raw material suppliers.

Human Rights Management Cycle



Human Rights Commitment

Daxin monitors 10 human rights topics, gathering input from employees, suppliers, contractors, and other stakeholders through interviews, surveys, and RBA audits:



Based on the employee human rights risk assessment results, no significant human rights risks were identified. Nonetheless, corresponding management plans, mitigation measures, and remediation actions have been established for topics warranting attention with implementation tracked on a regular basis.

Human Rights Issue	Affected Parties	Specific Plan	Mitigation and Remedial Measures
 Labor conditions and protections	All employees	✓ Conduct regular compensation benchmarking against market peers to ensure competitiveness. ✓ Provide supplementary group insurance, newborn congratulatory gift, and a flexible leave system beyond statutory requirements.	✓ Regularly review applicable laws to ensure all compensation and insurance contributions meet legal standards. ✓ Any underpayment is corrected in the following month with retroactive adjustment. ✓ Employees may initiate a formal review process through HR for any compensation disputes.
 Freedom of communication and expression	All employees	✓ Regularly review applicable laws to ensure all compensation and insurance contributions meet legal standards.  ✓ Any underpayment is corrected in the following month with retroactive adjustment.  ✓ Employees may initiate a formal review process through HR for any compensation disputes. 	✓ If an employee suffers unfair treatment for raising concerns, the responsible unit intervenes immediately to investigate and restore the employee's position and labor rights. ✓ If a new hire experiences poor adaptation or mentor mismatch, a mentor reassignment assessment is initiated as needed. ✓ Significant issues identified through employee opinion surveys are escalated to relevant units for improvement planning and follow-up.
 Occupational safety and health	All employees	✓ Implement the ISO 45001 management system.  ✓ Conduct tiered health management and maternity health protection.  ✓ Introduce Employee Assistance Programs (EAPs) for mental health support. 	✓ Enforce preventive management and audit systems to ensure workplace and operational safety; implement chemical management, workplace environment monitoring, and chemical classification per legal requirements to prevent occupational hazards. ✓ Employees identified with health abnormalities or under maternity protection are assigned adjusted duties or job rotation to ensure safe working conditions. ✓ When employees raise concerns through EAP, the responsible unit refers them to confidential counseling resources and coordinates work arrangements as needed to support recovery.

Supplier Human Rights Assessment

Based on supplier self-assessments and on-site audit results, all evaluated partners in 2025 were found to be in compliance, with zero human rights deficiency cases identified. To uphold responsible supply chain management, Daxin maintains corresponding monitoring mechanisms and remedial measures for priority issues.

Human Rights Issue	Affected Parties	Specific Plan	Mitigation and Remedial Measures
Occupational safety and health	Suppliers, Contractors	- Contractor qualification review: Conduct labor law compliance assessment prior to engagement, with ongoing monitoring of labor rights during the cooperation period. - On-site hazard briefing: Provide safety briefings before work begins and confirm that personnel have necessary protective equipment. - Audits and assessments: Specify safety standards and penalties in contracts, conduct audits, and incorporate results into annual performance evaluations. - Joint safety meetings: Share occupational safety improvement cases to enhance risk identification capabilities.	Corrective Action Plan (CAP): Upon identifying audit deficiencies, suppliers are required to submit an improvement report within 14 days, with follow-up until closure.
Ethical standards	Suppliers, Contractors	- Sign an Integrity Pledge covering anti-corruption, anti-bribery, and anti-monopoly commitments. - Provide an external reporting channel on the Company's official website for transparent whistleblowing.	- Upon receiving a report, fact-finding is initiated immediately; new business dealings may be suspended during the investigation to effectively isolate risk. - In the event of confirmed material violations, the partnership is immediately terminated, the party is blacklisted, and damages are pursued in accordance with contractual terms.

Human Rights Risk Prevention and Protection

In 2025, Daxin conducted human rights awareness training for employees and contractors, reaching 888 participants with a total of 1,258 training hours. Beyond raising awareness, the Company has established comprehensive grievance mechanisms and diverse communication channels for employees, suppliers, and other stakeholders to report any illegal or human rights-violating conduct, ensuring all concerns are appropriately addressed. Daxin will continue to monitor human rights issues and promote related training to reduce the likelihood of violations.

Security services are provided by a professional security firm. All security personnel receive annual training in accordance with the Occupational Safety and Health Act, including a 30-minute individual orientation for new hires. Human rights-related training topics include workplace bullying and violence prevention, sexual harassment prevention, visitor reception protocols, first aid, and other operational practices. 100% of security personnel have signed both the "Workplace Violence Prevention Declaration" and the "Sexual Harassment Prevention Pledge," achieving a 100% human rights and procedures training completion rate.

Appeal Channels

Internal channels	Ask Us Ethics Mailbox
External channels	Company Website Ethics Mailbox

5.1.2 Overview of Human Resources

Daxin firmly believes that people are the driving force behind R&D innovation. We trust and respect every employee, and are committed to fostering a safe, well-supported, and human-centric work environment that stimulates creativity. As of December 31, 2025, Daxin's total workforce comprised 440 employees (309 male, 131 female), with 438 permanent staff and 2 temporary employees. The Company maintains no zero-hour contract positions, and headcount remained stable with no significant fluctuations during the reporting period. Given the nature of the industry, male employees form the majority; however, female employees represent approximately 30% of the total workforce, reflecting the Company's ongoing commitment to gender diversity in specialized technical fields.

Workforce Structure

Category		Male		Female		Total	
		People	Percentage	People	Percentage	People	Percentage
All Employees	Permanent Employees ^{Note1}	308	70.3%	130	29.7%	438	99.5%
	Temporary Employees ^{Note2}	1	50.0%	1	50.0%	2	0.5%
Permanent Employee-Position	Managers	48	78.7%	13	21.3%	61	13.9%
	Professionals	112	57.7%	82	42.3%	194	44.3%
	Technicians	148	80.9%	35	19.1%	183	41.8%
Full-time Employee-Age	18-30	76	65.5%	40	34.5%	116	26.5%
	31-50	215	72.1%	83	27.9%	298	68.0%
	51 and above	17	70.8%	7	29.2%	24	5.5%

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.

Non-employee workforce

Daxin's non-employee workforce primarily consists of professional contractors, totaling 16 individuals in 2025, consistent with the previous year's level.

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

Continued Employment of Employees with Disabilities

Daxin demonstrates its 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, fully meeting regulatory compliance requirements.

Three-Year Employment Profile: Employees with Disabilities

Category		2023	2024	2025
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	1	1	1

Female Employee Representation

Daxin is committed to gender equality and equitable career development, fostering an open environment where every employee can create their own opportunities. In 2025, female employees represented 29.8% of the total workforce, and male employees represented 70.2%. Of all female employees, 68.7% are in STEM functions (covering R&D, manufacturing, quality, intellectual property, and product realization), with women accounting for approximately one quarter of the overall STEM workforce — reflecting the growing influence of female talent in technical fields. Daxin will continue recruiting women with science and technology backgrounds and supporting female professionals to excel in their fields.

By role category, female representation across the organization is as follows: 21.3% in management positions (compared to an industry average of 20–22%. The short-term target was dynamically adjusted to >20%.)^{Note 1}, 42.3% in professional roles, and 19.5% in technical positions. Within R&D — a strategic priority for the Company — female professionals hold a significant share of specialized functions, underscoring the pivotal role of women in innovation. Daxin remains committed to building a diverse and inclusive workplace, and will continue to benchmark against leading domestic and international enterprises to advance gender equity across the industry.

Note 1: Data sourced from the female manager ratio in related industries disclosed on the Taiwan Stock Exchange Market Observation Post System.

New Hire Onboarding and Retention

In 2025, Daxin recruited 32 new employees from diverse professional backgrounds, bringing fresh perspectives and expertise to the organization. To support smooth workplace integration, the Company has designed structured support measures to help new hires adapt both professionally and personally.

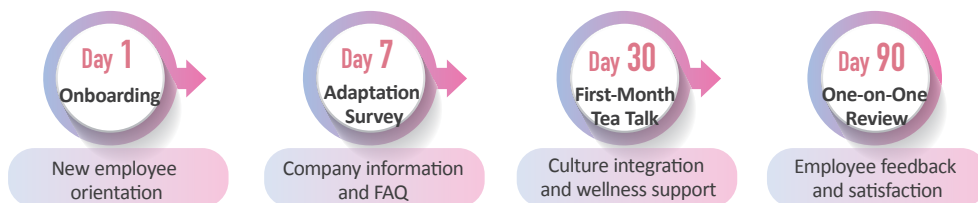
Number of New Employees and New Hire Rate-By Gender and Age

Category		New Hire Count (A)	Total Workforce (B)	New Hire Rate (A/B)
Gender	Male	21	309	6.8%
	Female	11	131	8.4%
Age	18-30	23	117	19.7%
	31-50	9	298	3.0%
	51 and above	0	25	0.0%

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.

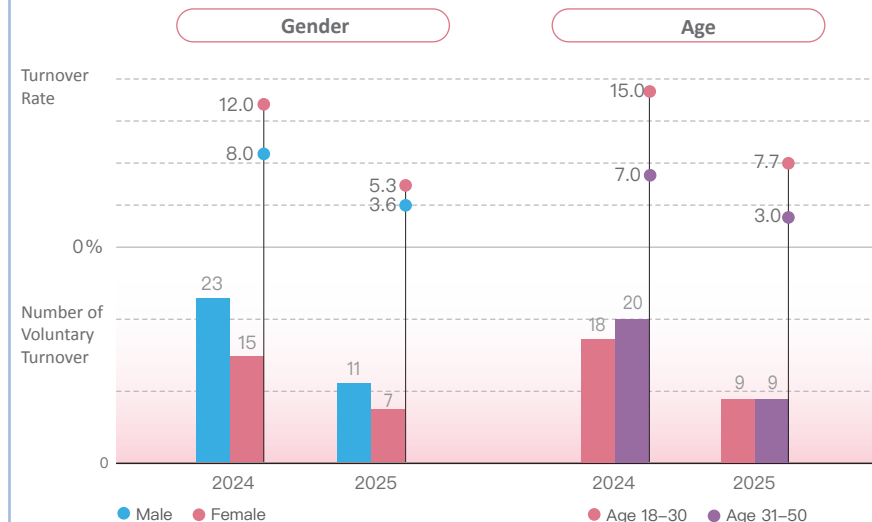
A mentorship program pairs new hires with experienced team members who provide real-time guidance and knowledge transfer. A Day 7 adaptation survey identifies early challenges for immediate resolution, while a Day 30 "first-month tea talk" brings new hires and mentors together to assess cultural integration, with a health consultation with an occupational medicine physician also arranged at this milestone. Department managers and HR maintain regular check-ins within the first 90 days to monitor adaptation progress. Both survey completion and interview rates reached 100%.



Maintain Healthy Turnover Rate

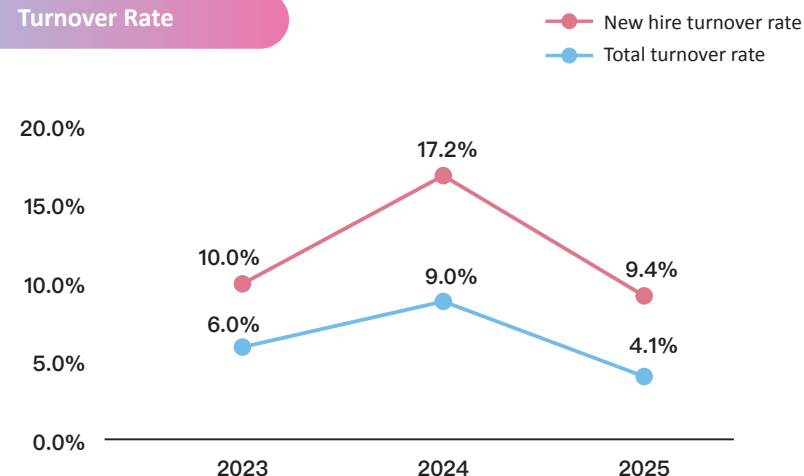
In 2025, the overall employment environment remained stable amid broader macroeconomic conditions, with talent mobility slowing. The overall employee turnover rate was 4.1%, a decrease of 4.9 percentage points from 2024. The first-year new hire turnover rate was 9.4%, a decrease of 7.8 percentage points from 2024. Daxin will continue to strengthen onboarding expectation management, enhance the mentorship program, and reinforce departmental support to improve new hire retention and achieve long-term stable employee development.

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



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

Turnover Rate



5.1.3 Employee Communication

Daxin fosters positive employee relations through a robust 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 2025, 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 the protection of employee rights.

Employee Opinion Survey

Daxin places strong emphasis on employee feedback. In Q1 2026, the Company conducted its first Employee Opinion Survey for 2025, based on the Gallup Q12 framework. The survey addressed compensation, work environment, career development, and corporate culture, serving as a key reference for management and workplace improvement. All employees are invited to participate, achieving a response rate of 31% (Note). Results were analyzed by age, gender, and job category. Overall, 74% of employees gave positive responses across four dimensions — basic needs, management support, teamwork, and learning and growth (ratings of 4 or above on a 5-point scale). Survey results are shared with relevant departments, and improvement measures — including training and departmental communication — are implemented for areas requiring attention, with action plans tracked to address key issues on an ongoing basis.

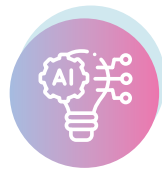
Note: The participation rate is calculated as the number of survey respondents divided by the total number of employees.

2025 Improvement Measures



Establish an open dialogue management culture to strengthen supervisor empathy and employee communication skills, enabling employees' opinions to be heard and

- ✓ **Supervisor Leadership Training** : Provide communication and leadership training to strengthen supervisors' empathy and employee communication.
- ✓ **Cross-Level Dialogue Mechanism** : Hold cross-level meetings and dialogues to better understand colleagues' challenges.



Optimize work processes and introduce AI tools to help employees invest more time in new learning and skills development.

- ✓ **Address Resource Gaps** : Identify resource, equipment, personnel, and cross-departmental support gaps with employees, and establish resource plans to strengthen support.
- ✓ **Digitalization and AI Enablement** : Promote data analytics, reporting, and other AI tools to automate processes, reduce repetitive tasks, and lower work burden.



Address job role differences and variations, and support employees in career development and retention.

- ✓ **Clarify Guidance**: Strengthen goal setting and management feedback to align work expectations and career paths.

Diverse Communication Channels

Daxin has established diverse communication channels, including an internal discussion forum, dedicated email mailboxes, and a reporting hotline. All cases are handled confidentially and addressed with timely response and follow-up, ensuring that employees can raise concerns without fear of retaliation. Daxin views open communication as a key driver of continuous improvement.

In 2025, Daxin convened 4 labor-management conferences, 4 Employee Welfare Committee meetings, and 1 company-wide business briefing.



In 2025, Daxin received 13 cases through various employee communication channels, covering administrative suggestions and workplace rights concerns. All cases were closed, achieving a **100%** closure rate. Each case was handled by the responsible department in accordance with established procedures, and timely feedback was provided to the employees involved. Following investigation and review, no cases involving discrimination or human rights violations were identified, reflecting Daxin's commitment to a respectful and right-based workplace.

Employee Communication Framework



5.1.4 Compensation and Benefits

Provide Competitive Compensation Packages

Daxin embraces a profit-sharing philosophy, sharing the rewards of operational success through performance-based compensation — including seasonal bonuses, incentive awards, and employee profit sharing programs — designed to attract, retain, and motivate exceptional talent. Daxin regularly benchmarks compensation with market standards to ensure its remuneration strategies remain competitive and aligned with evolving market dynamics. In 2025, the average salary for non-management employees was NT\$1,762 thousand, with a median of NT\$1,325 thousand, maintaining overall compensation within the top 25% of the industry. Historical salary information for non-managerial employees is available on the Market Observation Post System (MOPS). [↗](#)

New hire compensation is determined based on objective criteria including role-specific competency requirements, educational background, relevant work experience, and prevailing market rates, with reference to internal pay levels for comparable positions to ensure structural consistency. All starting salaries exceed the statutory minimum wage under the Labor Standards Act. Daxin ensures compensation decisions are free from differentiation based on gender, ethnicity, age, religion, sexual orientation, or marital status, fully safeguarding employee rights and workplace equity.

Executive Compensation and Performance Evaluation

The remuneration of the Company's President and Vice Presidents is determined in accordance with the "Procedures of Remuneration to Managers" and "Procedures of Salary Distributions" formulated by the Remuneration Committee and Board of Directors. Fixed components include monthly salary and holiday bonuses, benchmarked against industry standards to ensure market competitiveness. Variable components include bonuses and employee profit-sharing. In 2025, the ratio of the CEO's annual total compensation to the median annual total compensation of all employees (excluding the highest-paid individual) was 20.5:1. The ratio of the increase in the CEO's annual total compensation to the increase in the median annual total compensation of all employees (excluding the highest-paid individual) was 2.06:1.

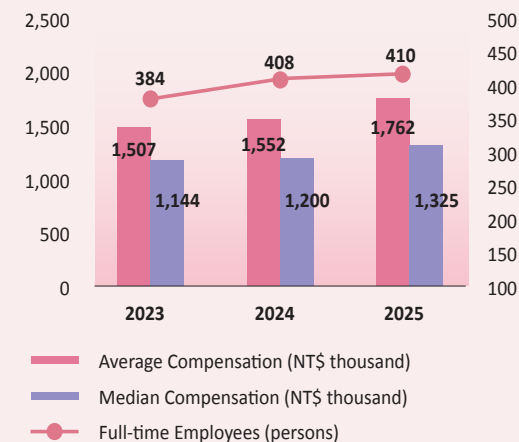
Executive compensation is reviewed by the Remuneration Committee based on the scope of responsibilities, accountability, and overall business performance, evaluated across three dimensions:

Financial indicators: Annual revenue and profit performance, operational growth, and overall business results, assessing management outcomes in operations and strategy execution.

Innovation indicators: Progress in new product development, new market expansion, and new technology R&D. As a research-oriented company, investment in new R&D areas and its contribution to future development are also considered.

Sustainability indicators: Progress and target achievement across material sustainability topics including green manufacturing, friendly workplace, inclusive development, social engagement, occupational health and safety, research and innovation, customer service, supply chain management, and product quality. Sustainability performance serves as a key reference in determining variable compensation, ensuring the Company balances operational growth with long-term environmental, social, and governance values.

Average and Median Compensation



Compensation Ratio by Gender

Position	Compensation Ratio (Female : Male)
Managers	1 : 1
Professionals	0.9 : 1
Technicians	0.98 : 1

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

5.1.5 Employee-Centered Experience

Daxin values every employee and strives to foster a safe, supportive environment that encourages learning and creativity. Our comprehensive benefits exceed legal standards, promoting healthy work-life balance. In 2025, Daxin received the “Taichung City Happy Workplace Three-Star Award” and the “Bureau of Industrial Parks, Ministry of Economic Affairs — Workplace-Family Inclusive Friendly Enterprise Award”, reflecting its commitment to building an innovative and healthy workplace.

Leave Benefits beyond the Labor Standards Act

In addition to statutory annual, paternity, menstrual, and parental leave, Daxin continues to expand its flexible leave programs. In 2025, the Company introduced 3 additional days of paid Flexible Recharge Leave, bringing the total to 7 flexible leave days per year. This benefit supports employees' diverse needs at different life stages including childcare, eldercare, physical and mental well-being, and personal growth— helping employees achieve a better work-life balance. Employees are also entitled to 1 day of birthday leave during their birth month and 1 day of engagement leave to mark this important life milestone.

Comprehensive Insurance

From the date of employment, all employees are enrolled in statutory Labor Insurance and National Health Insurance. The Company also provides company-paid group insurance covering life, accident, medical, and cancer insurance, as well as overseas business travel insurance. Employees may additionally purchase voluntary group insurance for their spouses, children, and parents at preferential rates.

01 Flexible Recharge Leave

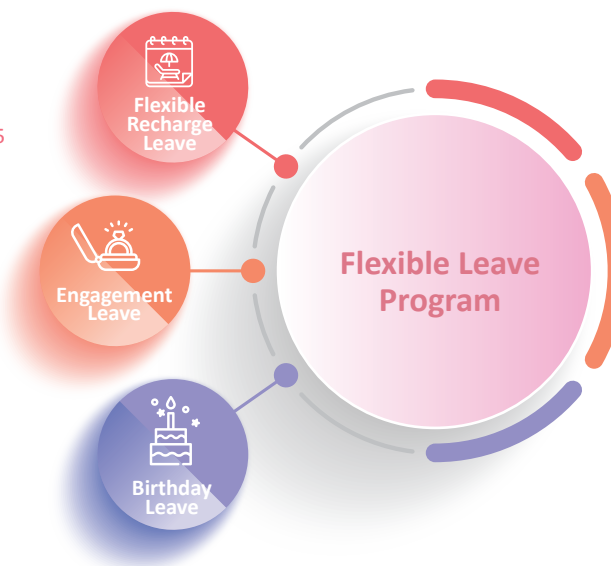
In addition to statutory public holidays, 7 days of flexible leave are provided in 2025 to support employee well-being.

02 Engagement Leave

Employees are entitled to 1 paid day off upon engagement.

03 Birthday Leave

Employees are entitled to 1 day of birthday leave during their birth month.



Pension Contribution

Since its establishment in 2006, Daxin has complied with the Labor Standards Act and Labor Pension Act, providing both defined benefit and defined contribution pension plans to safeguard employees' post-retirement financial security.

Pension Plan

Defined Benefit Plan



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 Plan



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 an additional amount of up to 6% of their monthly wages to their personal pension accounts.

Maternity Benefits

Daxin is committed to building a family-friendly workplace that supports employees in balancing childcare and career development. The Company provides a NT\$60,000 congratulatory gift for each newborn, with NT\$780,000 in childbirth benefits distributed in 2025, supporting the birth of 13 Daxin babies. Since the program launched in 2020, with cumulative gifts totaling nearly NT\$5.8 million. Daxin has also partnered with contracted childcare institutions to ease employees' childcare-related concerns, and breastfeeding rooms are available at all facilities to provide a safe and comfortable space for female employees.

In accordance with the Labor Standards Act and the Act of Gender Equality in Employment, Daxin provides unpaid parental leave and supports employees in returning to their original positions and roles upon completion of leave. The parental leave return-to-work rate was 75% in 2025 ^(Note).



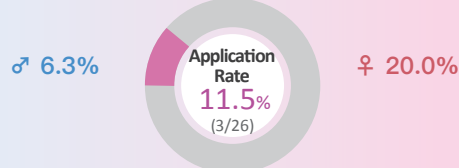
Since 2020, Daxin has provided a **NT\$60,000** congratulatory gift for each Daxin baby, totaling nearly **NT\$5.8 million**.

Unpaid Parental Leave Applications, Return to Work and Retention

Employees who met unpaid parental leave criteria in 2025 (A)

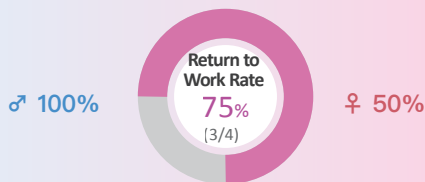


Unpaid parental leave Application Rate (B/A)



1 Employees who applied for unpaid parental leave in 2025 (B)

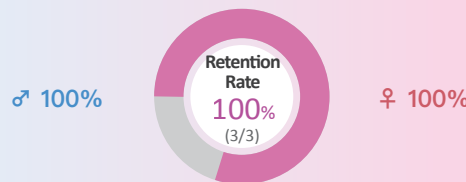
Return to Work Rate % (D/C)



2 Employees expected to return to work after parental leave in 2025 (C)

2 Employees who returned to work after parental leave in 2025 (D)

Parental Leave Retention Rate



1 Employees who returned to work after parental leave in 2024 (E)

1 Employees who returned to work after parental leave in 2024 and were still in service at the end of 2025 (F)

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

Family-Friendly Workplace

Daxin is committed to building a family-friendly workplace that supports work-life balance. Periodic Family Day events are organized, with full sponsorship for family activities such as parent-child marathons, mountain conservation, and beach cleanups, integrating family participation into corporate culture.

To nurture the next generation's scientific literacy, Daxin also supports the learning and development of employees' children. On Children's Day 2025, learning supplies were gifted to approximately 245 children of employees, with an investment of over NT\$60,000. Internship opportunities are also available for employees' children to help them explore career interests and develop practical experience.

For Mother's Day and Father's Day, Daxin specially prepared cakes from local brands to express appreciation for employees' dedication in balancing work and family responsibilities, with a total investment of nearly NT\$500,000, reflecting the Company's commitment to employee family well-being.

Children's Day Gifts



Holiday Gifts



Friendly Work Environment



Supportive Work Environment Comprehensive Lifestyle Support

Daxin is 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. Beginning in the fourth quarter of 2025, Daxin doubled the subsidy for cross-departmental activities to strengthen cross-functional collaboration, encourage employee interaction, and enhance team cohesion.

In 2025, the Company also enhanced its Employee Care Program by increasing benefit subsidies and introducing digital reward points to better meet employees' diverse needs. In addition, Daxin continues to provide employee discounts through partnerships with local businesses, covering dining, healthcare, and hotel accommodations, further supporting employees' well-being and work-life balance.

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 Benefits

Beyond seasonal bonuses, birthday allowances, and travel subsidies, Daxin provides a wide range of benefits to support employees through significant life events, including childbirth, marriage, bereavement, and emergency assistance.



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 and basketball tournaments, hiking and environmental cleanup initiatives, and culinary experiences, promoting wellness and camaraderie.

Daxin Anniversary Celebration



Year-End Party



Monthly Birthday Celebration



Earth Day Low-Carbon Afternoon Tea



Mid-Autumn BBQ Event



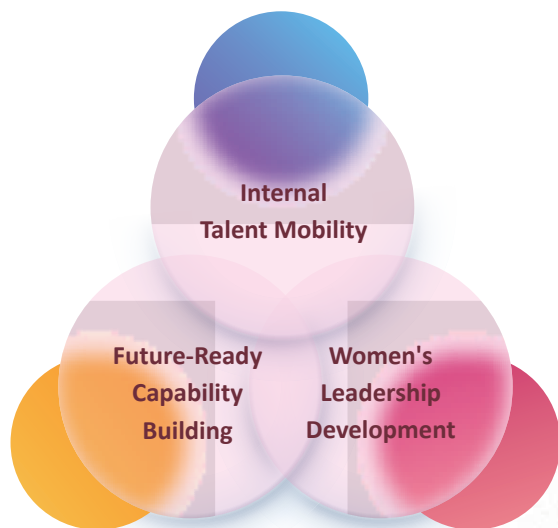
Christmas Singing Event



5.1.6 Talent Development

Daxin believes that talent drives innovation and organizational growth. The Company is committed to building a diverse, inclusive workplace and a robust talent development framework that nurtures high-potential professionals. Since joining the "TALENT, in Taiwan" alliance in 2023, Daxin has continued as an advocacy partner in 2025, demonstrating its commitment to talent development.

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



Enhance employees' expertise through targeted training and resources.

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

Performance Management

Daxin aligns individual tasks with long-term development goals through a semiannual performance management process, establishing two-way communication and timely feedback mechanisms to help employees plan their growth and align with the Company's vision. In 2025, the performance review completion rate reached 100% among all eligible employees. Managers provide timely feedback throughout the review cycle to strengthen employees' self-reflection, professional capabilities, and engagement.

In career development, the Company supports both vertical advancement and lateral mobility, encouraging employees to broaden their perspectives across functions and roles. Guided by a culture of fairness, growth opportunities are determined by capability and contribution rather than gender. Female managers currently account for 21.3% of all management positions, with significant representation across professional functions, reflecting the pivotal role women play in innovation and R&D.

Internal Talent Mobility

In 2025, 100% of management positions were filled through internal promotion, reflecting Daxin's commitment to prioritizing internal talent. The Company offers dual vertical and lateral development pathways, supporting high-performing employees in taking on challenging management or professional roles through performance reviews and key talent programs.

Daxin actively promotes cross-functional job rotations and internal transfers. In 2025, 2 positions were filled through internal transfers, supporting employees in exploring different functional areas. This mobility mechanism broadens employees' professional horizons while strengthening cross-functional collaboration, driving continuous growth and shared sustainable development for both the Company and its employees.

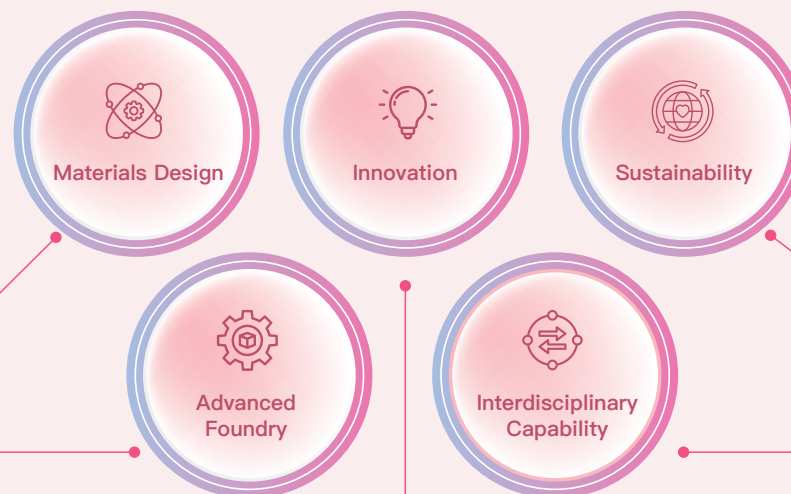


In 2025, **100%** of managerial vacancies were filled through internal promotions; **2** vacancies were filled through internal transfers.

Equip employees with future knowledge and skills to drive innovation

To equip employees with up-to-date knowledge, skills, and capabilities, Daxin provides five annual training strategies covering innovation, forward-looking technologies, advanced manufacturing, cross-functional integration, and sustainable development. Aligned with industry trends and operational needs, these programs systematically strengthen professional capabilities and organizational performance, driving sustainable growth.

Enhance technical knowledge through expert lectures, exchanges, courses, and conferences in fundamental science, AI, experimental design, and advanced technologies, fully supporting employee participation to cultivate forward-thinking professionals



Strengthen governance culture through regular training on environmental sustainability, integrity, human rights, workplace safety, harassment prevention, and health promotion to enhance employee ethics and practice corporate sustainability

Provide training in semiconductor processes, chemical technology, equipment design, quality management, green processes, AI, and safety to enhance workplace technical expertise.

Offer courses in innovation, AI, and personal development to inspire potential while encouraging employee-proposed learning needs that we evaluate and support for diverse career development.

Conduct courses in industry trends, leadership, finance, negotiation, and language to enhance key talent's business leadership and decision-making for our global operating model.

Employee Training Hours

Item/Category	Supervisory		Non-supervisory		Total
	Male	Female	Male	Female	
Unit/Gender	Male	Female	Male	Female	—
Total Personnel Number(persons)	48	13	261	118	440
Total Training Hours(hours)	2,062	474	7,850	2,950	13,336
Average Training Hours(hours/person)	43.0	36.4	30.1	25.0	30.3



In 2025, total training hours reached **13,336** hours, with an average of **30.3** hours per employee. Total training investment exceeded **NT\$1,200,000**, representing an average of **NT\$2,827** per employee.

Daxin continues to strengthen AI talent development through systematic training programs integrating internal resources with AI application projects. Internationally recognized scholars and industry experts are invited to share technology trends and practical insights, broadening employees' global perspectives and fostering innovative thinking. In 2025, AI and digital tools training totaled 613 hours.

Featured Case: Daxin International Academic Week

To strengthen R&D talent development and advance sustainable technologies, Daxin hosted the International Academic Week in November 2025, inviting distinguished scholars from the Massachusetts Institute of Technology (MIT) and the University of Illinois Urbana-Champaign (UIUC) to deliver keynote lectures on emerging technologies and sustainability.

Professor Timothy M. Swager of MIT shared the latest advances in organic and polymer materials, including functional organic electronics, smart sensing, and magneto-optical technologies. Professor Xiao Su of UIUC presented innovations in electrochemical separation technologies, highlighting applications in recycling, PFAS removal, and process efficiency. Through international academic exchange, Daxin continues to strengthen knowledge sharing, talent development, and R&D capabilities.



To align talent developments with company's goals, we plan annual courses following our "Education and Training Management Procedure" and the principle of equal opportunity, ensuring 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.

New Employee

Daxin provides systematic training for new hires covering company introduction, human rights and integrity policies, personal data protection, trade secrets, EHS regulations, and information security, achieving a 100% core course pass rate. Each department provides job-specific and cross-functional training. A mentorship program and new hire support initiative ensure smooth adaptation to the work and workplace environment, strengthening organizational cohesion.

Professional

Daxin provides internal and external resources to support continuous employee growth, including keynote speeches, professional skills courses, industry seminars, and occupational safety and health training. In 2025, the advanced technology course achieved a satisfaction score of 90 points, reflecting strong recognition of learning quality among employees.



Management

Specialized training programs for managers are designed around the Company's strategic objectives and core leadership competencies. Through case studies and group sharing, programs strengthen strategic thinking, organizational design, and cross-cultural communication, enabling managers to lead teams effectively in responding to market changes and advancing sustainable development.

General

Daxin offers diverse learning resources and subsidizes training expenses to encourage employees to proactively expand their knowledge. Learning content spans professional expertise in research and innovation as well as key soft skills such as critical thinking, problem-solving, and analysis, supporting employees stay competitive while achieving shared growth with the organization.

5.1.7 Employee Health Care

Daxin is committed to the physical and mental well-being of all employees through its Employee Health Program. Diverse health promotion activities are organized to encourage healthy lifestyles, regular health checkups are arranged to help employees gain a comprehensive understanding of their health status, and personalized care consultations with occupational health professionals are provided for at-risk groups to deliver individualized health management and reduce workplace health risks.

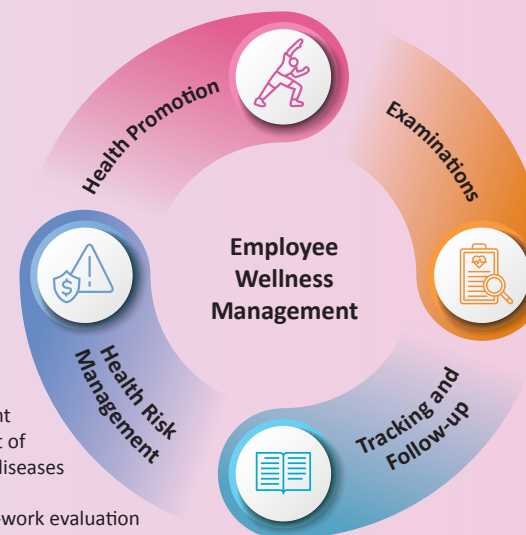
Daxin received the Ministry of Sports Administration's "iSports certification" in 2018, 2020, and 2023. In 2025, the Company also received the "Workplace Health Promotion Self-Assessment" recognition from the Health Promotion Administration, Ministry of Health and Welfare, demonstrating its commitment to employee well-being and a healthy workplace.

Health Promotion

- Health expert lectures
- Aerobic exercise classes
- Running and cycling events
- Vaccination programs
- Health education articles
- Massage services
- Sports clubs
- Employee Assistance Program (EAPs)

Health Risk Management

- Maternal health management
- Prevention and management of ergonomic musculoskeletal diseases
- Weight control programs
- Post-injury/ illness return-to-work evaluation
- Respiratory assessment



Examinations

- Physical examinations for new employees
- Annual regular health checkups
- Special hazardous operation health checkups
- Executive health checkups

Tracking and Follow-up

- New employee care
- Health checkup abnormal findings follow-up
- On-site occupational health physician services
- Work-related and occupational injury care

Health Support

Health Programs and Sports Activities

Based on employee health examination results, obesity rates and metabolic disorder risks (hypertension, diabetes, and dyslipidemia) among employees have shown an upward trend. The Company has launched comprehensive health promotion programs featuring diverse exercise courses and health seminars to help employees prevent chronic diseases.

In 2025, Daxin organized basketball and badminton tournaments with 65 employee participants, and fully sponsored employees and family participation in the Taichung National Half Marathon, encouraging employees to integrate sports into daily life. Nearly 100 participants took part, together completing approximately 1,200 kilometers. Mountain and beach clean-up activities also engaged nearly 50 employees, fulfilling a dual commitment to employee well-being and environmental stewardship.

Aerobic Exercise Class

To prevent metabolic disorders and promote employee health, the Company organized 7 cardio boxing classes and 30 yoga classes. Regular aerobic training helps employees relieve stress, boost metabolism, and enhance cardiorespiratory endurance, contributing to the management of blood pressure, blood sugar, and lipid levels. Group classes also promote cross-departmental interaction and strengthen team cohesion.

Employee Assistance Program (EAP)

Starting in 2025, Daxin partnered with a professional counseling provider to launch an Employee Assistance Program (EAP), including a free counseling hotline. Employees have access to confidential and anonymous services covering emotional well-being, stress management, mental health, and family-related concerns. Mental health seminars are also organized to help employees recognize and manage stress, fostering a mentally healthy workplace.



- Health talks: 4 sessions, 96 participants
- Flu vaccination: 301 employees
- Cardio boxing classes: 7 sessions, 105 person-hours
- Yoga classes: 30 sessions, 2,100 person-hours
- Stress relief massage: 1,152 participants
- Technology-assisted fitness activities: 81 participants
- Road running events: nearly 100 participants, total distance approximately 1,200 km
- Sports clubs: Basketball and badminton tournaments, 65 participants

Health Promotion



Road running events



Daxin Basketball tournaments



Massage services



Flu vaccination



Daxin Badminton tournaments



Daxin Badminton tournaments



Technology-assisted fitness assessment



Featured-case: Yoga Class

In 2025, Daxin introduced yoga classes led by professional instructors. Through guided breathing and stretching exercises, the program progressively strengthens core stability and promotes mind-body balance, encouraging active employee participation.

- Classes offered: **30** sessions
- Total exercise hours: **2,100** hours
- Participants: **70** person-times
- Total calories burned: **525,000** kcal



Health Management for At-Risk Employees

To reduce potential health risks, Daxin provides targeted health management for employees identified with abnormal indicators or high-risk factors through health examinations, including follow-up care, professional consultations, health promotion resources, and aerobic exercise classes, encouraging regular exercise and healthy lifestyles.

Personalized Consultation Services and Health Management

Monthly on-site consultations are provided by occupational medicine specialists and nurses from medical centers, with care interviews and regular follow-ups for at-risk employees. Employees returning to work after illness or occupational injury receive care interviews and job adjustments as needed to protect their physical and mental well-being. No occupational diseases were recorded over the three-year period through 2025.

Maternal Health Protection

Daxin has established a "Female Worker Maternal Health Protection Procedure" to safeguard female and pregnant employees through health risk assessments and appropriate work arrangements. In 2025, 6 pregnant employees received maternal health protection services. Designated parking spaces are also provided to ensure convenience and safety for pregnant employees.

Health Management

- Occupational health physician and nurse on-site service: **62** hours, **90** person-consultations
- New employee physical examinations: **32** people
- Annual special hazardous operation health checkups: **76** people
- Maternal health protection: **6** people



5.2 Social Engagement

Corresponding GRI Material Topics: 404 Training and Education, 405 Diversity and Equal Opportunity, 413 Local Communities



Policies and Actions

Daxin upholds its core philosophy of "Prospering Society through Innovation," actively engaging in social participation through its core expertise and innovative initiatives to support local development and care for disadvantaged groups. By involving employees and their families in volunteer activities, the Company gives back to the communities where it operates, creates positive impact for stakeholders, strengthens organizational cohesion, and advances a positive cycle of shared social value and long-term impact

- Supporting science education through core expertise

- Supporting local arts and culture through innovation

- Protecting local community well-being through action

2025 Performance Outcomes

Short-term Objectives (2026)

Mid- to Long-term Objectives (2030)

Supporting science education through core expertise:

- Annual beneficiaries: **142** participants ^(Note 1)
- Annual investment: **NT\$2.85** million

Supporting local arts and culture through innovation:

4 arts and cultural events sponsored

Protecting local community well-being through action:

518 volunteer service hours

Supporting local education: 6 "Next Generation

Scientist" sessions ^(Note 1)

Supporting science education through core expertise:

- Annual beneficiaries: **≥ 150** participants
- Annual investment: **≥ NT\$3** million

Supporting local arts and culture through innovation:

≥ 4 arts and cultural events sponsored

Protecting local community well-being through action:

≥ 550 volunteer service hours

Supporting science education through core expertise:

Annual beneficiaries: **≥ 200** participants
Annual investment: **> NT\$3.2** million

Supporting local arts and culture through innovation:

5 arts and cultural events sponsored

Protecting local community well-being through

action: **≥ 700** volunteer service hours

Note 1: Daxin has long leveraged its core expertise to support science education. The original target (number of Next Generation Scientist Program sessions held) has been consolidated and replaced with two new indicators: annual beneficiaries and annual investment amount.



Management Policy



Objectives and Targets

5.2.1 Supporting Science Education through Core Expertise

Cultivate Scientific Talents

In building its talent pipeline, Daxin integrates local connections with professional diversity actively strengthening the foundation for sustainable growth. Through graduate scholarships, professional conferences, and thesis competition sponsorships, Daxin encourages students to pursue R&D innovation and promotes industry-academia exchange and technology transfer.

In 2025, Daxin held 7 campus recruitment events and 4 alumni sharing sessions across chemistry, chemical engineering, and materials fields, deepening campus connections and attracting outstanding talent. The Company also hosted 5 R&D technical seminars and participated in 4 professional conferences and poster competitions to promote industry-academia collaboration. 7 interns were recruited (1 Ph.D. and 6 master's students), with internship opportunities also extended to employees' children to help the next generation explore career paths and advance inclusive talent development.

YOUNG TALENT DEVELOPMENT STRATEGY



Daxin Graduate Scholarship Program

Daxin is committed to advancing technology talent development, guided by the core principles of "innovative education" and "talent development," and dedicated to nurturing the next generation of forward-looking scientists. Established in 2010, the Daxin Graduate Scholarship entered its 15th year in 2025, staying true to its longstanding commitment of awarding scholarships with no employment obligation. In 2025, the program underwent a full upgrade, increasing award amounts to NT\$300,000 per doctoral student and NT\$150,000 per master's student, and expanding the recipient pool to 8 outstanding students. To date, cumulative scholarship awards have exceeded NT\$21 million, benefiting 95 outstanding master's and doctoral students.

The Company also invites scholarship recipients and their academic advisors to visit Daxin for technical exchanges and site tours, helping students gain deeper insight into industry trends and career opportunities, and attracting several scholarship recipients to join Daxin after graduation. The scholarship program will continue, contributing to the cultivation of advanced materials research talent in Taiwan and supporting long-term industry-academia collaboration and innovative R&D.



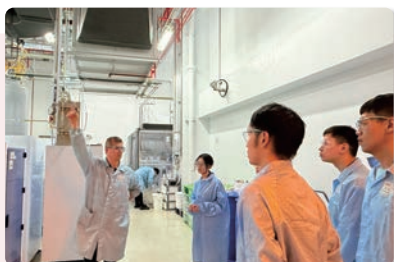
Daxin Scholarship
Award Ceremony
and Site Visit



Summer Internship Program

Since 2015, Daxin has offered an annual summer internship program, encouraging students to gain hands-on experience in chemical materials R&D and innovation applications. Under the guidance of dedicated workplace mentors, interns apply their learning to practical projects, supported by lectures, courses, and site visits, gaining opportunities for self-exploration and a deeper understanding of the specialty chemical materials industry's role in Taiwan's high-tech development. To date, 47 interns have completed the program, including 6 doctoral, 31 master's, and 10 bachelor's students, with outstanding interns eligible for pre-employment offers. In 2025, the internship scope was expanded beyond R&D to include additional functions such as Human Resources, providing students with broader career exploration opportunities.

Summer
Internship
Program



Cooperative Internship Program

In 2025, Daxin partnered with National Chin-Yi University of Technology to provide semester-long technical internships, helping students gain early exposure to the workplace while still enrolled. Through participation in departmental work and routine tasks, interns become familiar with technical workflows and workplace practices. Mentors provide guidance throughout to help students apply academic knowledge, accumulate practical experience, and strengthen career readiness.

Deepen Campus Engagement and Establish Diverse Recruitment Channels

Campus Recruitment

To deepen campus partnerships and expand diverse recruitment channels, Daxin engages students through campus recruitment, internship programs, and university activities. In 2025, the Company supported the renovation of National Taiwan University's Department of Chemical Engineering building and the establishment of its history gallery, helping preserve the department's academic heritage and strengthening long-term industry-academia connections. Beyond a personal donation from the Chairman, Daxin mobilized alumni employees to contribute a cumulative total of nearly NT\$2 million, along with an 86-inch display and related equipment valued at approximately NT\$200,000, supporting educational development and alumni network building.

Campus
Recruitment



Department Support and Campus Engagement

To deepen industry-academia exchanges and inspire students' interest in materials R&D, Daxin regularly arranges R&D supervisors to deliver keynote speeches at relevant departments, sharing practical applications of materials science and career development insights. In 2025, 5 R&D technology talks were held, reaching approximately 400 university and graduate students. The Company also participated in 4 professional conferences and poster competitions, reaching nearly 2,000 students in related fields. Total campus sponsorship exceeded NT\$630,000, continuing to support technology talent cultivation and industry knowledge exchange.

Campus Talks and Thesis Competition Sponsorship

To deepen industry-academia exchanges and inspire students' interest in materials R&D, Daxin regularly arranges R&D supervisors to deliver keynote speeches at relevant departments, sharing practical applications of materials science and career development insights. In 2025, 5 R&D technology talks were held, reaching approximately 400 university and graduate students. The Company also participated in 4 professional conferences and poster competitions, reaching nearly 2,000 students in related fields. Total campus sponsorship exceeded NT\$630,000, continuing to support technology talent cultivation and industry knowledge exchange.



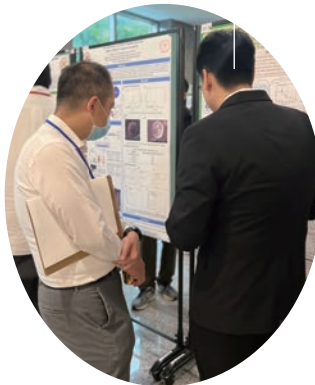
5 R&D Technical Seminars
Reaching **400** university and graduate students



4 Professional Conferences and Thesis Poster Competitions
Reaching **2,000** students in science and technology fields



Campus Sponsorships
Over **NT\$630,000** in total campus sponsorships



Supporting Local Education

Daxin actively responds to the UN Sustainable Development Goals (SDGs), leveraging its core expertise in materials science to help society thrive through innovation. The Company has long promoted the "Next Generation Scientist Program," mobilizing employee volunteers to transform their R&D expertise into inspiring, chemistry-rooted science education experiences.

In 2025, the program expanded beyond the Greater Taichung area to Chiayi, partnering with Bu-Shin Elementary School in Chiayi and Wu-Nan Elementary School in Taichung. Through chemistry experiment lesson plans designed by Daxin's R&D employees, 8 science demonstration workshops were conducted, guiding 128 students to explore the wonders of the microscopic world.

To deepen foundational science education, the R&D team refined its experiment designs this year, developing lesson plans that combine sensory engagement with scientific depth. Through hands-on experiments, students directly observed material properties, density differences, and surface tension, transforming complex chemical concepts into vivid exploratory experiences. Through cross-regional resource investment, Daxin aims to plant the seeds of scientific literacy and innovative thinking in children's minds, fulfilling its long-term commitment to rural education and sustainable talent development.



Next
Generation
Scientist
Program



5.2.2 Supporting local arts and culture through innovation

Since 2015, Daxin has maintained long-term support for the Taichung City Symphony Orchestra (TCSO), actively promoting music education to enrich the artistic and cultural literacy of employees and their families, while creating performance and development opportunities for local musicians.

In 2025, the Company invested over NT\$350,000 in sponsoring 4 music events, including the New Year Concert, Jazz Concert, Christmas Concert, and Annual Celebration Concert. Nearly 100 employees and their families participated, with a total audience of over 2,000, reflecting the Company's long-term support for local music and the community arts environment.



Support
Local Arts
and Culture

5.2.3 Social Engagement and Charitable Initiatives

In 2025, Daxin continued to advance diverse community initiatives, engaging employee volunteers to address social needs and contributing a total of 518 volunteer hours. Going forward, the Company will continue to expand volunteer services, charitable donations, and partnerships with nonprofit organizations to deepen its positive impact in education and community care, fulfilling its long-term commitment to sustainable development.

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, through which employees sponsor children's wishes to bring warmth and joy to children from underprivileged families. In 2025, in collaboration with TFCF's South Taichung Center, 100 gifts were delivered to children across eight administrative districts in Taichung: East, West, South, North, Central, Xitun, Beitun, and Nantun.

To date, 1,520 children have had their wishes fulfilled through partnerships with TFCF centers in Taichung, Yunlin, and Penghu. Through employee participation and action, Daxin brings warmth and hope into children's lives while strengthening its collective commitment to public welfare, with plans to reach even more children in the future.

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 engages in initiatives addressing education and environmental needs. The Sustainability Literacy Scholarship helps underprivileged students continue their education, supports teachers and students in remote areas to participate in sustainability courses, and promotes science education to inspire children's interest in science. The Dream Fulfillment Fund focuses on social poverty, rural education, and ecological protection. In 2025, Daxin participated a total of 50 times, contributing over NT\$210,000, joining sustainability partners in addressing diverse social issues.

Christmas Wish Project with TFCF

1,520 Children

Support to date in fulfilling their wishes



Corporate Volunteers

Since 2014, Daxin has participated in Corporate Volunteer Day activities, earning the Special Award in Taichung City's Corporate Volunteer Team Selection.

In April 2025, 20 employee volunteers took part in the "Greater Taichung Corporate Volunteer Day" beach cleanup, contributing 80 volunteer hours. In December, the Daxin Hiking Club organized a mountain cleanup in Zhukeng Nanliao, Longjing District, Taichung, with nearly 30 volunteers contributing 108 volunteer hours and collecting nearly 60 kg of waste, including plastic, metal cans, and paper.

The Company also employs a visually impaired massage therapist to provide on-site massage services for employees, with a portion of service fees donated to support 6 visually impaired students' education, totaling NT\$36,000 in 2025.

Supporting Local Agriculture

Starting in 2025, Daxin established a local farmers' corner at D Cafe, offering beverages and tea products sourced from farmers' associations across Taiwan, supporting local agriculture and rural economic development through everyday purchasing.

Through this initiative, Daxin integrates support for local agriculture into employees' daily lives, raising awareness of local agricultural value.

In 2025, cumulative purchases exceeded NT\$55,000, supporting farmers' association products from 8 cities and counties across Taiwan. By leveraging its purchasing power, Daxin helps bring local agricultural products to market and contributes to regional economic and sustainable development.



Over **NT\$ 55,000** in Local Purchase

8 Cities & Counties covered through farmers' association sourcing

Beach Cleanup



Wengliiao Fishing Harbor, Da'an District, Taichung — **20** employee volunteers contributed **80** volunteer hours.

Mountain Cleanup



The Daxin Hiking Club organized **30** volunteers, who contributed **108** volunteer hours in Zhukeng Nanliao, Longjing District, Taichung.

Local Product Sourcing Across Taiwan

Miaoli
Gongguan, Tongluo
Changhua
Shetou



Taichung
Wufeng
Nantou
Puli, Zhongliiao



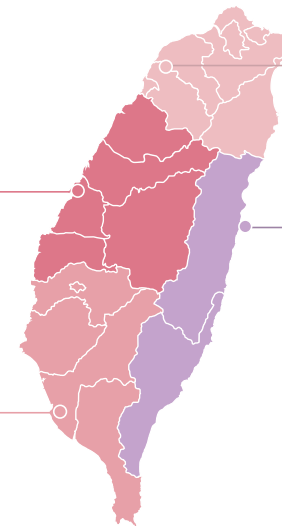
Tainan
Xiaying, Madou



Hsinchu
Guansi



Taitung
Hualien



5.3 Health and Safety

Employees and contractors form the foundation of Daxin's sustainable development and operational resilience. As R&D and process technologies continue to advance, occupational safety and health risks have become increasingly complex. The Company upholds the principles of "Safety First" and "Prevention-Oriented Management," ensuring all employees and partners can perform their duties in a safe working environment.

As chemical materials R&D and manufacturing are central to the Company's innovation and competitiveness, related processes involve occupational safety and health risks from chemicals and equipment operation. Daxin has implemented proactive hazard identification and prevention mechanisms — including hazard identification activities and risk assessments — to strengthen on-site safety management. For new product introduction and process changes, a structured safety review mechanism covers each stage from pilot testing to mass production, ensuring technological innovation and safety risks are identified and managed concurrently.

The Company promotes safety training for employees and contractors, risk communication, and emergency response capability development, embedding safety culture across all R&D, production, and operational activities. Aligned with the ISO 45001 framework, Daxin's long-term goals are zero serious occupational injuries and minimized health risks, continuously strengthening risk prevention and building a safe, healthy, and resilient working environment.

Corresponding GRI Material Topic : Occupational Health and Safety (GRI 403)



Policy and Actions

Daxin is committed to becoming an environmentally responsible and safety-oriented enterprise, establishing an EHS-centered corporate culture with structured hazard identification, risk assessment, and risk control procedures to eliminate hazard sources and reduce safety risks.

- Continuously advancing the ISO 45001 occupational health and safety management system to enhance safety and health performance.
- Implementing preventive management and audit mechanisms to ensure safe working environments and operational safety.
- Conducting regular safety committee meetings to facilitate multi-stakeholder communication, consultation, and decision-making to prevent incidents.
- Provide ongoing safety training and awareness programs for all employees annually.
- Strengthening chemical management, implementing legally required occupational exposure monitoring, and chemical classification and labeling management to prevent occupational hazards.



Management Policy

2025 Performance Outcomes

- ✓ Emergency Response Drill Completion Rate : **100%**
- ✓ Lost Time Injury Frequency Rate (LTIFR / FR) : **1.14** (per million working hours)
- ✓ Lost Time Injury Severity Rate (SR) : **3** (per million working hours)
- ✓ Chemical Exposure Monitoring Compliance (≤ 1/10 of permissible exposure limits) : **99%**
- ✓ Chemical exposure monitoring results ≤ 1/2 of permissible exposure limits : **100%** ^{Note 1}
- ✓ In-service employee departmental safety training completion rate ^{Note 1} : **100%**
- ✓ Serious occupational accidents ^{Note 2} : **0**

Short-term Objectives (2026)

- ⊗ Emergency Response Drill Completion Rate : **100%**
- ⊗ Lost Time Injury Frequency Rate (LTIFR / FR) : **< 1.2** (per million working hours)
- ⊗ Lost Time Injury Severity Rate (SR) : **< 12** (per million working hours)
- ⊗ Chemical Exposure Monitoring Compliance (≤ 1/10 of permissible exposure limits) : **98%**

Mid- to Long-term Objectives (2030)

- ⊗ Emergency Response Drill Completion Rate : **100%**
- ⊗ Lost Time Injury Frequency Rate (LTIFR / FR) : **< 1.0** (per million working hours)
- ⊗ Lost Time Injury Severity Rate (SR) : **< 5** (per million working hours)
- ⊗ Chemical Exposure Monitoring Compliance (≤ 1/10 of permissible exposure limits) : **98%**



Objectives and Targets

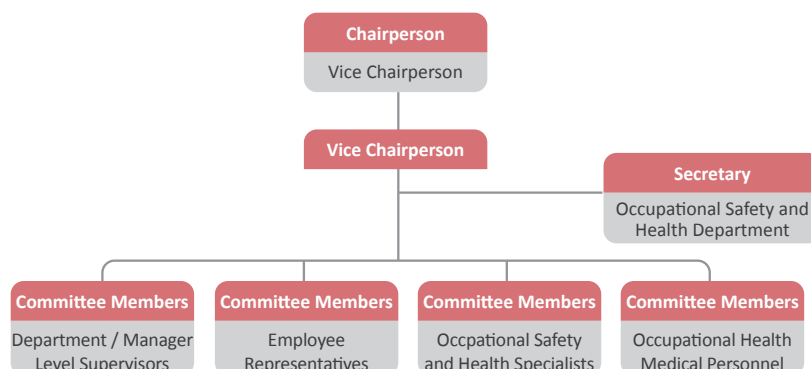
Note 1: Phased target completed; transitioned to ongoing operations and no longer tracked as an annual target. Implementation outcomes will continue to be disclosed in relevant sections.

Note 2: Statutory compliance requirement; removed as a target. Serious occupational accidents are defined as incidents resulting in three or more injured persons, or one or more requiring hospitalization.

5.3.1 Occupational Health and Safety

Occupational Health and Safety Organizational Structure

Daxin has established an occupational health and safety organization in accordance with applicable regulations, with the Occupational Safety and Health Committee responsible for reviewing, coordinating, and promoting related matters. In 2025, the Committee comprised 33 members, including 14 employee representatives (42%). The Committee convenes quarterly to review EHS performance and corrective actions, and works jointly with management to discuss occupational safety and health initiatives, strengthening employee participation, consultation, and communication mechanisms.



Occupational Health and Safety Management System

Daxin's OHS management system covers all workers within the Company's workplaces, including all employees and non-employees such as contractors, subcontractors, and visitors. As of December 31, 2025, the total workforce comprised 440 employees and 16 resident contractors, with no customer resident personnel on site.

The Company complies with ISO 45001:2018 and holds third-party certification, with annual surveillance audits conducted to evaluate system effectiveness. The system scope covers OHS risks arising from the Company's activities, products, and services, with ongoing strengthening of management requirements and controls to safeguard the health, safety, and well-being of employees and related stakeholders.



ISO 45001:2018

Certified by an Accredited Third-Party Certification Body with Annual Audits

Occupational Health and Safety Training

Daxin strengthens employees' risk identification capabilities and safety awareness through systematic OHS training, reducing occupational hazard risks and preventing workplace incidents. In 2025, the Company conducted 153 training sessions with cumulative participation of 1,539 attendees.

Training covers new employees, existing employees, and high-risk operation personnel, with differentiated programs designed according to job-related risk levels. Topics include hazard communication, departmental risk meetings, emergency response drills, respirator fit testing, and sustainability and environmental management, extending safety education toward hazard identification, risk assessment, and cross-functional collaboration capabilities.

Course Title	Training Hours	Total Participants	Total Training Hours
New Employee Safety Training(Training for newly hired employees and employees with job reassignment, hazard communication, and fire safety)	7	95	253
General In-Service Safety Training(Departmental risk meetings, hazard communication, gas cylinder operations, heat stress operations, and elective topics)	7	1,147	1,147
Specialized Safety Training (Emergency response, high-risk laboratory operations, respirator fit testing, and sustainability and environmental management)	6	232	276
EHS Management System Training (Internal auditor training for ISO 45001, ISO 14001, and ISO 14064)	6	65	195
Total	26	1,539	1,871

Occupational Safety and Health Certification Management

Daxin maintains a personnel certification and training database to systematically track certification status across departments, ensuring all on-site personnel meet required professional qualifications. Monthly progress tracking and 90-day advance expiration notifications ensure training plans are continuously and effectively implemented.

The certification framework requires management personnel to hold Occupational Safety and Health Supervisor qualifications, strengthening risk assessment and on-site decision-making capabilities. Toxic chemical substance emergency response personnel enhance coordination efficiency during chemical incidents, while special operations personnel maintain relevant professional qualifications to ensure safe high-risk equipment operations and reduce risk fluctuations from personnel turnover.

2025 Occupational Health and Safety Training | Overall Performance



1,539

Total training participants

153

Total training sessions



Enhancing Occupational Health and Safety Competence

- Departmental risk awareness training
- High-risk laboratory operations
- Emergency response exercises



Regular communication and onboarding training

- New Employee Occupational Safety Training - Basic orientation training, hazard communication, and fire safety
- Manufacturing Headquarters Safety Meeting
- R&D Department Risk Meeting



Advancement of sustainability and management practices

- Sustainability and Environmental Awareness Lecture
- EHS Management System Training - Internal Auditor Training Program
- GHG Inventory Capacity Building

Employee Consultation and Communication

Daxin has established the "EHS Consultation and Communication Management Procedure," providing comprehensive mechanisms for communication, consultation, and participation. Employees may raise suggestions through verbal reporting, email, and various safety-related meetings including Industrial Safety Committee meetings, departmental risk meetings, Manufacturing Headquarters Safety Meetings, and Occupational Safety and Health Committee meetings, ensuring safety issues at all levels are communicated and translated into concrete management actions. In 2025, a real-time communication channel — the "EHS Assistant" — was introduced, providing a digital platform for immediate consultation and reporting, lowering communication barriers and improving on-site responsiveness. The Company has also established a Whistleblowing Channel and Protection Mechanism, ensuring strict confidentiality of whistleblower identity to encourage proactive reporting of violations or potential risks, strengthening a transparent and trustworthy communication culture.

Contractor Management and Auditing

Daxin has established the "Contractor EHS Management Procedure," providing a structured contractor governance framework. Prior to site entry, all contractors must complete EHS training and obtain qualification certification. Work applications are submitted based on job scope and subject to review before entry is permitted. For high-risk operations such as hot work and confined space entry, a safety briefing must be conducted and approved by the site responsible personnel before work commences.

During execution, the supervision unit oversees work activities while the OHS Department conducts unannounced inspections, with non-compliance formally recorded and corrective actions required within a specified timeframe. Upon completion, contractors must confirm site restoration and safety measures before project closure. An annual contractor safety and coordination meeting is held in Q4 to communicate OHS requirements and consolidate feedback for continuous improvement.

In 2025, total contractor site entries reached 19,632 person-visits, with a violation rate of 0% and safe working hours of 111,828 hours. Cumulative safe working hours from 2024 to 2025 reached 148,409 hours, with no lost-time injuries recorded during this period.

Occupational Injury Statistics and Analysis

Daxin conducts monthly analysis of Lost Time Injury Frequency Rate (FR) and Severity Rate (SR), with results reported and reviewed at quarterly OHS Committee meetings and communicated to employees through internal announcements.

In 2025, one employee lost-time injury was recorded — a hand laceration caused by a fall — resulting in 3 lost workdays, with FR = 1.14 and SR = 3, meeting the annual OHS performance targets. Root cause investigation led to strengthened workplace layout and environmental safety inspections, along with enhanced housekeeping practices and safety communications to prevent recurrence.

In accordance with GRI 403, the fatality rate and high- consequence work-related injury rate were both zero. The recordable injury rate was 1.14.

Safety Culture Promotion

Daxin promotes safety culture through an EHS Performance Evaluation mechanism that integrates risk identification, training, incident feedback, and performance incentives, driving the organization from compliance-driven management toward proactive prevention and continuous improvement. In 2025, all departments met the EHS Performance Baseline Score requirements and achieved the OHS performance targets set by the Sustainable Development Committee.

Through quantified scoring and recognition programs for high-performing teams and individuals, safety performance is made transparent, positively reinforcing employee engagement and gradually cultivating a "safety-first" corporate culture. The 2025 EHS performance evaluation effectively strengthened compliance foundations and system effectiveness, and through employee participation, management commitment, and engineering improvements, the Company continues to enhance risk prevention capabilities and develop as a prevention-oriented risk management organization.

873,633

Total Work Hours in 2025

0

Work-related Fatalities

0

High-Consequence Work-Related Injuries

1.14

Recordable Injury Rate

Occupational Injury Statistics

Reporting Year		2023	2024	2025
Total Work Hours		810,079	865,252	873,633
Number of Work-related Fatalities		0	0	0
Number of High-consequence Work-related Injuries (excluding fatalities)		0	0	0
Number of Recordable Work-related Injury Cases	Female	0	1	0
	Male	1	0	1
	Total	1	1	1
Work-related Fatality Rate		0	0	0
High-consequence Work-related Injury Rate		0	0	0
Recordable Injury Rate		1.23	1.16	1.14

Note 1 : Work-related fatality rate = (Number of work-related fatalities / Total work hours) × 1,000,000.

Note 2 : High-consequence work-related injury rate = (Number of high-consequence work-related injuries, excluding fatalities / Total work hours) × 1,000,000.

Note 3 : Recordable injury rate = (Number of recordable work-related injuries, including fatalities and high-consequence injuries / Total work hours) × 1,000,000.

Note 4 : High-consequence work-related injuries refer to occupational injuries that result in an inability to recover to a healthy condition within six months.

Note 5 : Recordable work-related injuries exclude commuting-related injuries occurring during travel to and from work.

Note 6 : Total work hours represent the sum of working hours of employees at both the Chungke plant and the Chungkang plant.

5.3.2 Workplace Environmental Risk Assessment and Monitoring

Hazard Identification and Risk Assessment

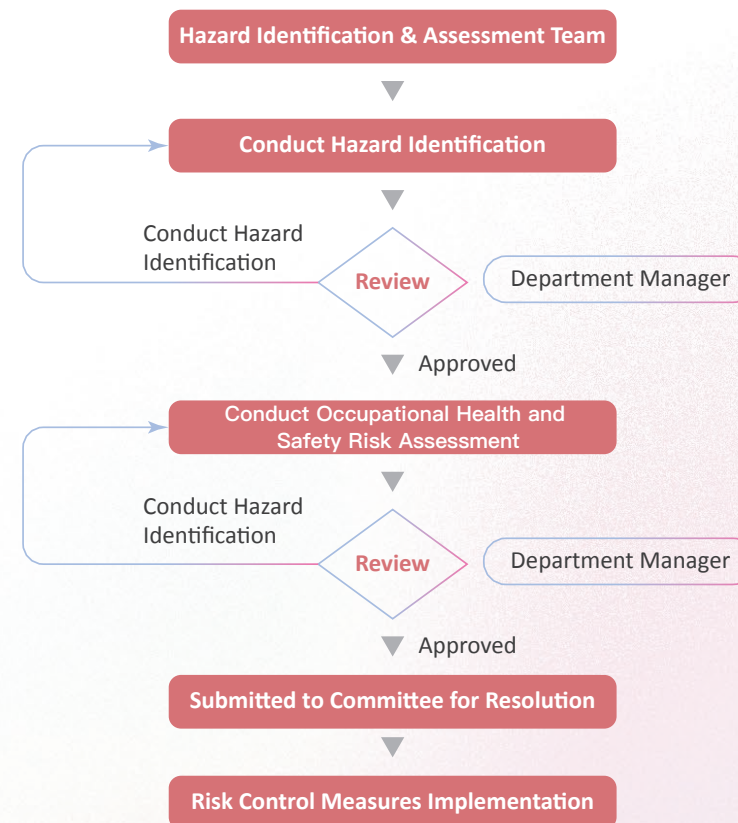
Based on the 2025 risk assessment, major risks were concentrated in laboratories, warehouses, and production areas, primarily involving chemical management and equipment operation hazards. The Company has shifted management focus from reactive corrective actions to preventive control and source-based risk management, prioritizing engineering controls and inherent safety design — including leak detection interlock shutdown systems, equipment material and valve upgrades, and monitoring system enhancements. Operational experience is translated into standardized procedures with clearly defined operational boundaries and critical control parameters, supported by a multi-layered risk protection framework.

Daxin has established the "Occupational Safety and Health Hazard Identification and Risk Assessment Management Procedure," building a systematic and traceable risk assessment mechanism based on operational characteristics, historical incident records, and process changes, covering both routine and non-routine activities. The assessment scope includes daily operations and equipment activities, pilot production and scale-up transitions, process and equipment modifications, contractor activities, and maintenance shutdown operations, with findings documented in the Hazard Identification and Risk Assessment Form as the basis for risk management decisions.

For high-risk operations including hot work, work at height, confined space entry, lifting operations, energy isolation, and safety system bypass, Daxin has established a special hazardous work management mechanism under the "Management Procedure for Special Occupational Health Hazards and High-Risk Operations," incorporating a Permit-to-Work system applicable to both employees and contractors. Pre-job hazard identification and risk assessment are required, subject to cross-functional review. A four-eyes principle is applied on-site prior to work commencement, with re-assessment required upon any significant change in work scope or conditions. In 2025, 48 special hazardous work permits were reviewed and approved, with all high-risk operations completing pre-job review and dual on-site verification — no cases of unauthorized work execution occurred.

48 High-Risk Work Reviews 100% Pre-Work Review & On-Site Verification
Zero Unauthorized Work.

Occupational Health and Safety Hazard Identification and Risk Assessment



S.H.A.R.P. Safety Review Mechanism

Prior to transitioning from laboratory-scale trials to mass production, Daxin conducts a cross-functional safety review meeting involving product development, production, EHS, and engineering personnel. The review covers new process hazard identification, chemical compatibility and energy release risks, critical operating parameter safety boundaries, equipment material and protective design, and waste generation and environmental impact. Confirmation that control measures have been incorporated into process design and change management procedures is required before proceeding to mass production.

During pilot-to-production transitions, new raw materials, reaction conditions, or equipment changes may introduce risk profiles that differ from existing processes. To ensure safety, health, and environmental considerations are fully evaluated prior to mass production, the Company has established the S.H.A.R.P. Safety Review Mechanism as a mandatory review step. During process development and solvent

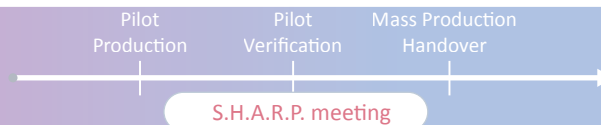
selection, green process design principles are applied, simultaneously assessing chemical impacts on worker health and the environment, prioritizing low-hazard alternatives and recyclable reuse mechanisms. Equipment material compatibility, pressure and temperature resistance, and safety device configurations are evaluated at the early development stage to avoid major retrofiting after scale-up.

The S.H.A.R.P. framework comprises five core principles: Safety by Design (inherently safe design), Hazard Identification (comprehensive risk assessment), Alignment & Communication (cross-functional integration), Reuse & Waste Reduction (resource efficiency and waste minimization), and Prevention & Control (effective implementation of control measures). Through this framework, safety and sustainability considerations are systematically embedded into early-stage process design and decision-making.

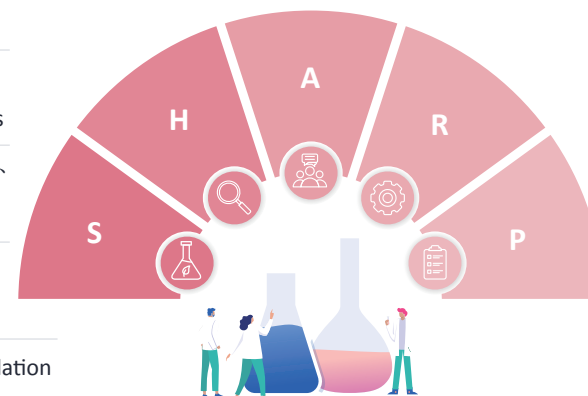
Project Initiative : Safety Review Mechanism for Pilot-to-Production Transition

Precise risk control at the early R&D stage
prevention of risks prior to mass production

In 2025, the S.H.A.R.P. review mechanism achieved a 100% completion rate for pilot production case reviews, effectively preventing any cases from entering mass production without prior safety review. Through this institutionalized review mechanism, risk control is strengthened at the product and process introduction stage, thereby enhancing process stability and supporting long-term operational safety.



S Safety	: Elimination or reduction of hazards at the source	▶ Inherent Safety ▶ Green Chemistry
H Hazard	: Hazard Identification	▶ Identification of Potential Risk Sources ▶ Equipment Abnormalities 、 Operational Errors 、 Fugitive Emissions
A Alignment	: Cross-functional Coordination	▶ Information Sharing 、 Joint Development of Countermeasures 、 Coordinated Response ▶ Implementation of Change Management
R Recycle/Reuse	: Resource Circularity	▶ Promote Source Reduction and Implement Proper Segregation Management ▶ Evaluate Alternative Solutions and Advance Full Circular Resource Utilization
P Prevention	: Prevention and Control	▶ Engineering Controls: Enclosed systems and local exhaust ventilation ▶ Management Controls: SOP development and employee training



Workplace Exposure Monitoring

Daxin conducts periodic workplace exposure monitoring through external accredited organizations, covering both chemical and physical factors, with chemical factor sampling primarily based on personal sampling supplemented by area-based sampling. For operations where exposure concentrations exceed permissible limits, an improvement task force is immediately convened with enclosed systems prioritized as the primary mitigation measure. For operations exceeding 1/10 of the permissible limit, periodic reviews are conducted to identify and improve inappropriate work practices to minimize employee exposure.

Over the past three years, physical factors achieved 100% compliance with regulatory standards, while more than 99% of chemical factor monitoring data remained at Exposure Level 1, well below occupational hygiene safety thresholds. In 2025, a comprehensive chemical exposure assessment was conducted at both the Chungke and Chungkang plants, confirming that workplace risk controls remain stable and effective.

Recent Chemical Exposure Monitoring Results

Exposure Level	Exposure Classification Criteria	Chungke plant			Chungkang plant		
		2023	2024	2025	2023	2024	2025
1	$X^{\text{Note1}} < 0.1 \text{ PEL}^{\text{Note2}}$	100%	98%	100%	99%	100%	99%
2	$0.1 \text{ PEL} \leq X < 0.5 \text{ PEL}$	0%	2%	0%	1%	0%	0%
3	$0.5 \text{ PEL} \leq X < 1 \text{ PEL}$	0%	0%	0%	0%	0%	1%
4	$X \geq 1 \text{ PEL}$	0%	0%	0%	0%	0%	0%

Note 1 : X refers to the measured sampling concentration (unit : ppm or mg/m³).

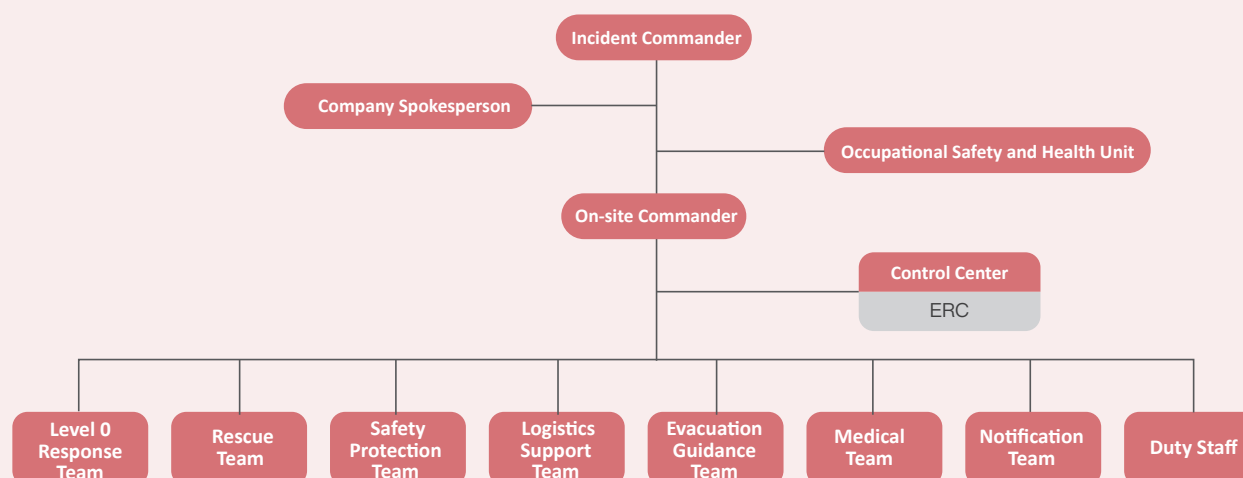
Note 2 : PEL refers to the Permissible Exposure Limit.

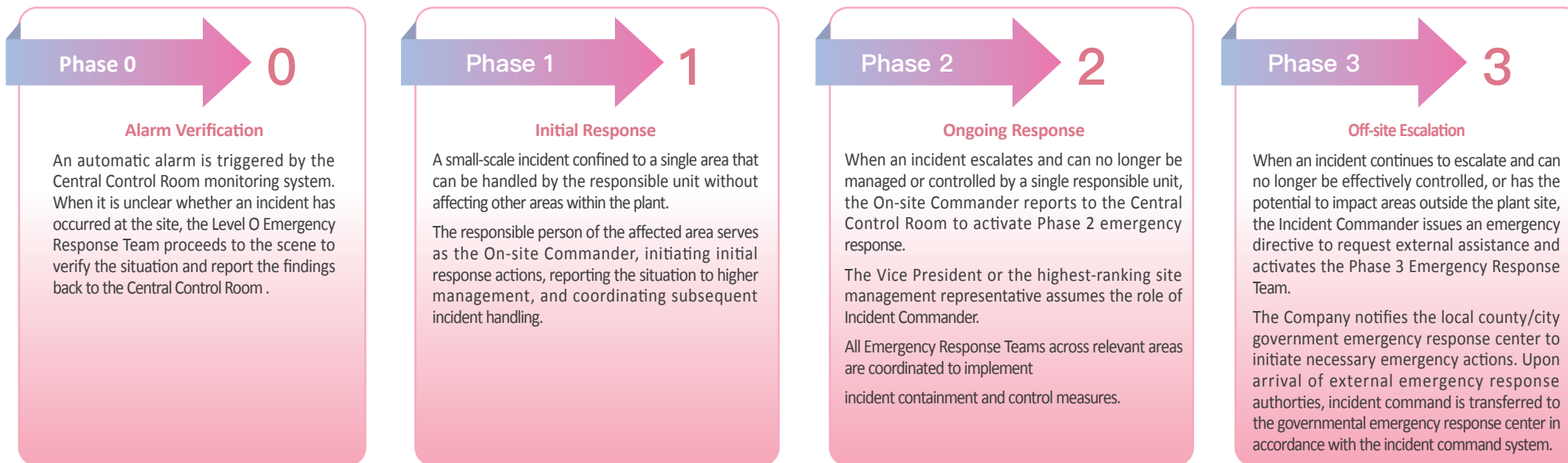


5.3.3 Emergency Response Management

Organizational Structure and Operations

Daxin has established the "Emergency Response Management Procedure" as a standardized guideline covering emergency events including fires, power outages, earthquakes, typhoons, floods, gas or chemical leaks, and abnormal air emissions and wastewater discharges. A comprehensive response organizational structure with clearly defined roles, responsibilities, and command hierarchies ensures prompt and effective action to control incidents, minimize losses, and safeguard employees, surrounding communities, and the environment. Emergency incidents are classified into four response phases based on severity, with corresponding response organizations activated for each phase.





Emergency Response Drills Planning and Execution

Daxin conducts at least four emergency response drills annually, covering chemical leak response, evacuation procedures, and fire extinguisher operation. Through regular drills and scenario-based simulations, employee emergency response capabilities are continuously strengthened.

In 2025, the drill scope was expanded from liquid to gaseous chemicals, with comprehensive incident scenarios developed for high-risk gases such as hydrogen, covering leak detection, emergency gas shutoff, Emergency Machine Off (EMO), and ventilation and smoke extraction procedures. Extreme compound scenarios were incorporated, including emergency ventilation system failure and total plant power outage caused by earthquakes, with practical exercises on explosion-proof ventilation equipment deployment and physical power isolation to validate response feasibility under complex conditions.

Drills mobilized cross-functional teams from facility management, equipment, manufacturing, and EHS departments, validating the overall response procedures through alarm activation, PPE donning, and coordinated response between the control center and on-site personnel, serving as a basis for continuous improvement of emergency preparedness.

Project Initiative : Gaseous Chemical Compound Scenario Drill

Simulation of hydrogen gas leakage combined with emergency ventilation failure and earthquake-induced total plant power outage.



EMO activation for gas cylinder cabinet



Personnel evacuation



Real-time monitoring of gas concentration



On-site Command and Coordination Actions



Emergency power shutdown



Activation of emergency exhaust ventilation system



Installation of portable fans for fresh air circulation



Confirmation of hydrogen leak elimination

Appendix

Appendix 1: GRI Index

Appendix 2: SASB Standards Index Table

Appendix 3: TWSE Sustainability Disclosure Index – Optoelectronics Industry

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

Appendix 5: UN Global Compact Comparison Table

Appendix 6: ISO 26000 Comparison Table

Greenhouse Gas Verification Statement

TWSAE 3000 Assurance Statement

Appendix 1: GRI Index

Daxin Materials has reported on ESG information for the period January 1 to December 31, 2025 in accordance with GRI Standards. This report has been prepared in accordance with GRI 1: Foundation 2021.

General Disclosure Items

Disclosure Item	Chapter in the Report	Page
GRI 2: General Disclosures 2021		
The Organization and Its Reporting Practices		
2-1 Organization details	About Daxin	7
2-2 Entities included in the organization's sustainability reporting	About The Report	3
2-3 Reporting period, frequency and contact point	About The Report	3
2-4 Restatements of information	About The Report	3
2-5 External assurance	About The Report	3
Activities and Workers		
2-6 Activities, value chain and other business relationships	About Daxin	7
2-7 Employees	5.1 Talent Sustainability	74
2-8 Workers who are not employees	5.1 Talent Sustainability	74
Governance		
2-9 Governance structure and composition	2.1 Corporate Governance	16
2-10 Nomination and selection of the highest governance body	2.1 Corporate Governance	16
2-11 Chair of the highest governance body	2.1 Corporate Governance	16
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	16
2-16 Communication of critical concerns	2.1 Corporate Governance	16
2-17 Collective knowledge of the highest governance body	2.1 Corporate Governance	16
2-18 Evaluation of the performance of the highest governance body	2.1 Corporate Governance	16
2-19 Remuneration policies	2.1 Corporate Governance	16
2-20 Process to determine remuneration	2.1 Corporate Governance	16
2-21 Annual total compensation ratio	5.1 Talent Sustainability	74

Disclosure Item	Chapter in the Report	Page
GRI 2 : General Disclosure 2021		
Strategy, Policies and Practices		
2-22 Statement on sustainable development strategy	Letter from Our Chairman	4
2-23 Policy commitments	2.3 Business Integrity	21
	5.1 Talent Sustainability	74
2-24 Embedding policy commitments	2.3 Business Integrity	21
	5.1 Talent Sustainability	74
2-25 Processes to remediate negative impacts	1.2 Stakeholder Engagement	10
	2.4 Risk Management	23
	5.1 Talent Sustainability	74
2-26 Mechanisms for seeking advice and raising concerns	2.3 Business Integrity	21
	5.1 Talent Sustainability	74
2-27 Compliance with laws and regulations	2.3 Business Integrity	21
	5.1 Talent Sustainability	74
2-28 Membership associations	About Daxin	7
Stakeholder Engagement		
2-29 Approach to stakeholder engagement	1.2 Stakeholder Engagement	10
2-30 Collective bargaining agreements	5.1 Talent Sustainability	74
GRI 3 : Major Topics 2021		
Material Topics		
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			
Procurement Practices			
3-3 Management of material topics		2.6 Supply Chain Management	28
GRI 204 : Procurement Practices 2016	204-1 Proportion of spending on local suppliers	2.6 Supply Chain Management	28
Specific Topic: Environmental Aspect			
Energy			
3-3 Management of material topics		4 Green Manufacturing	43
GRI 302: Energy 2016	302-1 Energy consumption within the organization	4.3 Energy Management	59
	302-3 Energy intensity	4.3 Energy Management	59
	302-4 Reduction of energy consumption	4.3 Energy Management	59
	302-5 Reductions in energy requirements of products and services	4.3 Energy Management	59
Emissions			
3-3 Management of material topics		4 Green Manufacturing	43
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	4.2 Greenhouse Gas Management	51
	305-2 Energy indirect (Scope 2) GHG emissions	4.2 Greenhouse Gas Management	51
	305-3 Other indirect (Scope 3) GHG emissions	4.2 Greenhouse Gas Management	51
	305-4 GHG emissions intensity	4.2 Greenhouse Gas Management	51
	305-5 Greenhouse Gas Emissions Reduction	4.2 Greenhouse Gas Management	51
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	4.4 Pollution Prevention and Control	63
Waste			
3-3 Management of material topics		4 Green Manufacturing	43
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	4.5 Resource Circularity	65
	306-2 Management of significant waste-related impacts	4.5 Resource Circularity	65
	306-3 Waste generated	4.5 Resource Circularity	65
	306-4 Waste diverted from disposal	4.5 Resource Circularity	65
	306-5 Waste directed to disposal	4.5 Resource Circularity	65

Standard	Disclosure Item	Chapter in the Report	Page
Supplier Environmental Assessment			
3-3 Management of material topics		2.6 Supply Chain Management	28
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	2.6 Supply Chain Management	28
	308-2 Negative environmental impacts in the supply chain and actions taken	2.6 Supply Chain Management	28
Specific Topic: Social Aspect			
Employment			
3-3 Management of material topics		5.1 Talent Sustainability	74
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	5.1 Talent Sustainability	74
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.1 Talent Sustainability	74
	401-3 Parental leave	5.1 Talent Sustainability	74
Labor/Management Relations			
3-3 Management of material topics		5.1 Talent Sustainability	74
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		5.3 Health and Safety	98
GRI 403	403-1 Occupational health and safety management system	5.3 Health and Safety	98
	403-2 Hazard identification, risk assessment, and incident investigation	5.3 Health and Safety	98
	403-3 Occupational health services	5.1 Talent Sustainability	74
	403-4 Worker participation, consultation, and communication on occupational health and safety	5.3 Health and Safety	98
	403-5 Worker training on occupational health and safety	5.3 Health and Safety	98
	403-6 Promotion of worker health	5.1 Talent Sustainability	74
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.3 Health and Safety	98
	403-8 Workers covered by an occupational health and safety management system	5.3 Health and Safety	98
	403-9 Work-related injuries	5.3 Health and Safety	98
	403-10 Work-related ill health	5.1 Talent Sustainability	74

Standard	Disclosure Item	Chapter in the Report	Page
Training and Education			
3-3 Management of material topics		5.1 Talent Sustainability	74
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	5.1 Talent Sustainability	74
	404-2 Programs for upgrading employee skills and transition assistance programs	5.1 Talent Sustainability	74
	404-3 Percentage of employees receiving regular performance and career development reviews	5.1 Talent Sustainability	74
Diversity and Equal Opportunity			
3-3 Management of material topics		5.1 Talent Sustainability	74
GRI 405 : Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2.1 Corporate Governance	16
		5.1 Talent Sustainability	74
	405-2 Ratio of basic salary and remuneration of women to men	5.1 Talent Sustainability	74
Local Communities			
3-3 Management of material topics		5.2 Social Engagement	92
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	5.2 Social Engagement	92
	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	28
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	2.6 Supply Chain Management	28
	414-2 Negative social impacts in the supply chain and actions taken	2.6 Supply Chain Management	28
Research and Innovation			
3-3 Management of material topics		3 Research and Innovation	36
Customer Service			
3-3 Management of material topics		2.5 Customer Service	26

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	19
	201-2 Financial implications and other risks and opportunities due to climate change	4.1 Climate Action	45
	201-3 Defined benefit plan obligations and other retirement plans	5.1 Talent Sustainability	74
Anti-Corruption			
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	2.3 Business Integrity	21
	205-3 Confirmed incidents of corruption and actions taken	2.3 Business Integrity	21
Tax			
GRI 207: Tax 2019	207-1 Approach to tax	2.2 Financial Performance	19
	207-2 Tax governance, control, and risk management	2.2 Financial Performance	19
Material			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	4.5 Resource Circularity	65
	301-2 Recycled input materials used	4.5 Resource Circularity	65
	301-3 Reclaimed products and their packaging materials	4.5 Resource Circularity	65
Water and Effluent			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	4.5 Resource Circularity	65
	303-2 Management of water discharge-related impacts	4.5 Resource Circularity	65
	303-3 Water withdrawal	4.5 Resource Circularity	65
	303-4 Water discharge	4.5 Resource Circularity	65
	303-5 Water consumption	4.5 Resource Circularity	65
Non-discrimination			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	5.1 Talent Sustainability	74

Standard	Disclosure Item	Chapter in the Report	Page
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 Talent Sustainability	74
Child Labor			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	5.1 Talent Sustainability	74
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 Talent Sustainability	74
Security Practices			
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	5.1 Talent Sustainability	74
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	26
	417-2 Incidents of non-compliance concerning product and service information and labeling	2.5 Customer Service	26
	417-3 Incidents of non-compliance concerning marketing communications	2.5 Customer Service	26
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

Daxin Materials has reported on ESG information for the period January 1 to December 31, 2025 in accordance with SASB Standards.

SASB Industry: RT-CH

SASB Indicator	Disclosure Items	Report Content or Description
Greenhouse Gas Emissions		
RT-CH-110a.1	Gross global Scope 1 emissions	673 tCO ₂ e
	Percentage covered under emissions-limiting regulations	0%
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	Please refer to 4.2 Greenhouse Gas Management ↗
Air Emissions		
RT-CH-120a.1	Nitrogen oxides (NOx)	1.386 metric tons
	Sulfur oxides (SOx)	0.616 metric tons
	Volatile organic compounds (VOCs)	5.781 metric tons
	Hazardous air pollutants (HAPs)	The stationary source operating permits for Daxin's Chungke and Chungkang plants do not include HAPs as a required monitoring item.
Energy Management		
RT-CH-130a.1 ^{Note1}	Total energy consumed	47,997 GJ
	Percentage grid electricity	98%
	Percentage renewable energy	2.50%
	Total self-generated energy	671 GJ
	Daxin has installed solar PV systems with a total capacity of 453.59 kW. In 2025, energy-saving improvement projects were implemented, including replacement of high-energy-consuming equipment, to improve energy efficiency. Please refer to 4.3 Energy Management. ↗	

SASB Indicator	Disclosure Items	Report Content or Description
Water Management		
RT-CH-140a.1	Total water withdrawn; percentage in regions with high or extremely high baseline water stress	152 thousand cubic meters; 0%
	Total water consumed; percentage in regions with high or extremely high baseline water stress	65 thousand cubic meters; 0%
RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards and regulations	0 incidents
RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Please refer to 4.5 Resource Circularity ↗
Hazardous Waste Management		
RT-CH-150a.1	Amount of hazardous waste generated	896 metric tons
	Percentage recycled	69%
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; not applicable.
Worker Health & Safety		
RT-CH-320a.1	Total recordable incident rate (TRIR) — direct employees	0.23
	Fatality rate — direct employees	0
	Total recordable incident rate (TRIR) — contract employees	0
	Fatality rate — contract employees	0
RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	Please refer to 5.3 Health and Safety ↗
Product Design for Use-Phase Efficiency		
RT-CH-410a.1	Revenue from products designed for use-phase resource efficiency	Non-end product; not applicable.

SASB Indicator	Disclosure Items	Report Content or Description
Genetically Modified Organisms		
RT-CH-410b.1	Percentage of products by revenue that contain GHS Category 1 and 2 Health and Environmental Hazardous Substances	97%
	Percentage of such products that have undergone a hazard assessment	100%
RT-CH-410b.2	Discussion of strategy to manage chemicals of concern and 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 has no genetically modified products; not applicable.
Management of Legal & Regulatory Environment		
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	In compliance with government environmental policies, Daxin adheres to carbon reduction and pollution prevention regulations and participates in relevant communications and consultations as appropriate.
Operational Safety, Emergency Preparedness & Response		
RT-CH-540a.1 ^{Note 2}	Process Safety Incidents Count (PSIC)	0 incidents
	Process Safety Total Incident Rate (PSTIR)	0
	Process Safety Incident Severity Rate (PSISR)	0
RT-CH-540a.2 ^{Note 3}	Number of transport incidents	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.

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

SASB Industry: TC-HW

SASB Indicator	Disclosure Items	Report Content or Description
Product Safety		
TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	The Company's products are upstream chemical materials for optoelectronics and semiconductors; not applicable.
Employee Diversity & 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}	Please refer to 5.1 Talent Sustainability 
Product Lifecycle Management		
TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances ^{Note 5}	Non-end product; 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 RBA standards, Daxin promotes the supplier sustainability management self-assessment system. Please refer to 2.6 Supply Chain Management. 
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	
Materials Sourcing		
TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	Please refer to 2.6 Supply Chain Management 

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 energy	Quantitative	Total energy consumption: 47,997 GJ; Percentage of purchased electricity: 98%; Renewable energy usage rate: 2.5%	Gigajoules (GJ), Percentage (%)	Audited by KPMG Limited Assurance
2	Amount of total water withdrawn and total water consumed	Quantitative	Total water withdrawn: 152 thousand cubic meters; Total water consumed: 65 thousand cubic meters	Thousand cubic meters (1,000 m ³)	
3	Amount of hazardous waste generated, percentage recycled	Quantitative	Weight of hazardous waste generated: 896 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; Type of occupational injury: laceration; Occupational accident rate: 1.14 ^{Note 1}	Quantity, Rate	
5	Description of the management of product lifecycle, 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	To implement the management requirements for suppliers not to use conflict minerals, written or on-site audits are conducted for Key and Critical Raw Material Suppliers. In 2025, all audited suppliers completed a 100% guarantee of non-use of 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 the Company are customized according to customer specifications and flexibly adjusted based on customer requirements. Production volume data is therefore not comparable and 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	45
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.	Included in future long-term planning	–
7. If internal carbon pricing is used as a planning tool, the basis for price setting should be explained.		
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	45
9. GHG inventory and verification situation	4.2 Greenhouse Gas Management	51

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 Talent Sustainability	74
	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 Talent Sustainability	74
	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	43
	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	21

Appendix 6: ISO 26000 Comparison Table

Topic	Principle	Corresponding Section	Page
Governance Organization	Decision and implementation system for execution of objectives	2.1 Corporate Governance	16
Human Rights	Compliance audit	2.3 Business Integrity	21
	Risk situation of human rights	5.1 Talent Sustainability	74
	Complicit relationship prevention direct, interested and implied complicit relationships	2.1 Corporate Governance	16
		2.3 Business Integrity	21
	Resolve labor complaints	5.1 Talent Sustainability	74
	Discriminated and disadvantaged groups	5.1 Talent Sustainability	74
	Citizen and political rights	5.1 Talent Sustainability	74
	Economic society and culture rights	5.1 Talent Sustainability	74
	Basic rights of working	5.1 Talent Sustainability	74
	Employment and employment relationship	5.1 Talent Sustainability	74
Labor Practice	Working criteria and social protection	5.1 Talent Sustainability	74
	Social dialogue	5.1 Talent Sustainability	74
	Work health and safety	5.3 Health and Safety	98
	Personnel development and training	5.1 Talent Sustainability	74

Topic	Principle	Corresponding Section	Page
Environment	Pollution prevention	4.4 Pollution Prevention and Control	63
	Sustainable resource utilization	4.5 Resource Circularity	65
	Lessening and adapting to climate change	4.1 Climate Action	45
	Protection and restoration of the natural environment	4 Green Manufacturing	43
Fair Operating Practices	Anti-corruption	2.3 Business Integrity	21
	Responsible political participation	Did not participate in political activities during the reporting year	–
	Fair Competition	2.3 Business Integrity	21
	Promoting Social Responsibility in the Value Chain	2.6 Supply Chain Management	28
	Respect intellectual property rights	3.2 Intellectual Property Strategy	40
Consumer Issues	Fair Marketing, Information, and Contract Practices	2.5 Customer Service	26
	Protecting consumers' health and safety	2.5 Customer Service	26
	Consumer services, support, complaints, and dispute resolution	2.5 Customer Service	26
	Consumer Data Protection and Privacy	2.4 Risk Management	23
	Provide necessary services	2.5 Customer Service	26

Topic	Principle	Corresponding Section	Page
Social Participation and Development	Community Engagement	5.2 Social Engagement	92
	Education and Culture	5.2 Social Engagement	92
	Creating Employment and Technological Development	3.1 Technological Innovation	36
	Technological Development	3.1 Technological Innovation	36
	Create wealth and income	2.2 Financial Performance	19
	Health	5.1 Talent Sustainability	74
	Social Investment	5.2 Social Engagement	92

Greenhouse Gas Verification Statement



This is to verify initiate reporting of Greenhouse Gas Inventory Management Report (2025) of

DAXIN MATERIALS CORPORATION

Scope of Verification

DNV Business Assurance (DNV) has been commissioned by DAXIN MATERIALS CORPORATION (hereafter "the Organization") to perform a verification of the greenhouse gas statements of Greenhouse Gas Inventory Management Report (2025) (hereafter the "Inventory Report") in Taiwan, R.O.C. with respect to the sites listed as below.

Site	Address
Headquarters (Chungke Plant)	No. 15 Keyuan 1st Rd., Central Taiwan Science Park, Taichung City, Taiwan
ChungKang Branch (ChungKang Plant)	No.2, Jian 8th Rd., Wuqi Dist. Taichung City, Taiwan

Northern Area Branch* Rm. B5023, 5F.-2, No. 185, Kewang Rd., Longtan Dist., Taoyuan City, Taiwan
Frontier Materials Vistra Corporate Services Centre, Ground Floor NFF Building, Beach road, Apla, (Samoa) Corporation* Samoa

Following the requirements of the Financial Supervisory Commission, establish a 5% exclusion threshold and exclude the quantified greenhouse gas emissions of branches and subsidiaries.

*Site 3: Northern Branch Office was established for trading and service purposes and does not involve any actual production activities.

*Site 4: The subsidiary company, Frontier, had no actual operations in 2025, resulting in no production activities or carbon emissions.

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

Verification Criteria and GHG Programme

The verification was performed on the basis of Financial Supervisory Commission Sustainable Development Roadmap Scheme and ISO 14064-1:2018, CNS 14064-1:2021 as well as criteria given to provide for consistent GHG emission identification, calculation, monitoring and reporting. The verification was conducted in accordance with ISO 14066:2023, ISO 14065:2020, ISO 14064-3:2019.

Verification Opinion

It is DNV's opinion that the Inventory Report (2025), which was published on March 20, 2026 (Ver. 3), 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) GHG emissions and Indirect GHG emissions from imported energy (Category 2), the reliability of the information within the Inventory Report (2025) was verified with reasonable level of assurance.
- For the other indirect GHG emissions, the involved information was verified with limited level of assurance.

GHG Verifier:
Jia Hong Jesse Wu

Jesse Wu

For the issuing office:
DNV Business Assurance Co., Ltd.

Management Representative

The Appendix forms an integral part of this Certificate, which shall be invalid when used without the Appendix.
Lack of fulfillment of conditions as set out in the Verification Agreement may render this Verification Opinion 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 this Verification Opinion.
The issuing office: DNT, No. 240, Sec. 2, Wanhua Rd., Banqiao District, New Taipei City 220, Taiwan Tel: +886-2-82537800. <https://www.dnv.com/tw/>
DNV ZHUAN-CP-F20, Rev.14, 2025-03



Process and Methodology

The reviews of the Inventory Report and relevant documents, and the subsequent follow-up interviews have provided DNV with sufficient evidence to determine the fulfillment of stated criteria.

Quantification of Greenhouse Gas Emission

The Inventory Report covering the period 1st January, 2025 to 31st December, 2025, it is DNV's opinion that GHG emissions and removals identified within the Reporting Boundary has been included in the Inventory Report as claimed in accordance with the verification criteria identified as stated above, and results in quantification of GHG emissions that are real, transparent and measurable.

Organizational Boundary of Verification

☐ Financial Management Control; ☒ Operational Management Control; ☐ Equity Share

GHGs Verified

☒ CO₂ ☒ CH₄ ☒ N₂O ☒ HFCs ☒ PFCs ☒ SF₆ ☒ NF₃

Quantification of Emissions (in tonnes CO₂e)

The Global Warming Potential (GWP) defined in IPCC AR6(2021) has been chosen and correctly referred by the Organization.

Category	Chungke Plant	ChungKang Plant	Total Emission (ton CO ₂ e)
Category 1 Direct GHG emissions and removals	365,388	317,318	672,707
1.1 Stationary combustion	0.000	0.000	0.000
1.2 Mobile combustion	14,298	3,194	17,492
1.3 Industrial processes	-	-	-
1.4 Fugitive emissions	341,090	314,125	655,215
Category 2 Indirect GHG emissions from imported energy	2,367,918	3,771,107	6,139,025
Total greenhouse gas emissions in Category 1 & 2	2,723,304	4,088,425	6,811,730
Category 3 Indirect GHG emissions from transportation	89,776	272,329	353,185
3.1 Upstream transport and distribution for goods	15,820	178,476	192,305
3.2 Downstream transport and distribution for goods	17,087	82,550	99,637
3.3 Business travels	44,204	-	44,204
3.4 Transport and distribution for solid waste	3,659	13,303	16,959
Category 4 Indirect GHG emissions from products used by an organization	1,518,834	18,139,461	19,658,295
4.1 Purchased goods and services	842,303	18,008,819	17,751,122
4.3 Disposal of solid and liquid waste	108,088	348,538	456,626
4.6 Fuel and energy related activities	568,743	884,104	1,452,847
Total greenhouse gas emissions in Category 3 & 4	1,559,810	18,411,790	20,062,600
Total			28,814,330

(The imported energy indirect emissions was calculated based on 2024 electricity emission factor of 0.474 kg CO₂-eq/kWh, which was announced by Energy Administration, Ministry of Economic Affairs. The Global Warming Potential (GWP) defined in IPCC AR6 (2021) has been chosen and correctly referred by the Organization.)

Type of Opinion

☒ unmodified ☐ modified ☐ adverse

The Appendix forms an integral part of this Certificate, which shall be invalid when used without the Appendix.
Lack of fulfillment of conditions as set out in the Verification Agreement may render this Verification Opinion 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 this Verification Opinion.
The issuing office: DNT, No. 240, Sec. 2, Wanhua Rd., Banqiao District, New Taipei City 220, Taiwan Tel: +886-2-82537800. <https://www.dnv.com/tw/>
DNV ZHUAN-CP-F20, Rev.14, 2025-03

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 2025 Sustainability Report of Daxin ("the Report") for the year ended December 31, 2025.

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"), the Global Reporting Initiative Standards ("GRI Standards") issued by the Global Sustainability Standards Board ("GSSB"), and the Sustainability Accounting Standards Board ("SASB") Standards — Chemicals (RT-CH) industry indicators, 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 TWSAE 3000 "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 2025 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, 2025 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. 12, 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: 47,997 GJ Percentage of purchased electricity: 98% Renewable energy usage rate: 2.5% Self-generated energy: 671 GJ Daxin has installed solar PV systems with a total capacity of 453.59 kW. In 2025, energy-saving improvement projects were implemented, including replacement of high-energy-consuming equipment, to improve energy efficiency.	Taiwan Stock Exchange Corporation Rules Table 1-10 No.1 Total energy consumption, percentage of purchased electricity, and renewable energy SASB RT-CH-130a.1: (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable energy, and (4) total self-generated energy.
2	4.5 Resource Circularity / Appendix 3: TWSE Sustainability Disclosure Index – Optoelectronics Industry/ Appendix 2: SASB Standards Index Table	Total water withdrawn: 152 thousand cubic meters Percentage in regions with high or extremely high baseline water stress: 0% Total water consumed: 65 thousand cubic meters Percentage in regions with high or extremely high baseline water stress: 0%	Taiwan Stock Exchange Corporation Rules Table 1-10 No.2 Total water withdrawn, total water consumed SASB RT-CH-140a.1: (1) Total water withdrawn, percentage in regions with high or extremely high baseline water stress; (2) total water consumed, percentage in regions with high or extremely high baseline water stress.
3	4.5 Resource Circularity / Appendix 3: TWSE Sustainability Disclosure Index – Optoelectronics Industry	Total amount of hazardous industrial wastes generated : 896 metric tons Rate of hazardous industrial wastes : 94 %	Taiwan Stock Exchange Corporation Rules Table 1-10 No.3 Total amount of hazardous wastes generated and percentage recycled.
4	5.3 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 : 1.14 ^(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

No.	Corresponding Section	Subject Matter Information	Applicable Criteria
5	4.4 Pollution Prevention and Control	Volatile Organic Compounds (VOCs): 5,781 kg Total Suspended Particles (TSP): 116 kg Sulfur Oxides (SOx): 616 kg Nitrogen Oxides (NOx): 1,386 kg Note 1: Air pollutant emissions represent combined totals from Changshu and Changzhou plant. Note 2: Emission data is sourced from the Ministry of Environment's Public Information Platform for Stationary Pollution Source Management. Note 3: VOC emissions were recalculated in 2025 in response to regulatory authority requirements, and air pollutant data for 2023 and 2024 has been updated accordingly. This information is disclosed in the Major Disclosure Revisions section and on the Ministry of Environment's platform, and has not been subject to re-examination under limited assurance.	GRI 305-7: Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions

DAXin

達 興 材 料