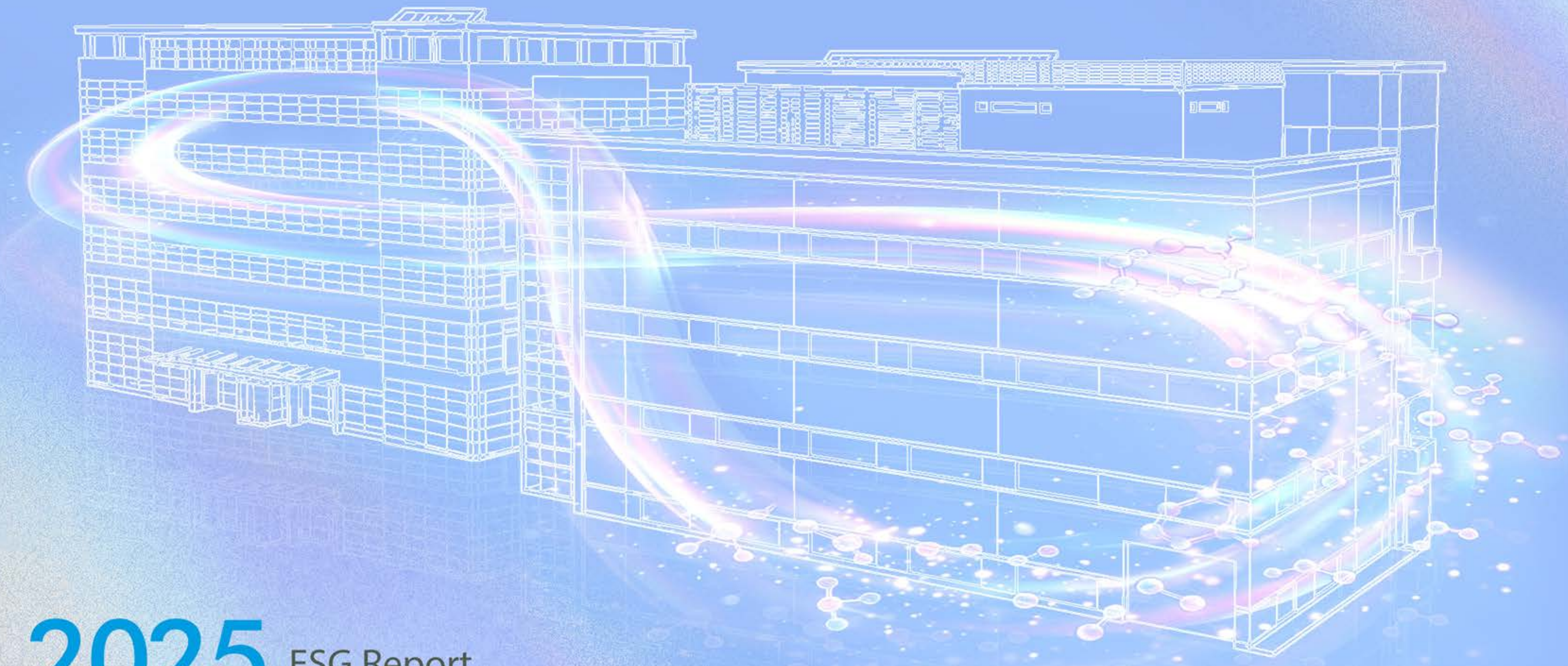
DAXIN

A Materials Design House, and More.



2025 ESG Report

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Chapter

Operations and Governance

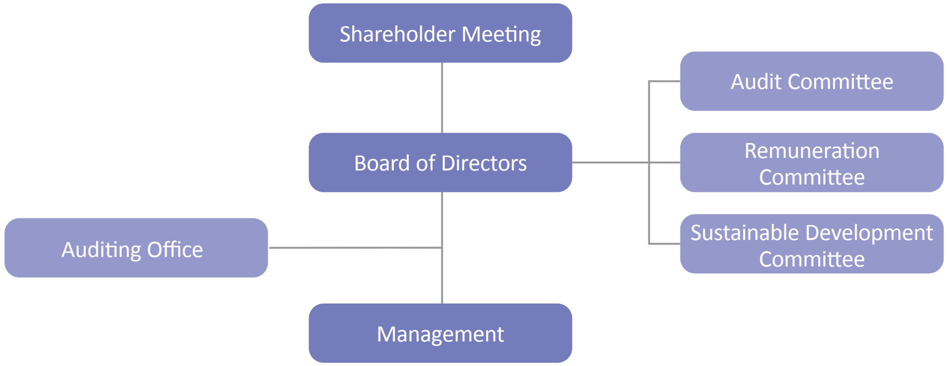
2.1 Corporate Governance

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

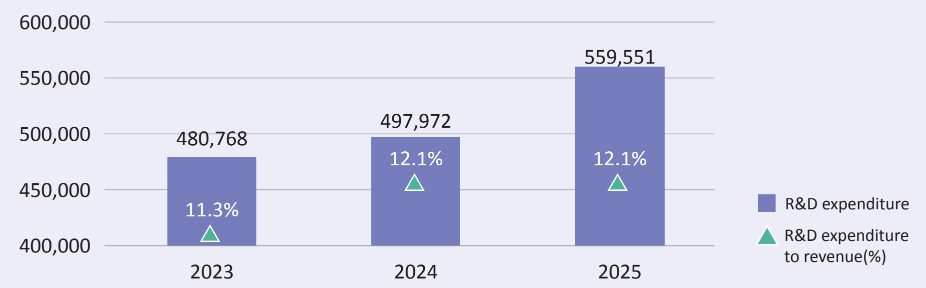
Item/Year	2023	2024	2025
Operating revenue	4,264,121	4,117,847	4,629,779
Gross profit	1,479,091	1,517,847	1,879,496
Operating income	610,788	607,165	852,798
Non-operating income and expenses	(5,339)	51,422	30,750
Profit before income tax	605,449	658,587	883,548
Net income	523,354	570,612	756,955
Total 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	Commitment	Actions
Employee Ethics and Integrity Assessment	Employee Commitment to Integrity	Reputational Impact Events Involving the Company or Clients
100% Pass Rate	100% Signing Rate	0 cases
Ethics and Compliance Training Hours	Key Supplier Integrity Commitment	Employee Conflict of Interest Declarations
2,374hrs Total 5.4hrs/employee	100% Signing Rate	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

Internal Channels
- "Ask Us" Mailbox
- Confidential Mailbox

External Channels
- Company Website
- Confidential Mailbox

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 4.3 Energy Management 4.5 Resource Circulation
	The impacts caused by climate change	• Promote energy-saving and carbon reduction programs. • Continue to conserve water and review water usage needs, while increasing the recycling and reuse rate of process water.	
Society	Declining Birthrate and Labor Shortage	• Invest in STEM education programs to cultivate Taiwan's future technology talent • Adopt 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

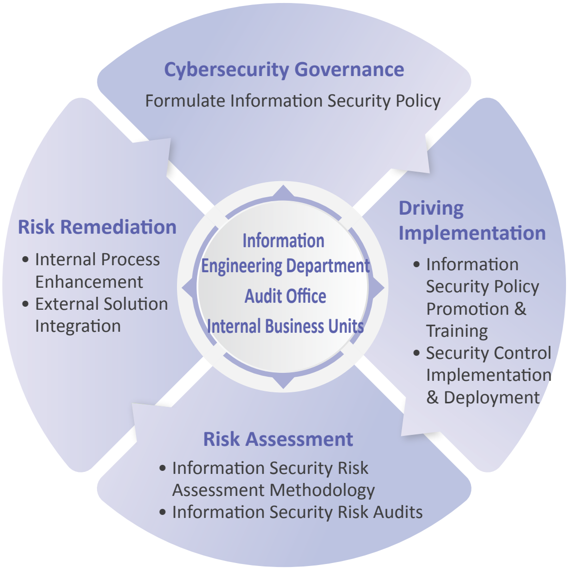
2.4.2 Information Security

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.

Historical Social Engineering Drill Statistics

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.

Objectives and Targets

2025 Performance Outcomes	Short-term Objectives (2026)	Medium to Long-term Objectives (2030)
Customer Satisfaction Survey: 4.92 points (full score: 5 points)	Customer Satisfaction Survey: ≧4.70 points (full score: 5 points)	Customer Satisfaction Survey: ≧4.80 points (full score: 5 points)
Customer feedback case closure rate 100%	Customer feedback case closure rate 100%	Customer feedback case closure rate 100%

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

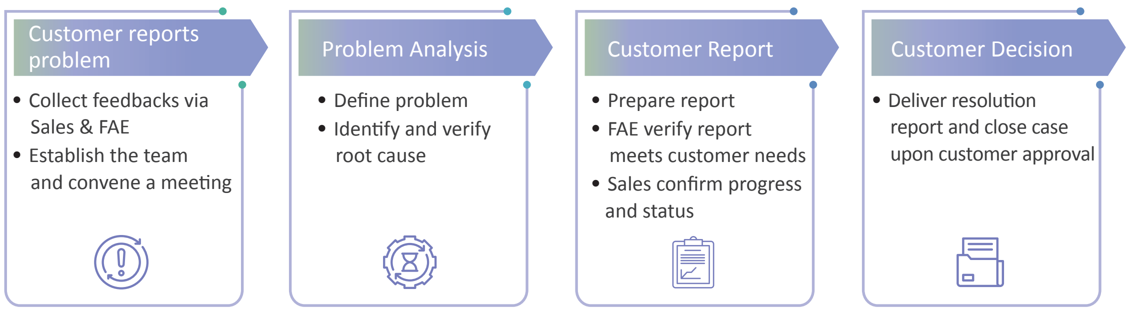
Daxin's approach to customer service centers on co-creating value. In the near term, this means developing new customers, improving order processing efficiency, and responding promptly to customer needs through close collaboration between sales and technical teams — helping customers minimize losses 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.

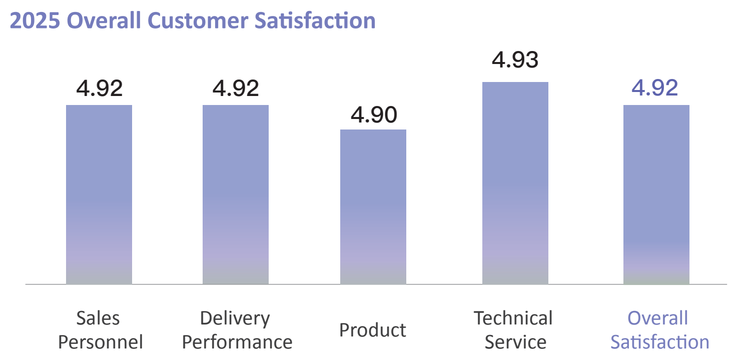
2.5.2 Customer Satisfaction

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.





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.

Objectives and Targets

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.

2.6.1 Supplier Management Policy

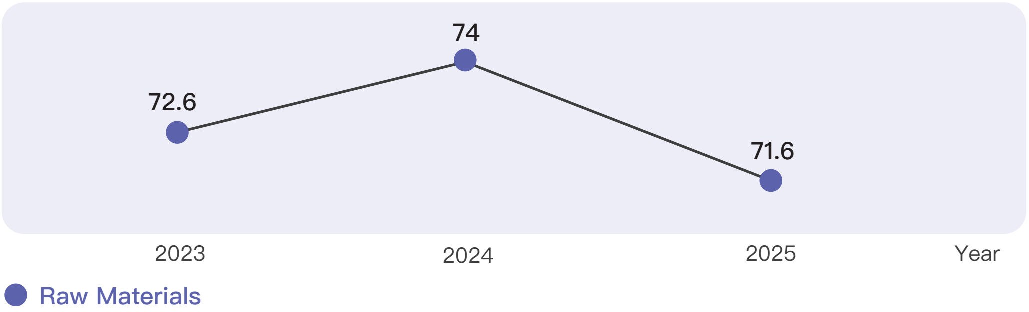
Daxin has established a "Supplier Management Procedure" governing the selection, auditing, and evaluation of suppliers and contractors. Key and Critical Raw Material Suppliers undergo an annual Quality Process Audit (QPA) covering production processes, manufacturing environment, transportation management, 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

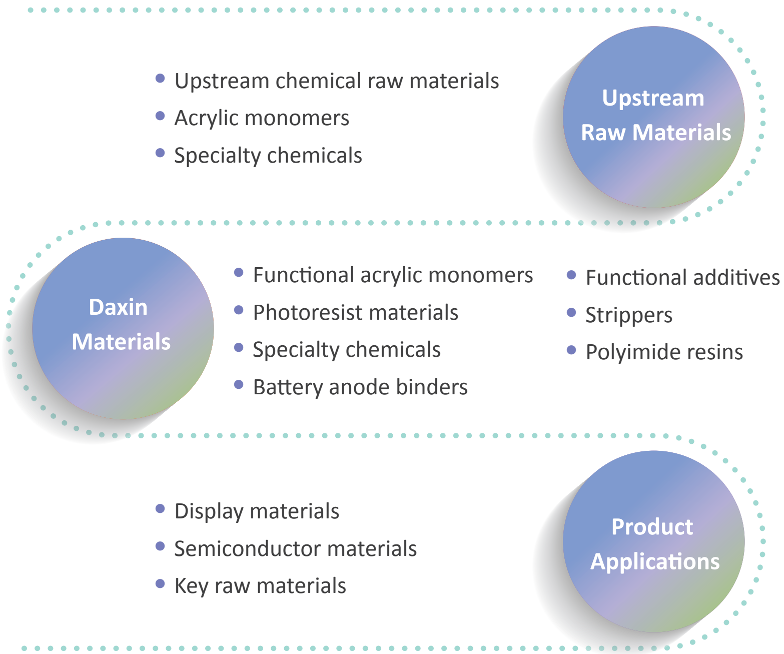
Daxin builds long-term, stable partnerships with suppliers based on the principle of "local procurement, local production," supporting supply chain resilience and shared social responsibility.
In 2025, local procurement accounted for 71.6% of total procurement value (Note 1). While key raw materials 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.

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

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.

81%	100%	14%
Grade A Supplier Ratio (28 out of 32 suppliers)	Hazardous Substance Guarantee Letter Signing Completion Rate	Sustainability Performance Weighting in Supplier Selection Mechanism
2025 Evaluation Results	100% Completed	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

Management Policy

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.

Objectives and Targets

2025 Performance Outcomes	Short-term Objectives (2026)	Medium to Long-term Objectives (2030)
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]	Customer audit deficiency completion rate : > 95% Supplier continuous improvement project completion rate: > 95%	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.

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.

PDCA Quality Management Cycle

Plan: Setting Objectives and Action Plans

- Annual quality target setting
- Supplier improvement plan formulation
- Customer audit preparation planning
- Risk assessment and control standard development

Do: Implementing Management Measures

- Quality education and training
- Cross-departmental quality exchange meetings
- Supplier improvement supervision and execution
- Inspection process digitalization

Check: Performance Monitoring and Data Analysis

- SPC review
- Customer audit deficiency tracking
- Supplier improvement completion rate review
- Quality management review meetings

Act: Continuous Improvement and Strategic Adjustment

- FMEA failure mode prevention and improvement
- Customer feedback integration into quality enhancement
- Supplier management mechanism adjustment
- Next-year target and priority updates

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.

2025 Quality Training Highlights

100% Completion rate
New employee quality training
Core competency development

1,514 views
Online quality culture promotion articles
Sustained quality culture building

18 sessions
Cross-departmental quality exchange meetings
Risk management shifted to early development stage
Cross-departmental collaboration

162 assessments
Quality personnel professional assessments
Instrument operation · Machine principles · Inspection procedures
Approx. 7 assessments per person

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

IECQ QC 080000 Compliant | RoHS Compliant | REACH Compliant

option 01 — Design
- 3R principles integration
- Restricted substance controls
- Zero-waste design philosophy

option 02 — Manufacturing
- ISO 9001 management
- Hazardous substance process management
- Raw material approval signing rate 100%

option 03 — Sales
- RoHS certification
- REACH testing
- Annual third-party verification

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.

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