TAIFLEX 台虹科技



2025

TAIFLEX Scientific Co., Ltd. SUSTAINABILITY REPORT

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△ About this Report

TAIFLEX Scientific Co., Ltd. (hereinafter referred to as "Taiflex," "the Company," or "we") has published sustainability reports for 13 consecutive years since 2014. In this year's report, we identified 12 material topics through a thorough understanding of the corporate sustainability context, a materiality assessment, the identification of stakeholder concerns, and input from external experts. The report provides detailed disclosures of Taiflex's management approaches, action plans, and performance across these material topics, presented in clear, commonly used language and descriptive terms. In addition to enhancing transparency for stakeholders, the report underscores our commitment to advancing sustainable development.

∴ Preparation Principles and Guidelines

This report has been prepared in accordance with the GRI Standards issued by the Global Reporting Initiative (GRI), as well as the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" issued by the Taiwan Stock Exchange (TWSE). Disclosures have been enhanced in accordance with Article 4, "Sustainability Disclosure Indicators - Electronic Parts and Components Industry," and Article 4-1, "Climate-related Information," of the aforementioned rules. In addition, the report references the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-related Financial Disclosures (TCFD), and the United Nations Sustainable Development Goals (SDGs), and has been prepared in alignment with the reporting principles and requirements set forth in these frameworks. To enhance materiality and comparability, financial performance is presented in New Taiwan dollars, while environmental data related to energy conservation and carbon reduction are expressed using internationally recognized units of measurement. Any restatements or revisions made relative to the previous year's report are explained in the relevant sections.

∴ Reporting Scope, Period and Frequency

Taiflex publishes its sustainability report on an annual basis, in alignment with the frequency of its financial reporting. The report is publicly available on the Company's official website: https://www.taiflex.com.tw/english/Home.

This report presents Taiflex's sustainability performance across economic, governance, social, and environmental aspects for the period from January 1 to December 31, 2025. To enhance completeness and comparability, certain information may also reference activities or data from periods before or after the reporting year. Except for financial performance, which is presented on a consolidated basis, all other disclosures focus primarily on Taiflex's operations and business activities in Taiwan, including Taiflex 1, Taiflex 2, Taiflex 3, Taiflex 5, and the Linkou Office, and excluding subsidiaries. However, in consideration of the Group's overall sustainability strategy and planning, selected sustainability performance data from subsidiaries are included where relevant.

Company Website

Previous report: Published in August 2025

Current report: Published in August 2026

Next report: Scheduled for release in August 2027

∴ Audit and External Verification

The data and information presented in this report were compiled in accordance with Taiflex's "Procedures for the Preparation and Assurance of Sustainability Reports." Relevant data were provided by departments at the corporate headquarters and factory sites, reviewed by their respective supervisors, and consolidated and edited by the sustainability report preparation team. The draft report was then reviewed and revised by the heads of the respective working groups under the Sustainable Development Committee and submitted through the administrative approval process for review by the Sustainability Development Committee (whose members include the Chairman and the President). To comply with applicable regulatory requirements and ensure the quality and accuracy of the report, the Sustainability Report is finalized and published only after approval by the Board of Directors. The 2025 Sustainability Report was finalized and issued following its approval at the 3rd meeting of the 11th Board of Directors on July 29, 2026.

To enhance the credibility of this report, financial performance data have been extracted from the Company's annual financial statements audited by Ernst & Young. Greenhouse gas (GHG) emissions data are based on inventories conducted in accordance with ISO 14064-1:2018 and are disclosed using data verified by an independent third party. (However, the 2025 GHG emissions data presented in this report are currently based on the quantified results of the Company's self-conducted GHG inventory. On-site verification is scheduled for June 2026, with certification expected in August 2026.) For all other disclosures, the Company engaged Gmcsr United Accounting Firm to perform an independent assurance engagement on selected performance indicators reported in this Sustainability Report. The assurance engagement was conducted at a limited assurance level in accordance with Taiwan Standard on Assurance Engagements 3000 (TWSAE 3000), "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information," issued in the Republic of China (Taiwan). The assurance statement is provided in Appendix II: Independent Assurance Statement for the Sustainability Report.

Feedback

We welcome any suggestions or questions you may have regarding the Company or this report. For more information about Taiflex's sustainability initiatives, please visit the ESG section on our official website.

TAIFLEX ESG

Responsible unit: Sustainable Development Center/TAIFLEX Scientific Co., Ltd.
Address: No. 1, Huanqu 3rd Rd., Qianzhen Dist., Kaohsiung City 806011, Taiwan (R.O.C.)
Telephone: 886- 7-8139225 #72777
Email: ESG@taiflex.com.tw
Sustainability section: https://www.taiflex.com.tw/english/ESG/

Message from the Management

△ Message from the Chairperson



The global environment in 2025 was marked by significant uncertainty and change. Exchange rate fluctuations, tariff adjustments, geopolitical developments, and Regional Risk, among other factors, posed rigorous tests of corporate resilience across supply chain management, manufacturing operations, and customer relationships. Fortunately, through the dedication and perseverance of all Taiflex employees, the Company continued to move forward steadily amid these challenges. In addition to developing new products across multiple application sectors to drive revenue growth, Taiflex actively advanced ESG and sustainability initiatives while fulfilling its corporate social responsibilities.

Taiflex's sustainability strategy is built upon three core pillars: Environmental Stewardship, Technological Innovation, and Employee Relations. Across all production sites, we have accelerated process decarbonization efforts and enhanced energy efficiency, reducing the intensity of energy consumption while continuing to achieve revenue growth. At the same time, the Company has actively expanded its solar photovoltaic installations. Across Taiflex facilities, including the Rudong and Thailand factories, cumulative installed capacity has reached 2.9 MWp. In 2025, we also invested in biomass power generation, with an initial installed capacity of 280 kW, which is expected to generate additional environmental and economic benefits. Furthermore, the Taiflex Group voluntarily participated in the 2025 Carbon Disclosure Project (CDP) assessment and achieved Management-level ratings in both Climate Change and Water Security, maintaining its competitiveness in sustainable development alongside international peers.

Employees throughout the Taiflex Group, together with the Employee Welfare Committee, continued to collaborate with charitable organizations through initiatives such as Family Day events and food bank donations, demonstrating an ongoing commitment to caring for and giving back to society. In September 2025, Taiflex's employee cafeteria received the Ministry of Environment's "Green Food" certification, becoming the first corporate cafeteria in the Kaohsiung Technology Industrial Park to earn this distinction. By implementing green procurement, local sourcing, and source reduction practices, the Company is integrating sustainability into everyday life.

Looking ahead to 2026, all Taiflex Group employees will continue to embrace innovation, sustainability, and social responsibility as guiding principles. Together with our partners, we will strive to create greater value for our shareholders and society while working toward a brighter and more sustainable future.

Chairperson 陳永恒

△ Message from the President



President 江永翰

Dear Stakeholders, Employees, and Partners,

As we look back on 2025, a pivotal year in history, the global consensus on the urgency of climate action has reached an unprecedented level. As a leading supplier in the global flexible printed circuit (FPC) materials supply chain, Taiflex recognizes that corporate value is measured not only by financial performance, but also by our tangible actions across the three dimensions of Environmental, Social, and Governance (ESG) sustainability. We are committed not only to achieving technological breakthroughs, but also to embracing sustainability as the very foundation of the Taiflex Group's operations.

1. Green Momentum: Advancing Renewable Energy and Building Sustainable Resilience

In response to the growing challenges posed by climate change, the Taiflex Group is accelerating its decarbonization efforts at an unprecedented pace. In alignment with the government's 2050 net-zero emissions target, Taiflex is advancing the Group's strategic deployment of renewable energy through its subsidiary, Taiflex Green Power Co., Ltd., which coordinates the Group's renewable energy initiatives.

Over the past year, we have made significant progress in expanding our global green footprint. Taiflex Green Power successfully constructed and commissioned solar photovoltaic (PV) systems at both the Thailand and Rudong facilities. The Thailand facility installed a 431 kWp solar power system, achieved Gold-level TREES certification, and entered into a long-term green power procurement agreement. Meanwhile, Rudong Fuzhan Scientific Co., Ltd. also commenced the installation of a 378 kWp solar PV system. These achievements reflect our determination to integrate renewable energy into the foundation of our operations. Through a dual strategy of self-generated renewable power and green electricity procurement, we continue to strengthen the Group's sustainability and resilience.

2. Responsible Governance: Recognition for Excellence in Green Procurement and Environmental Sustainability

In supply chain management, we firmly believe that sustainability can only be achieved through collective action. Taiflex has fully implemented its Green Procurement principles and, through its e-procurement system, works closely with supply chain partners to advance the transition toward a low-carbon future. Through regular supplier conferences and on-site audits, we ensure that our entire value chain complies with stringent environmental standards.

Our long-standing commitment to environmental sustainability has also earned widespread recognition. We were honored to receive the SGS Environmental Sustainability Award in 2024 and achieved significant results through a cross-departmental reduction initiative carried out in collaboration with the Environmental Protection Bureau. In addition, Taiflex received the Model Award for Green Space Sponsorship in Air Quality Purification Zones and the Eco-Friendly Restaurant Certification from the Ministry of Environment. These honors represent more than recognition; they affirm Taiflex's outstanding performance in environmental sustainability, including resource recycling and reuse initiatives, such as maintaining recovery rates of over 60% for NMP and MEK solvents, as well as converting waste into energy.

3. Talent Empowerment: Strengthening Industry-Academia Collaboration and Fostering an Inclusive Workplace

The continuous advancement of an enterprise is driven by its people, and Taiflex has always regarded its employees as its most valuable asset. We are committed to fulfilling our corporate social responsibility (CSR) by enhancing professional competencies and strengthening the long-term resilience of both the Company and society.

We continue to deepen our industry-academia collaboration programs, helping local students bridge the gap between academic learning and industry practice. At the same time, through comprehensive onboarding programs and diverse internal training initiatives, we have established a well-rounded talent development framework. Taiflex is committed to fostering an equitable and inclusive workplace culture by providing transparent career development pathways and abundant learning resources, ensuring that every employee has the opportunity to realize their full potential. In addition, we place great emphasis on occupational safety and health, and employee well-being, striving to create a happy and healthy workplace that sets the benchmark for the industry. We firmly believe that nurturing talent and making long-term investments in our people drive the shared prosperity of both the Company and society.

4. Looking Ahead: Driving Sustainable Development Through Innovative Materials

Looking ahead, Taiflex will continue to leverage its two core technological strengths, proprietary base formulations and precision coating technologies, to develop innovative low-carbon and recyclable materials. In addition, the Company successfully passed the TIPS Level-A recertification in 2024, further demonstrating its leadership in information security management.

As President of the Group, I would like to express my heartfelt gratitude to every Taiflex employee. Your commitment to carbon reduction throughout every stage of the manufacturing process and the passion you bring to your work each day are the driving forces behind Taiflex's steady progress. Sustainability is a marathon with no finish line. Moving forward, Taiflex will continue to work hand in hand with customers and partners around the world to advance next-generation FPC material technologies and deepen our expertise in materials science. Together, we will create a net-zero and sustainable future.

About Taiflex

TAIFLEX Scientific Co., Ltd., established in 1997, is guided by a vision to become a world-class flexible materials company. We have built strong market competitiveness based on two core technologies: proprietary base formulations and precision coating processes. Committed to the research and development of green and energy-efficient products, we provide customers with highly reliable, advanced flexible materials along with integrated and innovative solutions. Today, Taiflex is the world's largest supplier of flexible printed circuit (FPC) materials.

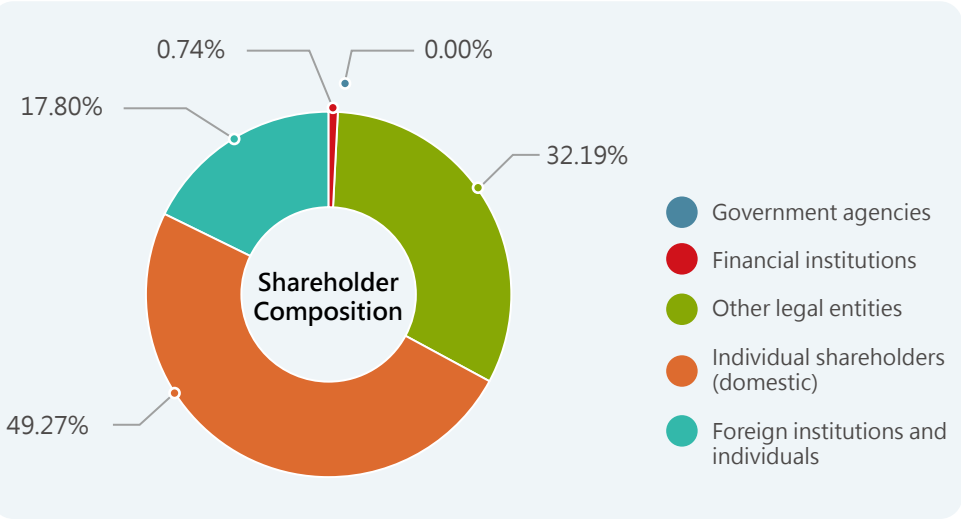
Company Overview

Company	TAIFLEX Scientific Co., Ltd.	Paid-in capital	NT$2,629.27 million (as of February 12, 2026)
Date of incorporation	August 16, 1997	Ticker symbol	TWSE: 8039 (Listed)
Industry	Electronics components industry	Number of employees	988 (as of December 31, 2025)
Chairperson	Ta-Wen Sun / Yung-Heng Chen (assumed the position in April 2026)	Main products	Flexible copper-clad laminates (FCCL), coverlays, bonding sheets, stiffeners, and composite materials
President	Zong-Han Jiang	Headquarters	No. 1, Huanqu 3rd Rd., Qianzhen Dist., Kaohsiung City 806011, Taiwan (R.O.C.)
Spokesperson	Chi-Yuan Pan	Global presence	Taiwan, China, Japan, the United States and Thailand

Shareholder Composition

As of March 29, 2026

Shareholders Category	Government agencies	Financial institutions	Other legal entities	Individual shareholders (domestic)	Foreign institutions and individuals
Shares Held	0	1,960,647	84,892,904	129,876,514	46,938,929
Shareholding %	0%	0.74%	32.19%	49.27%	17.80%



Diversified Operations

Taiflex Group enhances corporate value and expands its business portfolio through diversification. In addition to its core businesses in electronic materials and optical films, the Group has, in recent years, spun off and established Taichem Materials Co., Ltd. to expand into the semiconductor and display packaging materials markets. Moreover, in response to global decarbonization efforts and the national net-zero emissions agenda, the Group also established Taiflex Green Power Co., Ltd. to develop renewable energy generation and electricity sales businesses.



2025

- The Company's employee cafeteria received the Ministry of Environment's "Green Food" Certification, creating a dining environment that promotes health, quality, and environmental sustainability.
- Received a trophy form the Kaohsiung Export Processing Zone Administration, Ministry of Economic Affairs (MOEA), for participating in a blood donation campaign.
- Received a Certificate of Appreciation from the Kaohsiung United Charity Association in recognition of the Company's donations of goods and its efforts to transform reusable resources into meaningful support for disadvantaged communities, reducing food and material waste while fulfilling its corporate social responsibility.
- Recognized as an outstanding enterprise in the 2025 Voluntary Evaluation of Occupational Health and Safety Indicators in Sustainability Reports.
- Promote the purchase of products from sheltered workshops in Kaohsiung City to support the employment and social inclusion of people with disabilities.
- Received Certificates of Appreciation from Aicyun Primary School and Ruifeng Elementary School in recognition of the Company's five consecutive years of sponsoring and maintaining campus green spaces, helping to improve the environmental quality of the campuses and surrounding communities.
- Received a Certificate of Appreciation from the Southern Kaohsiung Branch of the Taiwan Fund for Children and Families for the second consecutive year in recognition of the Company's efforts to transform discarded wooden pallets into handcrafted items for charity sales. All proceeds were donated to support disadvantaged children, demonstrating Taiflex's commitment to corporate social responsibility and community care.
- Received a Certificate of Appreciation from National Sun Yat-sen University for the second consecutive year in recognition of its collaboration with academia to promote resource reuse by upcycling discarded pallets into creative play equipment for children, advancing the principles of circular economy and environmental education.

2024

- Received the 2024 Excellence Award in the Leader in Sustaining a Healthy Workforce - Manufacturing Sector from the Occupational Safety and Health Administration, Ministry of Labor.
- Honored with the 2024 Model Award for Green Space Sponsorship in Air Quality Purification Zones from the Ministry of Environment.
- Received the Eco-Friendly Restaurant Certification from the Ministry of Environment, Executive Yuan.
- Recognized as an outstanding enterprise in the 2024 Voluntary Evaluation of Occupational Health and Safety Indicators in Sustainability Reports, conducted by the Occupational Safety and Health Administration, Ministry of Labor.
- Certified under UL 2809 Environmental Claim Validation (ECV).
- Achieved TIPS Level-A recertification in 2024.
- Received a Certificate of Appreciation from the Southern Kaohsiung Branch of the Taiwan Fund for Children and Families in recognition of the Company's efforts to transform discarded wooden pallets into handcrafted items for charity sales. All proceeds were donated to support underprivileged children, reflecting Taiflex's commitment to corporate social responsibility and community care.
- Received a Certificate of Appreciation from National Sun Yat-sen University for collaborating with academia to promote waste reutilization by upcycling pallets into creative play equipment for children, demonstrating the Company's dedication to environmental education and sustainability.



2021

- Established a wholly-owned subsidiary, Taiflex Green Power, with a focus on renewable energy to continue our investment in power generation from green energy.
- Received the Enterprise with Outstanding Employment Relations Award from the Export Processing Zone Administration, MOEA.
- Received Devotion to Social Welfare Award from Export Processing Zone Administration, MOEA.
- Received Excellent Enterprise Award from Kaohsiung Chamber of Industry.
- Received a certificate from the Kaohsiung City Government for Mid-Autumn Festival Gifts from the to Help Disabled Friends.
- Received a certificate from the Social Affairs Bureau, Kaohsiung City Government for supporting Mid-Autumn Festival gifts from disability organizations.
- Issued the first overseas unsecured convertible bonds of US$70 million at the Singapore Exchange Limited on November 30.
- Obtained ISO 50001 Energy Management System certification.
- Received recognition from the Kaohsiung United Charity Association for One-day volunteering and donations to help families with financial hardship.

2023

- Received the Badge Healthy Workplace from the Health Promotion, Ministry of Health and Welfare.
- Received a trophy from Kaohsiung Export Processing Zone Administration for participating in a blood donation campaign.
- Ranked in the top 5% of the "Small and Mid-Caps" category for the 2022 Corporate Governance Evaluation.
- Recognized as an exemplary company in the 2023 joint regional complex accident emergency response drill organized at the Kaohsiung Qianzhen Technology Industrial Park.
- Obtained ISO 27001 Information Security Management System certification for eight consecutive years.
- Obtained the TIPS Level-A certification in 2023.
- Recognized as an outstanding company of the electronics industry in the Voluntary Evaluation of Occupational Health and Safety Indicators in Sustainability Reports, conducted by the Occupational Safety and Health Administration, Ministry of Labor.
- Received the certificate of 2023 Enterprises Committed to Corporate Health Responsibility from the Common Health Magazine.
- Approved to be an Authorized Economic Operator (AEO).
- Obtained both ISO 45001 and CNS 45001 certifications.
- Hosted the Kaohsiung study tours with the Puren Youth Care Foundation for eight consecutive years.
- Received the "Distinction Award" from the Environmental Protection Administration for green space sponsorship at the air quality purification zone.
- Teamed up with E.SUN for ESG initiative actions, working together to promote sustainable transformation.

2022

- Received trophy from Kaohsiung Export Processing Zone Administration for participating in a blood donation campaign.
- Ranked in the top 5% of the "Small and Mid-Caps" category for the 8th Corporate Governance Evaluation.
- Established Taiflex Scientific (Thailand) Co., Ltd., and held a groundbreaking ceremony.
- The 25th Anniversary of Taiflex and Gung Ho with Kaohsiung.
- Obtained ISO 27001 Information Security Management System certification for seven consecutive years.
- Received the certificate of 2022 Enterprises Committed to Corporate Health Responsibility from the Common Health Magazine.
- Received the 2021 Community Contribution Excellence Award from the Environmental Protection Bureau, Kaohsiung City Government for green space sponsorship at the air quality purification zone in Kaohsiung City.
- Completed ISO 14064:2018 GHG inventory and third-party verification (Year of inventory: 2021.)
- Received the Badge of Accredited Healthy Workplace from the Health Protection Administration, Ministry of Health and Welfare.

△ 2025 ESG Performance and Highlights

E Environment Aspect



- Continued utilizing the digital GHG emissions management platform in 2025 and completed the 2024 GHG inventory in accordance with **ISO 14064-1:2018,** ensuring the accuracy, transparency, and traceability of emissions data.
- Implemented 10 major energy conservation initiatives in 2025, achieving electricity savings of approximately 2,517,887 kWh, equivalent to a reduction of 9,064.39 GJ in energy consumption and **1,173.34 metric tons of CO_2e emissions.**
- Generated total environmental benefits of **NT$108.438 million** in 2025 through initiatives including solvent purification and reuse, waste reduction, and resource recycling, representing a 17% increase compared with the previous year.
- Taiflex Green Power Co., Ltd. (a subsidiary of the Company) successfully achieved its annual target by reaching a cumulative installed solar power capacity of **2,800 kW** in 2025.
- Recovered and reused **181.27 metric tons** of NMP and **119.47 metric tons** of MEK from the production lines in 2025.
- In the 2025 **Carbon Disclosure Project (CDP) assessment**, the Company received Management-level ratings in both the Climate Change and Water Security questionnaires.

S Social Aspect



- Maintained zero occupational illness cases resulting from chemical exposure and zero fatalities or serious injuries resulting from occupational accidents in 2025.
- Recorded **6,264 employee** training enrollments and **37,547 training hours** in 2025, with total training expenses reaching NT$2,655.55 thousand and **a training satisfaction rate of 91%.**
- Achieved a **100%** return-to-work rate following parental leave in 2025, while increasing the employee retention rate after returning from parental leave from 75% in the previous year to 87.5%.

G Corporate Governance Aspect



- Filed six new patent applications in 2025, bringing the cumulative total of patent applications worldwide to 257 as of year-end. Approximately 84% of these were invention patents, with a cumulative **total of 155 patents granted**.
- Generated operating revenue of **NT$10.609 billion** in 2025, representing a 6.75% increase compared with the previous year, while earnings per share (EPS) reached NT$2.07.
- **Maintained an A-grade information security risk rating** in 2025 based on an assessment conducted by SSC, an external cybersecurity consulting firm, and successfully maintained ISO 27001 certification for the tenth consecutive year.
- **Achieved a customer satisfaction score of 95.15** in 2025, representing an increase of 1.90 points compared with the 2024 score of 93.25.

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Practitioner of Sustainable Governance

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△ Practitioner of Sustainable Governance

∴ 1.1 Sustainability Governance Framework

Taiflex regards sustainable development as a core element of its business operations and risk management. The Company continues to strengthen its top-down governance framework by integrating environmental, social, and governance (ESG) considerations into decision-making processes and day-to-day operations. To effectively advance its sustainability strategy, Taiflex has established a Sustainable Development Committee to oversee sustainability policies, objectives, and strategic initiatives. Through clearly defined organizational structures, roles, and responsibilities, the Committee coordinates cross-functional efforts to promote the effective implementation of sustainability-related initiatives across the Company. In addition, Taiflex continuously enhances the effectiveness of its sustainability governance through institutionalized management mechanisms, regular reviews, and performance tracking. These efforts reflect the Company's commitment to steadily advancing sustainable development and delivering meaningful sustainability outcomes.

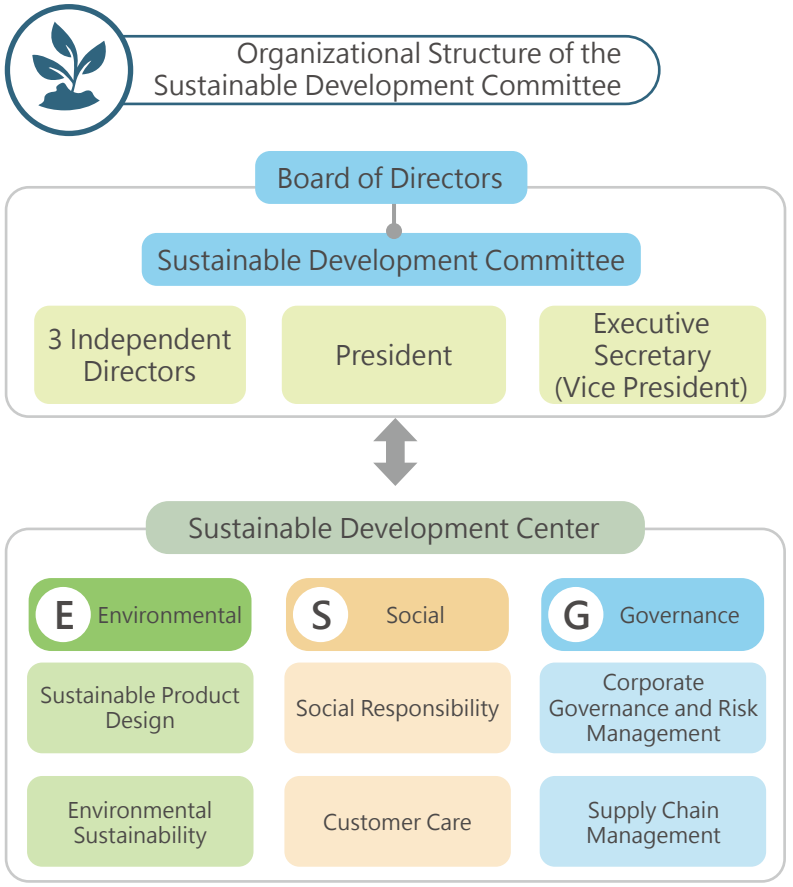
1.1.1 Sustainable Development Committee

In accordance with Article 27 of the "Code of Practice for Corporate Governance," the Company established the Sustainable Development Committee as a functional committee under the Board of Directors. The establishment of the Committee and its Charter were approved by the Board of Directors on October 25, 2022. The current Committee consists of five members appointed by the Board, including three Independent Directors, the President, and the Executive Secretary (Vice President). The Sustainable Development Committee is responsible for formulating sustainability policies, annual plans, and strategic directions, as well as tracking and reviewing the implementation and effectiveness of sustainability initiatives. To continuously strengthen the Company's sustainability governance mechanism, the Committee reports to the Board of Directors at least twice a year.

1.1.2 Sustainability Organization and Responsibilities

To effectively implement sustainable development initiatives, the Company has established six functional teams under the Sustainable Development Committee: Sustainable Product Design, Environmental Sustainability, Social Responsibility, Corporate Governance and Risk Management, Supply Chain Management, and Customer Care. These teams serve as the Company's execution framework for advancing ESG initiatives. The Chair of the Committee appoints the heads of the relevant departments to lead each functional team, driving the implementation of related plans and initiatives. In addition, an Executive Secretary assists the Convener in managing and tracking the progress and results of each functional team. The current Sustainable Development Committee serves a three-year term from May 30, 2023, to May 29, 2026. Information regarding the Committee members and their principal areas of expertise is presented below:

Title	Name	Expertise
Independent Director (Convener)	Shi-Chern Yen	Business and risk management, chemical engineering as well as environment, safety and health
Independent Director	Yung-Shun Chuang	Business and risk management
Independent Director	Wen-I Lo	Accounting, auditing and risk management
Member (President)	Zong-Han Jiang	Management and marketing
Member (Vice President)	Zhen Lin	Circular economy, GHG inventory, and renewable energy



Within this organizational structure, the Sustainable Development Center is responsible for monitoring and analyzing global sustainability issues. It works in collaboration with the functional teams to promote the Company's sustainability efforts across the ESG dimensions. For economic, environmental, and social issues arising from operational activities, each functional team is tasked with formulating annual work plans based on the year's business performance, tracking implementation progress, and submitting the results to the Sustainable Development Center. The Center consolidates these outcomes and reports them to the Sustainable Development Committee. The Committee, in turn, reports to the Board of Directors at least twice a year on the progress and performance of the Company's sustainability action plans. Moreover, the Company has appointed a Chief Sustainability Officer (CSO) to assist in leading the implementing units of the Sustainability Development Center. The CSO is responsible for promoting Taiflex's overall sustainability initiatives.

1.1.3 Sustainability Management Mechanism and Annual Achievements

Taiflex continuously advances a wide range of sustainable development initiatives through its sustainability management mechanism. Regular meetings, implementation tracking, and performance reviews are employed to ensure that sustainability-related initiatives are carried out in an orderly and effective manner. Each implementing unit carries out sustainability initiatives in accordance with its annual work plan, reviews implementation results, and makes ongoing adjustments as needed. The outcomes serve as an important basis for the ongoing enhancement of sustainability management practices. In 2025, the Sustainable Development Committee convened two meetings, with a 100% attendance rate for all committee members. A summary of the Committee's operations is presented in the table below:

Operation of the Sustainable Development Committee in 2025		
Date and Session of Meeting	2025.07.16 6th meeting of the 2nd term	2025.12.11 7th meeting of the 2nd term
Agenda Item	Review of the Company's Risk Map	2026 Sustainability Development Plan
Resolution	Approved as proposed without objection by all attending Committee members	Approved as proposed without objection by all attending Committee members
Other Discussion Items	None	None

∴ 1.2 Stakeholder Engagement and Response

Stakeholder identification and engagement form the foundation of corporate sustainability. To fulfill our commitments to stakeholders and to respect and safeguard their legitimate interests, Taiflex engages in ongoing communication through multiple channels. Feedback, needs, and expectations from stakeholders are incorporated into our operational decision-making. The outcomes of stakeholder engagement are regularly reported to the Board of Directors. Through these efforts, we strive to create and share maximum value with our stakeholders.

1.2.1 Stakeholder Identification

Through internal discussions with department heads, input from external experts, and benchmarking against industry peers, the Company's Sustainable Development Committee identified stakeholder groups that may be positively or negatively impacted by Taiflex's operational activities. The Committee adopted the AA1000 Stakeholder Engagement Standard (SES) to assess and prioritize these groups. A total of eight key stakeholder groups have been identified, including customers, employees, suppliers/ contractors, shareholders and other investors, government agencies, financial institutions, academic and research institutions, and society (including local communities, neighboring factories, and social welfare organizations).



Note: Including local communities and social welfare organizations

1.2.2 Stakeholder Communication

Taiflex adopts a proactive approach to stakeholder communication by utilizing multiple channels, including annual reports, the official website, relevant meetings, the Ehr platform (Taiflex Forum), employee suggestion boxes, customer service, ESG questionnaires, emails, and official correspondence. These channels help the Company understand the issues and concerns raised by its stakeholders. Through coordination and communication among the management team, issues are assessed and handled based on internal procedures and past engagement experiences. The nature, sensitivity, and potential impact of each issue are key considerations that guide the Company's response strategy and enable timely, appropriate actions.

| Stakeholder Communication Topics and Channels |

Stakeholder Category	Significance to Taiflex
 Shareholders and Other Investors	Investors and shareholders are key supporters of Taiflex's sustainable operations, and fulfilling our responsibilities to them is a core corporate mission.

Communication Channel	Frequency	2025 Communication Outcomes
Annual shareholders' meeting	Annually	• Held one shareholders' meeting and two investor conferences in 2025 to brief investors on operational status. • Published English versions of the shareholders' meeting agenda, annual report, and minutes for investor reference. • On October 29, 2025, the Chief Information Security Officer and the Information Security Officer reported to the Board on information security governance performance, key issues, and risk management strategies. • Dedicated email and hotline in place to respond to shareholder inquiries. Over 100 inquiries from shareholders and other investors were received in 2025, with a 100% response and resolution rate.
Investor conference	Annually	
Annual report / Financial statements	Annually	
Investor relations website	As needed	
Sustainability issue questionnaires	Every two years	
Dedicated shareholder hotline	As needed	
Email for external parties	As needed	
Annual information security briefing	Annually	

Stakeholder Category	Significance to Taiflex
 Government Agencies	Business operations must be founded on legal compliance and subject to government oversight. As policy changes can significantly impact operational direction, maintaining two-way communication with government agencies is essential.

Communication Channel	Frequency	2025 Communication Outcomes
Official correspondence	As needed	• In 2025, the Company exchanged over 1,341 official correspondences with competent authorities, including the TWSE, Investment Commission of MOEA, and tax agencies. • Active participation in information and policy briefings hosted by competent authorities to stay current with regulatory trends. In 2025, the finance and accounting departments attended seven government-organized sessions. • Participation in one salary survey and four manpower demand surveys conducted by the Ministry of Labor. • One update of employer representatives for labor-management meetings. • In 2025, competent authorities conducted 18 on-site audits as part of the Company's engagement with external stakeholders. A total of two corrective actions were identified, and all were completed, resulting in a 100% completion rate.
Questionnaire surveys	As needed	
Inspections and audits	As needed	
Labor-management meetings	Every 3 months	
EWC meetings	Quarterly	
Public hearings and press conferences	As needed	
Information sessions and seminars	As needed	
Sustainability issue questionnaires	Every two years	
Phone communication	Real-time	
Email for external parties	Real-time	

Stakeholder Category	Significance to Taiflex
 Financial Institutions	Capital is the lifeblood of business operations, and financial institutions are key capital providers. Therefore, we prioritize their concerns and maintain close communication.

Communication Channel	Frequency	2025 Communication Outcomes
Official correspondence	As needed	• Signed unsecured credit line agreements with more than 15 institutions to ensure funding stability. • Provided financial institutions with transparent operational results and strategic directions to facilitate their understanding of the Company's governance, risk management, and long-term strategies and outlook.
Sustainability issue questionnaires	Every two years	
Phone communication	As needed	
Email for external parties	As needed	
Credit line renewal reviews	Annually	
Bank meetings	As needed	

Stakeholder Category	Significance to Taiflex
Employees	Employees are a vital corporate asset and key to maintaining core competitiveness. Taiflex aims to create a challenging, continuously engaging, and enjoyable work environment, fostering sustainable growth together with employees.

Communication Channel	Frequency	2025 Communication Outcomes
Ehr platform (Taiflex forum)	Real-time	• In 2025, a total of three discussions and responses were posted on the Ehr platform. • In 2025, four labor-management meetings and eight EWC meetings were held. • In 2025, four OSH Committee meetings were convened. • In 2025, two newcomer welcome sessions were organized. • The Company published the Confidential Information Protection Policy (CIPP) monthly and conducted an annual assessment of Taiflex's Confidential Information Protection Guidelines, with a full score required to pass. All 771 designated employees passed the assessment in 2025, achieving a 100% pass rate. • In 2025, a total of 743 employees completed online information security training (including assessments), with a 100% pass rate. • Individual development plans (IDPs) were created based on employees' job requirements, performance evaluations, and career development needs. • In 2025, four OSH Committee meetings were held, with an attendance rate of 83%. Five follow-up issues were raised, and all were resolved. • In 2025, six environmental education knowledge-sharing articles were published. • In 2025, a total of 24 briefing sessions were held across various divisions, during which department heads or division managers communicated company policies and regulations and addressed employee questions and concerns.
Labor-management meetings	Quarterly	
Employee briefing sessions	As needed	
CEO roundtable discussions	As needed	
EWC meetings	Quarterly	
Occupational Safety and Health (OSH) Committee meetings	Quarterly	
Employee suggestion mailbox	Real-time	
Training and awareness programs	As needed	
Sustainability issue questionnaires	Every two years	
Awareness seminars	As needed	
Monthly production recognition meeting	Monthly	
Newcomer welcome sessions	Semi-annually	
Internal hotline/email	Real-time / Semi-annually	
Instant messaging group (M+)	Real-time	

Stakeholder Category	Significance to Taiflex
 Academic and Research Institutes	We value academic knowledge and collaborate with universities and research institutes to cultivate professional talent, accelerate product development, and enhance the Company's overall sustainability through academic expertise.

Communication Channel	Frequency	2025 Communication Outcomes
Briefings / Forums / Seminars	Real-time / As needed	• Participated in five training sessions hosted by the Taiwan Printed Circuit Association (TPCA). • Partnered with National Sun Yat-sen University's College of Semiconductor and Advanced Technology Research for a 10-year talent development program, providing professional lecturers and aiming to train 40 young professionals. As of 2025, a total of 11 students have participated in internship programs at Taiflex, including two new interns in 2025. • Signed an industry-academia collaboration agreement with Wun-Shan Senior High School and hosted a campus promotion event during the school's anniversary celebration. • Signed an industry-academia collaboration agreement with National University of Kaohsiung in 2025. • Conducted approximately 20 exchange and collaboration activities with academic and research institutions in 2025. • Through simulation technology collaboration, the Company develops approximately two new coating head designs for different adhesive viscosities and updates approximately four spacer specifications for different thickness requirements each year, accelerating the development of new technologies and products.
Official correspondence	As needed	
Industry-academia collaboration projects	As needed	
Project meetings	As needed	
Visits and interviews	As needed	
Sustainability issue questionnaires	Every two years	
Project meetings and discussions	As needed	
Simulation research briefings	At least twice a month	
E-mail / Phone hotline / Laboratory access	Real-time	

Stakeholder Category	Significance to Taiflex
Society (including local communities and social welfare organizations)	The Company maintains positive relationships with residents in the communities where it operates and continuously contributes to society, demonstrating its commitment to corporate social responsibility.

Communication Channel	Frequency	2025 Communication Outcomes
Public welfare activities, donations, and volunteer participation	As needed	• From 2021 to 2025, the Company has made continuous donations for five consecutive years to support the maintenance of green spaces in air quality purification zones at Aicyun Primary School and Ruifeng Elementary School in Qianzhen District, Kaohsiung. • In collaboration with CTBC University of Technology, the Company repurposed discarded wooden pallets from factories into handcrafted items. These were distributed as gifts for internal charitable initiatives and sold at fundraising events. All proceeds were donated to the Southern Kaohsiung Branch of the Taiwan Fund for Children and Families. In addition, Taiflex pledged to match every dollar donated with an equivalent contribution.
Official correspondence	Real-time	
Phone communication	Real-time	
Email for external parties	Real-time	
Blood donation	Annually	

Stakeholder Category	Significance to Taiflex
 Suppliers/ Contractors	Business operations rely on the stable supply of goods from suppliers. We place great importance on the quality of raw materials provided and strive for mutual benefit and sustainable growth with our partners.

Communication Channel	Frequency	2025 Communication Outcomes
Operation review and audit	As needed	• Hold one coordination meeting every year, covering required documentation, training, and safety precautions for contractors prior to commencing on-site work. Attendance is required annually. • Conducted 32 supplier audits in 2025 (20 document reviews and 12 on-site inspections), identifying 68 deficiencies. The supplier audit deficiency correction rate reached 100%. • Carried out 563 operation reviews and audits in 2025, with a 100% improvement rate. • Performed 211 inspections of special contractor operations in 2025. Three violations were identified, and corrective notices were issued, and all violations were subsequently corrected.
Coordination meeting	Annually	
Supplier conference	Annually	
Sustainability issue questionnaires	Every two years	
Phone	Real-time	
Email for external parties	As needed	
Regular audits	Annually	
Green product data management	Annually	

Stakeholder Category	Significance to Taiflex
 Customers	Providing high-value products to become a trusted business partner is key to business development.

Communication Channel	Frequency	2025 Communication Outcomes
Customer audits	As needed	• Completed two major customer audit questionnaires in 2025. • Achieved a customer satisfaction score of 95.15 in 2025. • In 2025, 14 customer audits were conducted. A total of 65 improvement items were identified, all of which were completed, resulting in a 100% completion rate. • In 2025, our Kaohsiung factory held approximately 80 to 100 technical exchange meetings with customers.
Customer-designated questionnaires	As needed	
Customer satisfaction survey	Semi-annually	
Business visits	As needed	
Customer service hotline	Real-time	
Email for external parties	As needed	
Audit visits	As needed	
Technical exchange meetings	As needed	

∴ 1.3 Identification of Material Topics for the Year

To ensure that the information disclosed in the Sustainability Report more closely aligns with stakeholder expectations and reflects international sustainability trends, Taiflex has adopted the materiality analysis framework for sustainability topics with reference to the materiality assessment process under the GRI Standards (2021). This framework is based on six key steps: "Understand the organization's context," "Identify materiality," "Identify impacts," "Assess significance," "Confirm material topics," and "Define material topic boundaries," which together form the foundation for analyzing the materiality of sustainability issues.

1.3.1 Material Topic Identification Process

1.Understand the organization's context and collect sustainability issues

To understand the organization's context and identify relevant sustainability issues, the Company referred to the GRI Standards issued by the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) standards, the MSCI ESG Leaders Indexes, the FTSE Russell ESG Index, the United Nations Sustainable Development Goals (SDGs), and key sustainability issues in the electronic components industry. These references were considered alongside the Company's strategic objectives and stakeholder input. A total of 22 sustainability topics were compiled, covering three major sustainability aspects: environmental, social (including people and human rights) and economic (including corporate governance).

3 major sustainability aspects
22 sustainability topics

2.Identify materiality

To identify the material topics for the year, Taiflex distributed the "Stakeholder Concern Questionnaire" to the stakeholder groups identified for the current year. The survey aimed to assess the level of concern each group places on various sustainability topics, focusing on how these issues influence their evaluations and decision-making processes. The results served as a key reference in determining the Company's material sustainability topics.
In parallel, Taiflex's senior management assessed the potential positive and negative impacts of each topic on the Company's sustainable development, based on two key dimensions: the likelihood of occurrence and the magnitude of impact. These internal evaluations formed the basis for identifying material topics relevant to the Company's operations.
For the current reporting year, a total of 540 valid questionnaires were collected, including 521 stakeholder concern questionnaires and 19 internal materiality assessment questionnaires.

521 stakeholder concern questionnaires
19 internal materiality assessment questionnaires
12 material topics

3.Identify actual and potential impacts

Taiflex's senior management conducted an assessment of the actual and potential positive and negative impacts of the 22 sustainability topics identified in Step 1. A five-point scale was used to evaluate the significance of the positive and negative impacts that each topic may have on Taiflex's sustainable operations, based on the likelihood of occurrence and the magnitude of impact. A total of 19 senior executives participated in the assessment during the current year.

4.Assess the significance of the impact

To evaluate the significance of each impact, Taiflex first averaged the scores provided by the 19 senior executives for each sustainability topic. For both positive and negative impacts, the likelihood of occurrence was multiplied by the magnitude of impact. The two resulting values were then summed to derive a total impact score for each topic. Topics with a total score greater than 24 were identified as having significant impacts.

5.Inspect and confirm material topics

Taiflex referenced the results of the stakeholder materiality assessment and the impact significance evaluation conducted by senior management. The final decision was made through internal discussions and consultations with external experts and scholars. In addition to including topics with an impact score above 24, the Company also incorporated topics with a stakeholder concern score higher than 4.4. As a result, 12 material topics were identified for 2025 and prioritized for disclosure in this Sustainability Report.

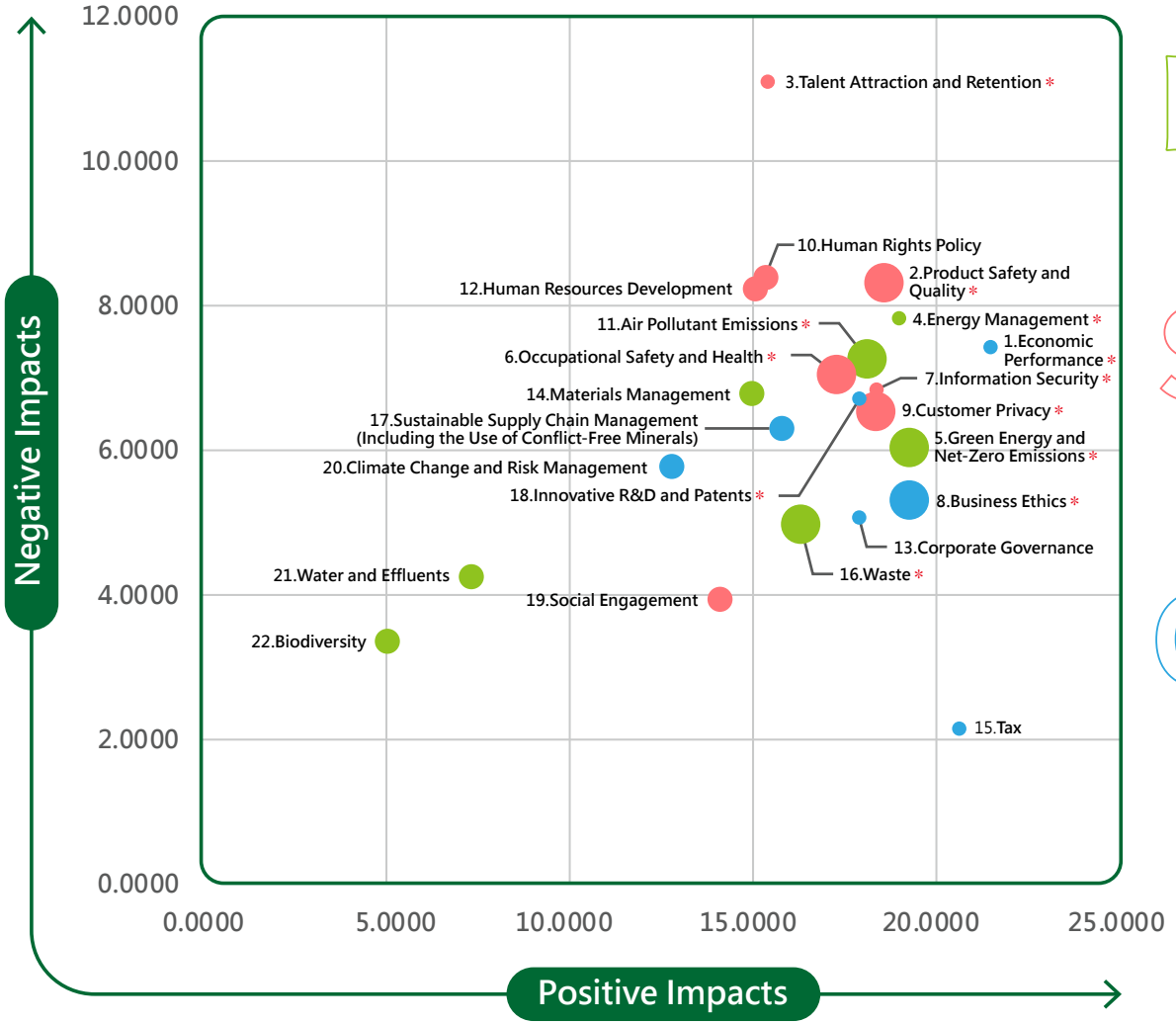
6.Define material topic boundaries

The material topics identified through analysis were defined using the value chain as the basis for setting reporting boundaries. Taiflex will continue to strengthen its management of these topics and disclose relevant information in future sustainability reports.

Boundaries were defined with reference to the value chain

1.3.2 Impact Significance Assessment Results

Comprehensive Evaluation of Positive and Negative Impacts



E

- 4. Energy Management *
- 5. Green Energy and Net-Zero Emissions *
- 11. Air Pollutant Emissions *
- 14. Materials Management
- 16. Waste *
- 21. Water and Effluents
- 22. Biodiversity

S

- 2. Product Safety and Quality *
- 3. Talent Attraction and Retention *
- 6. Occupational Safety and Health *
- 7. Information Security *
- 9. Customer Privacy *
- 10. Human Rights Policy
- 12. Human Resources Development
- 19. Social Engagement

G

- 1. Economic Performance *
- 8. Business Ethics *
- 13. Corporate Governance
- 15. Tax
- 17. Sustainable Supply Chain Management (Including the Use of Conflict-Free Minerals)
- 18. Innovative R&D and Patents *
- 20. Climate Change and Risk Management

* Material Topics for the Year

- Large Bubbles: Concern score ≥ 4.40
- Medium Bubbles: Concern score ≥ 4.28 and < 4.40
- Small Bubbles: Concern score < 4.28

1.3.3 List of Material Topics for the Year

The material topics for Taiflex's 2025 Sustainability Report were identified through materiality analysis, impact assessment, and discussions at internal management meetings. Using the value chain as the basis for boundary analysis, the Report is organized into five major chapters: "Practitioner of Sustainable Governance," "Leader of Sound Operations," "Driver of Innovation and R&D," "Green Manufacturing in Action," and "Promoter of Social Inclusion." These chapters describe the Company's proactive management of environmental, social (including people and human rights), and economic (including corporate governance) issues. Moving forward, the Company will continue to strengthen its sustainability practices and disclose relevant information in future sustainability reports.

List of Material Topics

Corresponding Chapter	Material Topic	GRI / Topic Reference	Value Chain Impact Boundary		Page No.
			Taiflex	Suppliers/ Contractors	
Chapter 2 Leader of Sound Operations	· Economic Performance	· GRI 201 Economic Performance	Caused	-	26
	· Business Ethics	· GRI 205 Anti-corruption · GRI 206 Anti-competitive Behavior	Caused	-	36
	· Innovative R&D and Patents	· Custom topic	Caused	-	40
	· Customer Privacy	· GRI 418 Customer Privacy	Caused	Directly related	40
Chapter 3 Driver of Innovation and R&D	· Information Security	· Custom topic	Caused	Directly related	54
	· Product Safety and Quality	· GRI 416 Customer Health and Safety · GRI 417 Marketing and Labeling	Caused	Directly related	57
Chapter 4 Green Manufacturing in Action	· Energy Management	· GRI 302 Energy	Caused	Contributed	67
	· Green Energy and Net-Zero Emissions	· GRI 302 Energy · GRI 305 Emissions (305-1~5)	Caused	Contributed	67
	· Air Pollutant Emissions	· GRI 305 Emissions (305-6, 7)	Caused	-	70
	· Waste	· GRI 306 Waste	Caused	-	71
Chapter 5 Promoter of Social Inclusion	· Talent Attraction and Retention	· GRI 401 Employment · GRI 405 Diversity and Equal Opportunity	Caused	-	77
	· Occupational Safety and Health	· GRI 403 Occupational Health and Safety	Caused	Directly related	84

∴ 1.4 Sustainability Goals and Practices

Taiflex continues to advance a wide range of sustainability initiatives and, through annual reviews and ongoing adjustments, steadily progresses toward its sustainable development objectives. This section outlines the Company's sustainability goals and strategies, summarizes the achievements of its 2025 sustainability initiatives, and presents its short-, medium-, and long-term development priorities, illustrating how sustainability principles are put into practice throughout the Company's operations and management.

1.4.1 Sustainability Goals and Strategies

With a focus on sound business operations, innovation and R&D, environmental stewardship, and sustainable talent development, Taiflex integrates sustainability principles into its business strategy and management framework. Taking into account industry trends, regulatory requirements, customer expectations, and operational needs, the Company has established sustainability goals and implementation strategies to guide its management initiatives and resource allocation.

As part of its sustainability strategy, Taiflex focuses on key areas including product and technology advancement, climate and environmental management, occupational safety and health, talent development and a friendly workplace, as well as ethical governance and information security. These strategic priorities are aligned with the United Nations SDGs, including Good Health and Well-being (SDG 3), Gender Equality (SDG 5), Affordable and Clean Energy (SDG 7), Decent Work and Economic Growth (SDG 8), Industry, Innovation and Infrastructure (SDG 9), Responsible Consumption and Production (SDG 12), Climate Action (SDG 13), and Peace, Justice and Strong Institutions (SDG 16), which serve as important directions for the Company's sustainability planning and management.

1.4.2 Action Plans and Annual Achievements

In alignment with the sustainability goals and strategies outlined above, Taiflex continued to implement various sustainability action plans throughout 2025. These initiatives were carried out by the responsible departments according to their respective management functions and covered key sustainability topics, including environmental protection, product responsibility, employee care, occupational safety, ethical governance, innovation and R&D, and economic performance. Through annual target management, implementation tracking, and performance review mechanisms, the Company evaluates the effectiveness of each action plan and uses the results as a reference for continuous improvement and future resource allocation. The linkage between the Company's sustainability action plans and the achievements attained in 2025 is presented below:

Sustainability Topic	2025 Action Plans and Annual Achievements
Environmental	
Energy Management	✓ Annual energy savings of 1% in 2025 compared with 2024, in line with the energy-saving target established by the Energy Administration, MOEA → Achieved. Energy consumption in 2025 was reduced by 5.99% compared with 2024, exceeding the Energy Administration's target.
Green Energy and Net-Zero Emissions	✓ 4% reduction in Scope 1 GHG emissions, using 2021 as the base year → Achieved. Scope 1 GHG emissions in 2025 decreased by 4.63% compared with the 2021 base year. ✓ A cumulative installed solar power capacity of 2,800 kW by Taiflex Green Power (subsidiary) → Achieved. As of 2025, Taiflex Green Power had achieved a cumulative installed solar power capacity of 2,800 kW.

Sustainability Topic	2025 Action Plans and Annual Achievements
Waste	✗ Waste conversion rate of 80% → Not achieved. In 2025, the production lines recovered and reused 181.27 metric tons of NMP and 119.47 metric tons of MEK. The reuse rates were 40.59% for NMP and 79.47% for MEK, both below the target rate of 80%.
Air Pollutant Emissions	✗ Natural gas consumption of air pollution control equipment reduced by 10% compared to 2016 → Not achieved. In 2025, the total natural gas consumption of air pollution control equipment at Taiflex 2 and Taiflex 3 increased by 23.8% compared to 2016. The target was not achieved due to increased production capacity at Taiflex 3. ✗ Volatile Organic Compound (VOC) emissions per unit reduced by 3% compared to the base year (2021) → Not achieved. In 2025, the combined VOC emissions per unit at Taiflex 1, 2, and 3 increased by 3.5% compared to 2016. The target was not achieved due to increased production capacity at Taiflex 3. ✓ VOC recovery through condensation and concentration increased by 1% compared to the base year (2021) → Achieved. In 2025, the volume of VOCs recovered through condensation and concentration at Taiflex 1, 2, and 3 increased by 47.9% compared to 2016.
Social	
Product Safety and Quality	✓ Customer satisfaction score of at least 89 points → Achieved. The Company achieved a customer satisfaction score of 95.15 points in 2025. ✓ 100% compliance with regulations and customer requirements regarding hazardous substance restrictions → Achieved. All products maintained 100% compliance with REACH and RoHS requirements.
Customer Privacy Information Security	✓ Continuously strengthen personal data and customer data protection practices → Achieved. In 2025, the Company continued to implement measures for the protection and management of personal data and customer information. ✓ Ensure no litigation arising from breaches of customer privacy, personal data leaks, or information security incidents → Achieved. No incidents involving customer privacy breaches or personal data leaks occurred in 2025. ✓ Achieve a 100% pass rate in the annual assessment of Taiflex's Confidential Information Protection Guidelines by all employees → Achieved. In 2025, employees completed the annual assessment of Taiflex's Confidential Information Protection Guidelines, achieving a 100% pass rate. In 2025, the system availability rate reached 99.989%. The Company also successfully passed information security audits conducted by key customers, maintained ISO 27001 certification for the tenth consecutive year, and received an information security risk rating of Grade A from an external cybersecurity assessment conducted by SSC.
Talent Attraction and Retention	✓ Implement one salary adjustment and two promotion cycles (first and second half of the year); offer Thai language courses and introduce an AI-powered language learning platform → Achieved. Salary adjustment in 2025: The annual salary adjustment was successfully completed in May 2025. To reflect the Company's commitment to diversity, equity, and inclusion (DEI), the adjustment was based on a comprehensive assessment of individual performance and market compensation benchmarks, with refinements made to the internal salary structure. This initiative strengthened the linkage between compensation and performance and demonstrated the Company's commitment to equal pay for equal work and transparent compensation management.

Sustainability Topic	2025 Action Plans and Annual Achievements
Talent Attraction and Retention	→ Achieved. Two promotion cycles were completed in 2025, one in each half of the year: To foster a sound career development environment for employees, the Company implemented its annual dual-track promotion evaluation mechanism in 2025 and completed two promotion cycles, one in each half of the year. Through a fair and transparent review process, employees were provided with well-defined career advancement pathways and opportunities to realize their potential. This mechanism not only encouraged employees' professional growth and self-improvement, but also demonstrated the Company's commitment to fostering an inclusive workplace and achieving its talent attraction and retention objectives. → Achieved. Thai language courses and an AI-powered language learning platform were implemented: 1. Two Thai language classes were offered, with 21 participants completing 42 hours each in the first class and 18 participants completing 40 hours each in the second class. 2. From June 2025 to December 2026, 82 employees used the AI-powered English learning platform, accumulating a total of 4,316 learning hours. ✓ Establish a comprehensive career development roadmap to help employees plan long-term career paths → Achieved. The employee turnover rate decreased from 18.45% in 2024 to 17.23% in 2025, representing an overall decline of approximately 1 percentage point.
Occupational Safety and Health	✗ Zero major occupational accidents requiring hospitalization → Not achieved. Three major occupational accidents requiring hospitalization occurred in 2025. ✓ Maintain zero cases of occupational illness due to chemical exposure → Achieved. No cases of occupational illness caused by chemical exposure were reported in 2025. ✗ Disabling injuries frequency rate (FR) ≦ 1.5 → Not achieved. The FR was 2.13 in 2025. ✗ Disabling injury severity rate (SR) ≦ 3.6 → Not achieved. The SR was 55 in 2025. ✓ Voluntary participation rate in employee health promotion programs > 40% → Achieved. The voluntary participation rate in employee health promotion programs reached 50.6% in 2025.
Corporate Governance	
Economic Performance	✓ Return on equity (ROE) not lower than the industry average → Achieved. The Company's ROE was 4.86% in 2025, compared with the industry average of -3.21%, outperforming the industry by 8.07 %. ✓ Operating profit margin not lower than the industry average → Achieved. The Company's operating profit margin was 4.95% in 2025, compared with the industry average of -16.01%, outperforming the industry by 20.96 %.

Sustainability Topic	2025 Action Plans and Annual Achievements
Business Ethics	✔ Develop comprehensive management and preventive measures → Achieved. The Company issues monthly internal announcements to promote awareness of the "Principles of Business Ethics," "Procedures and Guidelines of Business Ethics," and the "Code of Ethical Conduct." The Company continuously reviews and revises its ethical business policies and internal management systems in line with relevant regulations and the latest regulatory guidance from the competent authorities to ensure compliance and consistent implementation. The Company provides standardized training on ethical business conduct to all new employees. In addition, on May 19, 2025, ethical business conduct awareness was promoted to Group employees through electronic announcements, which accumulated 1,873 views during the year. The Company also conducted one e-learning course (approximately 23 minutes in length), achieving a participation rate of 78.8%. The coverage rate of ethical business conduct training reached 100% for both new employees and Directors, demonstrating the effective operation of the Company's integrity and ethics management framework. ✔ Zero violations of ethical principles by Directors, managers, and employees → Achieved. There were zero violations of ethical principles by Directors, managers, and employees in 2025.
Innovative R&D and Patents	✔ File two new product patent applications per year → Achieved. The Company filed six new product patent applications in 2025, achieving 300% of the annual target. ✔ Obtain TIPS Level-A recertification → Achieved. The Company obtained TIPS Level-A certification in 2024, and the certificate remains valid through December 31, 2026. The next recertification is scheduled for the fourth quarter of 2026.

Note: The waste conversion rate is defined as: (reclaiming + reduction + recycling + reuse + waste-to-energy recovery + anaerobic digestion + biofuel + composting) / Total weight of waste generated. The proportion of waste-to-energy recovery must be less than 10%.

1.4.3 Future Initiatives



Environmental

Sustainability Topic	Short-Term (2026)	Medium-Term (2027-2030)	Long-Term (2031-2040)
• Energy anagement	• Achieve annual energy savings of 1% in 2025 compared with the base year (2024), as required by the Energy Administration, MOEA	• Continue achieving annual energy savings of 1%, as required by the Energy Administration, MOEA • Participate in free energy diagnostics provided by government-commissioned professional agencies to identify additional energy-saving opportunities • Join Taipower's demand response program • Introduce solar renewable energy	• Continue achieving annual energy savings of 1%, as required by the Energy Administration, MOEA • Participate in free energy diagnostics provided by government-commissioned professional agencies to identify additional energy-saving opportunities • Join Taipower's demand response program • Introduce solar renewable energy
• Green Energy and Net-Zero Emissions	• 5% reduction in Scope 1 GHG emissions, using 2021 as the base year • Average annual renewable energy generation of 3,000,000 kWh by Taiflex Green Power (subsidiary)	• 5% reduction in Scope 1 GHG emissions, using 2021 as the base year • Average annual renewable energy generation of 6,000,000 kWh by Taiflex Green Power (subsidiary)	• 5% reduction in Scope 1 GHG emissions, using 2021 as the base year • Average annual renewable energy generation of 10,000,000 kWh by Taiflex Green Power (subsidiary)
• Waste	• Waste conversion rate of 80%	• Waste conversion rate of 85~88% • Apply for UL 2799 Silver-level landfill conversion certification by 2030	• Waste conversion rate of 90%
• Air Pollutant Emissions	• Natural gas consumption of air pollution control equipment reduced by 10% compared to 2016 • VOC emissions per unit reduced by 3% compared to the base year (2021) • VOC recovery through condensation and concentration increased by 1% compared to the base year (2021)	• Natural gas consumption of air pollution control equipment reduced by 20% compared to 2016 • VOC emissions per unit reduced by 10% compared to the base year (2021) • VOC recovery through condensation and concentration increased by 5% compared to the base year (2021)	• Natural gas consumption of air pollution control equipment reduced by 30% compared to 2016 • VOC emissions per unit reduced by 30% compared to the base year (2021) • VOC recovery through condensation and concentration increased by 30% compared to the base year (2021)

Social

Sustainability Topic	Short-Term (2026)	Medium-Term (2027-2030)	Long-Term (2031-2040)
• Product Safety and Quality	• Customer satisfaction score of at least 90 points • 100% compliance with regulations and customer requirements regarding hazardous substance restrictions	• Customer satisfaction score of at least 91 points • 100% compliance with regulations and customer requirements regarding hazardous substance restrictions	• Customer satisfaction score of at least 92 points • 100% compliance with regulations and customer requirements regarding hazardous substance restrictions
• Customer Privacy • Information Security	• Establish an information security incident management and tracking platform • Continuously strengthen personal data and customer data protection practices • Ensure no litigation arising from breaches of customer privacy, personal data leaks, or information security incidents	• Develop an automated joint defense cybersecurity system • Conduct a comprehensive evaluation of cybersecurity maturity and implement continuous improvement plans • Ensure no litigation arising from breaches of customer privacy, personal data leaks, or information security incidents	• Build an AI-driven joint defense cybersecurity system • Ensure no litigation arising from breaches of customer privacy, personal data leaks, or information security incidents
• Talent Attraction and Retention	• Increase the average employee satisfaction and engagement score from 3.8 in 2024 to 4.0 (on a six-point scale), equivalent to an increase of approximately 3.4 percentage points • Implement management competency training programs for supervisors, with a target annual training completion rate of at least 90%	• Strengthen the link between performance and compensation to motivate employee development	• Establish a comprehensive career development roadmap to help employees plan long-term career paths
• Occupational Safety and Health	• Zero major occupational accidents requiring hospitalization • Maintain zero cases of occupational illness due to chemical exposure • FR ≤ 1.5 • SR ≤ 3.6 • Voluntary participation rate in employee health promotion programs > 40%	• Zero major occupational accidents requiring hospitalization • Maintain zero cases of occupational illness due to chemical exposure • FR ≤ 1.2 • SR ≤ 3.4 • Voluntary participation rate in employee health promotion programs > 45%	• Zero major occupational accidents requiring hospitalization • Maintain zero cases of occupational illness due to chemical exposure • FR ≤ 0.9 • SR ≤ 3.2 • Voluntary participation rate in employee health promotion programs > 50%

Governance

Sustainability Topic	Short-Term (2026)	Medium-Term (2027-2030)	Long-Term (2031-2040)
• Economic Performance	• ROE not lower than the industry average • Operating profit margin not lower than the industry average	• ROE 1~5% higher than the industry average • Operating profit margin 1~5% higher than the industry average	• ROE at least 5% higher than the industry average • Operating profit margin at least 5% higher than the industry average
• Business Ethics	• Continue publishing monthly announcements and awareness communications on ethical business conduct • Achieve 90% training coverage on ethics-related topics for full-time employees; 100% for new hires • Zero violations of ethical principles by Directors, managers, and employees • Continuously review and revise the Company's ethical business policies and internal management systems in line with relevant regulations and the latest regulatory guidance from the competent authorities to ensure compliance and consistent implementation	• Ensure all employees participate in ethics training programs to strengthen practical implementation capabilities • Zero violations of ethical principles by Directors, managers, and employees	• Achieve the goal of zero ethics-related complaints and become a model of ethical business conduct • Zero violations of ethical principles by Directors, managers, and employees
• Innovative R&D and Patents	• File 2 new product patent applications per year • Obtain TIPS Level-A recertification	• File 2 new product patent applications per year • Establish a strategic intellectual property (IP) portfolio and enhance the Company's IP management system	• File 2 new product patent applications per year • Align R&D and IP development directions with corporate business strategy • Activate corporate resources through IP strategies such as technology sales, transfers, or licensing

Note:The waste conversion rate is defined as: (reclaiming + reduction + recycling + reuse + waste-to-energy recovery + anaerobic digestion + biofuel + composting) / Total weight of waste generated. The proportion of waste-to-energy recovery must be less than 10%.

02

Leader of Sound Operations

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△ Leader of Sound Operations

∴ 2.1 Market and Corporate Governance

Sound corporate governance is the foundation of sustainable business operations. Enhancing information transparency not only protects the rights of shareholders and stakeholders to be fully informed, involved, and able to make decisions on major corporate matters, but also serves as a critical means of aligning both parties toward the Company's development goals and advancing long-term sustainability.

| Material Topic: Economic Performance |

Reason for Materiality	As a publicly listed company, Taiflex is accountable to its shareholders and employees. Maintaining strong and stable financial performance enables the Company to allocate sufficient resources to research and development, continuously deliver advanced services to customers, and drive the development of technology and innovative applications. The pursuit of business growth is therefore one of the key pillars supporting the Company's path toward sustainable operations.
Effect and Impact	• **Actual positive impact:** Economic: Generates capital returns for shareholders. • **Potential positive impact:** Social: A strong financial structure supports the Company's long-term sustainability and provides employees with a stable and lasting career environment. • **Potential negative impact:** Economic: Economic performance directly influences investor willingness to provide capital. If performance falls short of industry peers, it may lead to a significant decline in capital inflow.
Policy	Taiflex has established the Strategic Planning Office and the Global Sales and Marketing Center, which coordinate through three key divisions: the Global Business Division, the Marketing Division, and the Technical Solutions Division. These units collaborate to drive the Company's external business activities by addressing customer needs, analyzing market trends, and advancing technology applications and services. • **The Strategic Planning Office is responsible for the following:** (1)Analyze technological trends and industry market dynamics to help the Group identify business opportunities. (2)Plan and drive the Group's short- and long-term strategies, and track implementation outcomes. (3)Evaluate potential strategic investments, merger and acquisition (M&A) targets, and partnership opportunities.

| Material Topic: Economic Performance |

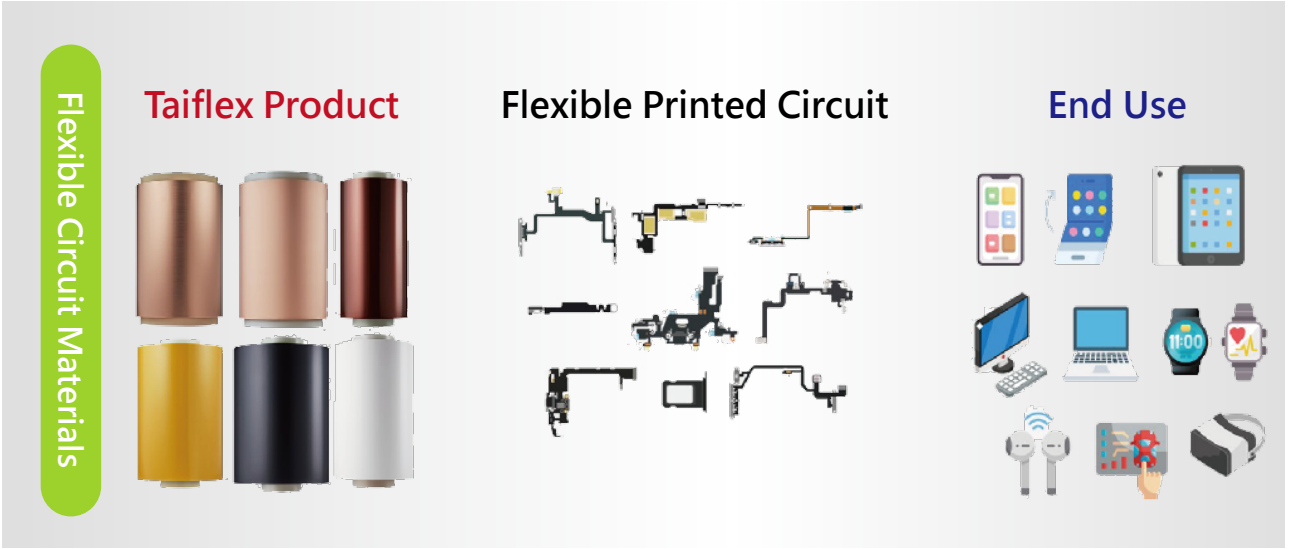
Policy	• **The Global Sales and Marketing Center is responsible for the following:** (1)Oversee domestic and international sales of both manufactured and distributed products. (2)Gather market intelligence and analyze industry trends and macroeconomic conditions. (3)Plan and promote flexible printed circuit (FPC) products, and submit new product development requests to the R&D team. (4)Provide product solutions to customers, respond to inquiries regarding new product use, and handle complaints related to product sampling. In addition, Taiflex has spun off Taichem Materials Co., Ltd., which focuses on the development of semiconductor and display packaging materials. The Company has also established Taiflex Green Power Co., Ltd., which is dedicated to renewable energy generation and electricity sales..
Strategy	The Company formulates its strategic considerations and business objectives at the beginning of each year. Strategic directions and business policies are continuously adjusted through regular monthly performance review meetings and in response to external factors, ensuring alignment with the Company's economic performance targets.
Goal and Objective	• **Short-term goals (2026):** -ROE not lower than the industry average -Operating profit margin not lower than the industry average • **Medium-term goals (2027-2030):** -ROE 1~5% higher than the industry average -Operating profit margin 1~5% higher than the industry average • **Long-term goals (2031~2040):** -ROE at least 5% higher than the industry average -Operating profit margin at least 5% higher than the industry average
Management Assessment Mechanism	Regular management and performance review meetings are conducted based on the established KPIs.
2025 Goals and Achievements	✓ ROE not lower than the industry average → Achieved. The Company's ROE was 4.86% in 2025, compared with the industry average of -3.21%, outperforming the industry by 8.07%. ✓ Operating profit margin not lower than the industry average → Achieved. The Company's operating profit margin was 4.95% in 2025, compared with the industry average of -16.01%, outperforming the industry by 20.96%. Although the Company's ROE and operating profit margin outperformed the industry average in 2025, profitability declined due to rising operating costs and the impact of exchange rate fluctuations. In response to the rapidly changing competitive environment and increasing operational challenges, the Company will continue to strengthen its core competitiveness and invest in high-value-added materials and related industries. At the same time, the Company will leverage its current competitive advantages and collaborate with customers on joint development initiatives to capture market growth opportunities and establish a solid foundation for long-term growth.

As one of the world's leading suppliers of FPC materials, Taiflex offers a comprehensive product portfolio that includes Flexible Copper Clad Laminate (FCCL), coverlays, bonding sheets, stiffeners, and composite materials. After processing by FPC manufacturers, these materials are widely used in 3C products (computers, communications, and consumer electronics), mobile devices, wearable devices, automotive multimedia systems, and other applications.

With advantages such as flexibility, lightweight construction, and thinness, FPCs are widely used in consumer electronic products where compact designs are critical. As a result, adhesiveless FCCL (2L-FCCL), which offers superior thickness characteristics, has become the mainstream market standard, replacing adhesive-based 3L-FCCL. Driven by increasing demand for large-volume data transmission, the industry continues to advance toward applications requiring high-density fine-line circuitry and high-frequency, high-speed performance. In addition, as the automotive industry continues to pursue vehicle lightweighting, battery management systems (BMSs) in electric vehicles are gradually replacing conventional copper-cable wire harnesses with flexible printed circuits. Consequently, demand for automotive-grade FCCL materials designed for high-temperature and high-voltage applications is expected to continue growing.

In addition to FPC materials, Taiflex is actively developing high-frequency rigid board materials. To address the growing demand from advanced applications such as AI servers, intelligent driving systems, robotics, and aerospace, the Company established its High-Speed and High-Frequency Rigid PCB Business Group in 2024. This business group focuses on the development of PTFE-based rigid board materials for the millimeter-wave (mmWave) market. Featuring a low dissipation factor (Low Df) and a glass fiber-free construction, these materials provide the market with a broader range of material solutions.

Taiflex continues to strengthen its technological capabilities through its long-established core competencies in formulation development, precision coating, and testing methods, complemented by its industry-leading lamination technology. These strengths enable the Company to continuously supply a diverse portfolio of high-performance materials. In response to evolving geopolitical and economic conditions, changing supply chain deployment strategies, and the need for additional production capacity for automotive materials, Taiflex has commenced operations at its Thailand factory. For further details, please refer to Section 2.1.4, "Global Expansion and Business Development," of this report.





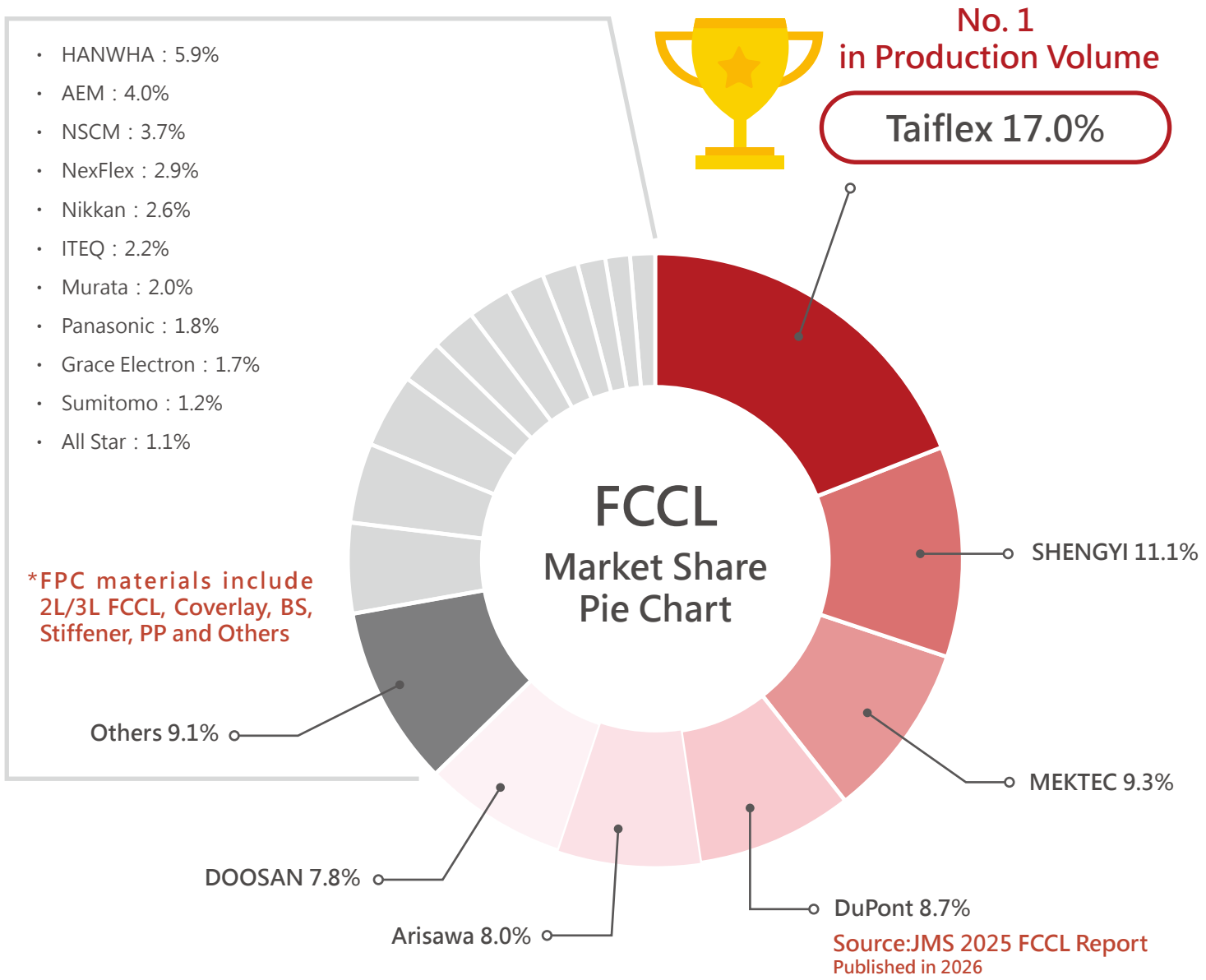
2.1.1 Market Competitiveness and Operating Performance

• Market Competition

From a global perspective, the FCCL supply market is currently dominated by three major players: Japan, Taiwan, and South Korea. In recent years, China's PCB industry has experienced rapid growth with strong government support. A well-integrated industrial cluster is now emerging, covering the full value chain from upstream copper foil manufacturers and CCL producers to downstream assembly facilities. Moreover, several rigid Copper Clad Laminate (CCL) manufacturers have entered the FCCL sector, further intensifying market competition.

In response to this dynamic and evolving landscape, Taiflex continues to build a long-term, competitive, and sustainable business model. We invest heavily in research and development focused on advanced materials for flexible electronics and semiconductor applications, while strengthening our core competencies and advancing toward higher value-added products. Leveraging our leadership in flexible materials, we work closely with customers to capture market growth opportunities and establish a solid foundation for sustainable development. In 2025, Taiflex achieved a 17.0% share of the global FPC materials market and ranked first worldwide in sales volume.

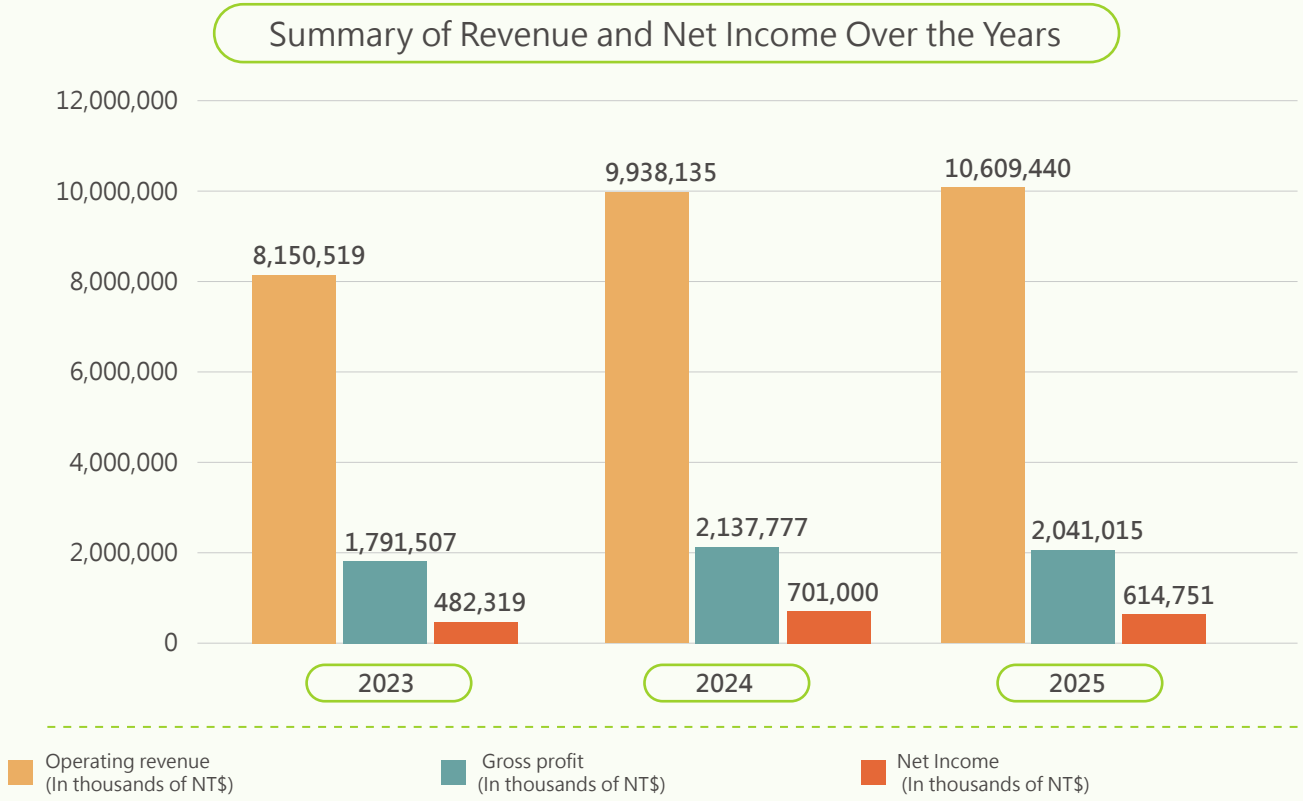
In addition to its continued focus on FPC materials, Taiflex has leveraged years of accumulated expertise in its three core technologies: formulation development, precision coating, and testing methods, to expand into advanced packaging materials for semiconductors and displays, as well as high-precision coating manufacturing services. To provide more diversified and customized solutions, the Company established Taichem Materials Co., Ltd., a wholly owned subsidiary, through a spin-off in September 2020.



• Annual Operating Performance

In 2025, the global business environment experienced significant volatility, with companies facing multiple challenges arising from sharp exchange rate fluctuations, changing tariff policies, geopolitical tensions, and military conflicts. Despite these challenging external conditions, Taiflex benefited from the gradual recovery of end-market demand in the consumer electronics sector and successfully supported its customers in expanding their market share through proactive new product development. In 2025, the Company recorded operating revenue of NT$10.609 billion, representing a 6.75% increase compared with the previous year, while EPS reached NT$2.07, demonstrating solid operating performance. For detailed financial data, please refer to Appendix I: ESG Information - Economic Data in this report.

Looking ahead, the Company will continue to actively implement a range of operational and risk management measures. These include increasing the proportion of localized sourcing, adopting flexible inventory strategies for key raw materials and products, optimizing the product portfolio, improving cost and production efficiency, and strengthening expense control. These efforts are intended to mitigate the adverse impacts of declining demand, thereby enhancing operational flexibility and reducing risks arising from external uncertainties. At the same time, the Company will allocate more than 3% of its annual revenue to research and development each year, increasing investment in new material development and product sampling to support market promotion. Through these efforts, Taiflex aims to further expand its market share and drive substantial growth in emerging products for high-end applications, including AI servers, aerospace, automotive electronics, metaverse technologies, and wearable devices. By doing so, the Company seeks to capture growth opportunities arising from the next wave of material upgrades.



Annual Report

Financial Information

Financial Report

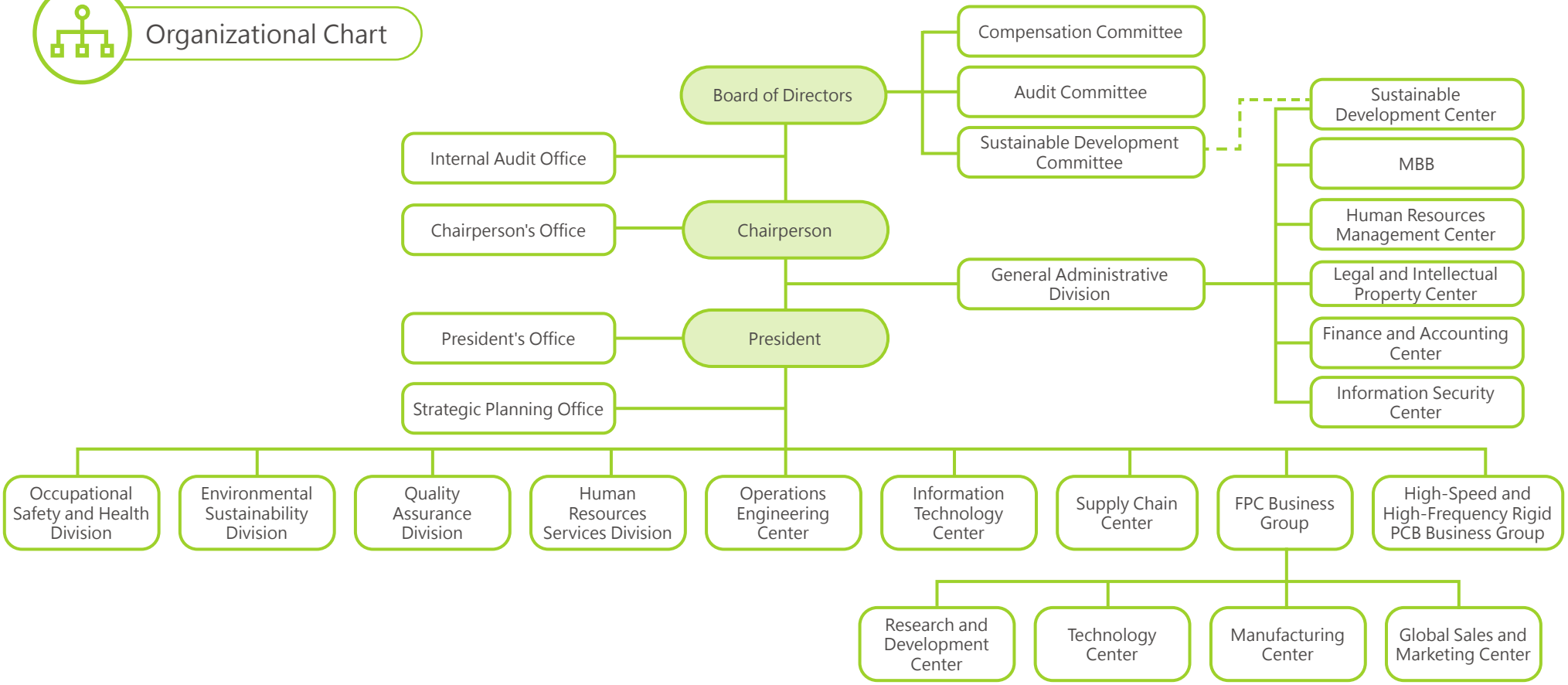
Minutes of the Shareholders' Meeting

2.1.2 Board Structure and Operations

The Board of Directors is the highest governance body of Taiflex, comprising nine Directors with extensive industry experience. The Board is chaired by the Chairperson, who is not part of the management team. Under the Chairperson's leadership and governance philosophy, the Board adheres to the core principles of diligence, integrity, diversity, and independence, and is responsible for ensuring legal compliance, maintaining financial transparency, disclosing material information in a timely manner, and preventing internal corruption.

Taiflex convenes an annual shareholders' meeting and conducts regular Director elections in accordance with its "Director Election Procedures." The 10th term of the Board runs from May 30, 2023, to May 29, 2026.

Organizational Chart



• Board Operations

The Board of Directors is responsible for the appointment, nomination, and performance evaluation of senior management. It also delegates authority to senior management to address economic, environmental, and social issues related to operations. To ensure effective strategy execution, the Board not only receives regular reports from the management team but also engages in frequent communication and discussions with management, encouraging timely adjustments when necessary. This strong and continuous dialogue between the Board and management serves as a foundation for Taiflex's sustainable development.



Tasks of the Board

1. Oversee and define the Company's business direction to meet short-, medium-, and long-term market demands.
2. Appoint an ethical, honest, and professional management team to execute the business strategies set by the Board and ensure strong operational performance.
3. Guide the management team in formulating strategies that support the Company's long-term development.

The Board of Directors holds regular quarterly meetings to review matters submitted by functional committees and development strategies proposed by the management team. To ensure that each agenda item is thoroughly understood and discussed, relevant personnel are invited to attend the meetings and provide briefings when necessary. The Board carefully evaluates the feasibility of each proposal before approving its implementation. In 2025, a total of nine Board meetings were held, with an average Director attendance rate of 96.3%. The Board reviewed 65 proposals in total, all of which were related to environmental, economic, or social issues.

Key Communication Outcomes

Aspects of Agenda Items

Environmental Aspect

Regarding resource circulation and the goal of zero landfill, Taiflex is committed to reducing the proportion of waste disposed of through incineration without energy recovery. Specific actions include promoting the recycling and reuse of waste adhesives and plastic film materials to enhance resource recovery efficiency. The Company has also introduced a wiped-film evaporator for waste adhesive recycling and regeneration, which is expected to commence operation in 2026.

Economic Aspect

The Company reviewed the 2025 operating plan, the 2024 earnings distribution proposal, and matters relating to employee share subscriptions. The Sustainability Report was submitted to and approved by the Board of Directors to ensure the quality and reliability of sustainability disclosures.

Social Aspect

The Board accepted shareholder proposals and reviewed employee profit-sharing bonuses.

• Board Independence and Recusal Due to Conflicts of Interest

To enhance transparency in corporate governance, the Chairperson of Taiflex generally does not concurrently serve as President. If such a situation arises, it is limited to a short-term transitional period not exceeding six months. No such instance occurred in 2025.

The Board comprises three Independent Directors, accounting for one-third of all Board seats, in compliance with regulatory requirements. A review conducted by the Company confirmed that all Directors meet the independence criteria. None of the circumstances outlined in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act apply, including spousal or second-degree familial relationships among Directors.

The Company also continuously evaluates the independence of its Directors, considering whether they consistently raise constructive issues with management and fellow Board members, whether their opinions remain independent of others, and whether their conduct both within and outside the Board is appropriate.

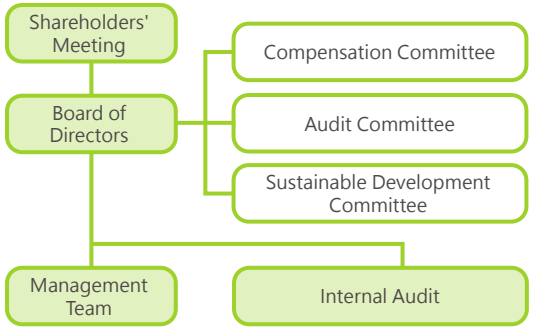
In accordance with the Company's "Rules of Procedure for the Board of Directors' Meetings," Directors who, either personally or through the juridical persons they represent, have a conflict of interest in any meeting agenda item are required to disclose the material aspects of such interest during that Board meeting. If the conflict is likely to impair the Company's interests, the Director must refrain from participating in the discussion and voting and shall recuse themselves from the proceedings. They are also prohibited from voting on behalf of other Directors. Furthermore, when a Director or a manager engages in activities within the Company's line of business for themselves or on behalf of others, prior approval must be obtained from both the shareholders' meeting and the Board of Directors in accordance with applicable laws. In compliance with securities regulations, the Company must also fully disclose any transactions involving related parties under strict reporting requirements. A review confirmed that no incidents of insider trading, corruption, or similar misconduct involving Board members or senior management occurred in 2025. For detailed information on conflict-of-interest recusals by Board members, please refer to the Company's 2025 Annual Report.

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• Functional Committees

To enhance the effectiveness of the Board and improve the quality of its decision-making, the Company has established three functional committees under the Board of Directors based on their specific roles and responsibilities: the Compensation Committee, the Audit Committee, and the Sustainable Development Committee. These committees are responsible for addressing key issues related to corporate governance, economic performance, environmental stewardship, and social responsibility. In addition, the Company has established an administrative audit unit, namely the Internal Audit Office, which is tasked with auditing and evaluating the reliability and effectiveness of the internal control system. The audit results are reported regularly to the Audit Committee, along with recommendations for improvement, to support the Company's operational efficiency. For more information on the Sustainable Development Committee, please refer to Section 1.1.1 "Sustainable Development Committee" of this report.

Corporate Governance Organizational Chart



Since 2017, the Company has established an Audit Committee to replace the role of Supervisors. In accordance with Article 4 of the Audit Committee Charter, the Committee is composed entirely of Independent Directors and must have no fewer than three members. By leveraging the professional expertise and independence of its members, the Company has strengthened corporate governance, enhanced oversight functions, and reinforced management mechanisms. In 2025, the Audit Committee convened five meetings, with a 100% attendance rate from all members.

Primary Oversight Responsibilities of the Audit Committee

1. Ensure the fair presentation of the Company's financial statements
2. Appoint or dismiss the Company's independent auditors, and evaluate their independence and performance
3. Oversee the effective implementation of the Company's internal control system
4. Monitor the Company's compliance with applicable laws, regulations and rules
5. Supervise the management of existing and potential risks faced by the Company

In addition, the Company has established a Compensation Committee in accordance with applicable laws and regulations. Pursuant to Article 5 of the Compensation Committee Charter, the Committee consists of three Directors appointed by the Board, including at least two Independent Directors. Its primary responsibility is to objectively and professionally evaluate the Company's overall compensation and benefits policies, as well as the remuneration policies and systems for Directors and managers, and to provide recommendations to the Board as a basis for decision-making. In 2025, the Compensation Committee held four meetings, with an attendance rate of 100%. According to the Company's Articles of Incorporation, the total remuneration to Directors shall not exceed 4% of the Company's annual profit. For further information on the remuneration of Directors and managers, please refer to the Company's 2025 Annual Report.



Key Responsibilities of the Compensation Committee

1. Regularly review the Committee Charter and propose amendments
2. Establish and periodically review the annual and long-term performance targets, as well as the compensation policies, systems, standards, and structures for Directors and managers
3. Regularly evaluate the performance of Directors and managers against their set targets, determine the content and amount of individual compensation packages, and submit recommendations to the Board for discussion

For the Audit Committee Charter, Compensation Committee Charter, and 2025 Annual Report, please visit the "Internal Policies" section of the Company's official website or refer to the Market Observation Post System (MOPS) website.

Internal Policies

MOPS website

2.1.3 Board Diversity and Performance Evaluation

• Board Diversity

To ensure effective Board governance, the Company has established the "Code of Practice for Corporate Governance," which includes a diversity policy outlined in the section titled "Strengthen the Board's Functions." This policy specifies that Board members should possess eight core competencies: operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, global market perspective, leadership, and decision-making. The current Board comprises professionals with expertise in global strategy, regional management, financial management, copper processing, polymer chemical engineering, and international business, contributing to a balanced and diverse Board composition. For more details on the members of the 10th Board, please refer to Appendix I: ESG Information - Governance Information in this report.

• Continuing Education of the Directors

To enhance the Board's professional knowledge and skills, the Company regularly arranges a variety of training courses related to business operations and sustainable development for its Directors. These external programs help Directors stay informed of global trends, broaden their perspectives, and strengthen their leadership and decision-making capabilities. This ensures they fulfill their duties with diligence and care, in the best interests of shareholders, while enhancing the Company's competitiveness in an ever-evolving business environment.

In 2025, all Directors met the statutory training requirement of six hours, with a combined total of 69 hours and an average of 7.67 hours per Director. For further details on Directors' continuing education in 2025, please refer to Appendix I: ESG Information - Governance Information in this report.

• Performance Evaluation of the Board

To strengthen corporate governance, the Company conducts an internal performance evaluation of the Board at least once a year in accordance with the "Methods for Evaluating Board of Directors' Performance." At the end of each year, the Board secretariat gathers relevant information on Board activities and distributes the "Self-Assessment Questionnaire for Board Members" and the "Self-Assessment Questionnaire for Functional Committees" to all Directors and committee members. The results are compiled and reported at the following Board meeting. By clearly defining performance objectives, the evaluation aims to enhance the Board's functionality and improve its operational efficiency. The results and recommendations of the 2025 performance evaluation were reported at the Board meeting in January 2026.

Internal Performance Evaluation Results for 2025

Type	Methods	Grading Criteria		Results
Performance evaluation of the Board	Conducted by the Board secretariat based on the actual operations of the Board	• Level of participation in corporate operations • Enhancement on the quality of Board decisions • Composition and structure of the Board	• Election and continuing education of Directors • Internal control	The Board received an overall score of 91.21, rated as "Excellent." The evaluation results indicated that the Board operates effectively and aligns with sound corporate governance principles.
Performance evaluation of individual Board members	Self-assessment by Board members	• Understanding of corporate goals and mission • Understanding of Directors' duties • Level of participation in corporate operations	• Internal relationship management and communication • Professionalism and continuing education of Directors • Internal control	The overall average score was 97.80, receiving a rating of "Excellence." The results indicate that the Directors gave positive assessments regarding the efficiency and effectiveness of all evaluation criteria.
Performance evaluation of functional committees	Self-assessment by functional committee members	• Level of participation in corporate operations • Understanding of functional committees' duties • Enhancement on the quality of functional committees' decisions	• Composition of the functional committees and election of members • Internal control	The average scores for the Compensation Committee, Audit Committee, and Sustainable Development Committee were 97.88, 95.92, and 96.83, respectively, all rated as "Excellent." The results indicate that members of each functional committee gave positive assessments of the efficiency and effectiveness across all evaluation criteria.



Improvement Measures Implemented in 2025

In 2025, the Corporate Governance and Risk Management Team under the Sustainable Development Committee convened relevant meetings, consolidated risk identification results and response strategies from across the organization, and formulated corresponding mitigation measures and action plans. The results of the risk assessments, together with the related response plans, were reported to the Sustainable Development Committee and the Board of Directors.

• External Performance Assessment of the Board

The Company commissions an external evaluation of Board effectiveness (including performance) once every three years. In 2025, the evaluation was conducted by the Taiwan Corporate Governance Association, an independent and professional organization. The assessment was conducted through a questionnaire featuring ten open-ended questions and video interviews with Board members and senior executives. It covered eight key aspects of the Board: composition, guidance, authorization, supervision, communication, internal control and risk management, discipline, and others.

The Board performance evaluation report was issued on December 26, 2025. The Company has incorporated the suggested improvements as a reference for the ongoing enhancement of Board functions. On January 29, 2026, these recommendations, along with the proposed implementation measures, were reported to the Board. In addition, the Company regularly consolidates stakeholder feedback and continues to report it to the Board.

In 2025, the Company developed response measures for the material risks it identified, and implementation of these measures is continuing in 2026. A new external Board performance evaluation is planned for 2028 as part of continued efforts toward improvement.

2.1.4 Global Expansion and Business Development

• Thailand Factory Commences Operations, Expanding the Company's Global Footprint

Since launching our global expansion strategy in 2017, Taiflex made the strategic decision in 2022 to establish a manufacturing facility in Thailand. This decision came during a period of significant global economic transformation, with increasing attention on strengthening supply chain resilience and accelerating structural reorganization. Following the establishment of our base in Thailand's Amata City Chonburi Industrial Estate in 2022, the Company undertook comprehensive planning to support our development goals—including factory construction, talent recruitment and training, and production planning. On May 15, 2024, Phase I of the Thailand factory was completed and officially began operations, contributing to the Group's overall production capacity and further enhancing both product quality and service standards.

Currently, the world's top three FPC manufacturers have either established or are in the process of establishing facilities in Southeast Asia. Among FPC material suppliers, Taiflex stands out as the only company with a manufacturing presence in Thailand. The launch of our Thailand facility not only fills a gap in the local market but also significantly strengthens the competitiveness of the region's FPC industry. As global supply chains continue to shift toward Southeast Asia, our Thailand factory is poised to become a key strategic partner for international brand customers, supporting the growth of local electronics and automotive industries while reinforcing the FPC supply chain across the region.

In light of fluctuating demand in Taiwan and China, the Thailand factory provides a more flexible and resilient supply chain solution, ensuring consistent supply and enhancing the Company's competitiveness. Designed to meet global customers' needs for supply chain diversification, the facility serves both international and Southeast Asian markets, further advancing Taiflex's global footprint and laying a solid foundation for long-term growth. Beyond increasing production capacity and supply chain agility, Taiflex is also aligning operations with international certifications and environmental standards. In 2024, the Thailand facility successfully obtained UL certification, ISO 9001 certification, and IECQ QC 080000 certification for hazardous substance process management, demonstrating our firm commitment to both product quality and environmental responsibility.

In response to the growing global focus on ESG (Environmental, Social, and Governance) and low-carbon manufacturing, Taiflex's Thailand facility is actively pursuing ISO 14001 Environmental Management and ISO 45001 Occupational Health and Safety certifications. Through systematic management, we aim to enhance environmental stewardship and workplace safety, ensuring that operations are aligned with our long-term sustainability goals. As an RE100 green factory, the facility has installed rooftop solar power systems and entered into a 10-year green power certificate purchase agreement with Thailand's ENMAX Group. The agreement covers a total of 75 million kWh, reflecting our strong support for renewable energy development.

Green energy and low-carbon technologies have become global priorities in environmental protection. Taiflex's green manufacturing model in Thailand not only boosts the Group's environmental competitiveness but also establishes a solid foundation for our Southeast Asian operations, positioning the facility as a benchmark for sustainable development. Looking ahead, the Company will continue to expand its global presence, reinforce supply chain resilience, and ensure that its manufacturing practices align with global sustainability trends. Our goal is to deliver high-quality, eco-friendly, and competitive products and services to customers and international markets. At the same time, Taiflex is working closely with local businesses, government agencies, and international clients to foster a green industrial ecosystem.



To further strengthen regional cooperation, Taiflex participates in Thailand's industrial development initiatives, promoting the integration of technology and environmental innovation. In collaboration with local governments and academic institutions, we support talent development and technical exchange, enhancing the competitiveness of Thailand's electronics industry and accelerating the transition toward smart manufacturing in Southeast Asia. Also, Taiflex works alongside international brand customers to develop green supply chain strategies, incorporating low-carbon manufacturing standards to achieve an optimal balance between environmental responsibility and operational efficiency.

• Rudong Fuzhan Commences Operations as a Strategic Operations Hub in Greater China

In response to the evolving challenges of the global business environment and supply chain landscape, the Taiflex Group has demonstrated strong operational resilience while continuing to deepen its presence in the Greater China market. Rudong Fuzhan Scientific Co., Ltd. has been positioned as a key operational hub in the region. After nearly two years of planning and construction, the Rudong Fuzhan Integrated Office Building was officially inaugurated on April 19, 2025. Built in accordance with green building principles, the facility successfully obtained Two-Star Green Building Certification. Its design incorporates a range of sustainability features, including energy conservation, environmental protection, noise reduction, and enhanced structural performance.

To support the global transition toward net-zero emissions, Rudong Fuzhan continues to expand its renewable energy deployment. Following the completion of a 378 kW solar PV system in August 2024, the Company approved an additional investment in an 871 kW solar PV system in 2025. Upon completion, the total installed capacity is expected to generate approximately 900,000 kWh of electricity annually.





Rudong Fuzhan: Building the Future, Showcasing Excellence Worldwide

∴ 2.2 Business Ethics, Compliance, and Internal Control

| Material Topic: Business Ethics |

Reason for Materiality	Corporate operations must be grounded in ethical business practices. All activities must therefore comply with applicable laws and regulations. This reflects Taiflex's commitment and responsibility to its shareholders and other stakeholders.
Effect and Impact	• **Actual positive impact:** Social: Foster a culture of integrity within the Company to reduce the risk of legal violations and human rights abuses. • **Potential positive impact:** Economic: Ensure operational stability by maintaining legal compliance in day-to-day business activities, thereby avoiding significant fines or penalties. • **Potential negative impact:** Economic: Inadequate management of ethical risks, such as corruption or related misconduct, may harm the Company's reputation, potentially leading to adverse impacts on sales.
Policy	Taiflex conducts its business in accordance with the principles of fairness, honesty, integrity, and transparency, and fosters an organizational and workplace culture characterized by mutual support, collegiality, discipline, integrity, and diligence. The Company has established the "Principles of Business Ethics," "Code of Ethical Conduct," and "Procedures and Guidelines of Business Ethics" to serve as a framework for Directors, managers, and employees in the performance of their duties.
Strategy	• Proactive opportunity management: Taiflex regularly conducts training on ethical business practices to strengthen employee awareness and promote an integrity-based corporate culture. The Company has established transparent communication channels to encourage participation by employees at all levels and relevant stakeholders. Upon onboarding, employees sign the Employment and Service Commitment, which outlines their obligations regarding integrity and ethical conduct. Related policies and management guidelines are communicated through internal announcements and employee training programs. • Risk prevention management: A precautionary approach is adopted through annual compliance reviews together with internal and external audits. Audit scopes and management procedures are adjusted based on audit findings. The Company encourages Directors, managers, and employees to contribute suggestions that support the review and enhancement of ethical policies and related measures, thereby improving the overall effectiveness of ethical management. • Remedial measures for negative impacts: Grievance mechanisms are available to safeguard the legal rights and interests of both internal and external parties. In the event of a violation, the Company activates its crisis management procedures, which include investigation, corrective actions, and appropriate external communication.

| Material Topic: Business Ethics |

Goal and Objective	• **Short-term goals (2026):** - Continue publishing monthly announcements and awareness communications on ethical business conduct. - Achieve 90% training coverage on ethics-related topics for full-time employees; 100% for new hires. - Zero violations of ethical principles by Directors, managers, and employees. - Continuously review and revise the Company's ethical business policies and internal management systems in line with relevant regulations and the latest regulatory guidance from the competent authorities to ensure compliance and consistent implementation. • **Medium-term goals (2027-2030):** - Ensure all employees participate in ethics training programs to strengthen practical implementation capabilities. - Zero violations of ethical principles by Directors, managers, and employees. • **Long-term goals (2031~2040):** - Achieve the goal of zero ethics-related complaints and become a model of ethical business conduct. - Zero violations of ethical principles by Directors, managers, and employees.
Management Assessment Mechanism	Taiflex assesses employees' compliance awareness through education, training, and assessments on business integrity and professional ethics. Regular internal audits are conducted across the nine key internal control cycles to ensure the Company upholds high standards of ethical business conduct. Additionally, an e-procurement platform is in place for suppliers to strengthen ethical management and auditing practices, helping to prevent unlawful activities.
2025 Goals and Achievements	✓ Continue publishing monthly announcements and awareness communications on ethical business conduct → The Company issues monthly internal announcements to promote awareness of the "Principles of Business Ethics," "Procedures and Guidelines of Business Ethics," and the "Code of Ethical Conduct." ✗ Achieve 90% training coverage on ethics-related topics for full-time employees; 100% for new hires → The Company provides ethical management training to all new employees. In addition, in May 2025, the Company conducted ethical management and code of conduct training for all employees, achieving a training coverage rate of 74.09%. ✓ Zero violations of ethical principles by Directors, managers, and employees → There were zero violations of ethical principles by Directors, managers, and employees in 2025. ✗ Continuously review and revise the Company's ethical business policies and internal management systems in line with relevant regulations and the latest regulatory guidance from the competent authorities to ensure compliance and consistent implementation → The planned revisions to the Company's internal policies and procedures have not yet been completed. To ensure regulatory compliance and consistency in implementation, the Company plans to revise its internal management systems and procedures in accordance with the latest corporate governance regulations in 2026. The proposed revisions will be implemented upon approval by the Board of Directors and subsequently submitted to the next shareholders' meeting.

2.2.1 Business Ethics and Anti-Corruption

"Integrity, responsibility, enthusiasm, creativity, and execution" are the core values of Taiflex's corporate culture. With reference to the Responsible Business Alliance (RBA) Code of Conduct, the Company has established its "Code of Ethical Conduct," "Principles of Business Ethics" and "Operarion Procedures and Guidelines of Business Ethics." To ensure these core values are effectively implemented, 100% of employees of the Company and its subsidiaries have signed the Confidential Information Protection Policy (CIPP). These commitments are publicly disclosed on the Company's website.

Principles of Business Ethics

Code of Ethical Conduct

Taiflex conducts all business activities in accordance with the principles of fairness, transparency, honesty, and integrity. Directors, managers, and employees are strictly prohibited from directly or indirectly offering, accepting, promising, or soliciting any improper benefits, or engaging in major illegal activities, serious breaches of integrity, or violations of fiduciary duty in the course of business. Prohibited conduct includes, but is not limited to, infringement of intellectual property rights, unfair competition, and other unlawful acts intended to obtain or retain business advantage. Integrity is also embedded as a core competency and serves as one of the key indicators in employee performance evaluations. In 2025, assessments were conducted by supervisors in June and December in accordance with the Employee Performance Management Guidelines, achieving a 100% completion rate.

• Deepen Integrity and Ethics Awareness

To cultivate a culture of mutual support, collegiality, discipline, honesty, and diligence, Taiflex has designated integrity and ethical conduct as a key component of its annual training program. The Company has developed dedicated training materials on ethical behavior and conducts regular awareness campaigns and training sessions to instill these principles across all employees.

In 2025, Taiflex published integrity and ethical conduct announcements on the Company's internal system, which was accessible to all employees. These announcements were also automatically sent to all employee email accounts, resulting in 100% communication coverage. Standardized integrity training is provided to all new hires. In May 2025, the Company conducted a company-wide training session on integrity and ethical conduct, with a participation rate of 74.09%. For newly appointed Directors and upon Board reelection, Taiflex requires each incoming Board member to sign a Confidentiality Agreement for Insider Information, affirming their commitment to ethical business conduct. The Company also arranges for Directors to participate in training programs related to integrity and ethical practices, and proactively shares relevant guidelines and advocacy materials issued by government agencies. For suppliers, integrity management and audit mechanisms are implemented through an e-procurement platform.

| 2025 Integrity and Ethical Conduct Advocacy & Training - Headcount and Coverage Rates |

Category	Number of Employees	Advocacy Reach (Employees)	Advocacy Coverage Rate	Training Participants	Training Coverage Rate
Employees	974	974	100%	726	74.54%
Managers	14	14	100%	6	42.86%
Total	988	988	100%	732	74.09%

Note:
1. Advocacy coverage rate = (Number of employees reached through advocacy / Total number of employees in the category) × 100%
2. Training coverage rate = (Number of employees who participated in the May 19, 2025 integrity and ethical conduct training / Total number of employees in the category) × 100%
3. Due to employee turnover, the total headcount for each category is based on the number of employees across all factories as of December 31, 2025.

The Company has established an effective accounting system and internal control mechanisms for business activities identified as having a higher risk of unethical conduct. In addition, by integrating the ethical business conduct policy into employee performance evaluations and human resource policies, the Company has implemented a clear and effective system of rewards and disciplinary actions to support effective risk management.

• Anti-Corruption Measures

To prevent misconduct, Taiflex has established an internal whistleblowing mechanism to accept reports of violations related to integrity and professional ethics. If an investigation confirms a serious violation or indicates a potential risk of significant harm to the Company, a report will be promptly prepared and submitted in writing to the Independent Directors. The Company's disciplinary and appeal procedures for breaches of ethical conduct are publicly announced. Information such as the violator's job title, name, date and details of the violation, and the actions taken will be promptly disclosed on the Company's internal website.

In 2025, the Company did not receive any reports of violations related to professional ethics or ethical business conduct. There were also no incidents of non-compliance with regulations concerning anti-trust, market monopoly, ethical business practices, or professional conduct.



Integrity Hotline: (07)813-9225#70999

Email for Reporting Illegal or Unethical Conduct: security@taiflex.com.tw

2.2.2 Regulatory Compliance and Internal Control

The purpose of establishing the internal control system is to ensure compliance with applicable industry regulations while taking into account the Company's overall operational activities. It aims to ensure the effectiveness of the nine core process cycles and standard measures applied across key business areas, including sales, production, procurement, financing, payroll, real estate, plant and equipment, information systems, investment, and R&D. The system is regularly reviewed and adjusted in response to internal and external environmental changes and regulatory updates, thereby enhancing operational efficiency and product quality.

• Regulatory Compliance

With operations across Asia and active global expansion, Taiflex recognizes that regulatory compliance is fundamental to sustainable business operations. Accordingly, the Company has established relevant policies and procedures to ensure compliance within its operational scope, covering areas such as anti-corruption, anti-harassment and non-discrimination, environmental protection, and the safeguarding of confidential information. To support these efforts, the Company has established a Legal and Intellectual Property Center, which conducts regular and ad hoc reviews of domestic and international laws and regulations. The Center also participates in external training to stay informed of regulatory changes and emerging legal trends. In addition, it analyzes policies and legislation that may significantly affect the Company's operations and communicates key insights to relevant departments and senior management to support strategic planning and guide future business direction.

To help employees understand key aspects of regulatory compliance and ensure that all business activities are conducted in accordance with applicable laws, Taiflex regularly invites legal professionals and industry experts to deliver seminars and conduct relevant legal training courses. In addition, the Legal and Intellectual Property Center promotes awareness of compliance concepts through announcements and email communications, on a regular and as-needed basis.

In 2025, the Company did not incur any significant penalties exceeding NT$1 million. However, two cases were recorded involving violations of occupational safety, health, and labor rights regulations, with individual fines ranging from NT$100 thousand to NT$250 thousand. For details on the violations and the corresponding corrective measures, please refer to Appendix I: ESG Information - Economic Data of this report.

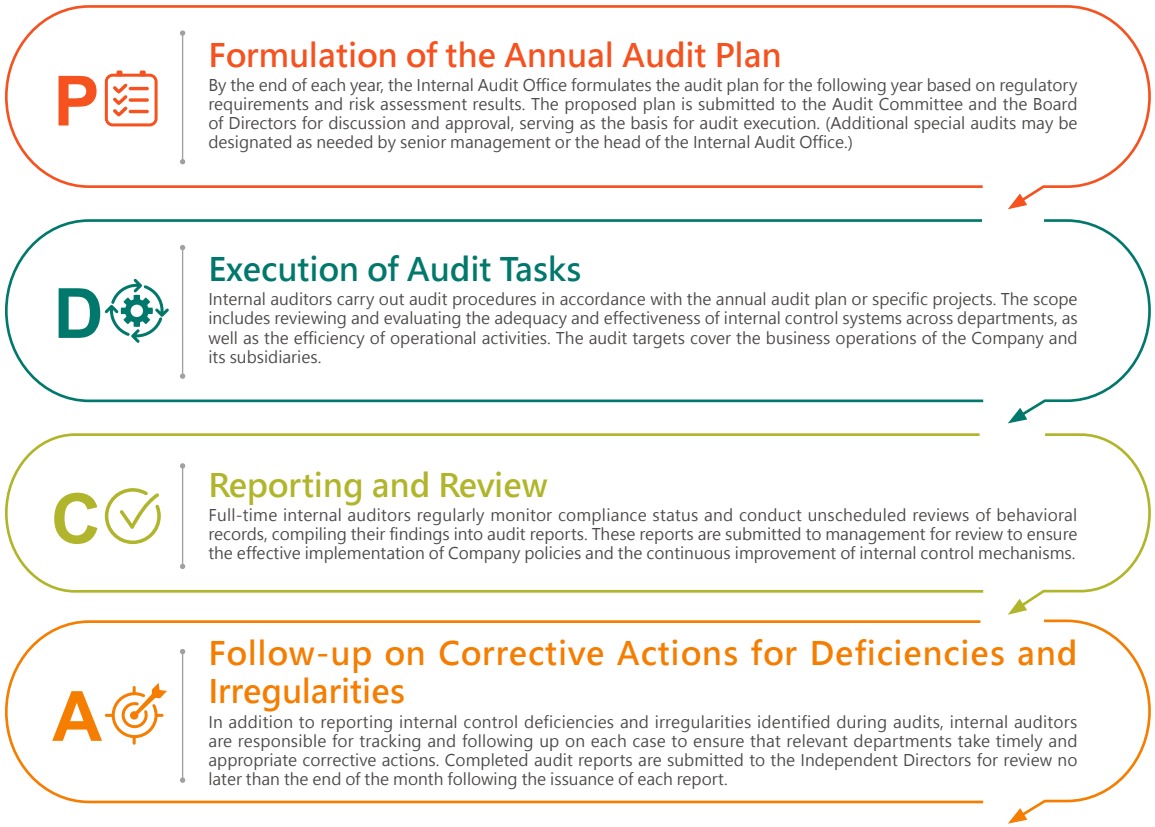
Note:
The definition of a significant operational fine is based on the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities, issued on December 16, 2024. According to Chapter II (Material Information), Article 4, Paragraph 1, Subparagraph 26, Item 3, a single event is deemed material if the total fine imposed amounts to NT$1 million or more.

2.2.3 Annual Audits and Risk Oversight

• Annual Audit

The Company has established an Internal Audit Office under the Board of Directors and employs full-time auditors responsible for conducting internal audits across all operational functions. Through its organizational independence, the Audit Office ensures effective oversight of business conduct across all levels of the Company. Through regular audits of business operations and management activities, any deviations from internal policies, procedures, established goals, or expected standards are identified and reported to the responsible management. Timely corrective actions are taken to prevent misconduct and ensure the stability of operations.

To strengthen audit capabilities, the Company requires internal auditors to participate annually in audit-related courses provided by professional training institutions to enhance their professional competencies. With a professionally independent audit structure in place, the internal control system is effectively implemented at all levels of the organization. In 2025, a total of 45 audit items were completed, with no material deficiencies identified. For details, please refer to the Company's Statement of Internal Control System disclosed in the annual report.



2.2.4 Tax Governance

- **Fulfilling Tax Obligations**

The Company does not make political contributions and fulfills its tax obligations annually in accordance with applicable domestic and international tax laws and regulations. As Taiflex meets the criteria under government incentive programs for investments in smart machinery and research and development, it is eligible for certain tax credits. In addition, to help bridge the gap between academia and industry, the Company provides internship opportunities to students and has received related government subsidies. For details on financial assistance received from the government, please refer to Appendix I: ESG Information - Economic Data of this report.

The tax affairs of Taiflex are managed by the Finance and Accounting Center, which is responsible for monitoring tax compliance across both domestic and overseas operations and staying informed of global tax law developments. High-risk tax matters are reported to the Board of Directors to support management in identifying internal risks and tracking tax-related trends. Through the effective operation of the Company's risk management mechanisms, the frequency and monetary impact of tax disputes are kept at a low-risk level. To mitigate tax risks and safeguard the best interests of the Company and its shareholders, the following tax policies have been established:

1. Transactions between related parties shall follow the arm's length principle and comply with the transfer pricing guidelines issued by the competent authorities.
2. Analyze the business environment and assess tax risks, incorporating tax considerations into business decision-making.
3. Comply with applicable domestic and international tax laws and regulations.
4. Refrain from using tax havens to avoid tax obligations.
5. Comply with the Company Act and all relevant tax-related legislation.

∴ 2.3 Risk Management and Operational Resilience

In response to rapidly changing global political and economic conditions, increasingly severe climate-related events, and ongoing supply chain restructuring, Taiflex places operational resilience at the core of its business strategy. The Company is committed to building a systematic risk management framework that proactively identifies potential risks and formulates targeted response measures, thereby maintaining steady operations amid an increasingly uncertain environment and transforming external challenges into new opportunities for sustainable growth.

2.3.1 Operational Risk Management Mechanism

The Board of Directors serves as the highest decision-making body for risk management at Taiflex, overseeing the effective functioning of the risk management framework to ensure that business strategies are executed effectively and operational objectives are achieved. The Board authorizes the Chairperson to serve as the convener of risk management programs, responsible for coordinating and directing the implementation and operation of risk-related plans.

Under the Sustainable Development Committee, the Corporate Governance and Risk Management Team is responsible for consolidating risk factors identified across all levels of the organizational management structure, along with corresponding response strategies and implementation reviews. The Team reports its findings to the Sustainable Development Committee, which in turn reports to the Board of Directors at least once a year on the overall performance and progress of the Company's risk management initiatives.



Note: The Chairperson is authorized by the Board to serve as the convener of risk management plans.

Taiflex has established "Risk Management Policies and Procedures" to strengthen risk awareness and execution capabilities across the organization. By implementing a systematic management approach, the Company integrates relevant response plans into the strategic decision-making process. This ensures that risks remain within acceptable thresholds, reduces potential losses, and safeguards the interests of customers, employees, and other stakeholders, ultimately enhancing shareholder value and supporting the optimal allocation of corporate resources.



2.3.2 Material Risk Identification and Response

In 2025, as the Company determined that there were no significant short-term changes in material topics or risk exposure, it continued to focus on the material risk issues identified in the 2024 assessment. Details of the Company's risk identification and response actions are provided in the following sections.

In 2024, the Company initiated the implementation of the TCFD framework, covering key areas such as climate risk identification, scenario analysis, and financial impact assessment, thereby enhancing the consistency and forward-looking nature of its climate risk management and climate-related disclosures.

2.3.3 Information Security and Customer Privacy

| Material Topic: Customer Privacy and Information Security |

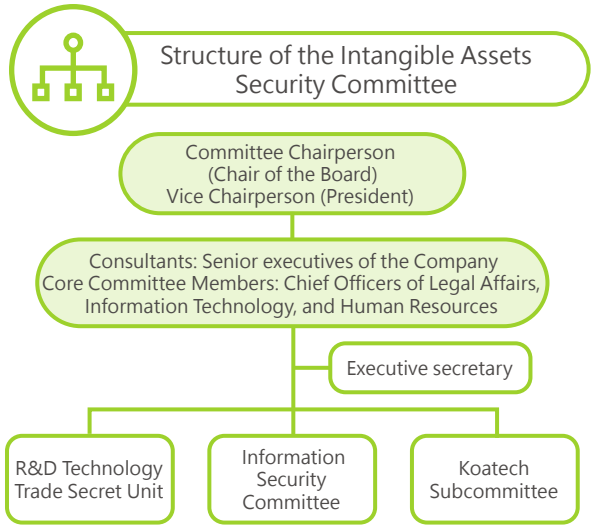
Significance	Our business involves advanced knowledge and technology and so do our customers; therefore, protecting the privacy of our customers and maintaining a highly secured information environment are the cornerstones for securing our long-term competitiveness and sustainable operation.
Effect and Impact	• **Actual positive impact:** Economic: Proper management of intangible assets earns customer trust and supports long-term partnerships. Economic: Establishing robust privacy protection measures can position the Company as an industry leader, boost customer confidence, attract potential clients, and increase market share. • **Potential negative impact:** Economic: With the frequent occurrence of cyberattacks and hacking incidents, the leakage of confidential information could erode the Company's competitive edge and result in customer claims or regulatory penalties. Economic: Protecting customer privacy may require the allocation of additional resources, leading to increased operating costs. Non-compliance with privacy regulations (e.g., GDPR) could also expose the Company to fines or lawsuits.
Policy	To strengthen information security management and ensure the confidentiality, integrity, and availability of information and information assets, Taiflex has established the Information Security Policy. The policy aims to provide a secure environment that ensures the continuity of information operations, supports the Company's operational resilience objectives, and complies with relevant regulations. It is designed to protect against intentional or accidental threats, both internal and external, and to help fulfill the Company's mission and vision.
Strategy	Through comprehensive management across eight key aspects, Taiflex implements end-to-end controls to ensure the confidentiality, integrity, and availability of its information and assets. These measures are designed to protect against both internal and external, intentional or accidental threats, while ensuring compliance with relevant laws and regulations.

| Material Topic: Customer Privacy and Information Security |

Goal and Objective	• **Short-term goals (2026):** -Establish an information security incident management and tracking platform. -Continuously strengthen personal data and customer data protection practices. -Ensure no litigation arising from breaches of customer privacy, personal data leaks, or information security incidents. • **Medium-term goals (2027-2030):** -Develop an automated joint defense cybersecurity system. -Conduct a comprehensive evaluation of cybersecurity maturity and implement continuous improvement plans. -Ensure no litigation arising from breaches of customer privacy, personal data leaks, or information security incidents. • **Long-term goals (2031-2040):** -Build an AI-driven joint defense cybersecurity system. -Ensure no litigation arising from breaches of customer privacy, personal data leaks, or information security incidents.
Management Assessment Mechanism	• Conduct periodic assessments of Taiflex's Confidential Information Protection Guidelines to ensure that employees are aware of and understand relevant company policies. • Assist responsible departments in auditing document classification, area zoning, and equipment controls to ensure proper implementation of management measures. • Carry out information security audits related to major clients and international information security management certification systems. • The Intangible Asset Security Committee regularly reviews the effectiveness of the Company's information security practices to strengthen and improve management mechanisms, thereby preventing information security risks. • Implement risk management measures in accordance with ISO 27001, and perform stability assessments of critical internal systems.
2025 Goals and Achievements	✓ Ensure no litigation arising from breaches of customer privacy, personal data leaks, or information security incidents → Achieved. In 2025, there was no litigation arising from breaches of customer privacy, personal data leaks, or information security incidents. ✓ Achieve a 100% pass rate in the annual assessment of Taiflex's Confidential Information Protection Guidelines by all employees → Achieved. In 2025, a total of 723 designated employees participated in the assessment, and the final pass rate reached 100%. In 2025, the system availability rate reached 99.989%. The Company also successfully passed information security audits conducted by key customers, maintained ISO 27001 certification for the tenth consecutive year, and received an information security risk rating of Grade A from an external cybersecurity assessment conducted by SSC.

Information Security Risk Management Organization

With the advancement of information technology and smart manufacturing, modern enterprises increasingly rely on information systems. To uphold sound corporate governance and mitigate operational risks, Taiflex established the Intangible Asset Security Committee in 2015. The committee brings together senior leaders from legal affairs, information technology, human resources, and other key departments to facilitate cross-functional collaboration. It is responsible for coordinating the Group's information security policies, developing the information security risk management framework, formulating actionable implementation plans, and allocating the necessary resources to ensure effective execution.



As a R&D-oriented company, Taiflex engages in extensive collaboration and joint development projects with its customers. As such, effective information security risk management and the protection of trade secrets are essential for upholding customer privacy. In March 2022, Taiflex established the Information Security and Knowledge Management Division, responsible for the planning, execution, and risk oversight of policies related to information and communication security as well as trade secret protection. Each year, the Chief Information Security Officer, together with the head of information security, reports to the Board of Directors on key information security issues and the effectiveness of the Company's related governance measures.

Management Measures Across Eight Key Aspects

Information security risks are embedded in all areas of business operations and affect the daily activities of every department. To address this, Taiflex requires 100% of its employees to sign an Employment and Service Commitment upon joining the Company, through which they are fully informed of their confidentiality obligations. Upon termination of employment, all company-related information obtained during their tenure must be returned, and the confidentiality obligations must continue to be strictly observed.

To foster a strong culture of information security within the Company, Taiflex promotes its CIPP on a monthly basis and conducts an annual assessment of Taiflex's Confidential Information Protection Guidelines. These efforts ensure that all employees, including those of our subsidiaries, are well-informed about relevant policies and requirements. Employees are also encouraged to promptly report any potential information security threats through the designated hotline at (07) 813-9225 ext. 70110 or by email at IT_security@taiflex.com.tw.

The Company has implemented management measures across eight key aspects to mitigate information security risks and safeguard customer privacy. In 2025, there were no major cyberattacks or security incidents, and no actual or potential issues were identified that could have had a material adverse impact on the Company's operations.

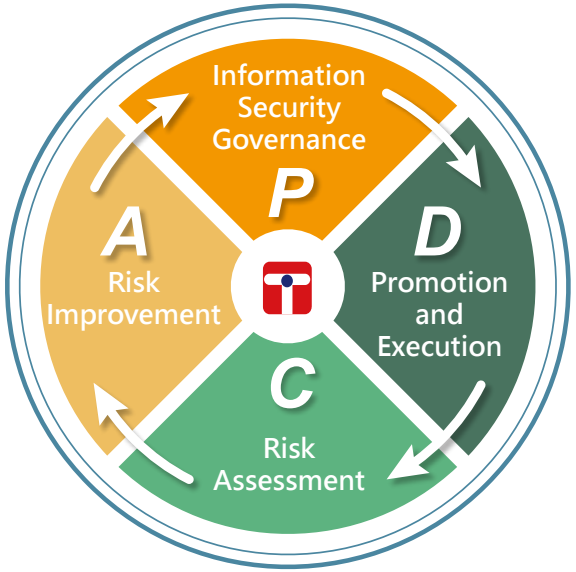
To strengthen its privacy protection framework, the Company recognizes the importance of safeguarding the personal information of both employees and job applicants and strictly implements its personal data management requirements. Whether during the recruitment process or upon onboarding, all job applicants and new employees are required to sign the notices provided in accordance with the Personal Data Protection Act, ensuring that they are fully informed of the purposes of data collection, the scope of data usage, and the retention period of their personal information. In 2025, all 169 newly hired employees completed the required acknowledgment, achieving a signing rate of 100%.

Document Management	• Established a document management platform (DMP) and implemented file classification protocols • Developed procedures for the retrieval and secure destruction of confidential documents, with tracking and oversight mechanisms in place
Risk Management	• Conducted risk assessments and regular vulnerability scans of the server room • Performed regular disaster recovery exercises and cybersecurity response drills
Information Operation Security	• Enforced password policy requirements and deployed Endpoint Detection and Response (EDR) software • Implemented both remote and on-site backup and recovery services
Device Security	• Established device-level protection mechanisms (e.g., system encryption) and implemented monitoring of network activity and data access security
Supply Chain Security	• Required all departments to ensure that non-disclosure agreements (NDAs) are signed with suppliers • Conducted non-routine supplier audits or on-site visits annually, using supplier questionnaires or digital tools such as the SecurityScoreCard to assess the effectiveness of suppliers' information security controls, helping to prevent supply chain disruptions resulting from cybersecurity incidents
Premises Security	• Implemented controls over visitor devices, including restrictions on computers, 3C electronics, personal mobile phones, and USB drives within production lines and laboratories • Established zone-based management for office and restricted areas, enforced access control for server rooms, and monitored anomalies for review and continuous improvement
Human Resource Security	• All employees of the Company and its subsidiaries have signed the CIPP, achieving a 100% signing rate • Company-wide cybersecurity education and awareness training is conducted for all employees • The CIPP is promoted on the first day of each month to enhance overall employee awareness of information security
Information Security Assessment	• Successfully maintained ISO 27001 Information Security Management System certification for consecutive years • Passed information security audits conducted by key customers, along with the implementation of corresponding improvement measures • Conducted internal audits and self-assessments on a regular basis, including ongoing vulnerability and threat analyses, with results submitted to senior management for review and approval

• Continuous Improvement of Operational Security

Taiflex obtained certification to the ISO/IEC 27001:2013 Information Security Management System (ISMS) standard in 2016 and has successfully maintained external certification for ten consecutive years, establishing a robust line of defense for information security. In 2024, under the leadership of the Chief Information Security Officer, the Company completed the transition to ISO/IEC 27001:2022 certification. By implementing an effective information security management system, Taiflex ensures that its information systems and digital assets continue to operate in an environment that safeguards confidentiality, integrity, and availability.

The Intangible Assets Security Committee has established a proactive and responsive information security management framework. Through the Plan-Do-Check-Act (PDCA) continuous improvement cycle, the Committee regularly reviews the effectiveness of the Company's information security operations and continuously strengthens information security management mechanisms. These efforts help ensure the proper protection of corporate data and intellectual property, prevent the unauthorized disclosure or misappropriation of trade secrets, and reinforce the Company's competitive advantage. Ultimately, they contribute to enhancing value for customers, shareholders, and employees.



P
- Formulate information security policies
- Develop information security operating procedures

D
- Promote information security policies / Education and training
- Implement and execute information security protection measures

C
- Conduct information security risk assessments
- Evaluate information assets

A
- Improve internal operational procedures
- Introduce external solutions



In 2021, a former employee of Taiflex was involved in a criminal case concerning the misappropriation of trade secrets. The case was formally indicted by the prosecutor in 2022 and, as of 2024, has been transferred to the criminal division of the Intellectual Property and Commercial Court for trial. Following an internal review of the incident, Taiflex has strengthened its management measures as outlined below:

1. In response to the former employee's violation of the Company's confidentiality policy by using personal equipment to photograph confidential materials, Taiflex has strengthened awareness efforts and audits related to the management of information equipment. In addition, employees are now explicitly required to report any suspected violations without delay to their immediate supervisors as well as the legal and information security units.

2. In response to the former employee's improper acquisition of confidential information from another department in the capacity of a supervisor, Taiflex has strengthened access controls for file directories and system permissions. Proper handover procedures and anomaly checks are now required during job transfers. In addition, supervisors are instructed to reinforce the "need-to-know" principle, and employees are explicitly required to report any suspected violations without delay to their immediate supervisors as well as the legal and information security units.

∴ 2.4 Climate Governance and Resilience Management

As countries around the world strengthen carbon reduction targets and policies, with many aiming to achieve net-zero emissions by 2050, businesses face increasing operational pressure, while customers are placing increasingly stringent sustainability requirements on their supply chains. Although Taiflex is not a major electricity consumer, the Company has begun planning relevant investments to support the global low-carbon transition in response to climate change.

The Board of Directors approved the Company's sustainable development roadmap in January 2023 and authorized the Sustainable Development Committee to oversee climate risk management. Functional teams under the Committee are responsible for advancing climate-related initiatives and managing relevant targets. This structure ensures the integration of sustainability strategies and climate action into product development, operations, and value chain management.

In response to the global trend toward sustainability-related financial disclosure, Taiflex references the TCFD framework to disclose information on climate-related governance, strategy, risk management, metrics, and targets. The Company presents the following material information regarding sustainability and climate-related risks and opportunities.

Governance:

- Climate-related governance structure
- Enhancing climate-related governance capabilities
- Climate-related incentive mechanisms

Metrics and Targets:

- Net-zero emissions commitment
- Description of other climate-related targets
- Carbon pricing



Taiflex Climate Change Management Overview

Risk Management:

- Climate-related risk and opportunity management system
- Climate-related risk and opportunity identification and assessment process
- Climate-related risk and opportunity management process

Strategy:

- Resilience assessment under climate change scenarios
- Identified climate-related risks and opportunities
- Strategic assessment of material climate-related risks
- Strategic assessment of material climate-related opportunities
- Integrated assessment of material climate-related risks, opportunities, and strategies

2.4.1 Climate Governance Framework

• Climate-Related Governance Structure and Capability Enhancement

Taiflex's Board of Directors serves as the highest decision-making body for risk management. For a comprehensive overview of the Company's operational risk governance, please refer to Section 2.3.1 Operational Risk Management Mechanism. In terms of climate-related governance, the Company has established a Sustainable Development Committee, which reports to the Board twice a year. The Committee reviews climate-related risks and opportunities and proposes corresponding short-, medium-, and long-term plans, measures, and targets. The Board regularly evaluates the effectiveness of the Company's climate response strategies based on the implementation progress of plans carried out by functional teams, as compiled by the Sustainable Development Committee (Sustainable Development Center).

Climate-Related Management Structure

Organization	Responsibilities
Sustainable Development Committee	As the Company's highest decision-making body for climate change management, the Committee's members are appointed by the Board, with a majority being Independent Directors. The elected convener oversees all related affairs. The Committee comprises six functional teams.
Corporate Governance and Risk Management Team	Identifies the Company's risk environment, risk management priorities, and response measures, and evaluates the potential financial impacts of those risks.
Environmental Sustainability Team	Monitors global environmental trends, identifies climate-related risks and opportunities, and sets relevant targets and implementation plans.

2025 Board of Directors - Climate-Related Agenda

Date	Report Items
2025.02.26	• Report on the GHG inventory and verification schedule for the Company and its subsidiaries
2025.04.30	• Report on the GHG inventory and verification schedule for the Company and its subsidiaries
2025.07.30	• Report on the GHG inventory and verification schedule for the Company and its subsidiaries • Report on the implementation of the 2025 sustainability development plan • Report on the results of the 2024 GHG inventory
2025.10.29	• Report on the GHG inventory and verification schedule for the Company and its subsidiaries

To strengthen climate-related governance capabilities, Taiflex continues to enhance climate risk awareness and management competencies among Directors, senior management, and employees at all levels, fostering a culture of climate risk awareness. Since 2022, the Company has conducted annual climate risk education and training programs for Board members and senior executives. These programs incorporate climate- and nature-related topics and are tailored to equip leadership with the knowledge and skills necessary to make informed decisions in response to climate-related risks. In addition, the Company offers climate-related training for employees across all levels. In 2025, climate-related training programs included courses on CDP and GHG inventory management.

Climate-Related Training Courses Attended by Directors Over the Years



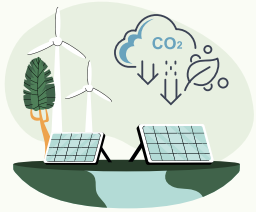
2023

- Risks and Opportunities of Climate Change on Business Operations
- 2023 Taishin Net Zero Summit



2024

- Trends and Vision for Building a Green Ecosystem: An Outlook on the Taiwan Carbon Exchange
- Corporate Carbon Management Strategies in the Wake of the Climate Change Response Act
- 2030/2050 Net Zero - Global Sustainability Challenges and Opportunities



2025

- 2025 Cathay Sustainable Finance and Climate Change Summit

2.4.2 Climate Risk and Opportunity Identification

· Resilience Assessment under Climate Change Scenarios

In line with the TCFD recommendations, the Company has developed climate scenarios covering both transition and physical risks, as well as potential climate-related opportunities. Given that these risks and opportunities may significantly impact future strategies and financial planning, Taiflex adopted the worst-case global warming scenario from the IPCC Sixth Assessment Report to assess the resilience of its climate strategies.

Types of Climate-Related Risks and Opportunities	Scenarios Used for the Company's Risk and Strategy Assessment
• Transition Risk • Opportunity	• 1.5° C Scenario • Taiwan's 2050 Net-Zero Emissions Pathway and Strategy • Taiwan's 2030 Nationally Determined Contribution (NDC) • Taiwan's Climate Change Response Act
• Physical Risk	• SSP5-8.5 (Worst-case Global Warming Scenario) from the IPCC Sixth Assessment Report

· Climate-Related Risk and Opportunity Management and Assessment Process

In addition to systematically managing overall operational risks in accordance with the Company's established "Risk Management Policy and Procedures," Taiflex also incorporates climate-related risks into its existing risk management framework by referencing the risk identification and assessment approach recommended by the TCFD. For each identified item, the Company develops corresponding response strategies and targets. The Sustainable Development Committee is responsible for ongoing tracking and oversight, and regularly reports progress to the Board of Directors to ensure alignment with the Company's overall strategic direction.

The Corporate Governance and Risk Management Team under the Sustainable Development Committee convenes meetings to identify and assess climate-related risks and opportunities. Using a defined risk scale, the team evaluates the level of impact, likelihood of occurrence, and threat severity for each item, and develops a climate-related risk and opportunity matrix. Based on this matrix, Taiflex identifies its most significant climate-related risks and opportunities.

Each assessed risk is assigned to a designated responsible unit to develop an appropriate response plan. For risks identified in the matrix as having both a high likelihood and significant impact, the Company forms cross-functional project teams to coordinate targeted responses. These teams continuously review and adjust the implementation of response measures to mitigate potential impacts.

Climate-Related Risk and Opportunity Identification and Assessment Process

(1) Definition of Risk Categories:

The Corporate Governance and Risk Management Team provides updates on emerging risks and opportunities based on international developments and industry trends. These insights serve as references for risk owners when defining risk categories.

Climate-related risk and opportunity categories are defined with reference to examples provided in the TCFD framework, covering transition risks, physical risks, and climate-related opportunities.

(2) Risk Category Identification:

Risk owners identify potential risks and key risk items the Company may face under each defined risk category.

(3) Risk Analysis:

Once relevant risk factors are identified, risk owners assess their potential impact on the Company using the established risk evaluation scale. This assessment serves as a basis for prioritizing risk control measures and selecting appropriate response measures.

(4) Risk Matrix Development:

The Corporate Governance and Risk Management Team develops a climate-related risk and opportunity matrix (Risk Map) based on the likelihood of occurrence (C), level of impact (L), and severity of threat (T), in order to categorize and prioritize each risk item.



2.4.3 Climate Scenario Analysis and Financial Impact Assessment

• Identified Climate-Related Risks and Opportunities

In line with TCFD recommendations, Taiflex identified 16 climate-related risk topics, including 5 physical risks and 11 transition risks, as well as 15 opportunity topics. Each topic was evaluated using a five-point scale, based on its threat level, likelihood of occurrence, and potential impact across short-, medium-, and long-term timeframes. This assessment resulted in a risk and opportunity matrix, through which Taiflex identified 2 major climate-related transition risks, 1 major climate-related physical risk, and 3 major climate-related opportunities.

Taiflex Climate-Related Risk Matrix

Risk Level \ Timeframe	Short-term (2026)	Medium-term (2027-2030)	Long Term (2031-2040)
Material Risk: R ≥ 31		• Extreme Weather Events (e.g., Typhoons, Floods)	• Extreme Weather Events (e.g., Typhoons, Floods) • Substitution of Existing Products with Low-carbon Alternatives • Increased GHG Emissions Pricing (Carbon Fees)
Moderate Risk: R ≥ 11	• Extreme Weather Events (e.g., Typhoons, Floods) • Substitution of Existing Products with Low-carbon Alternatives	• Substitution of Existing Products with Low-carbon Alternatives	• Heightened Stakeholder Attention

Taiflex Climate-Related Opportunity Matrix

Opportunity Level \ Timeframe	Short-term (2026)	Medium-term (2027-2030)	Long Term (2031-2040)
Material Opportunity: R ≥ 11	• Adoption of More Efficient Production Processes • Recycling and Reuse	• Adoption of More Efficient Production Processes • Recycling and Reuse • Use of Low-carbon Energy / Participation in Renewable Energy Projects	• Adoption of More Efficient Production Processes • Recycling and Reuse • Use of Low-carbon Energy / Participation in Renewable Energy Projects
Moderate Opportunity: R ≥ 6	• Adoption of More Efficient Production Processes • Adoption of Incentive-based Policies / Utilization of Public-sector Incentive Programs	• Adoption of Incentive-based Policies / Utilization of Public-sector Incentive Programs	• Adoption of Incentive-based Policies / Utilization of Public-sector Incentive Programs

Material Climate-Related Risks Identified

Risk Ranking	Climate-Related Risk	Business Model and Value Chain Impact Boundary			Timeframe		
		Upstream	Taiflex	Downstream	Short-term	Medium-term	Long-term
1	[Transition Risk] Increased GHG emissions pricing (carbon fees)	●	Taiflex Taiwan	-	-	-	●
2	[Transition Risk] Substitution of existing products with low-carbon alternatives	●	Taiflex Taiwan Taiflex China Taiflex Thailand	●	●	●	●
3	[Physical Risk] Extreme weather events (e.g., typhoons, floods)	-	Taiflex Taiwan	-	●	●	●

Material Climate-Related Opportunities Identified

Opportunity Ranking	Climate-Related Opportunity	Business Model and Value Chain Impact Boundary			Timeframe		
		Upstream	Taiflex	Downstream	Short-term	Medium-term	Long-term
1	[Climate Opportunity] Adoption of More Efficient Production Processes	-	Taiflex Taiwan	-	●	●	●
2	[Climate Opportunity] Use of Low-carbon Energy / Participation in Renewable Energy Projects	-	Taiflex Green Power	●	●	●	●
3	[Climate Opportunity] Recycling and Reuse	●	Taiflex Taiwan	●	●	●	●

• Climate-Related Risk and Strategy - Financial Impact Assessment

Risk 1: [Transition Risk] Increased GHG Emissions Pricing (Carbon Fees)

Risk Scenario and Strategic Response

In March 2022, Taiwan's National Development Council (NDC) officially released the "Taiwan 2050 Net-Zero Emissions Pathway and Strategy Overview." The following year, the Climate Change Response Act was passed in its third reading, with Article 4 formally enshrining the 2050 net-zero GHG emissions target into law. In August 2024, the government issued three subordinate regulations on carbon fees, marking the beginning of Taiwan's carbon pricing era. Starting in 2026, enterprises with annual GHG emissions of 25,000 metric tons of CO_2e or more at a single factory will be subject to carbon fee levies.

Iso in 2024, the government announced that businesses with annual electricity consumption exceeding 20 million kWh or GHG emissions surpassing 10,000 metric tons CO_2e at a single factory must begin conducting annual GHG inventories and reporting starting in 2026. Carbon fees are scheduled to be levied beginning in 2031. In October 2024, the government published the "Fee-charging Rates of Carbon Fees," setting the standard rate at NT$300 per metric ton of CO_2e. This fee applies to emissions exceeding the exemption threshold of 25,000 metric tons CO_2e. The carbon fee rate is expected to gradually increase, reaching NT$1,800 per ton after 2031, at which point the exemption will be removed. To encourage emissions reduction among companies below the carbon fee threshold, the government allows such enterprises to apply for voluntary emissions reduction credits, which may be sold to companies seeking to offset their carbon fee liabilities. Each metric ton of voluntary reduction may be used to offset 1.2 metric tons of fee-liable emissions.

To mitigate the potential financial impact of future carbon fee obligations, Taiflex plans to gradually implement energy efficiency projects to reduce overall energy consumption, install on-site solar PV systems to lower greenhouse gas emissions, and offset any remaining fee-liable emissions by purchasing voluntary emissions reduction credits from other companies.

Financial Impact of Risk Exposure

Current (2025)	As the government has not yet imposed carbon fees on companies, Taiflex incurred no operating cash outflows related to carbon pricing in 2024. There was no material impact on the Company's access to financing or cost of capital.
Short-Term (2026)	Starting in 2026, the government will begin collecting carbon fees based on enterprises' 2025 emissions. As Taiflex currently has no single site with annual GHG emissions exceeding the 25,000 metric ton CO_2e threshold, no operating cash outflows related to carbon fees are expected in the short term. The impact on access to financing and the cost of capital is expected to remain immaterial.
Medium-Term (2027~2030)	In the medium term, Taiflex projects that none of its individual sites will exceed the carbon fee threshold of 25,000 metric tons of CO_2e per year. Accordingly, no operating cash outflows related to carbon fees are expected. The impact on access to financing and the cost of capital is expected to remain immaterial.
Long-Term (2031~2040)	In the long term, Taiflex expects to exceed the carbon fee threshold due to electricity consumption surpassing 20 million kWh at an individual site. With the carbon fee rate rising to NT$1,800 per metric ton CO_2e and the removal of the exemption, the Company estimates that the resulting annual operating cash outflows will account for approximately 0.28% of revenue. These costs will be covered by the Company's own funds and are not expected to pose a cash flow risk. The impact on access to financing and the cost of capital is expected to remain immaterial.

Financial Impact of Strategic Response

The Company anticipates no risk of carbon fee imposition by the government in the short to medium term. However, in the long term, emissions are expected to exceed the regulatory threshold, resulting in carbon fee payments and impacting costs and profitability. To mitigate this, Taiflex will implement annual energy-saving projects to reduce energy consumption and install on-site solar power systems for self-use to lower GHG emissions. The Company also plans to purchase voluntary reduction credits from other sources to offset remaining emissions. These measures are expected to reduce operating cash outflows related to carbon fees by approximately 17%. Such outflows will be covered by the Company's own funds, posing no risk to operations or cash flow. The impact on access to financing and the cost of capital is expected to remain immaterial.

Risk 2: [Transition Risk] Substitution of Existing Products with Low-Carbon Alternatives

Risk Scenario and Strategic Response

As international brands increasingly require carbon management and GHG emissions reductions across their supply chains, Taiflex, whose products are primarily components for consumer electronics, is expected to face growing pressure from corporate customers to supply low-carbon products that align with Scope 3 reduction commitments. Failure to meet these expectations may lead to the loss of existing orders and result in reduced revenue and profitability. To mitigate this risk, Taiflex has adopted a strategy of gradually transitioning to the use of recycled materials, helping to retain customer orders and minimize the financial impact of potential profit declines.

Financial Impact of Risk Exposure

Current (2025)	In 2025, approximately 14% of customer orders began requiring the use of recycled materials. If the Company fails to meet these requirements, it may experience order losses and reduced revenue-related cash inflows, with an estimated profit decline equivalent to 0.65% of total revenue. No material impact is expected on access to financing and the cost of capital.
Short-Term (2026)	In the short term, customer orders requiring recycled materials are projected to increase from 14% to 25%. If the Company fails to meet these requirements, it may experience order losses and reduced revenue-related cash inflows, with an estimated profit decline equivalent to 0.55% of total revenue. The impact on access to financing and the cost of capital is expected to remain immaterial.
Medium-Term (2027~2030)	In the medium term, customer orders requiring recycled materials are projected to increase from 25% to 39%. If the Company fails to meet these requirements, it may experience order losses and reduced revenue-related cash inflows, with an estimated profit decline equivalent to 0.62% of total revenue. The impact on access to financing and the cost of capital is expected to remain immaterial.
Long-Term (2031~2040)	In the long term, customer orders requiring recycled materials are projected to increase from 39% to 60%. If the Company fails to meet these requirements, it may experience order losses and reduced revenue-related cash inflows, with an estimated profit decline equivalent to 0.88% of total revenue. The impact on access to financing and the cost of capital is expected to remain immaterial.

Financial Impact of Strategic Response

Failure to meet corporate clients' expectations for low-carbon products incorporating recycled materials would lead to reduced cash inflows and lower profitability. The estimated annual profit impact is projected at 0.55% of revenue in the short term, 0.62% in the medium term, and 0.88% in the long term. To mitigate this risk, the Company will fully comply with customer requirements for recycled materials to prevent order losses. However, the use of recycled materials will result in higher procurement and production costs. In response, the Company plans to gradually increase product prices to offset these additional expenses.

Overall, the implementation of these strategies is expected to reduce the annual profit impact to below 0.50% of revenue across the short-, medium-, and long-term periods. The impact on access to financing and the cost of capital is expected to remain immaterial.

Risk 3: [Physical Risk] Extreme Weather Events (e.g., Typhoons, Floods)

Risk Scenario and Strategic Response

According to the 2024 Climate Change in Taiwan: National Scientific Report 2024: Phenomena, Impacts, and Adaptation - Key Scientific Findings from Chapters 1 to 3, jointly published by Taiwan's National Science and Technology Council and the Ministry of Environment, the annual maximum one-day rainfall intensity in Taiwan has shown an increasing trend. Projections for the mid- and late-21st century suggest that the annual maximum one-day rainfall intensity in Taiwan will increase by approximately 20% and 41.3%, respectively. While the total number of typhoons affecting Taiwan is expected to decrease by about 15% and 55%, the proportion of severe typhoons is anticipated to rise by approximately 100% and 50%. In addition, typhoon-induced precipitation is projected to increase by around 20% by mid-century and 35% by the end of the century.

In light of these projections, the Company assumes an average of two extreme typhoon or flood events per year in the short term, three in the medium term, and four in the long term. These events are expected to lead to increased disaster-related losses.

Financial Impact of Risk Exposure

Current (2025)	In 2024, disaster-related operating cash outflows resulting from extreme weather events, such as typhoons and floods, amounted to approximately 0.0003% of the Company's annual revenue and were fully covered using the Company's own funds. There was no material impact on the Company's access to financing or cost of capital.
Short-Term (2026)	In the short term, the Company estimates that disaster-related operating cash outflows resulting from extreme weather events, such as typhoons and floods, will remain at approximately 0.02% of annual revenue. These outflows will be covered using the Company's own funds. The impact on access to financing and the cost of capital is expected to remain immaterial.
Medium-Term (2027~2030)	In the medium term, the Company estimates that disaster-related operating cash outflows resulting from extreme weather events, such as typhoons and floods, will remain at approximately 0.02% of annual revenue. These outflows will be covered using the Company's own funds. The impact on access to financing and the cost of capital is expected to remain immaterial.
Long-Term (2031~2040)	In the long term, the Company estimates that disaster-related operating cash outflows resulting from extreme weather events, such as typhoons and floods, will remain at approximately 0.03% of annual revenue. These outflows will be covered using the Company's own funds. The impact on access to financing and the cost of capital is expected to remain immaterial.

Financial Impact of Strategic Response

Risk 3 [Physical Risk] Extreme weather events, such as typhoons and floods, may result in increased disaster-related costs and lead to higher operating cash outflows. The Company anticipates that these cost increases will reduce annual profit by approximately 0.02% of annual revenue in the short term, 0.02% in the medium term, and 0.03% in the long term.

The Company has assessed its exposure to this physical risk and determined that it falls within an acceptable range. As a result, the Company has adopted a risk acceptance strategy. The impact on access to financing and the cost of capital is expected to remain immaterial.

Opportunity 1: [Climate Opportunity] Adoption of More Efficient Production Processes

Opportunity Scenario and Strategic Response

Taiwan has released the Taiwan 2050 Net-Zero Emissions Pathway and Strategy, which underscores the need to accelerate the widespread adoption of mature energy-saving technologies across various sectors, including manufacturing, residential living, commercial services, transportation, and cross-sectoral applications. The strategy calls for boosting the market penetration of high-efficiency equipment through economic incentives, educational support, and regulatory enforcement. In parallel, it encourages the development of innovative energy-efficiency technologies and the phased introduction of advanced solutions. These efforts aim to enhance energy use efficiency from the demand side and support the achievement of Taiwan's net-zero emissions target. Accordingly, this energy conservation strategy has been formulated as the highest-level guiding framework for advancing national energy-saving policies, promoting industrial energy efficiency, and directing research and development in energy-saving technologies.

Electricity and natural gas are the primary energy sources used in the Company's production processes. To improve energy efficiency, the Company has established short-, medium-, and long-term plans for equipment upgrades and energy conservation. While investments in high-efficiency equipment will increase depreciation expenses related to capital expenditures and additional maintenance costs, they are also expected to reduce energy consumption expenses. Overall, these initiatives are anticipated to create financial opportunities and contribute to improved profitability.

Financial Impact of Strategic Response

Regarding Opportunity 1 [Climate Opportunity] Adoption of More Efficient Production Processes, the Company has implemented a series of energy-efficiency improvement projects, including a waste heat recovery system, cooling tower replacement, installation of variable frequency drives (VFDs) for cooling water pumps, and upgrades to high-efficiency motors. These initiatives are expected to reduce energy costs and create financial opportunities.

Overall, this opportunity is expected to increase the Company's annual profit by approximately 0.25% of revenue in the short term, 0.27% in the medium term, and 0.20% in the long term. Cash outflows associated with related investment and operating activities will be covered using the Company's own funds, posing no operational disruptions or cash flow risks. The impact on access to financing and the cost of capital is expected to remain immaterial.

Opportunity 2: [Climate Opportunity] Use of Low-carbon Energy / Participation in Renewable Energy Projects

Opportunity Scenario and Strategic Response

Taiwan has released the Taiwan 2050 Net-Zero Emissions Pathway and Strategy, which outlines twelve key strategic initiatives aimed at expanding the use of renewable energy. These efforts include increasing installed renewable energy capacity and developing supporting infrastructure such as power systems and energy storage facilities. The strategy is designed to drive both industrial and societal transformation and maximize carbon reduction before 2030. In parallel, the government is introducing new regulations and amending existing laws related to renewable energy to encourage greater corporate participation in the energy transition.

The Company plans to invest in renewable energy projects, including solar and biomass power generation. These projects will adopt two models: self-consumption and wholesale electricity sales to Taipower. From a financial standpoint, such investments will result in increased depreciation expenses related to capital expenditures, along with higher maintenance and interest costs. However, they are also expected to generate revenue from electricity sales to Taipower and reduce the Company's electricity procurement costs. Overall, these initiatives are anticipated to create financial opportunities and contribute to improved profitability.

Financial Impact of Strategic Response

Regarding Opportunity 2 [Climate Opportunity] Use of Low-carbon Energy / Participation in Renewable Energy Projects, Taiflex is installing solar and biomass power generation systems to generate revenue through electricity sales to Taipower and to reduce energy expenditures. These initiatives are designed to create financial opportunities.

Overall, this opportunity is expected to increase the Company's annual profit by approximately 0.01% of revenue in the short term, 0.05% in the medium term, and 0.13% in the long term. Cash outflows associated with related investment and operating activities will be covered using the Company's own funds and bank loans, posing no operational disruptions or cash flow risks. The impact on access to financing and the cost of capital is expected to remain immaterial.

Opportunity 3: [Climate Opportunity] Recycling and Reuse

Opportunity Scenario and Strategic Response

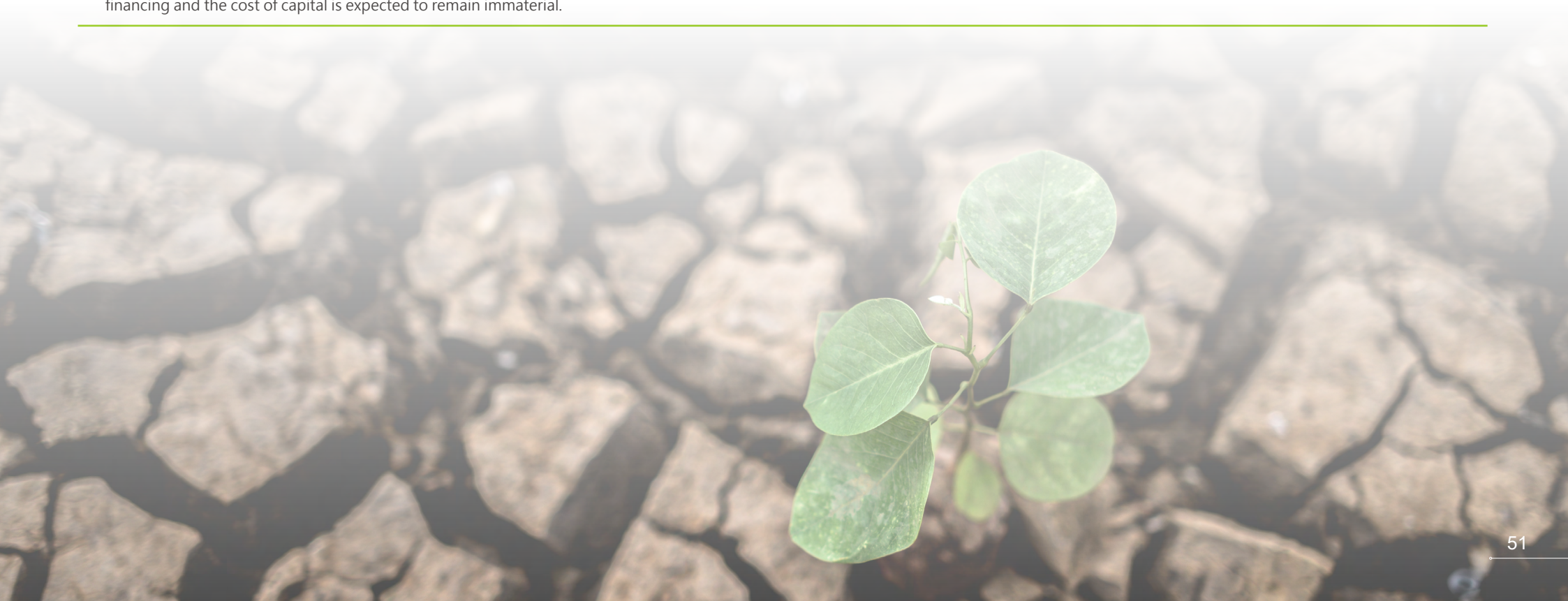
Taiwan has released the Taiwan 2050 Net-Zero Emissions Pathway and Strategy, which outlines twelve key strategic initiatives. Among them, the strategy for achieving net-zero emissions in the manufacturing sector includes a focus on advancing the circular economy. By 2030, the strategy aims to reduce industrial waste and promote local participation in circular economy initiatives, ultimately fostering cross-sector collaboration. These efforts are intended to drive meaningful environmental outcomes through concrete actions and goal-oriented partnerships.

The Company plans to invest in processes and equipment for the recycling and reuse of waste gases and wastewater. These investments will result in increased depreciation expenses and maintenance costs. However, they are also expected to reduce raw material procurement costs and the treatment costs for waste adhesives and waste gases, while generating additional revenue from the resale of recovered solvents and purified gases. Overall, these initiatives are anticipated to create financial opportunities and contribute to improved profitability.

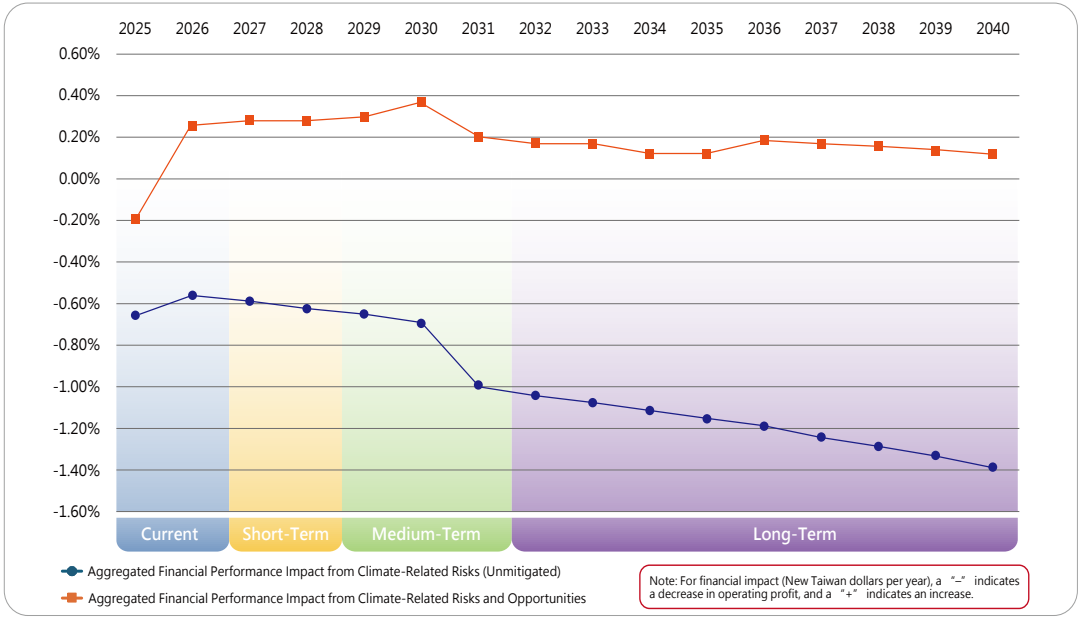
Financial Impact of Strategic Response

Regarding Opportunity 3 [Climate Opportunity] Recycling and Reuse, the Company is implementing processes and installing equipment for the recycling and reuse of waste gases and wastewater. This initiative is expected to create financial opportunities by reducing treatment costs for waste adhesives and waste gases, while generating additional revenue through the resale of recovered solvents and purified gases.

Overall, this opportunity is expected to increase the Company's annual profit by approximately 0.16% of revenue in the short term, 0.16% in the medium term, and 0.27% in the long term. Cash outflows associated with related investment and operating activities will be covered using the Company's own funds, posing no operational disruptions or cash flow risks. The impact on access to financing and the cost of capital is expected to remain immaterial.



Taiflex Climate-Related Risks and Opportunities
Illustration of Aggregated Financial Performance Impact (Profitability) Across Current, Short-, Medium-, and Long-Term Periods



Taiflex has taken proactive measures to address climate-related risks and opportunities, resulting in significant improvements in its projected financial impacts across all time horizons. In the short term, the overall risk exposure improved from an annual profit reduction equivalent to 0.56% of current-period revenue to an annual profit increase equivalent to 0.25% of current-period revenue. In the medium term, the impact improved from an annual profit reduction equivalent to 0.64% of current-period revenue to an annual profit increase equivalent to 0.30% of current-period revenue. In the long term, the impact improved from an annual profit reduction equivalent to 1.18% of current-period revenue to an annual profit increase equivalent to 0.15% of current-period revenue.

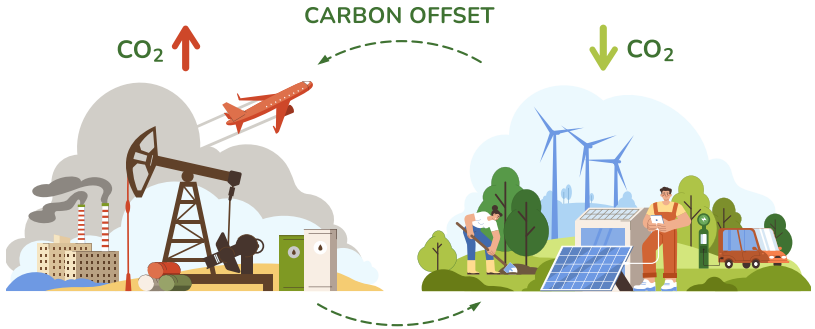
2.4.4 Carbon Pricing

• Carbon Pricing

Currently, the majority of companies adopting internal carbon pricing are concentrated in the financial, energy, and manufacturing sectors, which are typically characterized by high carbon emissions or carbon-intensive supply chains. Internal carbon pricing serves as a tool to incentivize emission reduction within organizations. In the financial sector, internal carbon pricing is primarily used for internal carbon management, but it is expected to gradually play a role in lending and investment decision-making, thereby directing capital toward low-carbon projects.

In Taiwan, internal carbon pricing is primarily adopted by the semiconductor and technology sectors. These industries are characterized by high technical complexity and capital intensity, and they face increasing pressure from global supply chains to meet low-carbon requirements. As a result, the demand for internal carbon pricing is particularly strong. In addition, several domestic financial holding companies have begun piloting internal carbon pricing mechanisms in recent years.

To further enhance internal energy-saving and carbon-reduction performance, Taiflex has introduced an internal carbon pricing mechanism. At the current stage, a benchmark internal carbon price of NT$300 per metric ton of CO_2 equivalent has been adopted, in line with the carbon fee rate announced by Taiwan's Ministry of Environment for 2025. When assessing the investment benefits of energy-saving and carbon-reduction projects, the Company monetizes the associated environmental benefits and includes the implied cost of carbon fees in the decision-making process. This approach not only improves the effectiveness of internal carbon reduction efforts but also supports the Company's long-term commitment to sustainability.



03

Driver of Innovation and R&D

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△ Driver of Innovation and R&D

∴ 3.1 Product R&D and Innovation

| Material Topic: Innovative R&D and Patents |

Reason for Materiality	"Becoming a world-class FPC materials company" is the vision that drives Taiflex. We have long dedicated ourselves to the field of flexible circuit board materials, with a strong focus on supporting customers' new product applications and exploring emerging markets. To that end, we continuously refine our three core technologies: formulation development, precision coating, and testing methods. Through ongoing optimization of formulations and processes, we aim to develop materials that meet evolving market demands and position ourselves as a global leader in FPC materials.
Effect and Impact	• **Actual positive impact:** Economic: Achieve a leading technological advantage and create more opportunities for customer collaboration. Social: Facilitate the advancement and upgrading of technological products to improve everyday convenience. • **Potential positive impact:** Environmental: Develop green products using biomass-based materials or increase the use of recycled content to help reduce environmental impact.
Policy	**Patent management:** Coordinated by the Legal and Intellectual Property Center, the IP management and review system is established based on TIPS, aligned with the Company's business strategies, operational goals, and core technologies, and adopts the PDCA approach.
Strategy	• Prior to the commencement of any R&D project, the Legal and Intellectual Property Center conducts patent searches to help R&D personnel identify and mitigate potential patent risks. This enables early planning and the implementation of design-around strategies to ensure freedom to operate. During the course of the project, the Center also supports the transformation of R&D outcomes into intellectual property. • To protect R&D achievements, Taiflex files patent applications and has established an internal Intangible Asset Security Committee. The Company has also adopted the ISO 27001 Information Security Management System and implemented a CIPP to manage and safeguard confidential information.

| Material Topic: Innovative R&D and Patents |

Goal and Objective	• **Short-term goals (2026):** -File 2 new product patent applications per year. -Obtain TIPS Level-A recertification. • **Medium-term goals (2027-2030):** -File 2 new product patent applications per year. -Establish a strategic IP portfolio and enhance the Company's IP management system. • **Long-term goals (2031-2040):** -File 2 new product patent applications per year. -Align R&D and IP development directions with corporate business strategy. -Activate corporate resources through IP strategies such as technology sales, transfers, or licensing.
Management Assessment Mechanism	• The R&D Center conducts monthly phase reviews based on project progress under the Product Life-cycle Management (PLM) system and adjusts the execution details as needed. • The Legal and Intellectual Property Center compiles annual patent statistics and reports the findings to the Board of Directors.
2025 Goals and Achievements	✓ File 2 new product patent applications per year → Achieved. The Company filed six new product patent applications in 2025, achieving 300% of the annual target. ✓ Obtain TIPS Level-A recertification → Achieved. The Company obtained TIPS Level-A certification in 2024, and the certificate remains valid through December 31, 2026. The next recertification is scheduled for the fourth quarter of 2026.

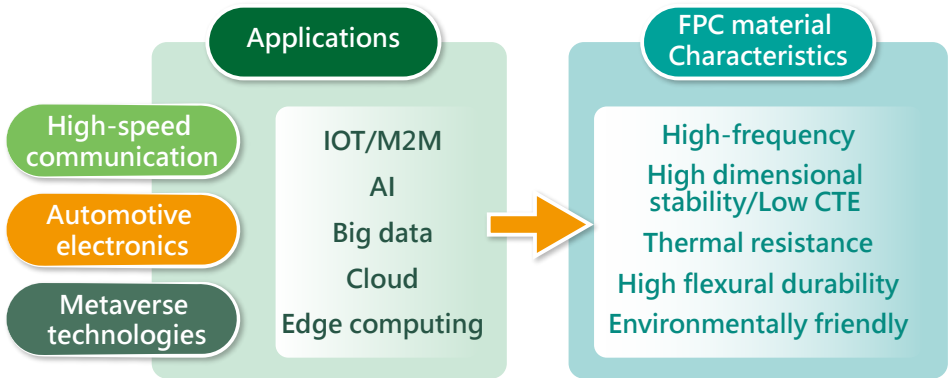
3.1.1 Long-Term R&D Investment

Taiflex was jointly founded by professionals from the Industrial Technology Research Institute (ITRI) and experts in Taiwan's electronic materials sector. With industry-leading technology, the Company is now the largest supplier of FPC materials in the world. In addition to investing substantial resources in-house R&D, Taiflex maintains close partnerships with leading international material manufacturers and advanced equipment design firms. The Company also collaborates with ITRI and National Sun Yat-sen University on R&D projects focused on coating technology transfer and formula analysis. By integrating resources from industry, government, academia, and research institutions, Taiflex works hand in hand with end customers to develop next-generation products. We are committed to providing advanced flexible materials and integrated innovative application solutions. For more information on Taiflex's participation in external industry associations, please refer to Appendix I: ESG Information - Economic Data in this report.

In addition to its continued focus on FPC materials, Taiflex has leveraged years of accumulated expertise in its three core technologies: formulation development, precision coating, and testing methods, to expand into advanced packaging materials for semiconductors and displays, as well as high-precision coating manufacturing services. To provide more diversified and customized solutions, the Company established Taichem Materials Co., Ltd., a wholly owned subsidiary, through a spin-off in September 2020.

Official website of Taichem Materials Co., Ltd.

3.1.2 Development of Low-Loss Materials



With the increasing adoption of 5G communication, the growing demand for high-volume data transmission and the rapid development of the new energy vehicle market have driven leading material manufacturers and end-product brands to focus on high-bandwidth, low-latency applications. As high-speed signal transmission inherently involves greater insertion loss, material selection has increasingly prioritized low dielectric constant (Dk) and low dissipation factor (Df) properties. In addition to developing widely used LCP and MPI materials, Taiflex's R&D Center is actively advancing the development of fluoro-based materials with lower Dk and Df values.

		Design Trend	Material Requirements
FPC	Camera	Thinner profile, high-speed transmission, and fine-pitch design	◆High dimensional stability ◆Thin copper foil ◆PI Thin polyimide (PI)
	Display		
	Antenna & Docking	Low signal loss	◆PI Thick polyimide (PI)
	Hinge	High flex durability, high frequency	◆Thin copper with high crystallinity ◆Thin/high-modulus PI
PCB	AI server	Low insertion loss and integrated design	◆Low-loss substrate materials ◆Glass-free
	Radar		

Nevertheless, successful product development requires more than a thorough understanding of material properties. It must also take into account downstream processability and market economic value. Fluoro-based materials, due to their high electronegativity and minimal susceptibility to external polarization, offer outstanding performance in high-frequency applications. However, these same characteristics also make subsequent processing more challenging.

Taiflex possesses advanced expertise in materials science and coating technologies, supported by world-class lamination capabilities. We employ the most rigorous testing equipment and quality control standards to ensure excellence in product appearance and the performance of FCCLs. With extensive research resources, cutting-edge facilities, and a highly skilled team, Taiflex is well-positioned to deliver high-performance, high-frequency materials that meet the evolving demands of the next-generation information era.

3.1.3 Five-Year Strategic Development Plan

As electronic products continue to evolve toward thinner profiles, enhanced functionality, and higher performance, demand for FPCs is steadily increasing, creating substantial business opportunities. Taiflex remains committed to technology-driven innovation and allocates over 3% of annual revenue to research and development each year. Through continuous R&D efforts, we strive to deliver superior and diversified material solutions tailored to a broad spectrum of applications. Looking ahead, we anticipate significant growth for our new products in the automotive, metaverse, and wearable technology sectors.

R&D Expenses Over the Years

(In Thousands of New Taiwan Dollars)

Item \ Year		2021	2022	2023	2024	2025
	Revenue	7,671,215	7,287,918	6,837,677	8,215,429	8,753,742
R&D Expenses	R&D Expenses	284,484	350,360	314,812	331,626	417,157
	Percentage (%)	3.71%	4.81%	4.60%	4.04%	4.77%

Note: The percentage is calculated as: (R&D expenses for the year / Taiflex's parent company only revenue for the same year) × 100%

Projected R&D Headcount Plan

Year	2025	2026	2027	2028	2029
Headcount	44	46	48	50	52
New Hires	3	2	2	2	2
Growth Rate	7.3%	4.5%	4.3%	4.1%	4%

Note: Growth rate is calculated as: (New hires for the year / R&D headcount of the previous year) × 100%

∴ 3.2 Intellectual Property Management

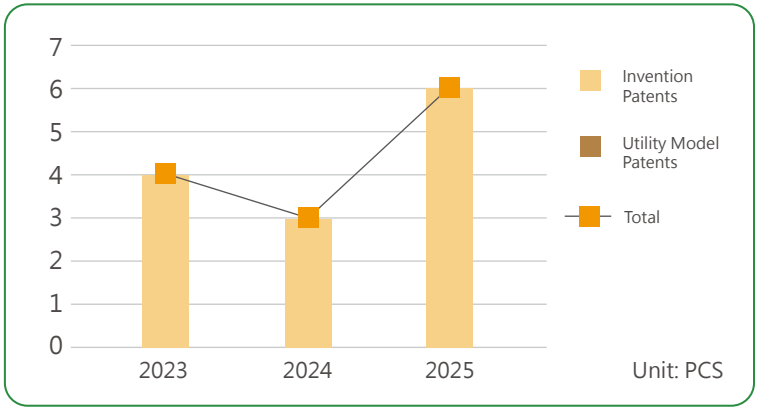
Taiflex places great emphasis on research and development and recognizes intellectual property (IP) as a core organizational asset. During the technology development process, the Legal and Intellectual Property Center collaborates with the R&D Center to conduct patent searches and literature analyses, enabling a clear understanding of the existing patent landscape. This helps prevent potential infringement and ensures the Company's freedom to operate. Upon completion of development, R&D outcomes are properly safeguarded through internal management or secured via formal IP protections such as patent applications, thereby strengthening Taiflex's competitive advantage.

In addition, the Legal and Intellectual Property Center conducts regular maintenance assessments of granted patents and protected R&D outcomes. It evaluates the value of IP based on collected intelligence, and promotes commercialization through licensing or technology transfer. These efforts enhance the economic value of the Company's intellectual assets while reducing their associated operating costs.

3.2.1 Patent Portfolio

To strengthen Taiflex's value among international brands, enhance corporate goodwill, and maintain the competitive edge of our product technologies, we continue to build a robust global patent portfolio. As of 2025, Taiflex had filed a total of 257 patent applications worldwide, with invention patents accounting for 84% of the total. These applications span key markets including Taiwan, the United States, Japan, Europe, and mainland China. A cumulative total of 155 patents have been granted. We remain committed to further expanding the IP landscape of our core technologies and R&D innovations.

Patents Applications from Product Development Over the Years



3.2.2 IP Protection System

Amid intensifying global competition and increasingly complex supply chain dynamics, the protection of trade secrets has become a key strategy for safeguarding core competitiveness. Trade secrets encompass technologies, methods, processes, formulas, software, designs, or other information applicable to production, sales, or operations, provided such information meets the criteria of confidentiality, economic value, and the implementation of reasonable protective measures. In 2024, Taiflex registered six trade secret cases related to key formulas and processes for internal management (with no risk of customer data exposure). As of 2025, a total of 17 cases had been registered, thereby reinforcing the management of research records and further enhancing our technological edge.

Since 2014, Taiflex has adopted the Taiwan Intellectual Property Management System (TIPS) to establish a systematic IP management framework. Guided by its Intellectual Property Management Manual, the Company applies the PDCA management cycle to build an IP management mechanism tailored to the characteristics of its technology-driven R&D activities and aligned with its business objectives. In recent years, Taiflex has continued to strengthen the acquisition, protection, maintenance, and utilization of intellectual property rights. The Company has also established a dedicated IP management unit to oversee and promote IP management across the organization. Through incentive programs, Taiflex encourages employees to engage in innovative R&D, while IP training programs and dedicated IP communications enhance employees' awareness of intellectual property rights and strengthen their practical IP management skills. These ongoing efforts continue to enhance the Company's IP management system, reduce risks associated with intangible asset management, and further improve overall operational performance and profitability.

Building upon its ongoing efforts to strengthen trade secret protection mechanisms and further institutionalize intellectual property management, Taiflex successfully completed its TIPS Level-A re-certification in 2024. In 2025, the Company further established four key IP policy priorities: strengthening technological capabilities and improving patent quality; raising employees' IP understanding and protection awareness; implementing confidential document management; and enhancing the IP management system and executing IP risk management. These priorities serve as important guiding principles for the Company's ongoing advancement of intellectual property management practices. Looking ahead, Taiflex will continue to build upon its well-established IP management system by integrating intellectual property management with technology development, global expansion strategies, and business development needs. Through these efforts, the Company aims to strengthen its competitive advantages in international markets and steadily enhance its long-term corporate value.

3.2.3 Protection of Trade Secrets

Taiflex recognizes the significant commercial value and strategic importance of trade secrets to corporate operations. In addition to safeguarding R&D outcomes through patent applications, we adopted the ISO 27001 Information Security Management System in 2016, established the Intangible Assets Security Committee, and implemented the CIPP to ensure the effective management of proprietary information. To strengthen our trade secret protection framework, Taiflex has developed a comprehensive management mechanism that includes the inventory, classification, and tiered labeling of confidential information; clear definition of intellectual property ownership and execution of confidentiality agreements; implementation of robust information security controls; retention of records and early warning systems; internal audits and investigations; annual assessments of Confidential Information Protection Guidelines; and ongoing employee training and awareness programs on information security. These measures are designed to minimize the risk of trade secret misappropriation. As of 2025, Taiflex had registered and maintained a total of 17 trade secrets under its trade secret management system.


TIPS
台灣智慧財產管理規範
驗 證 通 過 證 書
Certificate of Taiwan Intellectual Property Management System
台虹科技股份有限公司
TAIFLEX SCIENTIFIC CO., LTD.
A

∴ 3.3 Customer Service and Quality Management

| Material Topic: Product Safety and Quality |

Reason for Materiality	Meeting customer requirements for product quality is essential to Taiflex's vision of becoming a world-class provider of FPC materials. The Company is committed to allocating appropriate resources to maintain the integrity of its quality assurance system, ensuring that all products comply with regulatory requirements. This approach aims to achieve an optimal win-win balance between Taiflex and its customers.
Effect and Impact	• **Actual positive impact:** Economic: Delivering safe, high-quality products builds customer trust and increases the likelihood of securing new orders. • **Potential positive impact:** Social: Promotes healthy competition within the industry by encouraging progress and reducing harmful price-cutting practices.
Policy	• Leverage strong R&D capabilities to provide timely technical support, addressing customer needs in product development, design, testing, and after-sales service. • Establish a quality and Hazardous Substance-Free (HSF) management system with a focus on continuous improvement. Adopt industry standards such as IATF 16949 for automotive quality and IECQ QC 080000 for hazardous substance process management to align with the global trend toward green products.
Strategy	Annually, the status of target achievement is reviewed during the management review meeting. For any unmet targets, explanations and corresponding improvement measures are provided.
Goal and Objective	• **Short-term goals (2026):** - Customer satisfaction score of at least 90 points. - 100% compliance with regulations and customer requirements regarding hazardous substance restrictions. • **Medium-term goals (2027-2030):** - Customer satisfaction score of at least 91 points. - 100% compliance with regulations and customer requirements regarding hazardous substance restrictions. • **Long-term goals (2031-2040):** - Customer satisfaction score of at least 92 points. - 100% compliance with regulations and customer requirements regarding hazardous substance restrictions.
Management Assessment Mechanism	Surveys for both automotive and non-automotive customers are conducted semi-annually using the Customer Satisfaction Monitoring Management Form and the Customer Satisfaction Survey Form. The analysis results are used as the basis for compiling the annual customer satisfaction statistics. A "Customer Satisfaction Survey Report" is then prepared, covering both general customer satisfaction results and evaluations from automotive customers. This report is reviewed by the (Assistant) Manager and submitted to the (Vice) President for approval. Both the report and the related continuous improvement recommendations are reviewed during the annual management review meeting.

| Material Topic: Product Safety and Quality |

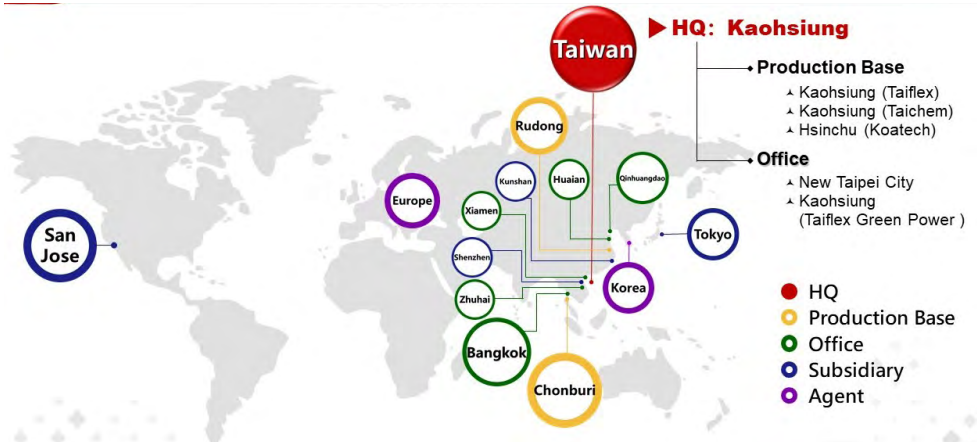
2025 Goals and Achievements	✓ Customer satisfaction score of at least 88 points → Achieved. In 2025, the customer satisfaction score reached 95.15 points, representing an increase of 1.90 points compared to 93.25 points in 2024. ✓ 100% compliance with regulations and customer requirements regarding hazardous substance restrictions → 100% of Taiflex products complied with REACH/RoHS.

3.3.1 Technical Support and Customer Service

Taiflex is committed to the research, manufacturing, and sales of FCCL. In the industry value chain, our upstream suppliers include polyimide (PI) and copper foil material providers, while our downstream customers are FPC manufacturers. We maintain ongoing communication with customers throughout the production and sales processes, providing weekly forecasts of global demand to our Headquarters. These insights are then incorporated into production planning. By closely collaborating with both upstream and downstream partners, we help establish a robust and integrated industry value chain, maximizing corporate value while effectively fulfilling customer needs.

Upstream	Midstream	Downstream
PI/ Copper Foil Materials	FCCL	FPC
• Raw materials • Chemicals • Equipment vendors	• FCCL manufacturing • CVL coverlays • Stiffeners • Chemical synthesis	• FPC & PCB • Insulating tape

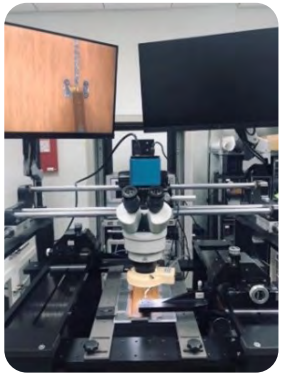
Customer satisfaction is central to Taiflex's business philosophy. We remain committed to delivering innovative products and services while upholding core values of responsibility and enthusiasm. To support this, Taiflex has established dedicated units to provide product-related support, working in close coordination with the Quality Assurance department to address customer concerns, whether related to product appearance or functionality. In response to the global expansion of our downstream customers' production bases, Taiflex has deployed service personnel not only in Taiwan but also in key locations such as Kunshan, Shenzhen, Zhuhai, Xiamen, and Nantong. This enhances our service flexibility and responsiveness. In addition, Taiflex has established offices in the United States and Japan to serve as local hubs for timely product support and sales services.

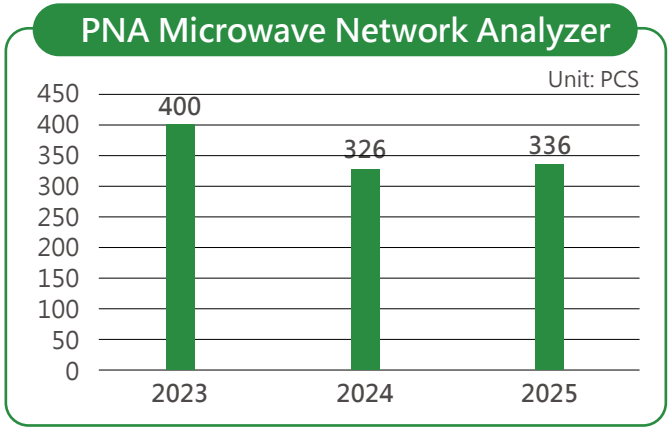


• Technical Support

Taiflex provides technical support to customers across Taiwan, mainland China, Europe, the United States, Japan, and South Korea. We collaborate with customers through on-demand technical exchanges and offer targeted assistance to help resolve challenges encountered during product design and testing.

Taiflex is equipped with a comprehensive range of laboratory testing equipment, including SEM/EDS, FTIR, metallographic microscopes, TMA/DSC/DMA thermal analyzers, and tensile testing machines. These facilities are available for internal use and are also accessible to customers for commissioned testing, supporting their needs in material analysis and property evaluation. In addition to accelerating product validation for our customers, this setup allows our technical team to gain deeper insights into product characteristics, thereby fostering closer collaboration and mutual understanding with our customers.


PNA Microwave Network Analyzer

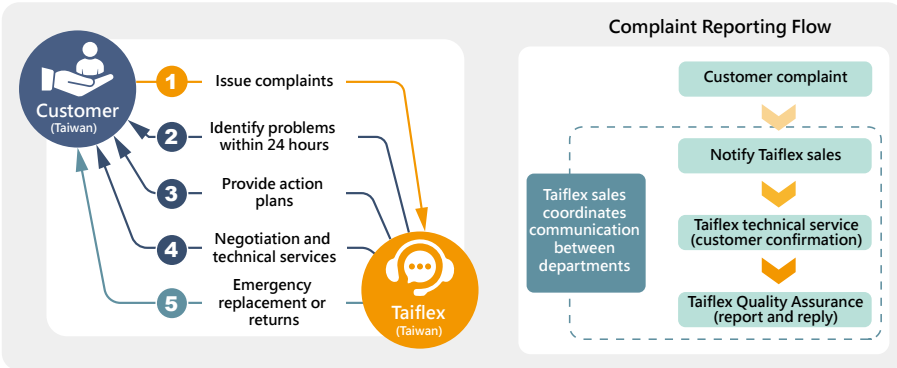


3.3.2 Customer Complaint Handling and Customer Satisfaction Survey

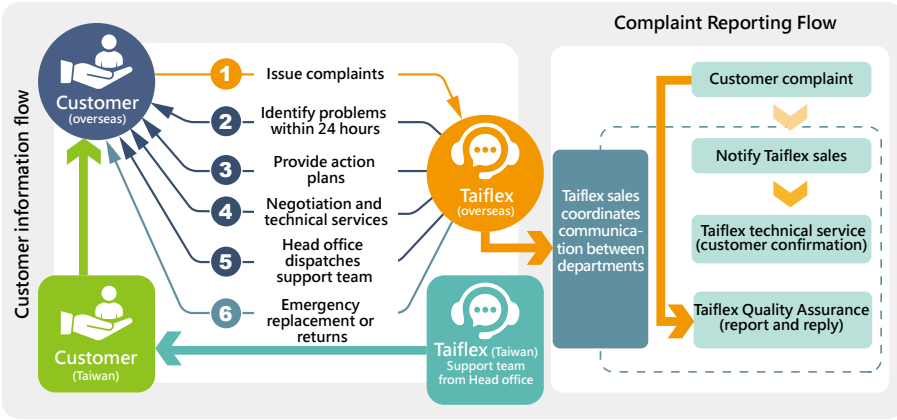
• Customer Complaint Handling

When customer feedback, inquiries, or concerns are identified as major complaints, Taiflex promptly forms a cross-functional task force to address the issue. Relevant departments, including Production, Technology, R&D, and Quality Assurance, take immediate and coordinated action in accordance with their respective responsibilities. Timely corrective measures are implemented to assist customers in resolving the issue and to minimize potential losses related to labor, materials, or equipment utilization. This responsive approach enables Taiflex to continuously enhance product service quality, protect its corporate reputation, and ensure customer satisfaction.

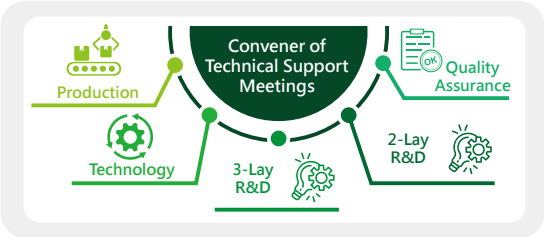
Customer Complaint Handling Procedures - Taiwan



Customer Complaint Handling Procedures - Overseas



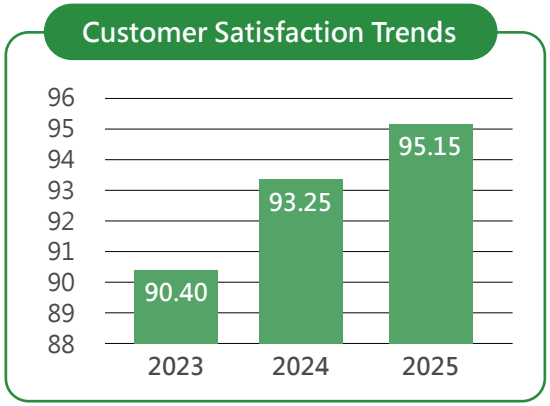
In the event of a major customer complaint, the customer service officer convenes a technical support meeting attended by department heads from Production, Quality Assurance, Technology, and both 2-Layer and 3-Layer R&D, along with the responsible engineers. The team jointly investigates and discusses significant product defects.



A preliminary response, including the initial cause and immediate corrective actions, is provided within three days. A comprehensive report, including test data, root cause analysis, improvement actions, preventive measures, and a reasonable resolution, is submitted within seven days to reassure the customer and ensure acceptance of the proposed solution.

• Customer Satisfaction Survey

To effectively understand and respond to customer feedback, Taiflex conducts customer satisfaction surveys on a semi-annual basis. Sales personnel are responsible for distributing standardized survey forms to selected customers via fax or email. When necessary, additional contact is made by phone or written correspondence to ensure the purpose of the survey is clearly communicated and responses are submitted within the designated timeframe. After data collection is complete, a Customer Satisfaction Survey Report, which includes both general customer satisfaction results and evaluations specific to the automotive sector, is prepared. The report is reviewed by the (Assistant) Manager and submitted to the (Vice) President for approval.



In 2025, Taiflex achieved an average customer satisfaction score of 95.15 points, surpassing the annual target of 89 points and representing a 1.90-point increase from the 2024 score of 93.25. Evaluation criteria included product quality, sales service, customer support, logistics, and compliance with restricted substance regulations. If any customer provides explicit negative feedback or if the satisfaction target is not met, the issue is addressed during management review meetings. Relevant cross-departmental teams are tasked with proposing improvement measures and recommendations, reinforcing our commitment to becoming a trusted long-term partner to our customers.

3.3.3 Quality Certification and Quality Control

Taiflex's quality and HSF objectives are guided by the principle of achieving customer satisfaction. In addition, in accordance with the requirements of the IATF 16949 automotive quality management system and the HSPM Hazardous Substance Process Management System, the Company establishes appropriate quality objectives and measurable targets during management review meetings and regularly reviews their suitability and effectiveness.

To address customer feedback, we pursue continuous improvement through cross-departmental technical meetings, quality improvement proposals, 5S[Note] activities, and defect rate review meetings, ensuring that customer needs are met as promptly as possible.

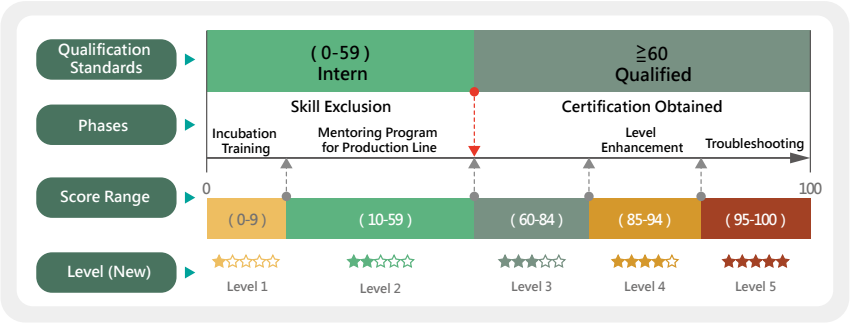
In 2025, a total of 154 quality improvement proposals were submitted. 5S activities are assigned on a rotating basis by engineers or supervisors to assess workplace implementation across areas such as environment, safety, and operational practices, thereby supporting both quality and safety standards.



Note: 5S refers to sort, set in order, shine, standardize and sustain.

• Operator Training

The skill proficiency of frontline personnel in the Manufacturing Center is a key factor directly impacting the stability of production quality. To address this, the Company has implemented a certification system ranging from Level 1 to Level 5. New employees are required to complete safety and pre-employment training before commencing work. Only those who pass the evaluation at Level 3 or above are permitted to independently operate machinery on the production floor. On-the-job skill development is further supported through a mentorship program involving trainers and on-site personnel.



On-the-job skill assessments cover areas such as instrument and equipment operation, product appearance evaluation, and troubleshooting. These assessments are conducted on a quarterly and annual basis to support level advancement reviews. In 2025, Taiflex had 463 direct production personnel. Among them, 4% were certified at Level 2, 42% at Level 3, 42% at Level 4, and 12% at Level 5. Upon onboarding, new hires are paired with mentors under a structured mentorship program. This is aligned with the training mechanisms established by the Incubation Training Program to ensure that new employees meet job task requirements in a timely manner and develop a solid understanding of quality and safety expectations.

• Quality Certification

To ensure product quality, Taiflex conducts rigorous inspections and testing at every stage, including incoming material, manufacturing, in-process, finished goods, and shipment, based on our quality control plans and relevant standards. All inspection and testing processes are thoroughly documented to verify compliance with specified requirements. The Company is certified under the IECQ QC 080000:2017 Hazardous Substance Process Management System and manages hazardous substance control in accordance with this system to ensure continued compliance with RoHS and REACH regulations.

In compliance with international regulatory standards and Taiflex's internal "WI QA-199 Hazardous Substance Management Procedure for Raw Materials and Packaging Materials," all products are clearly labeled with expiration dates and affixed with markings indicating compliance with Halogen-Free (H.F.) and RoHS standards.

In 2025, there were no incidents in which the quality of Taiflex's products impacted the safety or health of downstream manufacturers or end customers. The Company also recorded no violations of regulations related to product and service labeling or marketing practices. For details regarding prohibited substances and related international safety standards, please refer to Section 3.3.4, "Product Compliance and Hazardous Substance Management."



Statistics on Safety Certifications for Products or Services

Product or Service	Safety Certification	Percentage of Evaluated Products or Services Provided to Customers
2L FCCL	Flammability: ISO 9773, IEC 60695-11-10 Comparative Tracking Index: IEC 60112 REACH/RoHS/ISO 9001/IATF 16949	100%
3L FCCL	Flammability: ISO 9773, IEC 60695-11-10 Comparative Tracking Index: IEC 60112 REACH/RoHS/ISO 9001/IATF 16949	100%
CVL	Flammability: ISO 9773, IEC 60695-11-10 REACH/RoHS/ISO 9001/IATF 16949	100%
Stiffeners & Composite Sheet	REACH/RoHS/ISO 9001/IATF 16949	100%
Bonding Sheet	REACH/RoHS/ISO 9001/IATF 16949	100%

Note: Percentage = (Total quantity of products or services evaluated and provided to customers / Total quantity of products or services provided to customers) × 100

3.3.4 Product Compliance and Hazardous Substance Management

• All Products Comply with International Regulations

In response to the growing global emphasis on environmental sustainability, the use of substrate materials in electronic components increasingly focuses on pollution reduction. As a result, material suppliers have strengthened their research and development capabilities in eco-friendly materials, driving a transformation in the copper-clad laminate (CCL) industry. Leading electronics manufacturers are progressively adopting environmentally friendly substrates. With rising environmental awareness and tightening regulatory standards, the use of eco-friendly substrates is becoming a baseline requirement across the industry.

Through the implementation of the IECQ QC 080000 system, Taiflex updates international regulatory information as needed and incorporates it into the Company's internal management procedures. We also engage suppliers for relevant feedback to ensure that our FPC materials consistently comply with applicable international regulations and customer requirements regarding hazardous substance management.



Regulation	Description	Product Conformity
EU Restriction of Hazardous Substances Directive (RoHS)	Limits the concentration of Lead (Pb), Mercury (Hg), Cadmium (Cd) (<1,100ppm), Hexavalent Chromium (Cr^{6+}), Polybrominated Biphenyls (PBBs), and Polybrominated Diphenyl Ethers (PBDEs) to below 1,000 ppm. RoHS 2.0 additionally restricts four phthalates: Bis(2-ethylhexyl) phthalate (DEHP), Benzyl butyl phthalate (BBP), Dibutyl phthalate (DBP), and Diisobutyl phthalate (DIBP), each below 1,000 ppm.	Full compliance
Halogen-Free Requirements for Electronic Products	Bromine and chlorine content must each be below 900 ppm, with total halogen content under 1,500 ppm.	Full compliance
Restrictions on Perfluorooctane Sulfonate (PFOS), Perfluorooctanoic Acid (PFOA) and Related Substances	No raw materials containing PFOS, PFOA, or related substances are used in the manufacturing process.	Full compliance
EU Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)	Compliance with the REACH, including all substances of very high concern (SVHCs) published under the regulation.	Full compliance
EU Waste Electrical and Electronic Equipment Directive (WEEE)	To address the growing volume of waste electrical and electronic equipment, and to reduce the burden on landfills and incinerators while preventing hazardous substances from entering the environment, this directive is not directly applicable to our products, as they are not end-user goods. FPC materials become part of electronic waste only after the end products are used by consumers, and the responsibility for recycling rests with the manufacturers of those end products.	Not applicable

Hazardous Substance Control Items in 2025

Taiflex continues to monitor international trends in chemical management and evolving customer product compliance requirements. In accordance with the EU RoHS Directive, REACH, the EU Packaging and Packaging Waste Directive, and customer specifications, the Company regularly reviews and updates its hazardous substance control list. This list serves as an important basis for raw material selection, supplier management, and product compliance verification.

In 2025, Taiflex's hazardous substance control list covered 623 substances, representing an increase of 89 substances compared with 2024. This expansion reflects the Company's ongoing efforts to respond to updates in international regulations, increasingly stringent market requirements, and the growing number of substances of concern identified by the industry, thereby strengthening both the depth and breadth of its chemical substance management. Newly added controlled substances in 2025 primarily included native wood, hydrofluorocarbons (HFCs), organotin compounds, certain substances designated under applicable chemical substance management regulations, and various substances identified by international regulations and customer requirements as requiring enhanced control. Based on their risk characteristics and management requirements, these substances were incorporated into different levels of the Company's hazardous substance control framework.

1 Newly Added Items

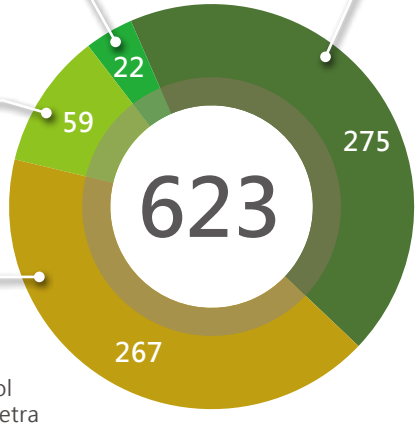
Organotin Compounds (including TBT, TBTO, TPT, DBT, and DOT)

2 Newly Added Items

Native Wood; Hydrofluorocarbons (HFCs), etc.

34 Newly Added Items

Carbon disulfide; 4-(4-chlorophenyl)cyclohexanecarboxylic acid; N, N'-Diphenyl-p-phenylenediamine; N-Tetrabromocyclooctane; Class I Specified Chemical Substances under the Chemical Substances Control Law (CSCL); Ethylene glycol and its ethers; Ethane; 3,4,9,10-Perylenetetra carboxylic diimide; Pigment Violet 29; 3,4,9,10-Perylenetetracarboxyl; Butyl nitrite 1; Polyhexamethylene guanidine hydrochloride (PHMG); Polyhexamethylene biguanide hydrochloride (PHMB); Polymer of 2,2'-[1,2-ethanediylbis(oxy)] bisethanamine and monohydrochloride; EU Toy Safety Directive substances; Ammonium dihydrogen phosphate; Triphenylphosphine oxide; Chlorinated aromatic hydrocarbons; Amines; Bromopropane, etc.



52 Newly Added Items

Dinitrotoluene; Methyldinitrobenzene; Bromomethane; Methyl bromide; Hexabromocyclohexane; Phosphamidon; 4-tert-Butylphenol; 2-[3-(2H-benzotriazol-2-yl)-4-hydroxyphenyl]ethyl methacrylate; Tribromomethane; N-Octylisothiazolinone; Neodymium and its compounds; Praseodymium and its compounds; Diisobutylene; 2,4,4-Trimethyl-1-pentene; Diisobutene; 2-(2,4-Dimethyl-3-cyclohexen-1-yl)-5-methyl-5-(1-methylpropyl)-1,3-dioxane; Dysprosium and its compounds; Calcium and its compounds; Process-controlled substances; Natural graphite; Critical raw materials and strategic raw materials; Terbium and its compounds; Mica; [4-[(4-Dimethylaminophenyl)-phenylmethylene]-1-cyclohexa-2,5-dienylidene]-dimethylammonium chloride; Dimethylethylphenol; 2-(2-Aminoethoxy)ethanol; Triisooctyl phosphite; Demeton-O-methyl; Ethanolamine, etc.

- Level 1 Raw Materials - Mandatory testing with report provided.
- Level 2 Raw Materials - Provision of non-use declaration to meet requirements
- Level 3 Raw Materials - With substances contained exceeding the limit,suppliers shallreport to Taiflex.
- Packaging/Consumables - Mandatory compliance with relevant information provided.

Sources: EU's Restriction of Hazardous Substances Directive, REACH, EU Packaging and Packaging Waste Directive, and customer requirements.

04

Green Manufacturing in Action

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△ Green Manufacturing in Action

∴ 4.1 Environmental Governance and the Green Value Chain

The extraction of natural resources involves risks such as energy consumption, water pollution, land degradation, and potential human rights violations. In addition to ensuring the quality, delivery, and cost of raw materials, Taiflex is committed to working with suppliers that uphold environmental protection, energy conservation and carbon reduction, workplace safety and hygiene, and respect for human rights. These efforts are essential to meeting both customer expectations and regulatory requirements, while jointly fulfilling corporate social responsibility.

4.1.1 Green Procurement Policy

Taiflex firmly believes that the sustainable growth of its supply chain plays a critical role in the Companys long-term development. Therefore, we actively encourage suppliers to fulfill their corporate social responsibilities by implementing environmental protection measures, promoting energy conservation and carbon reduction, improving workplace safety and hygiene, and upholding human rights. In addition, suppliers are expected to maintain robust risk management and sustainable operation plans, working together with Taiflex to build a stable and resilient sustainable supply chain.

Our Commitments

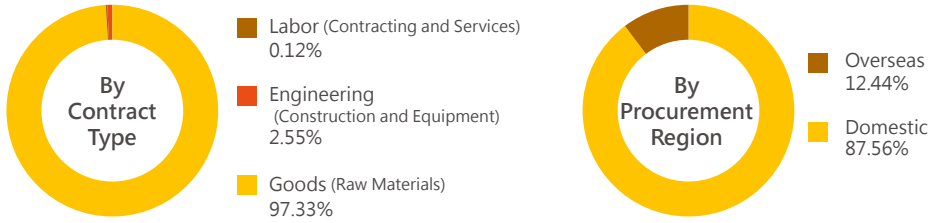
- All products comply with conflict minerals regulations and are procured in accordance with green product standards.
- We adhere to the principles of fair trade and comply with all applicable laws and regulations. We are committed to respecting human rights, safeguarding the physical and mental well-being of workers, protecting the environment, and fulfilling our social responsibilities.
- We uphold the ethical principle, commit to fulfilling corporate social responsibilities in our procurement activities and pursue sustainability.

· Supplier Overview

Over 95% of the Company's procurement consists of goods used in production (raw materials) and packaging (materials). Key raw materials include copper, PI (polyimide), TPI (thermoplastic polyimide), and release material, most of which are imported. The Company is actively working to increase the use of recycled copper. For packaging materials, recycled paper is widely used, and wooden pallets are reused to promote circular practices.

In recent years, the Company has continued to expand its supplier base for key raw materials and process equipment. As of 2025, domestic procurement accounted for 87.56% of total purchases. For detailed information on procurement categories and their respective proportions, please refer to Appendix I: ESG Information – Economic Data in this report.

Procurement Overview (2023–2025)



· Raw Material Control

The development of the electronics industry relies heavily on a wide range of minerals. In response to growing global concerns over human rights, avoiding the use of conflict minerals has become an international trend. To fulfill its corporate social responsibility, Taiflex complies with Rule 13p-1 of the U.S. Securities Exchange Act of 1934, issued by the U.S. Securities and Exchange Commission (SEC), as part of its conflict minerals management. The Company implements self-audits on social responsibility practices and takes proactive measures to avoid sourcing minerals from conflict-affected and high-risk areas.

All suppliers of raw materials that use or contain minerals are required to comply with the Company's conflict minerals policy and submit investigation results using the Conflict Minerals Reporting Template (CMRT). The requirement to avoid sourcing conflict minerals from conflict-affected regions is enforced from the outset of new supplier selection. For existing suppliers, Taiflex requires the signing of a conflict-free minerals agreement or submission of a declaration. The Company also conducts due diligence through annual supplier audits and traceability management across the supply chain.

Copper is the primary metal used in Taiflex's production of FPC materials. In addition to the extraction of new mineral resources, recycling from existing applications or electronic products has become an industry trend. Approximately 90% of copper foil manufacturers worldwide use recycled copper as a raw material. In line with this shift, Taiflex collaborates with major copper foil suppliers to incorporate recycled copper foil at a consistent proportion, contributing to resource reuse and global sustainability. In addition, the use of recycled copper offers advantages in production costs. The electrodeposited (ED) copper foil manufacturing process provides high precision and supports flexible specification adjustments in width and thickness, making it suitable for a wide range of electronic applications. In 2025, the total amount of recycled copper used in FCCL products shipped in 2025 (including a small proportion of high-frequency and high-speed rigid board materials), across all copper types, amounted to 593.4 metric tons, accounting for 25.58% of the total copper used in these products.

In addition, Taiflex has established risk control mechanisms to address potential supply chain disruptions. In the event of disruptions caused by external factors (such as natural disasters, disease outbreaks, or major global events), emergency response procedures are activated immediately. Relevant departments, including Procurement, Quality Assurance, and Production Planning, promptly assess key areas such as raw material stocktaking, coordination with backup suppliers, increasing inventory levels, and material consumption in production processes, and jointly develop a contingency plan.

· Green Procurement

GP (Green Product) documentation must be provided or updated for both the introduction of new materials and the routine procurement of existing materials. Taiflex integrates green supply chain practices to better serve its customers and has initiated efforts to reduce and reuse packaging materials across its supply chain. Since 2020, the Company has communicated its green procurement principles to suppliers alongside purchase orders through the e-procurement system. At the same time, Taiflex actively promotes green procurement awareness throughout the supply chain. By adopting standards that exceed regulatory requirements, the Company seeks to prevent or reduce negative environmental impacts and strengthen its operational resilience in the face of the climate change crisis.

∴ 4.1.2 Supplier Environmental Management

· Supplier Environmental Assessments and Audits

Taiflex regularly conducts Supplier Green System Evaluations for key suppliers using two primary methods: on-site audits and document reviews. These evaluations aim to strengthen suppliers' sustainability management systems and ensure the effective implementation of sustainability practices. The evaluation covers three key dimensions: the quality system (economic), the HSPM system (environmental), and ESG (social). Suppliers are required to report on the implementation status of their sustainability initiatives and provide relevant management system certifications. This process not only enables Taiflex to assess the supplier's sustainability performance but also helps suppliers enhance their management of sustainability-related risks. In 2025, the Quality Assurance unit audited a total of 32 suppliers, including 12 on-site audits and 20 document reviews. A total of 68 deficiencies were identified, all of which have been resolved, resulting in a 100% improvement rate. No suppliers were disqualified as a result of the audits.

In addition, the Company conducts annual assessments of suppliers across five key aspects: quality, procurement, research and development, technology, and shipment fulfillment rate. For raw material suppliers who fail the assessment, transactions are suspended, and the supplier is required to make improvements within a specified timeframe. A follow-up audit is conducted six months later, and if no improvement is made, the supplier is disqualified. For material suppliers who fail the assessment, transactions are suspended for at least one year, except in cases involving sole-source suppliers. In 2025, a total of 83 suppliers were audited, including 32 raw material suppliers and 51 material suppliers. No suppliers were found to be non-compliant.

· Supplier Quality Management

Taiflex requires all raw material suppliers, both new and existing, to comply with quality management systems, environmental, safety, and health (ESH) management systems, and to undergo evaluation under the Authorized Economic Operator (AEO) framework. Through the supplier procurement process, Taiflex conducts a comprehensive review of each supplier based on a set of criteria, including: basic corporate information, relevant licenses and certifications, quality assurance records, ESH management practices, operational performance, product information, manufacturing processes, upstream raw material sources, financial condition under business continuity planning, contractual obligations, green product management (GPM), and corporate social responsibility (CSR) performance.

Supplier quality assessment criteria include the total return rate of incoming materials, the number of major nonconformities, the number of unresolved cases, and green supplier performance (evaluated based on the timeliness of responses within the GPM system). Assessments are conducted by the Quality Assurance unit and incorporated into the overall supplier audit, with a weighting of 35% in the audit criteria. In 2025, a total of 31 suppliers were assessed, with no suppliers receiving an unsatisfactory rating.

· Corporate Social Responsibility Commitment

As part of the selection process for raw material suppliers joining Taiflex's supply chain, suppliers are required to obtain third-party certification for ISO 9001 and ISO 14001. In addition, to ensure suppliers understand and uphold corporate sustainability principles, Taiflex has established the Supplier/Contractor Corporate Social Responsibility Commitment (hereinafter referred to as the "CSR Commitment"). The CSR Commitment outlines the Code of Conduct for suppliers and contractors and incorporates the RBA Code of Conduct, as well as requirements related to conflict-free minerals. Suppliers must agree to the terms of the CSR Commitment prior to contract execution.

The CSR Commitment addresses labor rights, requiring suppliers to comply with internationally recognized human rights standards, respect each worker's dignity, privacy, and legal rights, and foster a harmonious, inclusive, and equitable workplace. It mandates the protection of labor rights, including freedom of career choice, freedom of association, and full compliance with laws governing minimum wage and working hours, and strictly prohibits any involvement in or support for human rights violations, such as the use of child labor, discrimination, or harsh and inhumane treatment. Taiflex currently works with 63 raw material suppliers, all of whom have signed the CSR Commitment or submitted relevant declaration documents. The Company aims to achieve 100% CSR Commitment coverage across all suppliers moving forward.

· Supplier Conference

Taiflex is committed to the sustainable development of its supply chain. Built on a foundation of collaboration and mutual support, we enhance supply chain management performance through systematic processes, including supplier evaluations, audits, corrective action guidance for audit findings, performance evaluations, and the supplier collaboration conference. Through ongoing engagement and communication, the Company promotes awareness of corporate social responsibility and business ethics among its suppliers. Taiflex also takes appropriate measures to ensure that suppliers comply with legal requirements related to environmental protection, health and safety, and labor practices. Suppliers are expected not only to meet local minimum wage laws, but also to provide employees with fair and appropriate levels of compensation, and to uphold the highest standards of ethical and moral conduct in their business operations.

At the 2025 Supplier Conference, Taiflex expressed its sincere appreciation for the support and outstanding contributions of its supplier partners over the past year. During the event, the Company's Supply Chain Management Division shared Taiflex's future outlook and conveyed its expectations regarding quality, technology, delivery, service, cost, and sustainable operations. The Company also emphasized its commitment to working hand in hand with suppliers to overcome challenges and achieve continued success.







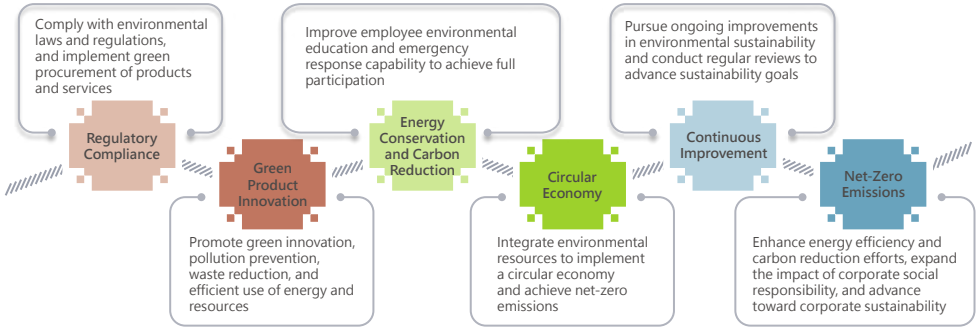




∴ 4.1.3 Building a Green Value Chain and Reducing Environmental Footprints Across the Value Chain

Environmental sustainability is a core value embedded in Taiflex Group's business strategy. The Company is committed to operating and managing its business in ways that align with environmental protection. In full compliance with applicable environmental regulations, we are dedicated to pollution prevention and emissions reduction. Taiflex is actively working toward long-term goals, including achieving net-zero emissions by 2050, 100% renewable energy, and zero waste. Our environmental sustainability policy and corresponding commitments are outlined as follows:

Environmental Sustainability Policy




Certificate TW04/00539
The management system of
TAIFLEX SCIENTIFIC CO. LTD.
SGS
has been assessed and certified as meeting the requirements of
ISO 14001:2015
For the following activities
Design and Manufacture of flexible copper clad laminates (including coverlays, bonding sheets, stiffeners, composite films).
This certificate is valid from 24 September 2025 until 24 September 2028 and remains valid subject to satisfactory surveillance audits.
Issue 11. Certified since 24 September 2004
Certified activities performed by additional sites are listed on subsequent pages.
L. Moran
Authorized by
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SGS United Kingdom Ltd
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With "zero environmental incidents" as a fundamental goal, Taiflex adopted the ISO 14001 Environmental Management System and obtained certification in 2004 (as shown in the figure to the right) to ensure full compliance with environmental regulations. Through a comprehensive EHS (Environment, Health, and Safety) management framework, we proactively manage potential environmental risks. The Environmental Protection Department conducts quarterly assessments of regulatory compliance covering air and water pollution, waste management, and toxic substances. For each applicable regulation, Taiflex implements corresponding response measures to ensure compliance. If any risk of non-compliance is identified, corrective and preventive actions are promptly taken. In 2025, the Company successfully completed the recertification of its ISO 14001 Environmental Management System. The new certificate is valid from September 24, 2025, to September 24, 2028. Over the past five years, there have been no environmental penalties imposed on Taiflex, nor any incidents involving significant pollution, leakage, or violations of environmental laws and regulations.

· Reducing the Environmental Footprint Across the Value Chain

In addition to targeting high-frequency, high-speed, high-density performance and dimensional stability, Taiflex's R&D efforts focus on developing advanced, energy-efficient, and lightweight substrate materials that align with increasingly stringent environmental standards. By continuously improving process technologies and collaborating closely with upstream raw material suppliers and downstream FPC customers, we aim to reduce resource and energy consumption per unit of production. These efforts help mitigate environmental impacts and contribute to the sustainable development of a greener planet.

We have incorporated environmental performance into our supplier evaluation criteria (see Section 4.1.2"Supplier Environmental Management" of this report for details). Suppliers are required and supported to manage hazardous substances, prevent pollution, conserve energy and water, and reduce waste. After years of continuous effort, a green supply chain has gradually taken shape. To further reduce the environmental footprint of products, the R&D Center is currently testing and developing new copper foil materials made from recycled copper, with the aim of replacing conventional copper foil in future applications. With respect to packaging materials, the recycling volume of paper tube cores declined significantly in 2023 after suppliers discontinued their paper tube core recycling programs. The lower recycling rate in 2025 was primarily attributable to customers retaining and reusing the paper tube cores. Taiflex actively recovers pallets, wooden crates, and packaging materials for reuse within the Company, as well as among suppliers and customers, in order to minimize waste generation. For data related to packaging material recycling in 2025, please refer to Appendix I: ESG Information - Environmental Data of this report.

∴ 4.1.4 Environmental Investments and Benefits

In 2025, Taiflex's total environmental expenditure amounted to approximately NT$46,618 thousand, representing an increase of 48.6% compared with the previous year. These expenditures included activities such as audits of environmental management systems, pollution prevention, environmental monitoring, environmental education programs, and sponsorship of environmental organizations. Collaborative partners included third-party testing, inspection, and certification agencies, resource recycling service providers, professional waste disposal companies, and environmental monitoring organizations.

The purpose of Taiflex's environmental accounting system is to identify and quantify the Company's environmental costs, while also assessing the economic benefits derived from the implementation of environmental protection initiatives. This includes evaluating cost reductions and revenues generated through such projects, with the goal of encouraging and promoting environmentally responsible initiatives that also offer financial returns. Economic benefits are calculated based on estimated cost savings from reductions in energy consumption, water usage, and waste generation, as well as revenues from the recycling and reuse of waste materials.

In 2025, the Company's environmental benefits amounted to approximately NT$108,438 thousand, representing a 17% increase from the previous year. The primary sources of these benefits included solvent purification and reuse, waste reduction, waste recycling and reuse, and resource recycling. These results demonstrate that, through pollution control and resource circularity initiatives, the Company not only reduces its environmental impact but also generates tangible economic benefits.

| 2025 Environmental Investments and Benefits |

Item	Description
Environmental expenditures	• Pollution control (regulatory fees and charges, such as air pollution control fees) • Environmental improvement projects to reduce environmental impact (e.g., exhaust treatment system upgrades, permit application fees) • Industrial waste disposal costs • Expenditures for enhancing wastewater treatment efficiency • Environmental management costs (e.g., ISO 14001 system maintenance and certification, ISO 14064-1 verification) Total spending: NT$46,618 thousand
Environmental benefits	• Savings from purification and reuse of concentrated exhaust solvents: NT$18,127 thousand • Savings from reduction, recycling, and reuse of industrial waste: NT$10,821 thousand • Savings from resource recycling (including recyclable materials, copper foil, and solvents): NT$79,490 thousand Total savings: NT$108,438thousand
Improvements	1. Air pollutant emission intensity (VOCs, total suspended particulates (TSP)

Year	Production Volume (1,000 m²)	VOCs (kg/1,000 m²)	TSP (kg/1,000 m²)
2024	29,520	3.538	0.012
2025	32,931	3.713	0.012
YOY Change	11.55%	0.05%	0%

2. Reduction in resource consumption (e.g., recycling and reuse of organic solvent waste)

Year	Factory	Solvent Recovered and Reused (kg)
2025	Kaohsiung factories	150,323
	Rudong factory	17,492

3. Circular benefits from organic waste gas solvent recovery (e.g., conversion of VOC emissions into liquid solvents)

Year	Factory	Recovered for Reuse (kg)	Recycled for Regeneration (kg)
2025	Kaohsiung factories	181,270	265,256

4. Resource recycling and reuse (e.g., wooden crates, mixed paper, plastics, etc.)

Year	Factory	Recycled for Reuse (kg)
2025	Kaohsiung factories	1,900,104
	Rudong factory	242,834

Impact after improvement	• Reduced energy consumption and improved equipment efficiency, thereby lowering environmental impact. • Decreased air pollutant emissions, thereby mitigating environmental impact. • Ongoing upgrades and improvements that enhance the Company's competitiveness and align with its sustainability goals.

To further enhance pollution prevention performance and resource management efficiency, the Company has planned and implemented the following improvement measures for the management of stationary pollution sources and industrial waste:

| Improvement Measures for Stationary Pollution Source Management and Waste Treatment|

Increase Solvent and Hazardous Gas Recovery and Reuse	In collaboration with the Industrial Technology Research Institute (ITRI), the Company continues to evaluate and adopt optimal solvent recovery technologies. By the end of 2025, enhancement projects for the thin-film evaporator solvent recovery system and purification towers were successfully completed. Beginning in 2026, these upgrades are expected to increase annual solvent recovery by approximately 60 metric tons and enable an additional 150 metric tons of solvent recovery through the condensation and purification of organic exhaust gases. By enhancing solvent recovery and reuse efficiency, the Company reduces its reliance on virgin solvent procurement. This initiative not only lowers operating costs but also reduces the demand for petroleum-based raw materials and their associated extraction and processing. As a result, it contributes to lower GHG emissions, promotes sustainable resource utilization, reduces environmental impact, and supports the transition toward sustainable production and consumption.

| Improvement Measures for Stationary Pollution Source Management and Waste Treatment|

Environmental Smart System Platform	The Company plans to implement an Intelligent Environmental Management Platform in 2026. This platform will integrate environmental regulatory requirements with operational control parameters for environmental equipment and facilities into a system-based management framework. Through this intelligent system, data generated from various environmental operations will be centralized and fully traceable, reducing manual data handling and redundant processes, while enabling data-driven decision-making through big data analysis. In addition, integration with mobile devices, such as tablets, smartphones, and barcode scanning, will allow real-time monitoring of environmental data and equipment performance. This platform is expected to enhance environmental management efficiency and audit traceability. Beyond ensuring compliance with environmental regulations, it will also reduce environmental risk and strengthen the Company's overall environmental governance capabilities.

∴ 4.2 Energy and Climate Action

| Material Topics: Energy Management, Green Energy and Net-Zero Emissions |

Reason for Materiality	With growing global concern over climate change, governments around the world are promoting renewable energy and net-zero emissions through regulatory frameworks to mitigate climate risks. Energy transition and greenhouse gas (GHG) reduction have become critical priorities for businesses. Companies that fail to shift toward green energy and net-zero emissions will inevitably face risks to their market competitiveness and brand value, making it increasingly difficult to achieve long-term sustainability.
Effect and Impact	• **Actual positive impact:** Economic: Enhanced equipment efficiency reduces unnecessary electricity expenditures. Environmental: Decreased GHG emissions, including CO_2, from operational activities. Social: Alignment with government policies and support for the development of the green energy industry. • **Actual negative impact:** Economic: Additional personnel and resources are required to upgrade production equipment and enable major adjustments to the energy structure. • **Potential positive impact:** Economic: The government has announced carbon fee standards for regulated industries. By setting energy-saving targets, the Company is better positioned to reduce the future financial impact of carbon taxes or fees on its operational costs.
Policy	• In line with the principles of corporate development and environmental stewardship, Taiflex adopts a high-efficiency energy management model and is committed to energy conservation, carbon reduction, and the efficient use of energy. The Company continuously advances sustainable development and contributes to environmental protection through tangible actions. • Taiflex Green Power Co., Ltd. was established to develop renewable energy generation and electricity sales, supporting the Company's steady transition toward net-zero emissions by 2050. Functional teams under the Sustainable Development Committee are responsible for driving various energy-saving and carbon-reduction initiatives.
Strategy	• Utilize a smart Energy Management System (EMS) to monitor and optimize energy consumption, enhancing both production and operational efficiency. The Company has implemented and continues to maintain compliance with ISO 50001 to ensure a systematic and continuously improving approach to energy management. • Continuously monitor government policy developments and adjust strategies in a timely manner to effectively respond to potential regulatory risks. Efforts are also focused on improving energy self-sufficiency to keep carbon-related costs under control and reduce the impact of external factors on operations.

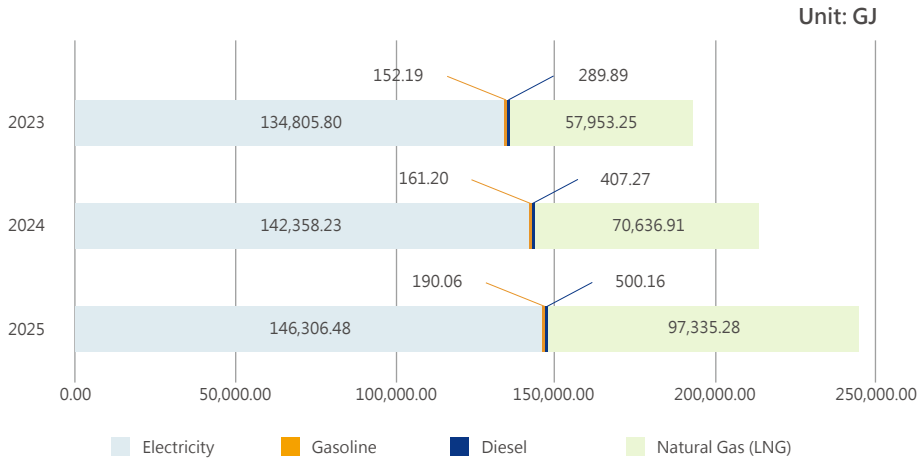
| Material Topics: Energy Management, Green Energy and Net-Zero Emissions |

Goal and Objective	• **Short-term goals (2026):** - Achieve annual energy savings of 1% compared with the base year (2024), as required by the Energy Administration, MOEA - 5% reduction in Scope 1 GHG emissions, using 2021 as the base year - Taiflex Green Power Co., Ltd. (a subsidiary) with an average annual renewable energy generation of 3,000,000 kWh. • **Medium-term goals (2027-2030):** - Continue achieving annual energy savings of 1% compared with the base year, as required by the Energy Administration, MOEA - Participate in free energy diagnostics provided by government-commissioned professional agencies to identify additional energy-saving opportunities - Join Taipower's demand response program - Introduce solar renewable energy - 5% reduction in Scope 1 GHG emissions, using 2021 as the base year - Taiflex Green Power Co., Ltd. (a subsidiary) with an average annual renewable energy generation of 6,000,000 kWh. • **Long-term goals (2031-2040):** - Continue achieving annual energy savings of 1% compared with the base year, as required by the Energy Administration, MOEA - Participate in free energy diagnostics provided by government-commissioned professional agencies to identify additional energy-saving opportunities - Join Taipower's demand response program - Introduce solar renewable energy - 5% reduction in Scope 1 GHG emissions, using 2021 as the base year - Taiflex Green Power Co., Ltd. (a subsidiary) with an average annual renewable energy generation of 10,000,000 kWh.
Management Assessment Mechanism	• The Sustainable Development Center evaluates the feasibility of energy-saving initiatives proposed by each department and sets management objectives within their respective business scopes. The Sustainable Development Committee regularly consolidates the implementation progress of functional teams and reports the outcomes to the Board of Directors at least twice per year. • In 2023, Taiflex implemented an online carbon management system to enhance data management and information flow, while increasing transparency in data sources.
2025 Goals and Achievements	✓ Annual energy savings of 1% in 2025 compared with the base year (2024), as required by the Energy Administration, MOEA. → Achieved. Energy consumption in 2025 was reduced by 5.99% compared with 2024, exceeding the Energy Administration's target. ✓ 4% reduction in Scope 1 GHG emissions, using 2021 as the base year. → Achieved. Scope 1 GHG emissions in 2025 decreased by 4.63% compared with the 2021 base year. ✓ A cumulative installed solar power capacity of 2,800 kW by Taiflex Green Power (subsidiary). → Achieved. As of 2025, Taiflex Green Power had achieved a cumulative installed solar power capacity of 2,800 kW.

∴ 4.2.1 Energy Use and Management

Taiflex continuously monitors and manages energy consumption across all of its operating sites, including electricity, fuels, and other energy sources. This provides the foundation for advancing energy conservation initiatives and strengthening energy management. The Company regularly compiles energy consumption data from its manufacturing facilities and office locations to better understand its energy consumption profile and usage trends. These data are used to evaluate the effectiveness of energy conservation measures, improve energy efficiency, reduce operating costs, and minimize environmental impacts. In 2025, the Company's total energy consumption amounted to 234,096.33 GJ, with electricity and natural gas as the primary energy sources. Driven by revenue growth during the year, overall energy consumption increased compared with the previous year. For energy consumption data covering the past three years, please refer to Appendix I: ESG Information - Environmental Data of this report.

Energy Consumption of the Organization Over the Years



∴ 4.2.2 GHG Emissions and Management

In recent years, climate change has become a major global priority. From governments to private enterprises, all sectors are working toward the shared goal of achieving net-zero emissions by 2050. Major consumer electronics brands have successively announced their commitment to achieving 100% carbon neutrality across their supply chains by 2030. Although Taiflex is not a direct supplier to these brands, we are proactively setting carbon reduction targets to contribute to global climate efforts and help cool the planet.



Since 2022, Taiflex has implemented the ISO 14064-1:2018 GHG inventory system and obtained verification statements from independent third-party assurance providers. In 2023, the Company further introduced a digital GHG emissions management platform to strengthen the efficiency of emissions monitoring and management. Aligned with the ISO 14064-1:2018 standard, the platform consolidates GHG data at the organizational level, moving away from offline Excel spreadsheets toward a digital system that enables decentralized, direct data entry by responsible units. Once the data is entered, the system automatically performs calculations, enabling rapid and clear identification of total company emissions, emission hotspots by factor, and emission categories. The implementation of this platform has significantly enhanced the accuracy, transparency, and traceability of Taiflex's GHG emissions data.

Looking ahead, we plan to expand the current GHG emissions management system across all subsidiaries to implement a group-wide GHG inventory. This will enable more effective management of GHG emissions across Taiflex's subsidiaries and ensure compliance with the Financial Supervisory Commission's Sustainable Development Action Plans for TWSE- and TPEx-Listed Companies, which mandate GHG accounting for parent companies and their subsidiaries. In addition, the use of more real-time data will support management in gaining clearer insights into corporate carbon emissions. Combined with departmental carbon reduction initiatives, this will further strengthen the Group's carbon management efforts. Taiflex remains committed to achieving its 2050 net-zero target and becoming a globally recognized expert in environmentally responsible materials.

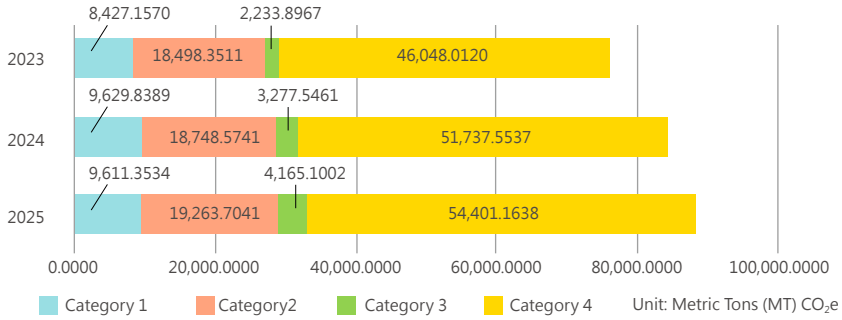
To effectively reduce energy consumption and GHG emissions, Taiflex has introduced new equipment to enhance production processes and actively optimized its internal energy structure. Although total energy consumption and combined Scope 1 and Scope 2 GHG emissions increased in 2025 due to revenue growth, energy intensity and GHG emissions intensity decreased by 8.00% and 4.51%, respectively, compared to 2024. These results demonstrate the Company's continued progress and effectiveness in implementing energy-saving and carbon reduction initiatives. For detailed greenhouse gas (GHG) inventory data covering the past three years, please refer to Appendix I: ESG Information - Environmental Data of this report.





Note:The GHG inventory scope covers Taiflex 1, 2, 3, and 5, and excludes the Linkou Office and all subsidiaries.

GHG Emissions of the Organization Over the Years

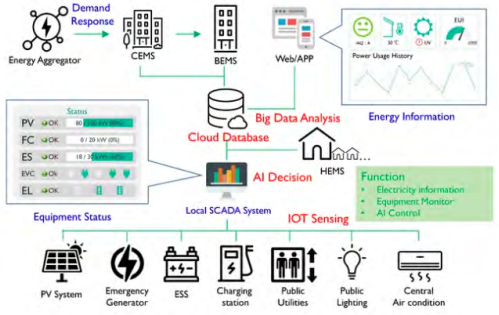


∴ 4.2.3 Energy Conservation and Carbon Reduction Measures

In support of national energy conservation goals, Taiflex continues to implement a range of energy-saving initiatives. In 2021, the Company completed the establishment of the ISO 50001 Energy Management System platform at its Kaohsiung production site in Taiwan. By optimizing the e-energy management platform, Taiflex is able to conduct comprehensive energy inventories, establish performance indicators for equipment, and develop optimal power usage strategies. These efforts help ensure efficient energy utilization and contribute to achieving the Company's carbon emissions management objectives. In December 2024, the Company's Kaohsiung production site successfully obtained its second ISO 50001 Energy Management System recertification from SGS. The certificate is valid from December 8, 2024, to December 8, 2027.



能源管理平臺架構



In 2025, the Company implemented a total of 10 major energy-saving (electricity) initiatives under its ISO 50001 Energy Management System, achieving cumulative electricity savings of 2,517,887 kWh. This exceeded the annual 1% electricity-saving requirement under the Energy Administration Act. The initiatives also reduced approximately 1,173 metric tons of CO_2e emissions[Note1], equivalent to the annual carbon sequestration capacity of approximately 3.1 Daan Forest Parks[Note2]. For detailed information on the energy-saving initiatives and their carbon reduction benefits, please refer to Appendix I: ESG Information - Environmental Data in this report.

Note 1: The GHG emission factor for electricity is based on the electricity emission factor of 0.466 kg CO_2e/kWh, as published by the Energy Administration, MOEA. (Beginning in 2025, the MOEA introduced the "Industrial Electricity Emission Factor" as a separate electricity emission factor for public electricity utilities.)

Note 2: According to the Council of Agriculture, each hectare of forest can sequester 15 metric tons of CO_2 per year. Based on this, Daan Park (25.8 hectares) can absorb approximately 384.6 metric tons of CO_2 annually.

∴ 4.2.4 Promotion of Renewable Energy

On December 31, 2020, the Energy Administration, MOEA announced that major electricity users with a contracted capacity of 5,000 kW or more are required to, within five years, install renewable energy generation equipment equivalent to 10% of their average contracted capacity in the previous year, or fulfill this obligation by purchasing renewable energy and certificates or by installing energy storage systems, in accordance with the Renewable Energy Development Act. Although the contracted capacities of Taiflex's factories do not meet the regulatory threshold for major electricity users, and the Company is not yet subject to the relevant requirements, we have proactively aligned with government policy. In March 2021, we established Taiflex Green Power Co., Ltd. In 2022, new solar PV systems were installed at Taiflex 2 (357.9 kW, generating approximately 450,752 kWh annually), and previously leased solar capacity at Taiflex 5 (217.2 kW, generating approximately 349,544 kWh annually) was repurchased. At the end of 2023, Taiflex participated in Taipower's small-scale green power purchase program, securing a second-round bid for 10,000 kWh in green certificates to be used at Taiflex 2 in 2024. By 2025, the cumulative solar installation capacity under Taiflex Green Power had reached 2,900 kW, achieving the Company's annual target.

To realize its net-zero emissions goal, Taiflex has established medium- and long-term targets aligned with its global sustainability vision: achieving 10% renewable energy usage, low-carbon operations, and a circular economy for waste by 2030, and reaching 100% renewable energy usage, net-zero emissions, and full circularity by 2050. While enhancing energy efficiency and production at the Kaohsiung production site, the Company has also prioritized green building design for its new facility in Thailand. In addition, a renewable electricity certificate procurement agreement has been signed, making carbon reduction a source of Taiflex's competitive advantage. Following evaluation by the Sustainable Development Committee and approval by the Board of Directors, the Company's subsidiary, Taiflex Green Power, has been tasked with expanding the installation of renewable energy systems and managing the operation of green power facilities. In 2023, an additional NT$12,827 thousand was invested in Taiflex 5, adding 271.2 kW of solar capacity. In 2024, further investment of NT$20,488 thousand was made in solar PV installations at Echo Way Top Enterprise Co., Ltd. and Pinytex International Ltd., enabling the Company to meet its solar installation target for the year.

· Thailand Facility

As global supply chain restructuring and the transition toward a low-carbon economy continue to accelerate, Taiflex has incorporated renewable energy adoption into the sustainability planning of its Thailand facility from the outset of its development. This initiative serves as an important foundation for enhancing supply chain resilience and advancing green manufacturing. In 2024, the Thailand facility completed the installation of a rooftop solar PV system. Through a self-generation and self-consumption model, the facility has progressively increased its use of renewable energy, reducing reliance on conventional energy sources and putting its low-carbon manufacturing philosophy into practice.

In addition to the installation of the solar PV system, Taiflex partnered with Thailand's ENMAX Group and signed a 10-year green electricity certificate purchase agreement with a total contracted volume of 75 million kWh. This initiative further expands the Company's renewable energy deployment and supports the Thailand facility's energy transition and environmental management efforts. By advancing both on-site solar power generation and green electricity procurement, Taiflex is steadily advancing the development of a green factory in Thailand, demonstrating its commitment to environmental sustainability and the transition to clean energy.

In 2025, the Company continued to monitor the operational performance of the Thailand facility's solar PV system, including its power generation performance and renewable energy utilization. Based on operational needs, Taiflex also optimized its energy management practices and renewable electricity utilization planning.

Looking ahead, Taiflex will continue to enhance its renewable energy applications and low-carbon operational management practices while further strengthening the sustainability governance of its overseas operations. Through these efforts, the Company aims to provide customers with products and services that deliver quality, resilience, and environmental value.

∴ 4.3 Resource Circularity and Pollution Prevention

| Material Topic: Air Pollutant Emissions |

Reason for Materiality	The production process involves the use of volatile organic solvents, which leads to VOC emissions. Even after treatment through pollution control equipment, these emissions can still result in secondary pollutants such as NOx and TSP. Without effective air pollution emission management, the Company may face reputational risks, potentially leading to allocation of additional resources in the future.
Effect and Impact	• **Actual positive impact:** Economic: The establishment of recycling systems and new production processes directly reduces the use of raw materials and fuels at the front end, which in turn lowers pollutant generation at the back end and reduces production costs. In addition, reduced carbon emissions and pollutants such as VOCs improve operational efficiency, enhance the Company's green corporate image, and strengthen market competitiveness. Environmental: Pollutant control and recycling systems help reuse raw materials and reduce environmental impact. Human rights: By promoting environmental awareness and fulfilling its responsibility for environmental protection, the Company helps ensure a healthy living environment for communities near its facilities, safeguarding quality of life for current and future generations. • **Actual negative impact:** Economic: Beyond the government-imposed air pollution control fees, further reductions in emissions require additional personnel and resources. Environmental: Air pollutant emissions can significantly deteriorate local air quality and negatively impact ecosystems. • **Potential positive impact:** Economic: Carbon reduction is a global trend, and the government has already announced carbon fee standards for regulated industries. The Company's ongoing investment in air pollution control measures also prepares it to meet future carbon reduction targets.
Policy	"Integrating environmental resources to achieve circular economy and net-zero goals"- The Company is committed to energy conservation, emissions reduction, circular economy, and environmental sustainability, with a clear focus on achieving carbon neutrality and net-zero GHG emissions.

| Material Topic: Air Pollutant Emissions |

Strategy	In accordance with the Company's ISO 14001"Environmental and Occupational Health and Safety Objectives and Program Management Procedures"and the ISO 14064-1 GHG Inventory Management System, Taiflex implements control procedures for air pollution prevention and GHG inventory management. • Installation of zeolite rotor concentrator systems: Zeolite rotor concentrator systems are used in the production process to efficiently remove volatile organic compounds (VOCs) and other pollutants, ensuring emissions comply with regulatory standards while reducing environmental pollution. The Company conducts regular inspections of the zeolite media saturation level, sealing components, and rotary mechanisms to prevent adsorbent deterioration or fugitive emissions that could lead to increased pollutant emissions. • Installation of solvent condensation and concentration systems: These systems recover solvents from exhaust gases, reducing resource waste and pollutant emissions. Recovered solvents are prioritized for reuse in production processes, thereby reducing the consumption of virgin raw materials. This approach not only lowers environmental impacts but also generates economic benefits. To maintain high destruction efficiency and prevent secondary pollution, the Company regularly monitors combustion temperature, residual oxygen concentration, and stack gas emissions (including NOx, CO, and total organic carbon (TOC)). • The Company has established KPIs for resource recovery volumes and recovery performance, which are disclosed as part of its sustainability performance reporting.
Goal and Objective	• **Short-term goals (2026):** - Natural gas consumption of air pollution control equipment reduced by 10% compared to 2016 - Volatile Organic Compound (VOC) emissions per unit reduced by 3% compared to the base year (2021) - VOC recovery through condensation and concentration increased by 1% compared to the base year (2021) • **Medium-term goals (2027-2030):** - Natural gas consumption of air pollution control equipment reduced by 20% compared to 2016 - VOC emissions per unit reduced by 10% compared to the base year (2021) - VOC recovery through condensation and concentration increased by 5% compared to the base year (2021) • **Long-term goals (2031-2040):** - Natural gas consumption of air pollution control equipment reduced by 30% compared to 2016 - VOC emissions per unit reduced by 30% compared to the base year (2021) - VOC recovery through condensation and concentration increased by 30% compared to the base year (2021)
Management Assessment Mechanism	• Internal management review procedures have been established in accordance with ISO 14001, with annual assessments of emission management effectiveness carried out using the PDCA cycle. • Periodic air pollutant monitoring is conducted by testing institutions accredited by the Ministry of Environment to ensure compliance with emission standards for stationary pollution sources.
2025 Goals and Achievements	✗ Natural gas consumption of air pollution control equipment reduced by 10% compared to 2016 → Not achieved. In 2025, the total natural gas consumption of air pollution control equipment at Taiflex 2 and Taiflex 3 increased by 23.8% compared to 2016. The target was not achieved due to increased production capacity at Taiflex 3. ✗ VOC emissions per unit reduced by 3% compared to the base year (2021) → Not achieved. In 2025, the combined VOC emissions per unit at Taiflex 1, 2, and 3 increased by 3.5% compared to 2016. The target was not achieved due to increased production capacity at Taiflex 3. ✓ VOC recovery through condensation and concentration increased by 1% compared to the base year (2021) → Achieved. In 2025, the volume of VOCs recovered through condensation and concentration at Taiflex 1, 2, and 3 increased by 47.9% compared to 2016.

| Material Topic: Waste |

Reason for Materiality	Due to the use of chemical substances such as organic solvents in our production processes, hazardous industrial waste may be generated. Without proper waste management, the Company not only risks regulatory penalties but also faces obstacles in advancing GHG reduction efforts.
Effect and Impact	• **Actual positive impact:** Economic: Establishing recycling systems and adopting new processes directly reduces the use of raw materials at the front end, thereby decreasing waste generation at the back end and lowering production costs. Environmental: Reducing waste generation and implementing proper waste management help mitigate pollution risks and minimize ecological impacts. Human rights: Preventing outsourced vendors from illegally disposing of waste and damaging the public's living environment. • **Actual negative impact:** Economic: Besides waste disposal fees, additional personnel and resources are required to achieve further source reduction and minimize waste volume. Environmental: Improper waste management may lead to soil and water contamination, affecting local ecosystems. Some treatment methods, such as incineration, can also generate additional carbon emissions, potentially hindering the Company's carbon reduction goals. • **Potential positive impact:** Economic: Carbon reduction and the circular economy are long-term global trends. The Company's investment in waste recycling supports this vision and enhances its corporate image.
Policy	"Through waste reduction and recycling, circular economy, and environmental sustainability, Taiflex is committed to achieving circular economy and net-zero goals. As a part of our end customers' value chain, we recognize our undeniable responsibility in sustainable environmental management."
Strategy	Taiflex has established a comprehensive waste management system in accordance with ISO 14001. Through strategies such as source reduction, classified waste management, and resource recovery, the Company effectively reduces waste generation and treatment risks. These efforts also contribute to the ongoing promotion of a circular economy and resource sustainability.
Goal and Objective	• **Short-term goals (2026):** - Waste conversion rate of 80% • **Medium-term goals (2027-2030):** - Waste conversion rate of 85~88% - Apply for UL 2799 Silver-level landfill conversion certification by 2030 • **Long-term goals (2031-2040):** - Waste conversion rate of 90%
Management Assessment Mechanism	Internal management review procedures have been established in accordance with ISO 14001 to evaluate the effectiveness of waste management annually through the PDCA cycle.
2025 Goals and Achievements	✖ Waste conversion rate of 60% (Thewaste conversion rate was 75.99% in 2025)

Note:The waste conversion rate is defined as: (reclaiming + reduction + recycling + reuse + waste-to-energy recovery + anaerobic digestion + biofuel + composting) / Total weight of waste generated. The proportion of waste-to-energy recovery must be less than 10%.

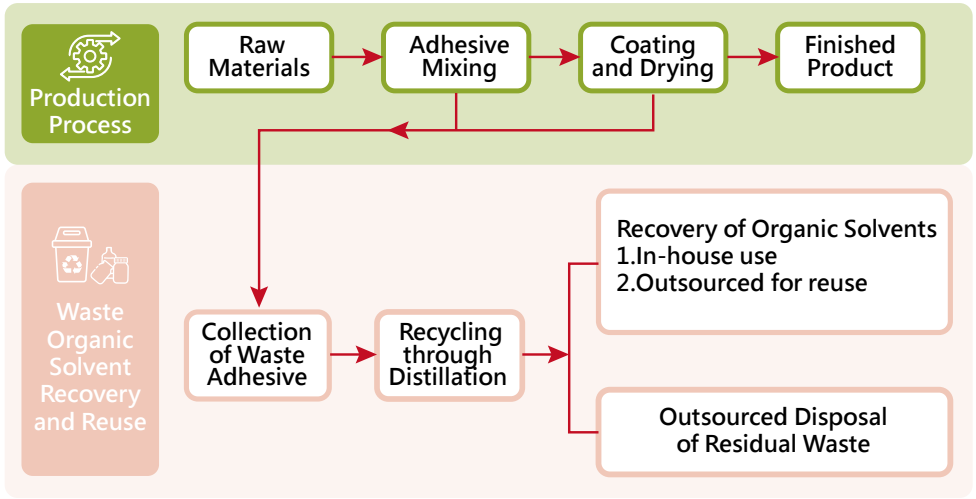
∴ 4.3.1 Source Reduction and Material Recycling

Taiflex is committed to achieving zero waste. In addition to promoting resource conservation among employees in daily operations, we focus on process optimization to achieve source reduction. This approach not only reduces the consumption of energy, resources, and materials but also minimizes pollutant generation. For air emissions, wastewater, and solid waste that cannot yet be fully eliminated, we have installed pollution control equipment or outsourced treatment to qualified service providers. We remain dedicated to reducing the environmental impact of our operations and continuously seek optimal solutions as we move toward our ultimate goal of zero pollution.

· Process Material Recovery

Taiflex has established a waste adhesive recycling system and invested in solvent recovery and reuse facilities for waste adhesive materials. The Company's production sites are equipped with ten 60-liter solvent recovery units and one 200-liter solvent recovery unit. Through distillation, purification, and other treatment processes, recovered solvents are refined back to raw material-grade quality and reused in production. This approach not only reduces stationary pollution sources and exhaust emissions, contributing to environmental sustainability, but also lowers raw material procurement volumes, enhancing the Company's competitiveness. Currently, MEK recycling volumes have increased year over year, with over 70% being reused in production processes.

In 2025, the NMP production line achieved a solvent recovery and reuse rate of 40.59%, representing a decrease of 27.58% compared with 2024. This decline was primarily attributable to the reconstruction of the purification tower, which resulted in no recovered solvent output during the fourth quarter of 2025. Meanwhile, the MEK production line achieved a solvent recovery and reuse rate of 79.47%, representing an increase of 17.86% compared with 2024. This improvement was primarily attributable to increased production capacity and the stable operation of the purification tower, which improved solvent recovery efficiency. For detailed information on the material recovery statistics, please refer to Appendix I: ESG Information - Environmental Data in this report.



Taiflex is committed to optimizing raw material use through the most practical and feasible approaches, with the goal of minimizing waste generation and production costs to achieve a win-win outcome for both environmental sustainability and economic performance. Reducing the heterogeneity of process scrap helps improve the efficiency of waste recovery and reuse.

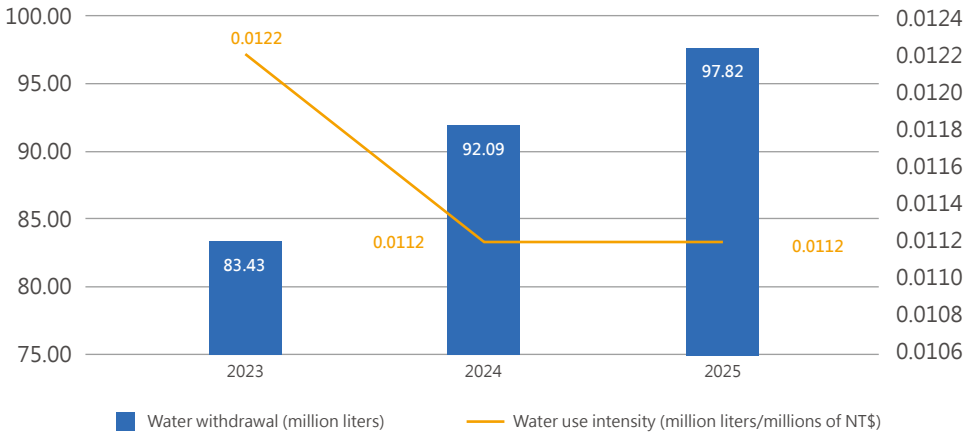
∴ 4.3.2 Water Resources and Effluent Management

• Efficient Use of Water Resources

Taiflex operates in the Qianzhen Technology Industrial Park in Kaohsiung, with its water supply sourced from the Fongshan Reservoir. According to the World Resources Institute's Aqueduct Water Risk Atlas, Taiwan is classified as having a low to medium level of water stress across all regions.

As Taiflex adopts a dry production process, its manufacturing lines are not major consumers of water. Tap water is primarily used for air conditioning cooling, followed by employee domestic use and fire protection. Accordingly, the Company's water resource management efforts focus on promoting the conservation of domestic water use. Measures include reusing reverse osmosis (RO) water and wastewater from drinking fountains in air conditioning cooling systems, installing dual-flush toilets, reusing rooftop rainwater and air conditioning condensate for irrigation, recycling wastewater from the pure water system for use in cooling towers, and optimizing the conductivity control of air conditioning drainage. For data related to water consumption in 2025, please refer to Appendix I: ESG Information - Environmental Data of this report.

Water Consumption Over the Years

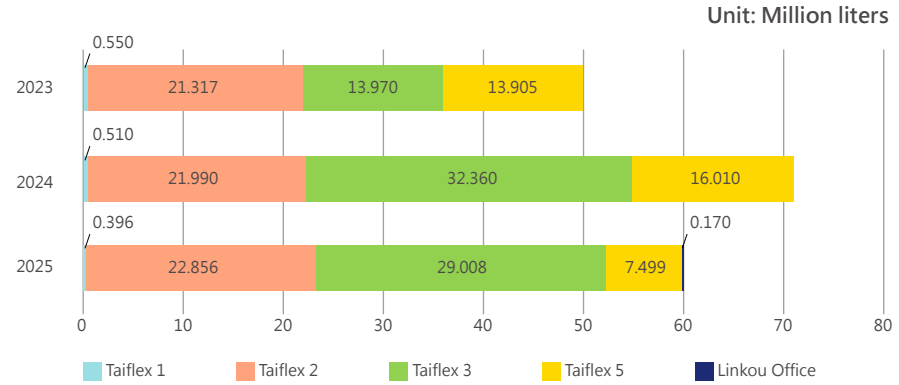


• Effluent Compliance with Discharge Standards

Wastewater generated from Taiflex's operations primarily consists of discharge from factory cooling towers and general domestic wastewater, such as water from washrooms and cleaning of kitchen waste from staff catering. All effluents are discharged into the industrial park's sewer system and do not pose any impact on the surrounding ecosystem or biodiversity.

As Taiflex 1 operates an etching laboratory, a dedicated wastewater treatment system has been installed to manage the resulting etching wastewater. To ensure that all effluents meet the discharge standards required by the Export Processing Zone, pH meters and flow meters have been integrated into each facility's wastewater outlets and connected to the central environmental monitoring system for continuous online monitoring. In addition to biannual testing at each discharge outlet, Taiflex also conducts monthly self-testing. All test results consistently comply with, and remain well below, regulatory discharge limits. Since the commencement of operations, the Company has never been subject to penalties by environmental authorities. For detailed effluent quality monitoring data, please refer to Appendix I: ESG Information - Environmental Data of this report.

Effluents Discharged Over the Years



∴ 4.3.3 Air Pollution Control

• Air Pollution Monitoring and Control Measures

Taiflex's air pollution control equipment adopts the best available control technologies in compliance with relevant regulations, including the "Air Pollution Control Act" and the "Standards for Air Pollutant Emission from Stationary Pollution Sources." All air pollution control systems across our factories operate continuously, 24 hours a day and 350 days a year, and are equipped with real-time monitoring systems to ensure stable operations. In addition, an independent

third-party certification body is commissioned annually to conduct emission concentration tests for various air pollutants. All test results consistently meet and remain well below regulatory limits. For detailed air pollution monitoring data, please refer to Appendix I: ESG Information - Environmental Data of this report.

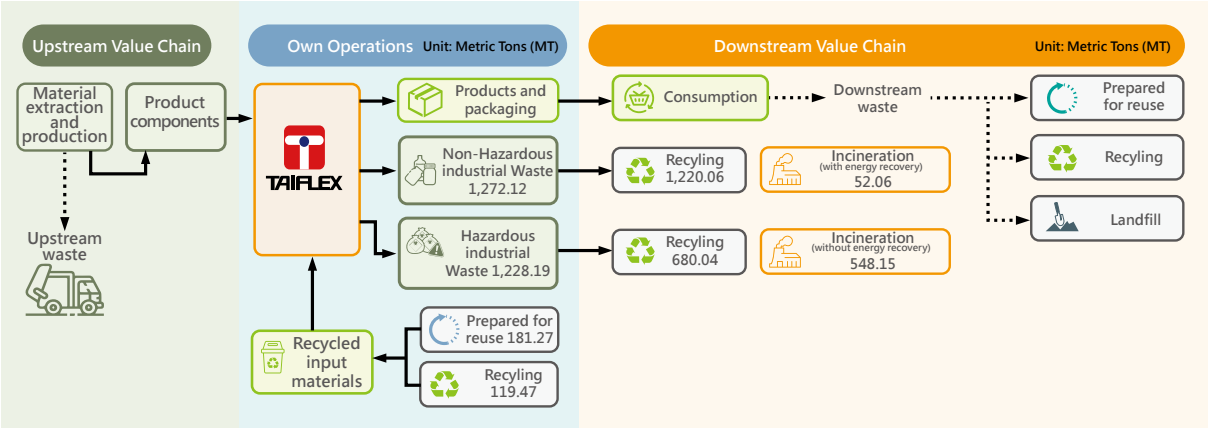
Taiflex primarily uses natural gas as the fuel for its exhaust gas treatment systems. Since the combustion of natural gas generates nitrogen oxides (NOx), the Company has implemented multiple strategies to effectively reduce NOx emissions. These include reducing the overall volume of exhaust gases (organic solvents) through raw material recovery and continuously optimizing pollution control equipment. In 2022, Taiflex 2 replaced the ceramic heat-retaining media in its regenerative thermal oxidizer (RTO) between October and November. Meanwhile, Taiflex 3 installed a zeolite rotor concentrator to concentrate low-concentration VOCs into high concentrations, enabling more efficient combustion as auxiliary fuel. As a result, RTO natural gas consumption in 2024 was reduced by 92.37 km³ compared to 2023, further lowering NOx emissions.

The Company currently operates certain refrigeration equipment that uses R22 refrigerant. To minimize the environmental impacts of refrigerant leakage, Taiflex continuously monitors and quantifies R22 refrigerant emissions and includes the related emissions in its organizational GHG inventory and management system. In 2025, total R22 refrigerant emissions amounted to 0.0087 metric tons, representing an increase compared with the previous two years. This increase was primarily attributable to the Company's comprehensive inventory of refrigeration equipment conducted during the year, which expanded the scope of the inventory and strengthened equipment management, resulting in more complete identification and quantification of refrigerant leakage. Going forward, Taiflex will prioritize the procurement of refrigeration equipment using environmentally friendly refrigerants when replacing existing units or purchasing new equipment, thereby gradually phasing out older R22-based refrigeration equipment. For ozone-depleting substance (ODS) emissions data covering the past three years, please refer to Appendix I: ESG Information - Environmental Data of this report.

∴ 4.3.4 Waste Management and Resource Circularity

Synthesis and coating are the core processes at Taiflex. During the FCCL production, hazardous solvent waste is generated. If not properly managed, this waste can pose environmental risks. To address this, the synthesis, front-end, and back-end departments collect spent organic solvents in 53-gallon steel drums. The collected solvents are then purified and reused through in-house recovery systems. This approach significantly reduces the volume of waste requiring outsourced treatment, lowers related disposal costs, and supports the Company's circular economy efforts. For further details, please refer to section 4.3.1"Source Reduction and Material Recycling."

In addition to the in-house reuse of NMP and MEK, Taiflex implemented on-site adhesive washing operations in 2023 as part of its zero-waste policy. All other waste streams are treated off-site. In 2024, to further advance material circularity, waste wood was initially reused as solid recovered fuel (SRF) and later repurposed as raw material for wood product manufacturing. Since 2025, Taiflex has been installing a thin-film evaporator solvent recovery system to recover and purify solvents from waste organic adhesive generated during the 2L FCCL manufacturing process. The recovered solvents will be reused in production. The system is currently being modified and is expected to be completed by the end of June 2026. For detailed waste management statistics, please refer to Appendix I: ESG Information - Environmental Data of this report.



Taiflex places great importance on both on-site and off-site waste management. All end-of-pipe activities, including storage, removal, and reduction, are centrally managed by the Environmental Sustainability Division. The Company actively promotes the concept of reuse across its operations and strives to recover all reusable waste to enhance resource efficiency and reduce environmental impact. Waste that cannot be reused is entrusted to third-party waste treatment providers certified by the Ministry of Environment. Taiflex also conducts unscheduled audits of these service providers to ensure that all waste is properly handled and to prevent environmental pollution caused by operational negligence or legal violations.

We are committed to promoting both the resource recovery and the safe, non-hazardous treatment of waste. All related processes are carried out in accordance with the Company's internal ISO14001 Waste Disposal Management Standard (EI-PD-06), the "Waste Disposal Act" and the "Regulations Governing Determination of Reasonable Due Care Obligations of Enterprises Commissioning Waste Clearance."We continue to pursue the goals of localization, decentralization, and resource reclamation. In 2025, the overall conversion rate (resource recovery rate) reached 75.99%. When including an additional 2.08% from incineration with energy recovery, the total waste conversion rate was approximately 78.07%. The Company aims to achieve a conversion rate of 85% by 2026.

05

Promoter of Social Inclusion

5.1 Talent Sustainability and Development	75
5.2 Workplace Safety and Health	84
5.3 Community Investment and Social Inclusion	91

△ Promoter of Social Inclusion

∴ 5.1 Talent Sustainability and Development

Taiflex is committed to the principles of diversity and inclusion. The Company strictly complies with all applicable local laws and international standards related to human rights and labor rights. We ensure that no candidate or employee is subjected to discriminatory treatment based on race, social class, language, ideology, religion, political affiliation, nationality, place of birth, gender, sexual orientation, age, marital status, appearance, facial features, physical or mental disability, zodiac sign, blood type, or prior union membership.

To attract a wide range of talent, Taiflex offers diverse recruitment channels and ensures equal employment opportunities for all applicants. Upon onboarding, employees are assigned roles that align with their abilities, allowing them to realize their individual potential. Based on the results of annual performance evaluations and their contributions to the Company, employees may receive tailored adjustments to training, promotion, and compensation and benefits. In addition, Taiflex remains committed to long-term industry talent cultivation, supporting students in bridging the gap between academic learning and industry practice in order to identify future talent early on.

5.1.1 Workforce Diversity and Talent Recruitment

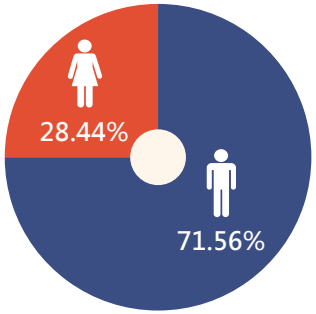
• Workforce Overview

As of the end of 2025, Taiflex employed a total of 988 employees and had no employees with non-guaranteed working hours. The male-to-female ratio was 2.52:1. Recruitment is based on job suitability, including professional qualifications and experience. All senior executives (assistant vice president level and above) are local residents. As of the end of 2025, Taiflex employed eight persons with disabilities (including one employee with a severe disability) and two Indigenous employees. Employees with disabilities accounted for approximately 0.81% of the total workforce, in compliance with the government's statutory employment quota for persons with disabilities. In addition, the Company employed 18 international cooperative education students and ensured that their compensation, working hours, and working environment complied with the requirements of the Act Governing the Implementation of Cooperative Education at Senior High Schools and the Protection of Student Participants' Rights. In 2025, temporary employees accounted for 13.46% of the workforce, an increase from 1.68% in the previous year. This increase was primarily attributable to the hiring of contract-based student employees to meet increased summer staffing and project-related workforce needs. For detailed employee statistics, please refer to Appendix I: ESG Information - Social Data of this report.

Region: Taiwan

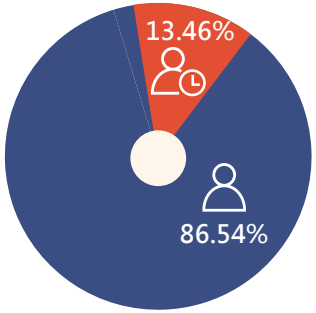
By Gender

- Female employees : 281 persons
- Male employees : 707 persons



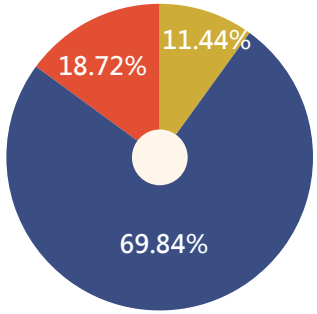
By Contract Type

- Temporary employees : 133 persons
- Regular employees : 855 persons



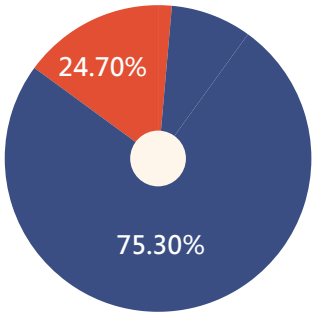
By Age Group

- Under 30 years old : 185 persons
- 30-50 years old : 690 persons
- Over 50 years old : 113 persons



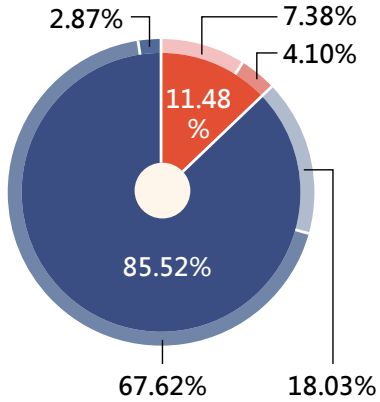
By Job Category

- Managerial employees : 244 persons
- Non-managerial employees : 744 persons



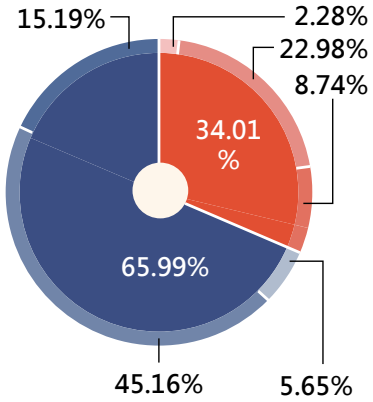
Gender and Age Distribution - Managerial Employees

- Male : 216 persons
- Female : 28 persons
- Under 30 years old : 7 persons
- Under 30 years old : 0 persons
- 30-50 years old : 165 persons
- 30-50 years old : 18 persons
- Over 50 years old : 44 persons
- Over 50 years old : 10 persons



Gender and Age Distribution - Non- managerial Employees

- Male : 491 persons
- Female : 253 persons
- Under 30 years old : 113 persons
- Under 30 years old : 65 persons
- 30-50 years old : 336 persons
- 30-50 years old : 171 persons
- Over 50 years old : 42 persons
- Over 50 years old : 17 persons



Talent Recruitment

Each department formulates its annual manpower requirements based on the operating plan and submits staffing requests to the Human Resources Division. The HR team then conducts recruitment through a variety of channels, posting job openings according to the specific qualifications required by each department. The Company seeks to attract competent candidates whose skills align with the job roles and who demonstrate enthusiasm and a proactive work attitude.





Taiflex Recruitment Channels

1. Job banks
2. Campus recruitment
3. Employee referrals
4. Government employment service centers
5. Career fairs
6. Print media advertising
7. Online recruitments
8. Internal recruitments
9. Partnerships with universities

In addition to conducting regular campus recruitment activities at universities and colleges, Taiflex has launched a range of long-term campus engagement programs. These initiatives aim to offer students early exposure to the FPC industry, allowing them to experience workplace culture in advance and broaden their career development opportunities. Since 2023, the Company has maintained an industry-academia collaboration agreement with Wun-Shan Senior High School. Through campus lectures and winter and summer camp programs, the Company provides students with opportunities to gain exposure to industry practices and emerging trends while still in school, thereby fostering and cultivating local talent.

Project	Summer Internship	Company Visits	School Seminars	Industry-Academia Collaboration
Execution	Offer annual summer internship placements to university and college students	Host visits for faculty and students from targeted academic departments to Taiflex	Arrange for internal managers and industry professionals to hold on-campus seminars	Since 2022, the Company has participated in the industry-academia program at National Sun Yat-sen University (NSYSU) and established an industry-academia collaboration with Wun-Shan Senior High School. In 2025, the Company further expanded its industry-academia collaboration network by entering into cooperation agreements with National University of Kaohsiung and National Taipei University of Technology.
Objective	Enable students to experience workplace culture early, apply their academic knowledge, and engage with Taiflex teams	Help university and college students gain early insight into industry work environments while fostering interaction between academia and industry	Share the Company's values and introduce career development opportunities in the FPC and energy materials sectors, encouraging interest in related fields	Strengthen the technical and practical competencies of young talent through industry-academia collaboration, incorporating coursework, internships, and project-based learning to align with industry development and workforce demands

Cultivation of High-Tech Talent

Since its founding, Taiflex has been grounded in technological expertise, consistently delivering highly reliable, advanced flexible materials and integrated solutions for innovative applications. After years of dedicated effort, the Company's products have been widely adopted in various end-user electronic devices. This not only fulfills its vision of becoming a world-class provider of flexible materials, but also positions Taiflex as a quiet yet vital force behind the advancement and practical implementation of ICT applications.

We recognize the challenges inherent in advancing material science and technology. In addition to continuous investment in R&D, we place strong emphasis on long-term talent development and deep engagement with academic institutions. Since 2023, the Company has also joined the pilot project led by the Sports Administration of the Ministry of Education, aimed at supporting outstanding athletes in transitioning to careers in the semiconductor industry. As of 2025, Taiflex has recruited three new trainees under this initiative, nurturing a stable pipeline of high-potential technical personnel.

As technological R&D grows increasingly complex, the high-tech industry is shifting toward greater vertical integration and cross-sector collaboration. In this context, interdisciplinary competence has become a vital capability for future talent. In response to the Innovation Act for Industry-Academia Collaboration and Talent Cultivation in National Key Fields, Taiflex, together with six other companies, co-funded the establishment of the College of Semiconductor and Advanced Technology Research at NSYSU to cultivate advanced talent at the master's level. Since the program's launch in 2022, a total of eleven corporate internship placements have been offered as of 2025. Taiflex has also designated senior executives as guest lecturers to deliver on-campus instruction and assigned corporate mentors to provide project-based guidance, nurturing the next generation of young professionals.

Furthermore, since 2023, Taiflex has maintained an industry-academia collaboration agreement with Wun-Shan Senior High School. In recent years, the partnership has continued to promote initiatives such as campus lectures and winter and summer camps. These activities help students gain insights into industry developments and trends while fostering the cultivation and development of local talent.







The College of Semiconductor and Advanced Technology Research at NSYSU, established in collaboration with industry partners, is committed to cultivating high-level talent at the master's level. The College comprises two institutes: the Institute of Advanced Semiconductor Packaging and Testing and the Institute of Precision Electronic Components. A comprehensive curriculum roadmap has been designed, combining one year of academic coursework with two years of enterprise-based internships and research. This model ensures a strong balance between theoretical knowledge and practical experience, effectively bridging the gap between academia and industry. Students may receive scholarships of up to NT$1 million and are matched with employment opportunities in related industries upon graduation.

5.1.2 Compensation, Benefits, and Employee Retention

Innovation-driven R&D and stable mass production capabilities form the operational foundation of Taiflex's sustainable development. As employees are the cornerstone of the Company, human capital plays a critical role in sustaining these core strengths. Accordingly, attracting, developing, and retaining talent to enhance organizational effectiveness is central to the Company's management transformation.

The Company manages its labor relations and workforce in accordance with applicable laws, regulations, and internal policies. Through employee development programs, training initiatives, and welfare benefits, the Company promotes corporate development while providing diverse career development opportunities and competitive compensation and benefits to attract and retain talent. Taiflex is also committed to fostering a positive working environment, with the goal of achieving a mutually beneficial and prosperous relationship for both the Company and its employees.

| Material Topic: Talent Attraction and Retention |

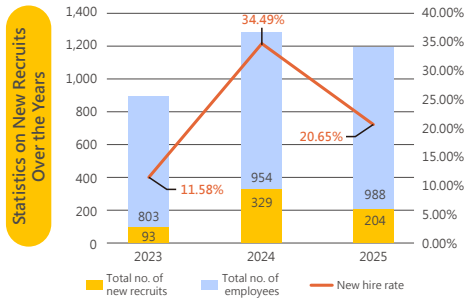
Significance	Talent is a company's most valuable asset. The ability to attract and retain top talent is closely tied to core competitiveness and long-term sustainable development. A robust talent management system not only strengthens organizational stability and operational efficiency, but also fosters a positive corporate culture and enhances the employer brand. This, in turn, attracts high-quality professionals and ensures the Company's long-term growth and resilience.
Effect and Impact	• **Actual positive impact:** Economic: Enhances employee productivity, reduces turnover costs, and supports stable business operations. Human Rights: Fosters a fair and inclusive work environment, ensuring equal opportunities for career development. • **Potential positive impact:** Economic: Improving overall workforce quality lays a solid foundation for enhanced operational performance. Social: Positive labor relations and favorable working conditions contribute to harmonious interpersonal relationships. • **Potential negative impact:** Economic: Inadequate talent management mechanisms may lead to high employee turnover and team instability, which could hinder business development and increase recruitment and training costs. Human Rights: Talent shortages may result in excessive workloads, adversely affecting employees' physical and mental well-being, job satisfaction, and ultimately, organizational culture and employee loyalty.
Policy	Taiflex establishes its management policies in line with the spirit of RBA. In full compliance with human rights and labor regulations, the Company offers comprehensive remuneration and benefits to enhance talent attraction and retention. In addition, Taiflex implements structured skills training programs, builds fair and diverse career development pathways, and fosters a culture of continuous improvement, thereby strengthening overall R&D capabilities and reinforcing the Company's market competitiveness.
Strategy	Taiflex is committed to establishing effective talent retention mechanisms and comprehensive employee training programs. The Company offers competitive compensation, diverse benefits, and transparent, equitable career development opportunities to reduce employee turnover.

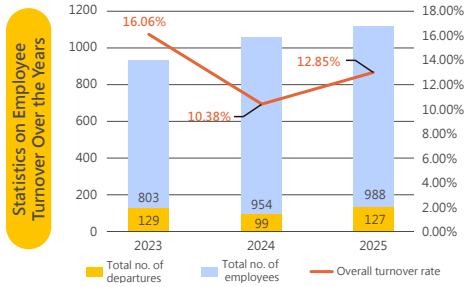
| Material Topic: Talent Attraction and Retention |

Goal and Objective	• **Short-term goals (2026):** - Strengthen employee retention mechanisms and enhance employee care initiatives - Increase the average employee satisfaction and engagement score from 3.8 in 2024 to 4.0 (on a six-point scale), equivalent to an increase of approximately 3.4 percentage points - Implement management competency training programs for supervisors, with a target annual training completion rate of at least 90% • **Medium-term goals (2027-2030):** - Strengthen the link between performance and compensation to motivate employee development • **Long-term goals (2031-2040):** - Establish a comprehensive career development roadmap to help employees plan long-term career paths
Management Assessment Mechanism	Employee turnover analysis, training completion rates, and employee satisfaction survey.
2025 Goals and Achievements	✓ Enhanced employee retention through employee care initiatives, salary adjustments, promotion planning, and training and development programs. → Implement one salary adjustment and two promotion cycles (first and second half of the year); offer Thai language courses and introduce an AI-powered language learning platform

Employees are essential partners in the sustainable development of Taiflex and a key force behind maintaining production and driving innovation. To ensure workforce stability and strengthen corporate resilience, we are committed to fostering an organizational culture that values mutual support, friendliness, discipline, honesty, and dedication. We have established a competitive compensation policy and offer a wide range of employee benefits to build employee loyalty and retain top talent. Through stable and lasting partnerships, we aim to grow together with our employees.

By fostering a workplace that attracts and retains talent, Taiflex has steadily reduced employee turnover over the years, resulting in a more stable workforce. In 2025, the Company recruited a total of 204 new employees, representing an overall new hire rate of 20.65%. Overall employee turnover remained relatively stable between 2024 and 2025. As part of its commitment to fostering a family-friendly workplace and supporting employee well-being, the Company achieved a 100% return-to-work rate following parental leave in 2025. The retention rate of employees returning from parental leave also increased significantly from 75% in the previous year to 83%, demonstrating the effectiveness of the Company's talent retention efforts and workplace care initiatives. For detailed statistics, please refer to Appendix I: ESG Information - Social Data of this report.





Employee Compensation

Taiflex provides employee compensation that includes both fixed and variable components. These consist of base salary, various allowances, festival bonuses, sales bonuses, year-end bonuses, and employee stock ownership trust contributions. Compensation is determined based on an employee's position, ranking, educational background, work experience, and seniority, and is approved in accordance with the Company's internal salary scale, without any gender-based differences.

To enhance talent attraction and retention, Taiflex established an employee stock ownership plan in 2020. Under this plan, the Company matches 50% of each employee's monthly contribution and deposits the amount into their individual trust account. In 2022, we revised our compensation policy. In addition to variable bonuses, local full-time employees receive festival bonuses equivalent to 1.5 months of salary to help maintain a competitive annual compensation package. In the current reporting year, the ratio of average standard salary to the statutory minimum wage for male and female entry-level employees was 1.33:1 and 1.32:1, respectively.

In 2025, the ratio of the annual total compensation of the Company's highest-paid individual to the median annual total compensation of all other employees was 4.69. The ratio of the percentage increase in the annual total compensation of the highest-paid individual to the median percentage increase in annual total compensation of all other employees was 0.01. In addition, the average and median salaries of full-time employees not holding managerial positions, along with their year-over-year changes in 2025, have been disclosed in accordance with regulatory requirements. This information is available on the MOPS: https://emops.twse.com.tw/server-java/t58query Navigation path: MOPS > Corporate Governance > Information relating to ESG > Information relating to employee benefits and compensation > Information about salary of full-time employees who are not in a managerial position.

Employee compensation plans take into account the company's financial situation, operational performance, and future development, as well as the job responsibilities and performance of individual employees, to formulate relevant compensation schemes. In the future, the compensation policies of the highest governance unit and senior management will be continuously reviewed, and a compensation mechanism linked to the organization's sustainability goals and performance will be planned and established. By gradually incorporating major sustainability issues and related quantifiable performance indicators into the performance evaluation of senior executives, and considering the company's operational strategies and phased sustainability development goals, sustainability performance such as climate change and greenhouse gas reduction, energy management, environmental management, and corporate governance will be assessed and incorporated into the variable compensation or performance-based bonuses for senior executives. This aims to encourage management to integrate sustainable development into daily decision-making and business management, and to strengthen the highest governance unit's oversight responsibility for the company's sustainability strategies, goals, and performance.

Taiflex Employee Benefits Overview
Technical allowance
Management allowance	Overtime meal allowance	Production yield bonus	Year-end bonus
Meal allowance	Shift allowance	Sales bonus	Mid-year performance bonus
Overtime payment	Bonus for major festivals	Production competition prizes	Operating performance bonus
Employee stock ownership trust	Bonus for outstanding employee of the year	Bonus for innovative proposal	R&D bonus

Welfare and Health Care

To foster a supportive and fulfilling workplace, Taiflex provides a wide range of employee benefits and has established an Employee Welfare Committee (EWC) responsible for planning and implementing various welfare programs that strengthen employees' sense of belonging.

Employee Benefits		
Subsidies for weddings and funerals	Free motorcycle inspection / maintenance subsidy	Employee health examinations
Birthday cash gifts	Contracted stores	Employee club subsidies
Company and personal travel subsidies	Language course subsidies	Department meal subsidy
Education subsidies for children	One day of paid marriage leave for siblings	Natural disaster relief
Contracted nursery / childcare centers	Year-end party	Lunar New Year kick-off bonus
Free lunch/dinner	Exclusive basketball court	Festival activities
Various types of leave	Flexible working hours	Birthday leave and newcomer leave
New hire health examination subsidy	Complimentary employee uniforms	


Taiflex Family Day


Taiflex Fitness Assessment Program


Basketball Tournament

| Employee Care and Friendly Facilities |

Parent-child library	Family day events	Stress relief massage station
Nursery room / Dedicated refrigerator for breast milk	Lounge with shower facilities	7-11 smart vending machine and coffee dispenser
Reserved parking spaces	Nighttime security escort to parking area	Exclusive parking spaces for outstanding employees

In accordance with legal requirements, Taiflex provides labor insurance, national health insurance, and occupational accident insurance for all employees. In addition, the Company offers comprehensive group insurance coverage, including during periods of unpaid leave, which includes life insurance, accident insurance, medical insurance, cancer insurance, critical illness insurance, and overseas travel insurance, ensuring employees receive well-rounded protection. Employees' family members are also eligible to join the group insurance plan, allowing Taiflex's care and support to extend to their families.

| Employee Health Care Mechanisms |

Workplace environment monitoring / risk assessment / improvement	Critical illness compensation	Fitness classes
Health examination program exceeding legal requirements	Various health promotion programs	Overload hazard prevention
On-site medical and nursing staff	Health monitoring and care visits	Weekly on-site service by group insurance representatives
Health management and epidemic prevention kits for business travelers	Maternal health protection	Travel accident insurance and emergency overseas assistance
Health seminars	Ergonomic hazard prevention	Discounted group insurance for employees and their families
Vaccination programs	Stress relief station (massage service)	Free medical group insurance for employees

· Comprehensive Retirement System

To provide a stable and secure retirement system, Taiflex has established an employee pension policy in accordance with the Labor Standards Act and the Labor Pension Act. The Company contributes to employee pensions and offers retirement benefits under this policy. Each year, professional accounting consultants are engaged to perform actuarial assessments of the retirement reserve to ensure that sufficient funds are appropriated, thereby protecting employees' rights and benefits.

The Company contributes 6% of employees' total monthly salaries to the employee pension fund, with the same 6% contribution rate applied under the old pension system. The funds are entrusted to the Labor Pension Fund Supervisory Committee and deposited in a designated account at the Bank of Taiwan under the Committee's name.

Old pension scheme:

In accordance with the Labor Standards Act, all pension contributions under the old scheme are deposited into and managed by the Labor Pension Fund Supervisory Committee. The Company recognized expenses under the defined benefit plan totaling NT$6,705 thousand in 2024 and NT$6,272 thousand in 2025.

New pension scheme:

Under the Labor Pension Act, the Company makes fixed contributions to a post-employment benefit plan. Expenses recognized under the defined contribution plan were NT$36,559 thousand in 2024 and NT$39,681 thousand in 2025.

All required contributions under the old and new pension schemes for 2024 and 2025 were fully made in 2025 and 2026, respectively.

Feature

SPECIAL COLUMN

Family Day Event











To express appreciation for employees and their families, the Taiflex EWC organized four Taiflex Family Day events in 2025. The event was held at Ten Drum Culture Village in Tainan, a destination renowned for its rich cultural heritage and vibrant atmosphere. From the moment participants arrived, they could feel the care and attention that had gone into every aspect of the event planning.

A wide variety of activities were arranged for participants of all ages, including pottery workshops, handmade coaster crafting, scented candle making, model car assembly, traditional honeycomb candy making, mugwort stick crafting, blessing drum pendant creation, and botanical hammer-dyeing activities. In addition to these hands-on experiences, participants were also free to enjoy the park's recreational facilities and attractions. Whether young or old, everyone could find something to enjoy and create memorable moments with family and friends.

Perhaps the most touching aspect of this Family Day event was the way social responsibility and corporate values were naturally woven into the event design.

1. A special interactive experience zone, "I Am Not Different," featuring equipment sponsored by the Syin-Lu Social Welfare Foundation, was set up to help employees and their families better understand the daily challenges faced by people with disabilities and those on the autism spectrum. Through interactive activities, participants were able to gain a better appreciation of different life experiences while learning the values of respect, understanding, and inclusion in a fun and meaningful way.
2. The EWC purchased 14,000 egg rolls produced by E-job Workshop, a sheltered employment program operated by the Syin-Lu Social Welfare Foundation, and shared them with employees and their families. Participants were also invited to take part in a "Fold Your Own Egg Roll Packaging Box" activity, which provided a firsthand experience of the packaging process. Through this activity, participants gained a deeper understanding of the dedication, attention to detail, and perseverance demonstrated by the sheltered youth in their work.
3. During the Family Day event, Taiflex also took the opportunity to showcase the Company's initiatives in promoting a healthy and supportive workplace and strengthening corporate governance. Through a series of engaging and educational activities, employees and their family members gained a deeper understanding of the Company's commitment to sustainable business practices. This approach highlighted Taiflex's long-term dedication to employee health and well-being, fostering a positive workplace culture, and upholding the principles of integrity, accountability, and sound corporate governance.
4. In addition, beverages served at the event were sourced from the sheltered workshop, managed by the God's Love Ark Delivers in Kaohsiung, demonstrating the Company's commitment to supporting social welfare initiatives and sheltered employment through tangible action.
5. Sweet ice pop treats: Handmade ice pops from Kung Mama Handmade Popsicles were specially selected for the event, bringing a refreshing local flavor while conveying the warmth and human touch of locally crafted products.
6. Supporting local farmers: Products sourced from local farmers were incorporated into the event, demonstrating the Company's commitment to supporting local industries and environmentally friendly agriculture.
7. Health Education Corner: Through fun and engaging activities, the Health Education Corner helped raise health awareness among employees and their family members.
8. Middle-aged and senior lifestyle experience: This activity was designed in support of the government's initiative to promote the re-employment of middle-aged and older individuals, fostering intergenerational understanding and a more inclusive, age-friendly society.
9. Low-carbon walking initiative: By turning low-carbon concepts into a tangible activity, the event demonstrated that sustainability is not merely a slogan, but a meaningful change achieved one step at a time.
10. Warm-hearted closing gift: As a meaningful keepsake to conclude the event, Merry Young Socks from the Maria Social Welfare Foundation were specially selected as the Family Day giveaway. A total of 2,000 pairs were purchased, actively supporting youth creativity and inclusive employment opportunities. Furthermore, because these socks are made from recycled materials, the purchase contributed to environmental sustainability by repurposing the equivalent of approximately 4,000 plastic bottles. This thoughtful gift brought the values of social responsibility and environmental stewardship into the home of every participating family, beautifully extending the cycle of kindness and sustainability.

Participating in such a warm and meaningful event alongside colleagues and their families was truly a rewarding experience. Filled with care, purpose, and heartfelt moments, it was far more than just a Family Day. It was a wonderful occasion that brought people closer together and provided a meaningful opportunity for the Company's values and commitment to social responsibility to be genuinely seen, shared, and felt.

5.1.3 Talent Development and Training

Taiflex embraces a training philosophy centered on diversified learning to enhance professional skills, internalization to foster organization-wide growth, knowledge transfer to improve performance, and continuous improvement to support long-term development. A talent development roadmap has been designed based on the Company's five core values: enthusiasm, responsibility, integrity, innovation, and execution. In line with this roadmap, Taiflex has established the Education and Training Guidelines to integrate internal and external resources and offer systematic training programs that strengthen employees' comprehensive skill sets and role suitability. This commitment to continuous learning supports the shared growth of both employees and the Company. In 2025, a total of 6,264 employee training enrollments were recorded, with an aggregate of 37,547 training hours completed.



| 2025 Training Performance - Talent Development System |

Training Category / Item	Total Trainees	Total Training Hours	Average Hours per Trainee	% of Total Training Hours
New Employee Orientation	236	118	0.50	0.31%
Core Competency	2,063	1,663	0.81	4.43%
Professional Competency	3,141	23,172	7.38	61.7%
Managerial Competency	494	2,978	6.03	7.93%
Self-Development	330	9,616	29.14	25.61%
Total	6,264	37,547	5.99	100.00%

In recent years, Taiflex has actively established a mentoring system that incorporates job rotation and on-the-job guidance to enrich employees' learning experiences. This approach helps effectively pass down successful practices and shortens the learning curve. By fostering a culture of continuous learning, the Company encourages knowledge sharing and technical expertise transfer.

· Personal Development Plan and Learning

Taiflex recognizes that every employee is unique and therefore provides diverse learning channels and development resources to strengthen individual competencies and help employees realize their full potential. Based on each employee's job competency requirements, performance evaluation results, and career development goals, the Company develops an Individual Development Plan (IDP) for each employee. Training is structured into three key areas: On-the-Job Training, Off-the-Job Training, and Self-Development, with tailored training roadmaps designed for each. These provide employees with diverse learning channels and development resources to enhance the competencies required for their roles. Among these, On-the-Job Training serves as the Company's primary training focus, as it directly and significantly supports operational efficiency and business continuity. In 2025, total training expenses reached NT$2,655,552, and training satisfaction rate stood at 91%. For detailed statistics, please refer to Appendix I - ESG Information: Social Data in this report.

• Performance Management and Employee Development

Employee performance evaluations play a key role in strengthening the Company's human resources system. These evaluations not only assess annual job performance but also serve as a positive mechanism to motivate employees in realizing their potential and supporting their development. All new employees are subject to annual performance reviews starting three months after their onboarding. Evaluation criteria are applied consistently and are not influenced by gender, religion, race, or any other personal attributes. In addition, the Company has implemented an internal recommendation system to support the promotion and retention of qualified talent, ensuring that individuals are placed in roles that best match their abilities and potential.

| Four Principles of Taiflex' s Performance Management System |

1	Feedback and recognition	Employees receive timely feedback and recognition based on the level of achievement against performance targets.
2	Performance improvement and goal alignment	For unmet targets, improvement plans and corrective actions are developed for the upcoming evaluation period.
3	Ongoing communication and encouragement	Supervisors and employees engage in two-way communication during performance reviews, discussing specific examples and documented performance.
4	Objective evaluation	The evaluation process is clearly defined, and assessment results are intended to be fair and objective.

The purpose of Taiflex's performance evaluation system goes beyond fostering alignment on work objectives between employees and their supervisors. It also serves two core functions: performance assessment and employee development. Emphasizing development over evaluation, the system is designed to help employees strengthen their capabilities, enhance job proficiency, and become effective support for their supervisors and contributors to the Company's ongoing progress. This approach aims to improve both organizational competitiveness and overall operational efficiency. In 2025, the annual performance appraisal coverage for Taiflex employees was below 100%. Employees excluded from the annual performance appraisal included the Chairperson, employees with less than three months of service, work-study students, and cleaning personnel, accounting for approximately 6.78% of the total workforce.

5.1.4 Human Rights Protection and Labor-Management Communication

Taiflex is committed to safeguarding employee rights. The Company's Work Rules clearly state that all employees must be at least 16 years of age upon employment. In addition, we have established the "Measures for Prevention of Rights Violation during Performance of Duties," ensuring that no employee is forced to perform tasks beyond those prescribed by law. Overtime hours are managed through the human resources management system, which includes built-in risk alerts. To promote substantive equality and respect for Indigenous cultures, the Company grants Indigenous employees one day of leave for traditional festivals and rituals, in accordance with Article 4 of the Implementation Regulations on Memorial Days and Holidays issued by the Ministry of the Interior. In 2025, there were no incidents involving child labor, forced labor, discrimination, infringement of Indigenous rights, or sexual harassment.

Human Rights Declaration

1. Promote diversity, inclusion, and labor equality
2. Prohibit all forms of forced labor
3. Eliminate unlawful discrimination and provide a harassment-free, safe, and healthy working environment
4. Prohibit the employment of child labor
5. Comply with all applicable laws and regulations on wages and working hours
6. Foster harmonious labor relations and ensure diverse and open communication channels
7. Comply with privacy and information security laws and regulations
8. Regularly review and assess human rights risks, practices, and impacts in response to evolving conditions and stakeholder expectations

• Human Rights Protection

To fulfill our human rights commitments and strengthen oversight mechanisms that safeguard employee rights, the Company has established the Sexual Harassment Prevention and Complaints Committee, the Workplace Violence Prevention and Disciplinary Committee, and an internal grievance mechanism, in accordance with the Rules for Sexual Harassment Prevention, Complaints, and Disciplinary Actions and the Measures for Preventing Rights Violations during the Performance of Duties. Employees are encouraged to report incidents of sexual harassment, workplace bullying, or other forms of unfair treatment through online platforms or dedicated hotlines. These mechanisms are designed to protect individual rights and ensure a safe and respectful work environment. The confidentiality of whistleblowers is strictly upheld to prevent retaliation.

In 2025, Taiflex received one workplace violence complaint involving inappropriate language. Upon receiving the reports, the Human Resources and Occupational Safety teams launched investigations and took appropriate actions in accordance with the Measures for Prevention of Rights Infringement during Performance of Duties. Disciplinary action and counseling were provided to the offending parties, while psychological support was extended to the affected individuals. The case was fully resolved within the year. To prevent similar incidents from recurring, the Company conducted mandatory e-learning on the prevention of workplace violence and unlawful infringement for all employees in December 2025, with 764 training completions recorded. In addition, the Company strengthened its employee care and communication mechanisms by establishing a dedicated grievance mailbox in 2024: Taiflexfamily@taiflex.com.tw.

Internal Hotline and Mailbox

Category	Contact Number	Email
Employee health and wellness	(07)813-9225#70580	Joan_Chen@taiflex.com.tw
Workplace violence	(07)813-9225#70555	80995@taiflex.com.tw
Sexual harassment prevention	(07)813-9225#70995	help70995@taiflex.com.tw
Employee care	-	Taiflexfamily@taiflex.com.tw

Taiflex requires all contracted vendors to comply with relevant provisions of the Labor Standards Act and the Occupational Safety and Health Act to safeguard the rights and safety of non-employee personnel working on site, such as stationed contractors and security personnel. The Company has also established the Rules Governing Duties of Security Personnel, which stipulate that, in accordance with the Occupational Safety and Health Act and the Private Security Service Act, security personnel must undergo annual training in disaster prevention, emergency response, and practical security operations. The training also covers legal regulations related to personal rights, as well as freedom of employment, wages, working hours, leave entitlements, non-discrimination, and freedom of assembly. In addition, human rights cases and related measures are periodically communicated during security meetings to ensure that security personnel comply with social conduct standards and to prevent any infringement of employee or visitor rights during the performance of their duties. In 2025, a total of 15 security personnel received training, accumulating 643 training hours during the year. All security personnel (100%) received training on the Company's human rights policies or procedures.

• Labor-Management Communication

Taiflex values open, two-way communication with employees. In addition to holding quarterly labor-management meetings, the Company has established multiple communication channels to facilitate the exchange of views and the resolution of issues based on mutual respect and integrity. Through effective dialogue, employee feedback can be promptly understood and reflected in adjustments to personnel management policies, fostering a harmonious and supportive workplace that benefits both employees and the Company. In the event of significant operational changes, advance notice will be provided in accordance with Article 16 of the Labor Standards Act, ranging from 10 to 30 days depending on employees' length of service.

Taiflex Labor-Management Communication Channels and Objectives

Item	Communication Channel	Objective
1	Labor-management meetings	To coordinate labor relations, promote collaboration, and enhance work efficiency
2	Employee satisfaction survey	To understand employee perceptions of company policies and use feedback to guide improvements
3	CEO seminar	To provide employees with a platform to share suggestions and concerns, and to stay informed about the Company's operations and strategic goals
4	Ehr platform	To offer a direct and accessible online communication channel between the Company and employees
5	EWC	Comprised primarily of employee representatives, the committee advocates for employee benefits and is responsible for planning and implementing welfare initiatives
6	OSH Committee meetings	To monitor and respond to OSH issues on a quarterly basis, with a 100% response rate

The Company is committed to growing and thriving alongside its employees and respects their rights to freedom of association and collective bargaining. Although a labor union has not been established, the Company fosters employee engagement and a sense of belonging through a variety of initiatives. In addition to organizing sports activities and the Company anniversary celebration, the Company regularly hosts various events, while the EWC organizes the annual Family Day and sponsors a variety of employee clubs, including basketball and yoga clubs. These activities provide employees with opportunities to connect outside of work, enhance their physical and mental well-being, and strengthen their sense of belonging to Taiflex. In 2025, the Company organized four Family Day events and one basketball tournament, while continuing to support a variety of employee club activities, with cumulative participation reaching approximately 2,000 attendances.



Basketball Tournament



28th Anniversary Celebration



Thai Theme Month: Songkran (Water Festival) Celebration



Mid-Autumn Festival: Barbecue Feast

∴ 5.2 Workplace Safety and Health

| Material Topic: Occupational Safety and Health |

Reason for Materiality	Taiflex views its employees as the Company's most valuable assets. Workplace safety and the physical and mental well-being of employees are top priorities. Employees place their trust in this commitment to well-being. To prevent occupational hazards, the Company continuously enhances inherently safe design and enforces comprehensive occupational health and safety management measures.
Effect and Impact	• **Actual positive impact:** Economic: Reducing workplace safety risks supports the Company's ability to maintain uninterrupted operations. Social: A safe work environment fosters emotional well-being among employees and strengthens their sense of belonging and commitment to the Company. • **Potential positive impact:** Economic: Comprehensive OHS systems and international certifications enhance the Company's credibility as a secure and responsible employer. Social: Promoting employee physical and mental well-being throughout their careers contributes to a positive external image of the Company. Human Rights: The Company upholds a zero-tolerance policy toward occupational injuries, workplace bullying, sexual harassment, and racial discrimination, thereby reinforcing its commitment to human rights protection. • **Actual negative impact:** Economic: Non-compliance with OHS regulations may lead to legal violations, government-imposed fines, and potential employee harm. • **Potential negative impact:** Economic: Insufficient implementation of OHS standards could result in reputational damage and financial losses resulting from production shutdowns.
Policy	Five major OSH policies are established based on Taiflex's OSH management principles to be jointly upheld by all employees and stakeholders: **Regulatory compliance:** Strictly comply with OSH laws and regulations to enhance the Company's corporate image. **Full participation:** Foster open communication and collaboration among all employees to strengthen company-wide safety awareness. **Workplace health:** Commit to maintaining a sound work environment and promoting the physical and mental well-being of all employees. **Risk control:** Identify occupational hazards and risks to build and maintain a safe workplace. **Continuous improvement:** Enhance OSH management performance to achieve the goal of sustainable operations.
Strategy	The Company conducts semi-annual reviews of its OSH performance and progress, and establishes targeted improvement plans accordingly. Efforts are continuously made to foster a safe and healthy workplace, supported by active communication and collaboration with both internal and external stakeholders. If OSH performance does not meet expectations, the Company will adjust relevant measures based on actual conditions.

| Material Topic: Occupational Safety and Health |

Goal and Objective	• **Short-term goals (2026):** - Zero major occupational accidents requiring hospitalization - Maintain zero cases of occupational illness due to chemical exposure - FR ≤ 1.5 - SR ≤ 3.6 - Voluntary participation rate in employee health promotion programs > 40% • **Medium-term goals (2027-2030):** - Zero major occupational accidents requiring hospitalization - Maintain zero cases of occupational illness due to chemical exposure - FR ≤ 1.2 - SR ≤ 3.4 - Voluntary participation rate in employee health promotion programs > 45% • **Long-term goals (2031-2040):** - Zero major occupational accidents requiring hospitalization - Maintain zero cases of occupational illness due to chemical exposure - FR ≤ 0.9 - SR ≤ 3.2 - Voluntary participation rate in employee health promotion programs > 50%
Management Assessment Mechanism	• Annual management reviews are conducted to evaluate performance and assess the achievement of established targets. • Through the Corporate Sustainability Promotion Committee and its task force, the Company continuously monitors implementation progress and the extent to which targets are met.
2025 Goals and Achievements	✗ Zero major occupational accidents requiring hospitalization → A total of three major occupational accidents requiring hospitalization occurred. ✓ Maintain zero cases of occupational illness due to chemical exposure → No occupational illness due to chemical exposure were reported. ✗ FR ≤ 1.5 → The FR in 2025 was 2.13. ✗ SR ≤ 3.6 → The SR in 2025 was 55. ✓ Voluntary participation rate in employee health promotion programs > 40% → The participation rate in 2025 was 50.6%.

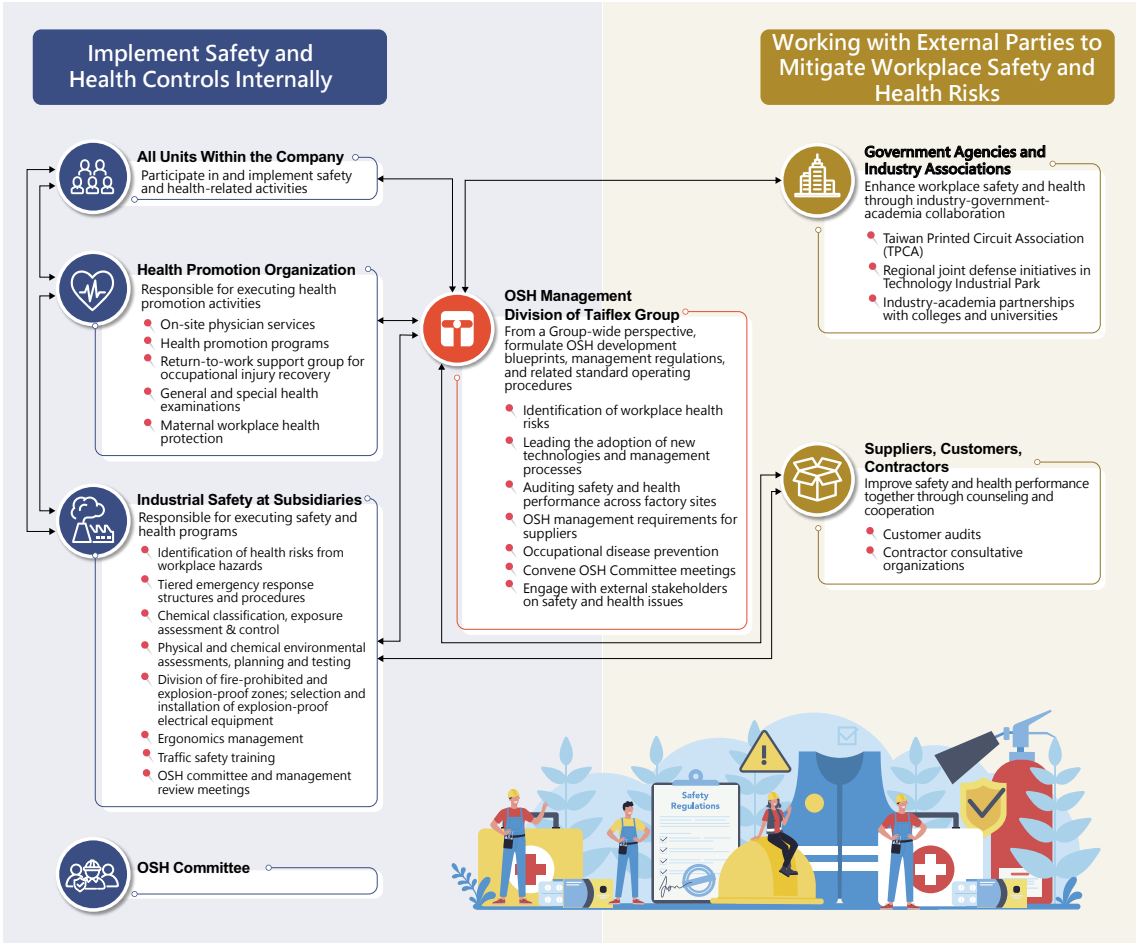
5.2.1 OSH Management Framework

Taiflex upholds a people-oriented philosophy as the foundation of its OSH practices. The Company is committed to building a fundamentally safe working environment that not only enhances industrial competitiveness but also serves as a strong safeguard for employee health and safety. With "zero occupational accidents" as the ultimate objective, Taiflex has established the following five core OSH policies:



· OSH Management Framework

Taiflex is dedicated to creating an optimal safe and healthy workplace. In accordance with the Company's internal ESM-PD-01 Environmental, Safety, and Health Management Manual, the Occupational Safety and Health Management Division has been established to oversee all OSH planning and operations and to continuously promote a strong safety culture throughout the organization. On-site OSH responsibilities are jointly carried out by dedicated OSH personnel, the Industrial Safety Section of the Manufacturing Center, and designated OSH representatives from each department, working in close collaboration.

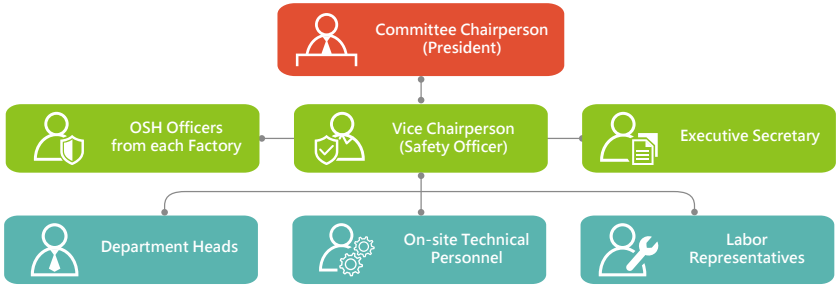


Taiflex's OSH Committee serves as a formal platform for direct communication between management and employees on OSH-related matters. The Committee convenes regularly on a quarterly basis to discuss key issues. In response to the increasing scale of operations, department heads also hold monthly meetings focused on the current conditions of each factory to reinforce the implementation of OSH management.

| Composition of the OSH Committee |

Factory / Personnel	Management Representative	Safety and Health / Technical Personnel	Labor Representative
Taiflex 1	1	1	1
Taiflex 2	1	2	3
Taiflex 3	2	3	4
Taiflex 5	1	1	1

Note:The above does not include the Committee Chairperson (for all factories).



• Hazard Identification and Incident Investigation

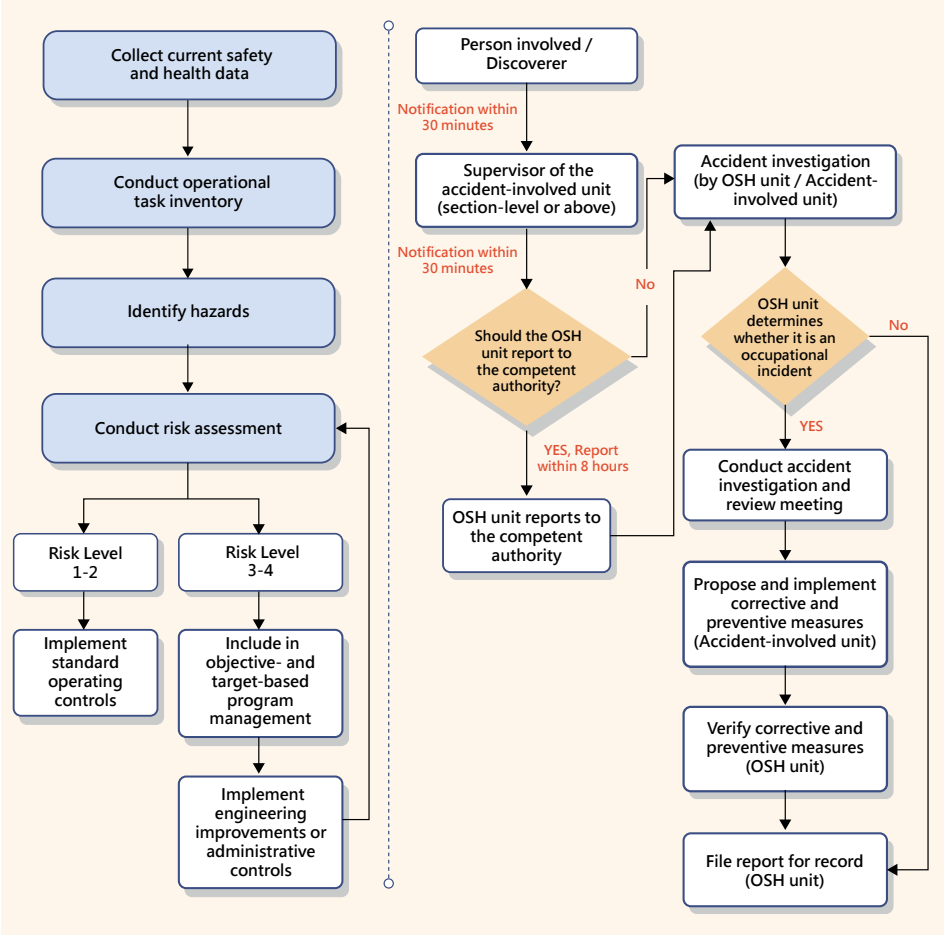
In accordance with the SP-PD-02 Hazard Identification and Risk Assessment Management Procedure, Taiflex conducts annual assessments through hazard identification teams formed by trained seed personnel from each unit. These teams proactively evaluate operational activities, work areas, equipment, and both physical and mental health-related factors to identify potential hazards. This includes recognizing risks that may lead to both routine and non-routine hazardous events. Risk assessments are then conducted by seed personnel and serve as the basis for risk control, incident prevention, and continuous improvement within the Company's OSH system.

For hazards assessed as medium-level risk or higher (Levels 3 and 4), the OSH Committee requires the responsible units to formulate appropriate control measures. The progress of these improvements is reviewed on a regular basis during OSH Committee meetings. In addition, the Company thoroughly investigates minor incidents and near-miss events to continuously explore feasible and effective corrective actions. In 2025, a total of 657 hazard factors were identified. Control measures for all medium-level risks were established, and semi-annual reviews of improvement progress were carried out, further reinforcing Taiflex's strong safety culture.

Taiflex places great importance on identifying the root causes of every occupational injury. The Company has established a comprehensive incident response procedure that includes prompt reporting, thorough investigation and analysis, and the implementation of corrective and preventive measures. These actions aim to prevent recurrence through specific and effective improvements.



Assessment Processes



• Comprehensive OSH Management System Coverage

Taiflex implemented the ISO 45001 Occupational Health and Safety Management System in 2019 and obtained certification. In 2022, the system's scope was expanded to encompass all manufacturing sites. In 2023, the Company further obtained certification for the Taiwan Occupational Safety and Health Management System (TOSHMS). The management system comprehensively covers all production and non-production areas, equipment, and both routine and non-routine operational activities across all Taiflex-controlled sites. It also includes activities conducted by external parties operating within Taiflex premises, such as facility and equipment service providers, food service vendors, security personnel, and maintenance contractors.

Each site continues to manage occupational safety and health in accordance with its OSH management system. Taiflex also establishes performance indicators and regularly measures them to ensure the effectiveness and practicality of its OSH management measures.

Category	Total Number of Individuals	Number of Individuals Covered by OSH System	Coverage Rate
Employees	988	988	100%
Non-employee workers	29	29	100%

Note:
1. Non-employee workers refer to security personnel and on-site contractors, including IT personnel, customs personnel, and materials management personnel.
2. Coverage rate = (Number of individuals in the category covered by the OSH system / Total number of individuals in the category) × 100%.



• Management Effectiveness

Taiflex places strong emphasis on occupational incident management for all stakeholders. The scope of monitoring includes employees at the Kaohsiung production site and warehouse facilities (97.15%), as well as non-employee workers such as security personnel, on-site contractors, and other external personnel (2.85%). All internal and external occupational incident cases are subject to root cause analysis, which serves as the basis for risk control, incident prevention, and continuous improvement of the OSH management system.

Through the collective efforts of all workers, no employee or non-employee worker experienced a work-related fatality or serious occupational injury in 2025. However, four recordable occupational injury incidents occurred during the year, including incidents in which operators sustained finger crush injuries while troubleshooting abnormalities in machine air piping and removing adhesive tape without first shutting down the equipment, causing their fingers to be caught in moving machinery. As a result, the Company did not achieve certain internally established OSH targets for 2025, including the targets of zero major occupational accidents requiring hospitalization, FR, and SR.

To effectively prevent the recurrence of occupational accidents, Taiflex has actively implemented various protective and improvement measures. To enhance the inherent safety of production equipment, the Company launched a "Hazard Point Project" to comprehensively identify pinch-point risks and completed several hardware improvements, including the installation of rubber safety guards, modification of machine chucks to a two-stage clamping mechanism, addition of pre-lamination protective devices, application of roller direction markings, and improvement of ergonomic auxiliary handles for mold turning. In addition, the Company regularly confirms the safety of mold cleaning operations across all production lines and incorporates actual accident cases into its annual training reviews to strengthen safety awareness among all employees and ensure the safety of the working environment.

Moving forward, Taiflex will continue to reduce potential operational hazards and environmental risks through ongoing education and training, workplace inspections, hazard identification and risk assessments, and both internal and external audits. The ultimate goal remains achieving zero occupational incidents, with a comprehensive workplace injury index (FSI) below 0.1. For detailed statistics on occupational incidents, please refer to Appendix I: ESG Information - Social Data in this report.

5.2.2 Hazard Identification and Incident Investigation

To eliminate potential workplace hazards, the OSH Management Division conducts monthly internal self-inspections. These inspections focus on five key aspects of daily operations: chemical management, machinery and equipment, the workplace environment, fire protection systems, and waste management. The inspections are designed to verify the effectiveness of existing control measures and to ensure that corrective actions are tracked through to completion. In 2025, a total of 259 deficiencies were identified across departments, all of which were fully corrected, resulting in a 100% improvement completion rate. In addition, to strengthen the safety management of external parties and contractors, the Company conducted on-site safety audits for all special operations performed on Company premises in 2025, achieving 100% audit coverage.

To foster a strong culture of workplace safety and health, and to enhance employee awareness of occupational health protection and operational safety, the Company regularly organizes on-the-job training for existing employees. New employees are required to attend general OSH training upon onboarding. Assessments are conducted to ensure they acquire fundamental OSH knowledge. For detailed annual training statistics, please refer to Appendix I: ESG Information - Social Data.



AED and CPR Training



Fire Prevention and Protection Training

5.2.3 Work Environment Management and Emergency Response

Taiflex not only aims for zero occupational injuries but also recognizes that employee health is essential to stable business operations. To this end, the Company offers comprehensive workplace health management services. Through a range of management initiatives, professional consultations, training programs, and wellness activities, Taiflex is committed to safeguarding the physical and mental well-being of its employees.



Fostering Healthy Lifestyles
- Provide health-related information in written or electronic form
- Encourage the establishment of sports clubs

Creating a Healthy Work Environment
- Ergonomic hazard prevention
- Overload hazard prevention
- Maternal worker protection

Health Monitoring
- Health examinations
- Health risk stratification
- Analysis and statistics

Health Promotion
- Weight management program
- Sports courses
- Health seminars

• Work Environment Assessment

Unsafe working conditions and at-risk employee behaviors can lead to occupational illnesses and injuries. In addition to posing direct threats to employee health and safety, such risks may also adversely affect the Company's overall productivity. Taiflex leverages internal and external resources to strengthen employee health management, enhance the prevention of occupational diseases, and mitigate health-related risks. To support employee well-being, the Company regularly assesses five major categories of physical and psychological risks and implements targeted improvement and reinforcement measures to prevent occupational incidents.

	Management Measures	2025 Results
Abnormal Workload Prevention	• Identify and assess high-risk employees. • Provide physician consultations or health guidance. • Implement work adjustments where necessary.	✓ 2 employees identified as high risk. ✓ 114 employees identified as medium risk. ✓ 398 employees identified as low risk. ✓ Health consultations were completed for all high-risk employees, with ongoing follow-up provided.
Ergonomic Hazard Prevention	Conduct regular surveys of employees' musculoskeletal symptoms and review related sick leave cases. • Analyze the survey results and conduct hazard assessments for potentially high-risk work areas.	✓ Continued installation of labor-saving equipment. ✓ Care and support measures were provided to 16 employees requiring ergonomic risk management.
Workplace Violence and Harassment Prevention	• Conduct hazard identification and risk assessments. • Establish codes of conduct and provide training. • Implement incident response and grievance procedures.	✓ Hazard identification and risk assessments were completed for all 40 departments in 2025, with no medium- or high-risk departments identified. ✓ Assessments of the workplace environment and job suitability indicated that no improvements were required.
Maternity Protection	• Conduct regular assessments of workplace environments for maternity-related hazards. • Provide maternal health consultations for eligible employees. • Assess work-related hazards.	✓ A total of 5 employees were covered under the maternity protection program in 2025. ✓ One employee was assessed as Risk Level 2 or above, and appropriate work adjustments were implemented.

• Emergency Response Drills: Enhancing Internal Response Capabilities and External Coordination

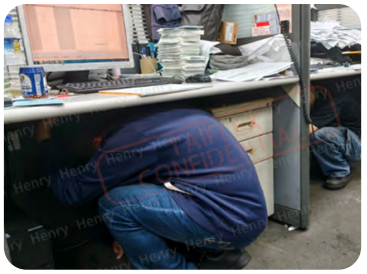
Taiflex regularly conducts a variety of emergency response drills to evaluate the feasibility and suitability of its emergency response measures in the event of a disaster. Since 2021, stakeholders such as contractors and on-site lessees have been included in these drills to strengthen a shared understanding of compound disaster response and prevention. Their participation has also enhanced the effectiveness of the disaster reporting and communication system. These drills continued in 2025 to ensure that all workers across the Company's sites receive comprehensive training, thereby minimizing potential injuries and losses resulting from emergency incidents.

In recent years, the increasing frequency of major industrial fire incidents has underscored the importance of not only implementing effective OSH management measures, but also strengthening employees' emergency response awareness and preparedness to help ensure workplace safety.

To strengthen employees' understanding of compound emergency response and disaster prevention, Taiflex has continued to conduct drills designed to improve the effectiveness of its disaster reporting and communication system. These drills are designed to verify the feasibility and suitability of emergency response measures, and to ensure the efficient deployment of available resources, personnel, and equipment during incidents. In 2025, Taiflex continued to conduct emergency response drills during nighttime hours and holidays to ensure that employees across all facilities and shifts are equipped with the proper knowledge and response capabilities in the event of compound disasters, thereby minimizing potential injuries and damages. In response to the growing proportion of foreign employees in the workforce, the Company's 2025 emergency response drills were primarily designed for foreign employees. Through comprehensive supporting measures, including Thai-language instruction and on-site interpreters, the Company strengthened its overall emergency response capabilities.



Company-wide Large-scale Emergency Response Drill



Natural Disaster Preparedness: Earthquake Drill



Emergency Response Capability Enhancement for Thai Employees



Implementation of Department-level Emergency Response Drills

• Safety Audits and Guidance for Partners (Contractors, Suppliers and Lessors)

Recognizing that many occupational accidents involve non-employees rather than directly hired personnel, Taiflex is committed to enhancing workplace safety across all operations. We adopt a collaborative safety model with on-site lessees, holding regular joint safety meetings to improve shared operational environments. Prior to entering our facilities, contractors are required to complete OSH training and are informed of relevant work-related hazards to ensure comprehensive safety throughout the premises. Taiflex also continues to include contractors, lessees, and other external workers in its emergency response drills to validate the feasibility of its emergency response measures in the event of a disaster, thereby helping to safeguard the overall safety of its facility premises.

In addition, in accordance with its Supplier Management Procedures, Taiflex conducts regular audits of its suppliers and business partners. Particular emphasis is placed on supervising and managing contractors engaged in high-risk on-site operations. Contractors are required to correct any audit findings within the specified timeframe; otherwise, penalties such as fines or work suspension may be imposed. In 2025, the Company completed audits of 83 suppliers. Among these, 32 key suppliers underwent supplier assessment audits, during which 68 nonconformities were identified.

All identified issues were successfully addressed, resulting in a 100% corrective action closure rate for supplier audit findings. No suppliers were disqualified as a result of the audit process during the reporting year.



Risk Identification Prior to Work

Before work begins, hazard identification and job safety analysis are conducted at the worksite to assess risks in the operating environment. It is also ensured that all personnel have completed relevant safety training before commencing work.





Annual Contractor Conference and Daily Safety Briefing Before Work

An annual contractor conference is held to communicate the factory's safety regulations and operational protocols. In addition, daily toolbox meetings are conducted to review safety precautions, work procedures, health and safety requirements, use of personal protective equipment, and other task-specific risk factors.



On-the-Job Inspection

Daily on-site safety inspections are conducted to ensure compliance with safety protocols. Inspectors are authorized to halt operations if safety violations are identified and will immediately notify the responsible unit.



Post-Work Documentation

Upon completion of work, all relevant daily work forms are compiled and submitted to the designated Taiflex project coordinator for recordkeeping and review.

5.2.4 Health Monitoring and Health Promotion

• Implement Health Monitoring

The Company collaborates with certified medical institutions to provide free annual health examinations for employees with at least one year of service. These examinations exceed statutory requirements and include special medical screenings for employees exposed to occupational health hazards. To identify and address potential health risks related to the work environment or job duties, the Company proactively arranges specialist consultations for employees with abnormal health results, those in maternity groups, individuals with excessive workloads, and those who have experienced occupational injuries. Employees requiring further

risk stratification are assessed by on-site physicians, who evaluate their health conditions and job responsibilities to provide recommendations for appropriate work arrangements.

To ensure effective implementation of health examinations and establish a foundation for workplace health promotion and occupational disease prevention, the Company provides paid health check-up leave. Employees' family members are also eligible for examinations at discounted group rates, encouraging greater attention to personal and family health. In 2025, the employee health examination compliance rate reached 100%, with zero reported cases of occupational disease.

Number of Participants in Health Examinations over the Past Three Years

Item/Year	2023	2024	2025
General health examinations	705	661	678
Special health examinations	99	90	115

Note:
1. The number of general health examination participants for 2024, as previously disclosed in the 2024 Sustainability Report, has been corrected in this year's report. The revised data does not affect year-over-year comparability or interpretation.
2. In 2025, special health examinations covered two monitored items: Noise and N,N-Dimethylformamide (DMF), each subject to a two-tier health risk management system. Under the first-tier management category, no abnormalities were identified. A total of 5 employees were monitored for noise exposure and 86 employees for DMF exposure. Under the second-tier management category, no employees were monitored for noise exposure, while 25 employees were monitored for DMF exposure. All employees classified under the second-tier management category received health counseling, achieving a 100% completion rate.

2025 Health Passport Overview

Cardiovascular disease management	Health guidance was provided to a total of 60 employees, including 58 classified as Risk Level 2 and 2 classified as Risk Level 3. Employees classified as Risk Level 3 continued to receive ongoing health monitoring and follow-up.
Maternal health protection	Assisted 5 pregnant or postpartum employees with workplace assessments and health support.
Respiratory protection with physiological assessment	Conducted physiological assessments for 215 employees requiring respiratory protective equipment.
Occupational musculoskeletal symptom prevention	Provided health education and guidance to 16 employees with suspected musculoskeletal symptoms.

Health Promotion Activities

Taiflex leverages its Employee Portal (EIP) to implement digital employee health management and has established a Safety and Care Zone and an Employee Assistance Section to provide comprehensive health support. Through the EIP system, employees receive real-time notifications of abnormal health examination results, together with access to health education materials and employee wellness resources. The Company also shares the latest health information and available health support resources from time to time.

	Item	2025 Execution Highlights
1	Health Information and Resources	Health education materials and information on health promotion activities were made available through the Safety and Wellness Section of the Company's Employee Portal (EIP). • Published 23 health information updates • Total page views: 2,669
2	Health Seminars	External speakers were invited to conduct on-site health seminars for employees. • Two seminars were held in 2025: 1. Self-Massage Techniques for Pain Relief at Home 2. Creating a Dementia-Friendly Environment and Stress Management • Total attendance: 43 employees
3	Health Promotion – Health Knowledge Challenge	A Health Knowledge Challenge booth was organized during the Company's Employee Day Trip, featuring interactive quizzes on topics including the prevention of hypertension, diabetes, and hyperlipidemia, cancer screening, and weight management. • Total participants: 319 employees.
4	Community Blood Donation Campaign	Each year, the Company collaborates with neighboring companies to jointly organize a community blood donation campaign within the industrial park, open to employees and other stakeholders, including contractors and visitors. • 2025 participants: 36 individuals (including other stakeholders).
5	Government-Funded Influenza Vaccination Program	In collaboration with the on-site Public Health Center within the industrial park, the Company organizes an annual government-funded influenza vaccination program for employees. • Total attendance: 14 employees.
6	Weight Management & Weight Loss Program	The Company organizes an annual Weight Management and Weight Loss Program. Employees who achieve the prescribed weight loss target receive an incentive award, while those who successfully maintain their weight loss are eligible for a maintenance incentive. • Employees achieving their weight loss targets: 38 • Total weight reduced: 281.2 kg • Average weight loss per participant (kg): 2025 (7.4), 2024 (8.2), 2023 (8.5) • Employees maintaining their weight loss in 2025: 12 (33.5%)



Government-Funded Influenza Vaccination Program



Ergonomic Injury Prevention – One-Minute Hand Exercise

∴ 5.3 Community Investment and Social Inclusion

Corporate success lies not only in economic growth but also in a commitment to social welfare and environmental sustainability. Guided by the principles of sustainable development, Taiflex embraces the United Nations Sustainable Development Goals (SDGs) as a core framework and actively promotes diverse public welfare initiatives. By fulfilling our corporate social responsibility, we aim to generate a positive social impact.

Taiflex defines its primary community as Qianzhen District, Kaohsiung, where its principal operations are located, together with neighboring districts and townships across the Greater Kaohsiung area. The Company has long been committed to supporting local development, addressing community needs, and actively participating in a wide range of community engagement initiatives.

Type	Activity	2025 Implementation Results
Support for Vulnerable Groups	Charity Egg Roll Initiative and Understanding the World of Children with Autism	The Company purchased egg rolls from the Syin-Lu Social Welfare Foundation and provided participants with an opportunity to experience aspects of the work performed by people with disabilities. The initiative promoted social inclusion, empathy, and a greater understanding of people with disabilities.
	Eco-Friendly Merry Young Socks Initiative	The Company purchased Merry Young Socks from the Maria Social Welfare Foundation as Family Day gifts, supporting employment opportunities for sheltered workers while promoting environmental sustainability through the use of recycled PET bottles in the production of the socks.
	"2 Million cc of Love" Initiative	The Company purchased beverages for its Family Day event from God's Love Ark Delivers in Kaohsiung, providing support for organizations that promote employment opportunities for people with disabilities.
	"Sweet Treats, Warm Hearts" Initiative	The Company purchased handmade popsicles from Kung Mama (Co-Life Home), supporting local businesses while contributing to organizations that serve vulnerable groups.
	Gratitude and Sharing Month: In-Kind Donation Drive	The Company donated food and daily necessities to the Kaohsiung United Charity Association, helping reduce resource waste while fostering a more caring and inclusive society. The initiative contributed to six United Nations SDGs, including No Poverty (SDG 1), Zero Hunger (SDG 2), and Sustainable Cities and Communities (SDG 11).
	Co-sponsorship of the "60 Years of TFCF" Charity Walk	The Company repurposed waste wood into environmentally friendly handcrafted items for a charity sale. All proceeds were donated to the Southern Kaohsiung Branch of the Taiwan Fund for Children and Families, putting circular resource use into practice while supporting charitable causes and helping safeguard the future of disadvantaged children.
Public Health and Community Services	Co-organization of the "Donate Blood, Share Love" Blood Donation Campaign	The Company donated 200 corporate gift sets to encourage participation in the blood donation campaign, helping maintain a stable regional blood supply for medical use while promoting public health awareness.
Environmental Protection and Ecological Conservation	Green Space Sponsorship	The Company sponsored one year of landscape and vegetation maintenance for green spaces at Aicyun Elementary School and Rueifong Elementary School in Qianzhen District, Kaohsiung. This initiative helps improve urban air quality and supports sustainable development.



Gratitude and Sharing Month: In-Kind Donation Drive



"60 Years of TFCF"Charity Sale Donation Recognition Ceremony



Green Space Sponsorship

5.3.1 Support for Vulnerable Groups and Educational Initiatives

• Care for the Disadvantaged (SDG 10: Reduced Inequalities)

Taiflex is committed to supporting disadvantaged groups through concrete actions that provide greater access to opportunities for growth and development. These efforts reflect our commitment to corporate social responsibility and promote fair and equitable resource distribution. The initiatives align with SDG 1: No Poverty and SDG 10: Reduced Inequalities, aiming to reduce disparities between marginalized groups and mainstream society through education, financial assistance, and social engagement. By enhancing self-reliance, we strive to foster social inclusion and advance sustainable development.



In-Kind Donation Drive



Purchase of Handmade Popsicles from Kung Mama (Co-Life Home)

5.3.2 Cultural Promotion and Community Engagement

• Cultural Promotion & Community Engagement (SDG 10: Reduced Inequalities & SDG 11: Sustainable Cities and Communities)

Cultural diversity and inclusion are essential to social development. Taiflex actively supports cultural promotion initiatives that offer equitable opportunities for expression across different social and ethnic groups, fostering greater inclusion and cross-cultural dialogue. These efforts align with SDG 10: Reduced Inequalities and SDG 11: Sustainable Cities and Communities. By encouraging multicultural performances and community participation, the Company aims to cultivate a more inclusive and sustainable social environment.

5.3.3 Charitable Activities and Social Impact

• Public Interest Collaboration & Community Engagement (SDG 3: Good Health and Well-Being & SDG 17: Partnerships for the Goals)

Taiflex actively participates in public welfare initiatives by partnering with the Kaohsiung Qianzhen Technology Industrial Park and various social organizations to advance healthcare support and promote community development. These efforts align with SDG 3: Good Health and Well-Being and SDG 17: Partnerships for the Goals. Through collaboration between industry and social organizations, Taiflex works to improve health equity by expanding access to essential medical resources and social support, fostering a more resilient community environment.



Blood Donation Campaign


Charity Road Race

Feature
SPECIAL COLUMN

Making Care Part of Everyday Life

Putting Employee Care and Sustainability into Practice

Within Taiflex's sustainability framework, employee care serves as a fundamental pillar of the Company's commitment to corporate social responsibility. We believe that an inclusive, supportive, and connected workplace is essential to cultivating a strong and resilient corporate culture. Through a variety of employee care and engagement initiatives, Taiflex transforms its values into meaningful actions that employees can genuinely experience, fostering stronger connections and a greater sense of belonging beyond the workplace. By organizing activities throughout the year around seasonal celebrations and meaningful occasions, the Company seeks to make care and appreciation a natural part of daily routines and as part of work life rather than something reserved for special moments. In 2025, Taiflex planned and carried out a series of activities centered on seasonal celebrations, including four festive events, five special meal enhancement programs in the employee cafeteria, and one sports competition.

• Festive Activities and Social Engagement

Throughout the changing seasons, festive celebrations serve as meaningful opportunities for employees to connect and strengthen relationships with one another. Our journey begins with cross-cultural exchange, as employees came together to celebrate Songkran, the traditional Thai New Year festival. Amid the joyful splashing of water and shared blessings, cultural differences were bridged through laughter and interaction, transforming diversity and inclusion from a concept into a lived experience. The spirit of celebration continued with Mother's Day, where employees participated in a handmade coaster workshop. Through this creative activity, gratitude became more than words. It was thoughtfully expressed through something made by hand and shared with loved ones. During the summer Father's Day celebration, refreshing hand-shaken ice treats brought a welcome break to busy workdays. More than just a refreshing treat, the event created a relaxed atmosphere and left employees with fond memories. As the year drew to a close, the Company embraced the spirit of Thanksgiving through the theme of "Gratitude Without Waste" and launched a Gratitude and Sharing Month campaign across its facilities.

As part of the Gratitude and Sharing Month campaign, collection boxes were placed throughout the facility, transforming "waste" into "gratitude." Employees were encouraged to donate unused food items from their households. The collected items were then redistributed to those in need through a goods bank commissioned by the Kaohsiung City Government Social Affairs Bureau. This initiative not only helped reduce food waste, but also transformed resources into meaningful social support, creating sustainable value for people, food, and the environment.

• Enhanced Employee Meal Programs

Festive celebrations aside, a thoughtfully prepared meal is often one of the most meaningful expressions of care in everyday life. During the Lunar New Year holiday, the Company provided special meal boxes for employees who were unable to return home, allowing them to experience the festive spirit even while at work. On Valentine's Day, Ferrero Rocher chocolates were distributed, conveying the message that every employee is valued and appreciated. For Mother's Day, sweet candied fruits were prepared as a token of appreciation for dedication and hard work, expressing gratitude in a subtle yet sincere way. On the Company's anniversary, employees gathered to share celebratory cake, symbolizing the companionship and growth experienced together over the years. During the Mid-Autumn Festival, a barbecue lunch featuring freshly grilled skewers prepared on-site by a food truck was arranged, extending the spirit of reunion beyond the home and into the workplace, while further strengthening connections among employees.

• Sports Competition

Beyond employee care initiatives and social engagement activities, the sports arena provided another venue for employees to connect. A five-on-five basketball tournament brought energy and excitement to the workplace, showcasing teamwork and determination on the court while rallying cheers and support from the sidelines. Through every sprint and sweat, the event not only strengthened team spirit but also gave employees the opportunity to discover different sides of one another beyond their everyday work roles.



Father's Day Celebration: Hand-Shaken Ice Treats


Mother's Day Celebration: Sweet Candied Fruits


Mid-Autumn Festival Celebration: Barbecue Food Truck

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△ Appendix

∴ Appendix I: ESG Information

▣ Governance Information

Board Member Information

Note: "V" indicates full capability; " ★ " indicates partial capability

Title	Name	Gender	Education and Selected Past Positions	Selected Present Positions at Taiflex and Other Companies	Industry Experience				Professional Competence			
					Finance	Investment	Information and Electronics	Materials Science	Law	Accounting and Finance	Business Management	Risk Management
Chairperson	Ta-Wen Sun	Male	Bachelor of Business Administration, Fu Jen Catholic University	• Chairperson of Taiflex Scientific Co., Ltd. • Director of Rudong Fuzhan Scientific Co., Ltd. • Chairperson of Qiao Mei Development Corporation • Chairperson of You Ben Investment Co., Ltd. • Chairperson of Innatech Co., Ltd. • Director of Enli Technology Co., Ltd. • Director (Representative of Corporate Director) of Koatech Technology Corporation • Chairperson and President of Taichem Materials Co., Ltd. • Chairperson of Taiflex Green Power Co., Ltd. • Director of Taiflex Scientific (Thailand) Co., Ltd.	★	V	V	★		V	V	V
Director	Ching-Yi Chang	Male	Master of Business Administration, National Chengchi University	• Chairperson of the CID Group Ltd. • Chairperson of LandMark Optoelectronics Corporation • Director of Entire Technology Co., Ltd. • Director of Eurocharm Holdings Co., Ltd. • Director of Epoch Foundation • Independent Director of Jetway Information Co., Ltd. • Director of Nankang Rubber Tire Corp., Ltd.	V	V	V	V		V	V	V
Director	Chein-Ming Hsu	Male	• Bachelor of Electrical Engineering, Chung Yuan Christian University • CEO of 3M Thailand Limited	• Director (Representative of Corporate Director) of Taiflex Green Power Co., Ltd.			V	V			V	V
Director	Re-Zhang Lin	Male	Bachelor of Accounting, Soochow University	• Chairperson of Taiwan Fu Hsing Industrial Co., Ltd. • Director (Representative of Corporate Director) of Fine Blanking & Tool Co., Ltd. • Director (Representative of Corporate Director) of Launch Technologies Co., Ltd. • Director (Representative of Corporate Director) of Advanced International Multitech Co., Ltd.		V	★	★		V	V	V
Director	Chun-Chi Lin	Male	• EMBA, College of Management, National Taiwan University • President of KANTO-PPC Inc. • Executive Vice President of Global Unichip Corporation • CEO of Xintec Inc. • CEO/President of VisEra Technologies Co., Ltd.	• Independent Director of LandMark Optoelectronics Corporation • Independent Director of M31 Technology Corporation • Chairperson of Taiwan Electron Microscope Instrument Corporation • Chairperson of Chi Investment Limited • Director (Representative of Corporate Director) of Stek Co., Ltd. • Supervisor of AcroCyte Therapeutics Inc. • Independent Director of Scientech Corporation		V	V	V		★	V	V

Note: "V" indicates full capability; " ★ " indicates partial capability

Title	Name	Gender	Education and Selected Past Positions	Selected Present Positions at Taiflex and Other Companies	Industry Experience				Professional Competence			
					Finance	Investment	Information and Electronics	Materials Science	Law	Accounting and Finance	Business Management	Risk Management
Director	Fu-Le Lin	Male	Ph.D. in Polymer Science, University of Akron, USA	• Senior R&D Director of Taiflex Scientific Co., Ltd. • Director (Representative of Corporate Director) of Koatech Technology Corporation			V	V			V	V
Independent Director	Wen-I Lo	Male	• Master of Business Administration, National ChengChi University • Vice President of CDIB Capital Management Corporation • President of China Venture Management, Inc. • President of R.O.C. Strategic Company Ltd. • President of R.O.C. Venture Co., Ltd.	• Chairperson of CSX Material Co., Ltd. • Independent Director of ADO Optronics Corporation • Director (Representative of Corporate Director) of Gemtek Technology Co., Ltd. • Chairperson of FengYi Capital Management Co., Ltd. • Supervisor (Representative of Corporate Director) of REC Technology Corporation • Chairperson of Apex Action Investment Limited • Supervisor of Wholesenses Global Corp.	V	V	V	★	V	V	V	V
Independent Director	Yung-Shun Chuang	Male	Honorary Doctorate, National Taiwan University of Science and Technology	• Chairperson of AAEON Technology Inc. • Chairperson of EverFocus Electronics Corporation • Chairperson of ONYX Healthcare Inc. • Chairperson of Jetway Information Co., Ltd. • Director of MACHVISION Inc. • Director of King Core Electronics Inc. • Director of CHC Healthcare Group • Director (Representative of Corporate Director) of Winmate Inc. • Director (Representative of Corporate Director) of XAC Automation Corporation • Chairperson of AtechOEM Inc. • Director (Representative of Corporate Director) of IBASE Technology Inc. • Director of Litemax Electronics Inc. • Director of Allied Biotech Corporation • Independent Director of Top Union Electronics Corp.			V	V		★	V	V
Independent Director	Shi-Chern Yen	Male	Ph.D. in Chemical Engineering, University of Wisconsin	• Emeritus professor and adjunct professor of Chemical Engineering, National Taiwan University			V	V			V	V

Continuing education of Directors in 2025

Title	Name	Course	Duration	Total Hours
Chairperson	Ta-Wen Sun	Trump 2.0: Corporate Strategies for Global Tax Reform and Supply Chain Restructuring	3	6
		2025 Insider Trading Prevention Seminar	3	
Director	Ching-Yi Chang	Legal Considerations for Preventing Sexual Harassment, Power Harassment, and Bullying in the Workplace	3	12
		Integrity Management and Friendly Workplaces (Gender Equity Education Act)	3	
		Trump 2.0: Corporate Strategies for Global Tax Reform and Supply Chain Restructuring	3	
		Sustainability Reporting: Practical Implementation	3	
Director	Chein-Ming Hsu	Circular Economy Benefits and Sustainable Finance Opportunities	3	6
		Corporate Innovation, Growth, and Angel Investing	3	
Director	Re-Zhang Lin	2025 Cathay Sustainable Finance and Climate Change Summit	6	6
Director	Fu-Le Lin	Introduction to Sustainability Information, Standards, and Reporting for TWSE/TPEx-Listed Companies	3	6
		How Audit Committee Members Implement Financial Statement Reviews	3	
Director	Chun-Chi Lin	Practical Discussion on Latest AI Trends and Risk Management Frameworks	3	9
		Corporate Employee Incentive Tools and Case Studies	3	
		Talent Development for Sustainable Operations	3	
Independent Director	Wen-I Lo	Circular Economy Benefits and Sustainable Finance Opportunities	3	9
		2025 Corporate Governance Workshop (Session II): Case Analysis of Shareholders' Meeting Disputes	3	
		The Nvidia Three-Trillion Miracle: New Thinking in the Semiconductor Revolution Behind AI	3	
Independent Director	Shi-Chern Yen	2025 Briefing on Legal Compliance for Insider Equity Trading	3	6
		Corporate Crisis Management and Communication	3	
Independent Director	Yung-Shun Chuang	2025 Cathay Sustainable Finance and Climate Change Summit	3	9
		2025 Strengthening Taiwan's Capital Market Summit	3	
		Defensive Strategies and Legal Compliance in Hostile Takeovers	3	

Economic Data

Condensed Statements of Comprehensive Income

(In thousands of NT$)

Item/Year	2023	2024	2025
Operating revenue	8,150,519	9,938,135	10,609,440
Operating costs	6,359,012	7,800,358	8,568,425
Gross profit	1,791,507	2,137,777	2,041,015
Operating income	487,598	662,721	491,115
Non-operating income and expenses	(5,279)	38,279	123,636
Profit before income tax	482,319	701,000	614,751
Net income	360,723	532,488	525,025
Total comprehensive income	528,248	1,142,886	606,072
Earnings per share (NT$)	1.93	2.53	2.07
Employee benefits	27,764	36,571	42,116
Dividends	313,680	640,692	525,854
Employee wages (including employee benefits)	1,196,958	1,363,028	1,455,844
Economic value retained	125,839	(67,555)	(64,877)
Payments to providers of capital	346,136	672,037	548,435
Payments to government	121,646	169,212	89,976
Community investment	928	1,055	11,637

Notes:
1. The financial data presented in this table are disclosed based on the consolidated financial statements. The figure for operating costs (In thousands of NT$) is derived from the consolidated statement of comprehensive income.
2. Certain financial data disclosed in the 2023 and 2024 Sustainability Reports, including operating costs, EPS, and economic value retained for 2023, as well as operating costs and economic value retained for 2024, have been revised in this report to align with the figures presented in the consolidated financial statements. Accordingly, relevant information has been restated.

Summary of Regulatory Violations and Corrective Actions in 2025

Category	Nature of Violation	Applicable Law and Article Violated	Administrative Penalty	Corrective Action
Social Aspect (People and Human Rights)	Failure to pay overtime wages in accordance with statutory requirements for extended working hours.	Labor Standards Act, Article 24, Paragraph 1	NT$50,000 fine	The Company revised the payroll system calculation formula.
Social Aspect (People and Human Rights)	Violation of Article 6, Paragraph 1 of the Occupational Safety and Health Act.	Occupational Safety and Health Act, Article 6, Paragraph 1	NT$100,000 fine	1. Incorporated into shift handover briefings. 2. Re-conducted training on chuck operation and troubleshooting procedures. 3. Implemented short-term measures by installing PET protective guards and warning signs around the chuck to prevent access to the core end face, eliminating the risk of pinch injuries.
Social Aspect (People and Human Rights)	Violation of Article 6, Paragraph 1 of the Occupational Safety and Health Act.	Occupational Safety and Health Act, Article 6, Paragraph 1	NT$100,000 fine	1. Incorporated into shift handover briefings to reinforce safety awareness of employees. 2. Installed interim PET guards at the pinch point before the laminating rollers to prevent hand entrapment. 3. Enforced an immediate policy requiring equipment to be fully shut down prior to troubleshooting any pinch-point hazards.

Summary of Government Subsidies in 2025

Unit: NT$

Project Item	Subsidizing Agency	Amount of Sub-sidy
Workforce Development Agency Subsidy (2024 Corporate Human Resource Develop-ment Program)	Workforce Development Agency	176,290
Workforce Development Agency Subsidy (Youth Employment Navigator Program, First Half of 2025)	Workforce Development Agency	290,332
Smart machinery Program	Industrial Development Administration, MOEA	6,000,000
R&D Investment Tax Credit	Industrial Development Administration, MOEA	42,000,000
Total		48,466,622

Note:
1. The financial amounts listed in this table include various forms of government assistance, such as direct grants, tax incentives, and tax credits.
2. As of the reporting date, the Industrial Development Administration and the National Taxation Bureau have not yet finalized the tax credit amounts for the Company's 2025 "Smart Machinery" and "R&D Investment Tax Credit" projects. The amounts disclosed are therefore estimates, calculated based on actual expenditures multiplied by the applicable credit rates.

Membership in Industry Associations and Organizations

Industry Association, Membership Organization, or Na-tional/ International Advocacy Organization	Membership Status / Position Held
Taiwan Printed Circuit Association (TPCA)	Director
Taiwan Electrical and Electronic Manufacturers' Associa-tion	Group Member
Association of Industrial Relations of Export Processing Zone	Vice Chairman
Chinese International Economic Cooperation Association (CIECA)	Group Member

Procurement Overview (2023–2025)

Contract Type	Procure-ment Re-gion	2023		2024		2025	
		No. of Suppli-ers	% to Total Procure-ment	No. of Suppli-ers	% to Total Procure-ment	No. of Suppli-ers	% to Total Pro-curement
Labor (Contracting and Ser-vices)	Domestic	8	0.17	7	0.28	2	0.12
	Overseas	0	-	0	-	0	-
Goods (Raw Materials)	Domestic	63	86.54	63	83.86	59	85.10
	Overseas	11	11.52	12	13.11	15	12.23
Engineering (Construction and Equipment)	Domestic	22	1.76	36	2.75	43	2.34
	Overseas	2	0.01	0	-	6	0.21
Total		106	100%	118	100%	125	100%

Note:
This table excludes procurement items with unit prices under NT$200,000 and those not included in the annual budget.

Environmental Data

Packaging Material Recycling Statistics Over the Years

Unit: PCS

Year		2023			2024			2025		
Item	Category	Recycled	Pur-chased	Recov-ery Rate	Recycled	Pur-chased	Recov-ery Rate	Recycled	Pur-chased	Recov-ery Rate
Plastic pallet	For suppli-ers	610	6,136	77.75%	468	6,984	53.91%	565	7,264	56.99%
	Recycling	4,161			3,297			3,575		
	For cus-tomers	3,264	13,972	23.36%	2,713	18,466	14.69%	1,778	20,160	8.82%
Tube core, end plug and end plate	For suppli-ers	609	3,572	17.05%	5,731	5,731	100%	7,167	9,297	77.09%
Wooden crates	For suppli-ers	569	1,174	48.47%	1,009	1,603	62.94%	611	1,966	31.08%
Total		9,213	-	-	-	13,218	-	-	13,696	-

Notes:
1. The unit of measurement used in this table for 2022–2024 was metric tons. Following an internal review, the unit of measurement was changed to PCS (pieces) in 2025.
2. As the calculation basis for recycled paper tube core quantities was revised in 2025, the corresponding data for 2023 and 2024 have also been restated accordingly.

Energy Consumption of the Organization Over the Years

Quantitative Indicator	Unit	2023	2024	2025
Electricity Consumption	kWh	37,446,055	39,543,954	40,640,690
	GJ	134,805.80	142,358.23	146,306.48
Gasoline Consumption	L	4,660	5,060	5,984
	GJ	152.19	161.2	190.06
Diesel Consumption	L	8,243	11,256	13,833
	GJ	289.89	407.27	500.16
Natural Gas (LNG) Consumption	m^3	1,730,237	2,108,917	2,621,950
	GJ	57,953.25	70,636.91	97,335.28
Total Energy Consumption	GJ	193,201.13	213,563.61	244,331.99
Revenue	Millions of NT$	6,838	8,215	8,754
Energy Intensity	GJ/Revenue in Millions of NT$	28.2554	25.9968	27.9109

Note:
1. The thermal conversion factor for electricity is 1 kWh = 0.0036 GJ.
2. The 2023 and 2024 energy conversion factors are based on the GHG emission factors published by Taiwan's Ministry of Environment. The calorific values for each energy type are as follows: Gasoline: 7,800 kcal/L (2023) & 7,609 kcal/L (2024); Diesel: 8,400 kcal/L (2023) & 8,642 kcal/L (2024); Natural gas: 8,000 kcal/m^3.
3. The 2025 energy conversion factors are based on the values published by Taiwan's Climate Change Administration, Ministry of Environment: Gasoline: 7,586 kcal/L; Diesel: 8,636 kcal/L.
4. For NG2 natural gas, monthly calculations are based on the monthly heating values provided by Shin Kao Gas Co., Ltd. In accordance with the recommendations of the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, the lower heating value (LHV) is derived by multiplying the higher heating value (HHV) by a conversion factor of 90% for gaseous fuels, and this converted LHV is used for the monthly calculations.
5. Energy intensity = Total energy consumption (GJ) / Taiflex's annual revenue (NT$ million).
6. The Linkou Office was not included within the organizational boundary for energy consumption data in 2023 and 2024.

GHG Emissions of the Organization Over the Years

Quantitative Indicator	Unit	2023	2024	2025
Category 1	Mt CO_2e	8,427.1570	9,629.8389	9,611.3534
Category 2	Mt CO_2e	18,498.3511	18,748.5741	19,263.7041
Category 3	Mt CO_2e	2,233.8967	3,277.5461	4,165.1002
Category 4	Mt CO_2e	46,048.0120	51,737.5537	54,401.1638
Categories 1+2	Mt CO_2e	26,925.5081	28,378.4130	28,875.0575
Revenue	In millions of NT$	6,838	8,215	8,754
GHG Emission Intensity	Mt CO_2e / Millions of NT$	3.9378	3.4543	3.2985

Note:

1. Category 1: Direct GHG emissions; Category 2: GHG emissions from energy use; Category 3: GHG emissions from transportation; Category 4: GHG emissions from the use of products.
2. GHG emission intensity = (Category 1 + Category 2) / Taiflex's parent company only revenue for the year (in millions of NT$).
3. The GHG emission factors for electricity are based on the figures published by the Energy Administration, MOEA: 0.495 kg CO_2e/kWh (2022), 0.494 kg CO_2e/kWhh (2023), 0.474 kg CO_2e/kWh (2024), and 0.466 kg CO_2e/kWh (2025). (Beginning in 2025, the MOEA introduced the "Industrial Electricity Emission Factor" as a separate electricity emission factor for public electricity utilities.)
4. The parameters adopted are based on the GHG Emission Factor announced by the Ministry of Environment on February 5, 2024. The global warming potential (GWP) values used for converting emissions to CO_2e are based on the IPCC's Sixth Assessment Report (2021): CO_2 = 1, CH_2 = 27.9, and N_2O = 273.
5. The 2023 and 2024 GHG emissions data were compiled in accordance with the ISO 14064-1:2018 and were externally verified by an independent third-party assurance provider. In this reporting year, the 2024 data were updated based on the inventory results; therefore, certain figures have been restated.
6. The 2025 GHG emissions data were self-assessed in accordance with the ISO 14064-1:2018. Third-party verification is scheduled in mid-2026, and the results will be disclosed in the next report.
7. For the GHG emissions data presented in this table, the 2025 organizational boundary includes the Linkou Office.

2025 Energy Saving Initiatives and Results

	Measures	Expendi-tu-re(NT$10,000)	Energy Saved(kWh)	Ener-gy-Saving Benefit (GJ)	Carbon Reduction (Mt CO_2e)
Electricity	1. Reduced contracted electricity capacity at Taiflex 5	-	86,079	309.88	40.11
	2. Reduced air conditioning load during equipment shutdown periods	-	15,634	56.28	7.29
	3. Air conditioning system optimization for energy savings	135.25	192,750	693.90	89.82
	4. Cooling tower replacement for energy sav-ings	781.49	268,552	966.79	125.15
	5. Lighting replacement and optimization	2.24	24,639	88.70	11.48
	6. Replacement of air compressor motors with IE3 high-efficiency motors	13.84	336,985	1,213.15	157.04
	7. Equipment upgrades and optimization for energy savings	5.50	13,011	46.84	6.06
	8. Energy optimization by replacing three-way valves with two-way valves in the heat transfer oil system	-	130,091	468.33	60.62
	9. Energy efficiency improvements to envi-ronmental treatment equipment	-	1,219,001	4,388.40	568.05
	10. Production scheduling optimization by pre-heating equipment during off-peak electricity hours	-	231,145	832.12	107.71
Total		**938.32**	**2,517,886**	**9,064**	**1,173.33**

Note:

1. The thermal conversion factor for electricity is 1 kWh = 0.0036 GJ.
2. The GHG emission factor for electricity is based on the electricity emission factor of 0.466 kg CO_2e/kWh, as published by the Energy Administration, MOEA. (Beginning in 2025, the MOEA introduced the"Industrial Electricity Emission Factor"as a separate electricity emission factor for public electricity utilities.)
3. Where no expenditure is reported, the energy-saving measures were implemented through adjustments to existing equipment, optimization of operating parameters, or routine maintenance activities to improve energy efficiency and reduce GHG emissions.

Water Consumption Over the Years

Year	2023	2024	2025
Water withdrawal (million liters)	83.43	92.09	97.82
Water discharge (million liters)	49.74	70.87	59.93
Water consumption (million liters)	33.69	21.22	37.90
In-house water recycled (million liters)	4.01	4.05	4.01
Water recycling and reuse rate (%)	4.59	4.21	3.94
Revenue (in millions of NT$)	6,838	8,215	8,754
Water use intensity (million liters/millions of NT$)	0.0122	0.0112	0.0112

Note:
1. Water consumption = Water withdrawal - Water discharge.
2. Water recycling and reuse rate = In-house water recycled / (Water withdrawal + In-house water recycled) × 100%.
3. Water use intensity = Water withdrawal (million liters) / Taiflex's parent company only revenue for the year (in millions of NT$).
4. Water withdrawal increased in 2025 compared with 2024 due to the expansion of production lines.
5. The Linkou Office was not included in the organizational boundary for 2023 and 2024.

Effluents Discharged Over the Years

Unit: Million liters

Site/Year	Taiflex 1	Taiflex 2	Taiflex 3	Taiflex 5	Linkou Office	Total
2023	0.550	21.317	13.970	13.905	-	49.74
2024	0.510	21.990	32.360	16.010	-	70.87
2025	0.396	22.856	29.008	7.499	0.17	59.93

Wastewater Discharge Standards and Averages Over the Years

Unit: ppm

Parameter	2023		2024		2025	
	Standard (ppm)	Average (ppm)	Standard (ppm)	Average (ppm)	Standard (ppm)	Average (ppm)
Copper	3.000	0.21	3.000	0.670	3.000	1.266
Suspended Solids (SS)	450.000	41.18	450.000	26.510	450.000	18.55
Biochemical Oxygen Demand (BOD)	450.000	37.49	450.000	22.550	450.000	25.71
Chemical Oxygen Demand (COD)	600.000	72.06	600.000	75.480	600.000	74.4
pH Value	9.000	7.86	9.000	7.520	9.000	7.9
Water Temperature (° C)	42.000	27.29	42.000	26.940	42.000	26.73

ODS Statistics

ODS	2023	2024	2025
R22 refrigerant	0.0046Mt	0.0046Mt	0.0087Mt

Summary Table of Historical Air Pollutant Emission Standards and Monitoring Values

Test Items	2023			2024			2025		
	Emission (kg)	Emission Standard (ppm)	Annual Average (ppm)	Emission (kg)	Emission Standard (ppm)	Annual Average (ppm)	Emission (kg)	Emission Standard (ppm)	Annual Average (ppm)
VOCs	120,652.00	None	229.00	104,452.00	None	233.00	122,264.18	None	249.00
TSP	317.00	100.00	0.60	346.00	100.00	0.60	379.720	100.00	
SOx	-	-	-	-	-	-	-	-	-
NOx	5,462.55	150.00	17.00	6,319.00	150.00	17.00	7,059.070	150.000	

Note:
1. As there are currently no emission standards for VOCs, no annual average values are available. Only the most recent third-party testing data, dated May 16, 2025, is disclosed.
2. The use of natural gas as fuel does not result in SOx emissions; therefore, testing is not required. As a result, no SOx emissions are reported in the air pollution control fee declaration.
3. Monitoring of TSP and NO_2 was conducted in 2023 and 2024 for the renewal of the equipment operating permit.
4. The 2025 data cover only Taiflex 2. As Taiflex 3 is not subject to mandatory periodic emissions testing under applicable regulations, no emissions testing was required. Accordingly, it is excluded from the 2025 data presented in this section.

2025 Waste Statistics

Unit: Metric Tons (Mt)

Composition	Hazardous/ Non-hazardous	On-site		Off-site	
Item		Waste Generated (Mt)	Treatment Method	Waste Generated (Mt)	Treatment Method
Waste adhesive / solvent[Note 1]	Hazardous	10.49	Prepared for reuse	548.15	Incineration (without energy recovery)
NMP solvent waste	Hazardous	181.27	Prepared for reuse	101.06	Recycling
MEK solvent waste	Hazardous	119.47	Recycling	195.05	Recycling
Copper sludge waste	Hazardous	-	-	7.89	Recycling
Mixture containers	Hazardous	-	-	64.81	Recycling
Waste plastic mixture	Non-Hazardous	-	-	11.61	Incineration (with energy recovery)
Waste paper mixture	Non-Hazardous	-	-	8.76	Incineration (with energy recovery)
Waste wood	Non-Hazardous	-	-	242.32	Recycling
Scrap CCL	Non-Hazardous			265.21	Recycling
Pure copper foil	Non-Hazardous			48.07	Recycling
Scraps/Scrap coverlay[Note 2]	Non-Hazardous			470.85	Recycling
General recycling	Non-Hazardous	-	-	127.44	Recycling
Empty drums	Non-Hazardous	-	-	35.2	Recycling
Plastic pallet	Non-Hazardous			30.98	Recycling
General waste from business activities	Non-Hazardous			31.69	Incineration (with energy recovery)

Notes:
1. The data were generated from the adhesive flushing recovery and reuse process.
2. The waste manifest code for general recycling (waste plastics) is R-0201, and the recycled waste consists of process scrap and waste coverlay materials.

Material Recovery Statistics Over the Years

Unit: Metric Tons (Mt)

Year	Category	Recycled Volume	Method of Disposal		Reuse Rate in Production Line
			Outsourced for Reuse	Reused in Production Line	
2023	NMP	353.00	126.00	227.00	64.31%
	MEK	148.20	57.10	91.10	61.47%
2024	NMP	340.39	108.35	232.04	68.17%
	MEK	158.17	60.72	97.45	61.61%
2025	NMP	446.526	265.26	181.27	40.59%
	MEK	150.323	30.86	119.47	79.47%

Waste Statistics

Unit: Metric Tons (Mt)

Composition	Hazardous industrial Waste		Non-Hazardous industrialWaste		Total
Treatment Method	On-site	Off-site	On-site	Off-site	
Transferred for recovery	311.23	368.81	0.00	1,220.06	1,900.10
	680.04		1,220.06		
Direct disposal	0.00	548.15	0.00	52.06	600.21
	548.15		52.06		
Total	1,228.19		1,272.12		2,500.31
Total waste	2,500.31				
Resource recovery rate	75.99%				

Note:
1. Transferred for recovery: Recycling; Direct disposal: Incineration (with energy recovery), incineration (without energy recovery) and landfill.
2. Resource recovery rate is calculated as: Recycled waste volume / Total waste volume × 100%.
3. Amounts are displayed to the second decimal place and are truncated without rounding.

Social Data

Employee Statistics Over the Years Region: Taiwan

Unit: Persons

Year	2023			2024			2025		
Contract type / Gender	Female	Male	Total	Female	Male	Total	Female	Male	Total
Total employees	199	604	803	260	694	954	281	707	988
Regular employees	191	579	770	256	682	938	224	631	855
Temporary employees	8	25	33	4	12	16	57	76	133

Note:
1. The number of employees is based on data as of the last day of each year.
2. Regular employees are employees with open-ended (i.e., indefinite-term) employment contracts. Temporary employees are employees with fixed-term employment contracts. Full-time employees are employees whose regular working hours are defined in accordance with national laws and practices governing working hours. Part-time employees are employees whose regular working hours are fewer than those of full-time employees on a weekly, monthly, or annual basis.

Employee Composition Over the Years Region: Taiwan

Unit: Persons

Year			2023	2024	2025
Item/Gender		Age Group	No. of Employees	No. of Employees	No. of Employees
Managerial employees (Team leader level or above)	Male	Under 30 years old	5	4	7
		30-50 years old	137	146	165
		Over 50 years old	33	38	44
	Female	Under 30 years old	0	0	0
		30-50 years old	18	19	18
		Over 50 years old	8	9	10
Total managerial employees			201	216	244
Non-managerial employees	Male	Under 30 years old	84	133	113
		30-50 years old	317	329	336
		Over 50 years old	28	44	42
	Female	Under 30 years old	31	67	65
		30-50 years old	131	149	171
		Over 50 years old	11	16	17
Total non-managerial employees			602	738	744
Total regular employees			803	954	988

Note: Managerial employees are defined as personnel at team leader level or above.

2025 Employee Compensation Statistics

Unit: Persons

Salary Ratio by Job Category	Number of Employees		Total Annual Salary (NT$)		Salary Ratio	
	Female	Male	Female	Male	Female	Male
Managerial Personnel	27	208	43,634,974	280,644,213	1.00	0.83
Non-managerial Personnel	196	394	142,771,219	301,213,353	1.00	1.05
Direct Personnel	95	368	58,972,198	266,861,804	1.00	1.17
Indirect Personnel	128	234	127,433,995	314,995,762	1.00	1.35

Notes:
1. The salary ratio (annual salary) of female to male: Average annual salary of male employees in the category/Average annual salary of female employees in the same category.
2. Among employees in managerial positions, female managers are primarily concentrated in mid-level managerial positions, while male managers are more commonly represented in entry-level supervisory positions. As a result, the average compensation of male managers is approximately 0.83 times that of female managers.
3. For indirect personnel, the average compensation of male employees is approximately 1.35 times that of female employees. This difference is primarily attributable to differences in job structure and length of service. Currently, male employees account for a higher proportion of indirect personnel with longer years of service and those holding mid- to senior-level technical positions, which contributes to the higher overall average compensation.
4. The calculations are based on employees who received a full 12 months of salary during 2025, including bonuses, and exclude cooperative education student participants, work-study students, and trainees.

Workforce Diversity Statistics Over the Years (Including Indigenous Peoples and Persons with Disabilities)

Unit: Persons

Year			2023	2024	2025
Item/Gender		Age Group	No. of Employees	No. of Employees	No. of Employees
Minority or disadvantaged groups	Male	Under 30 years old	1	0	0
		30-50 years old	7	7	5
		Over 50 years old	1	0	1
	Female	Under 30 years old	0	1	1
		30-50 years old	0	2	2
		Over 50 years old	1	1	1

Note:
As of the end of 2025, Taiflex employed eight persons with disabilities and two Indigenous employees. Employees with disabilities accounted for approximately 0.81% of the total workforce, in compliance with the government's statutory employment quota for persons with disabilities.

Statistics of Non-employee Workers in 2025

Unit: Persons

Type	Contractual Relationship with the Company	Total Number of Workers
On-site contractors	Contracted service	15
Security personnel	Contracted service	14
Total		29

Notes:
1. The figures reflect the number of non-employee workers as of the last day of the year.
2. The total number of non-employee workers in 2025 showed no significant fluctuation compared to the previous year.
3. On-site contractors include IT personnel, customs personnel, and materials management personnel.

Statistics on New Recruits Over the Years

Unit: Persons

Year	2023				2024				2025			
Gender	Male		Female		Male		Female		Male		Female	
Age/Item	No. of New Recruits	% of New Recruits	No. of New Recruits	% of New Recruits	No. of New Recruits	% of New Recruits	No. of New Recruits	% of New Recruits	No. of New Recruits	% of New Recruits	No. of New Recruits	% of New Recruits
Under 30 years old	27	3.36%	11	1.37%	114	11.95%	56	5.87%	40	4.05%	19	1.92%
30-50 years old	30	3.74%	21	2.62%	100	10.48%	54	5.66%	87	8.81%	45	4.55%
Over 50 years old	3	0.37%	1	0.12%	4	0.42%	1	0.10%	11	1.11%	2	0.20%
Total no. of new recruits	93				329				204			
Total no. of employees	803				954				988			
New hire rate	11.58%				34.49%				20.65%			

Notes:
1. The number of new recruits includes those who resigned during the same year.
2. Percentage of new male (female) recruits by age group = Number of new male (female) recruits in the age group for the year / Total number of employees at the operation sites at the end of the same year.
3. New hire rate = Number of new recruits for the year / Total number of employees at the operation sites at the end of the same year.

Statistics on Employee Turnover Over the Years

Unit: Persons

Year	2023				2024				2025			
Gender	Male		Female		Male		Female		Male		Female	
Age/Item	No. of Departures	Turnover Rate	No. of Departures	Turnover Rate	No. of Departures	Turnover Rate	No. of Departures	Turnover Rate	No. of Departures	Turnover Rate	No. of Departures	Turnover Rate
Under 30 years old	27	3.36%	9	1.12%	19	1.99%	4	0.42%	35	3.54%	8	0.81%
30-50 years old	67	8.34%	19	2.37%	46	4.82%	22	2.31%	50	5.06%	27	2.73%
Over 50 years old	4	0.50%	3	0.37%	7	0.73%	1	0.10%	6	0.61%	1	0.10%
Total no. of departures	129				99				127			
Total no. of employees	803				954				988			
Overall turnover rate	16.06%				10.38%				12.85%			

Notes:
1. Employee turnover statistics include both contract and regular employees whose employment ended due to voluntary resignation, dismissal, layoff, or retirement. Employees with less than three months of service are excluded from the calculation.
2. Turnover rate by age and gender = Number of male (female) departures in the age group for the year / Total number of male (female) employees in that age group at the end of the same year.
3. Overall turnover rate = Total number of departures for the year / Total number of employees at the operation sites at the end of the same year.
4. The employee turnover rates disclosed in the 2023 and 2024 Sustainability Reports have been corrected in this report. Accordingly, certain information has been restated; however, these revisions do not affect the comparability of year-over-year data.
5. Employee turnover remained concentrated among male employees and those aged 30 to 50. In 2025, the proportion of turnover among female employees and younger employees increased slightly. These trends will serve as key areas of focus for the Company's future employee retention management and workplace support initiatives.

Parental Leave Statistics Over the Years

Unit: Persons

Year	2023			2024			2025		
Gender/Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of employees eligible for parental leave (A)	2	11	13	6	5	11	21	10	31
Number of employees who applied for parental leave during the year (B)	2	6	8	6	5	11	4	3	7
Number of employees scheduled to return from parental leave during the year (C)	1	3	4	5	1	6	3	5	8
Number of employees who actually returned from parental leave during the year (D)	1	3	4	5	1	6	3	5	8
Number of employees who returned from parental leave in the previous year (E)	0	2	2	1	3	4	5	1	6
Number of employees who remained employed for one year after returning from parental leave in the previous year (F)	0	2	2	0	3	3	4	1	5
Return-to-work rate for the year (%) = D / C	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Retention rate after parental leave (%) = F / E	0.00%	100.00%	100.00%	0.00%	100.00%	75.00%	100.00%	80.00%	87.50%

Notes:
1. Number of employees scheduled to return from parental leave = Number of employees who are expected to return from parental leave during the reporting year.
2. Number of employees retained = Number of employees returned from parental leave and remained employed as of December 31 of the reporting year.
3. Return-to-work rate for the year (%) = Number of employees who actually returned from parental leave during the year / Number of employees scheduled to return from parental leave during the year (D/C).
4. Retention rate after parental leave (%) = Number of employees who remained employed for one year after returning from parental leave in the previous year / Number of employees who returned from parental leave in the previous year (F/E).

2025 Compensation Ratio Disclosure

Ratio of the annual total compensation of the Company's highest-paid individual to the median annual total compensation of all other employees	4.69
Ratio of the percentage increase in the annual total compensation of the highest-paid individual to the median percentage increase in annual total compensation of all other employees	0.10

Notes:
1. The pay ratio is calculated as: Annual total compensation of the highest-paid individual / Median annual total compensation of all other employees for the year.
2. The ratio of percentage increase is calculated as: Percentage increase in annual total compensation of the highest-paid individual / Median percentage increase in annual total compensation of all other employees for the year.

2025 Employee Education and Training (by Employee Category and Gender)

Item/Category		Managerial Personnel		Non-managerial Personnel		Direct Personnel		Indirect Personnel	
Unit / Gender		Male	Female	Male	Female	Male	Female	Male	Female
Total number of trainees	Persons	236	29	471	252	438	121	269	160
Total training hours	Hours	14,132	896	15,232	7,287	4,386	1,252	24,979	6,930
Average training hours per person	Hours/ person	59.88	30.90	32.34	28.92	10.01	10.35	92.86	43.31
Training expenses	NT$	634,322	77,946	1,265,957	677,327	1,177,259	325,224	723,020	430,049

Notes:
1. (Total number of managerial personnel + Total number of non-managerial personnel) = Total number of employees at the operation sites.
2. (Total number of direct personnel + Total number of indirect personnel) = Total number of employees at the operation sites.
3. The proportion of female employees in middle and senior management roles related to market intelligence and strategic formulation is slightly higher than that of their male counterparts. Accordingly, more women in these positions are assigned to training programs focused on new product developments and strategic planning, resulting in a higher average number of training hours for female managerial personnel.

Statistics of OSH Education and Awareness Programs Over the Years

Year	No. of Trainees	No. of Training Hours
2023	2,228	1,217.3
2024	2,407	1,953.5
2025	2,434	2,801

Notes:The "No. of Trainees" in this table represent the total number of participants for the Company's internal training programs.

2025 Overview of OSH Training and Awareness Programs

Training Program	Number of Participants	Training Fee (NT$)
AED and CPR Training	115	-
Hearing Conservation Training	9	-
Fire Prevention and Protection Training	151	-
Workplace Violence and Harassment Prevention Training	762	-
Hazard Communication Training	547	-
General Occupational Safety and Health Refresher Training	750	-
Class B Boiler Operator Training	1	10,000
Dangerous Goods Transportation Personnel Training (Initial)	1	3,500
Dangerous Goods Transportation Personnel Training (Refresher)	2	6,000
Refresher Training for Supervisors of Organic Solvent Operations	6	4,800
Training for Supervisors of Organic Solvent Operations	2	7,000
Refresher Training for Fixed Crane Operators	11	5,500
Refresher Training for First-Aid Personnel	40	20,000
Refresher Training for Supervisors of Specific Chemical Operations	1	800
Training for Supervisors of Specific Chemical Operations	1	3,500
Refresher Training for Supervisors of Oxygen-Deficient Operations	1	800
Refresher Training for Aerial Work Platform Operators	1	500
Training for Aerial Work Platform Operators	1	6,000
Refresher Training for Operators of Specific High-Pressure Gas Equipment	2	1,000
Refresher Training for Forklift Operators	26	13,000
Refresher Training for Operators of Ionizing Radiation Equipment	1	800
Refresher Training for Boiler Operators	2	1,000
Refresher Training for Occupational Safety and Health Supervisors	1	800
Total	**2,434**	**85,000**

Notes:
1. Participants include both employees and on-site contractors, including IT personnel, customs personnel, and materials management personnel.
2. The statistics in this table reflect the total number of participants in both internal and external training programs conducted by the Company.

Historical Occupational Injury Statistics

Occupational Injury Rate/Index	2023	2024	2025	2025 Target
No. of reported incidents	0	0	4	1
FR	0.63	0.60	2.13	1.5
SR	1.26	5.99	55	3.6
FSI	0.03	0.06	0.33	0.1
Fatal occupational injury rate	0	0	0	0

Notes:
1. Occupational injury statistics exclude traffic-related incidents
2. FR = Number of disabling injury / Total hours worked × 1,000,000
3. SR = Total lost workdays from disabling injuries, excluding fatalities / Total hours worked × 1,000,000
4. FSI = $\sqrt{((FR \times SR)/1,000)}$
5. Fatal occupational injury rate = Number of fatalities from occupational injuries / Total hours worked × 1,000,000
6. The 2025 reporting boundary includes the Linkou Office.

Occupational Injury Statistics

Category		Item	2023	2024	2025
Employee	Working hours	Total hours worked of female employees	388,664	420,984	529,952
		Total hours worked of male employees	1,201,112	1,249,144	1,349,136
		Total hours worked	1,589,776	1,670,128	1,879,088
	No. of fatalities resulting from occupational injuries	No. of female fatalities	0	0	0
		No. of male fatalities	0	0	0
		Total no. of fatalities	0	0	0
	No. of severe occupational injuries (excluding fatalities)	Total no. of severe occupational injuries – female	0	0	1
		Total no. of severe occupational injuries – male	0	0	3
		Total no. of severe occupational injuries	0	0	4
	No. of recordable occupational injuries	Total number of female occupational injuries cases	0	0	2
		Total number of male occupational injuries cases	1	1	8
		Total number of occupational injuries cases	1	1	10
	Fatal occupational injury rate		0	0	0
	Severe occupational injury rate		0	0	2.13
	Recordable occupational injury rate		0.63	0.60	5.32

Category		Item	2023	2024	2025
Non-employee	Working hours	Total hours worked of female employees	0	0	8,384
		Total hours worked of male employees	32,206	32,742	50,361
		Total hours worked	32,206	32,742	58,745
	No. of fatalities resulting from occupational injuries	No. of female fatalities	0	0	0
		No. of male fatalities	0	0	0
		Total no. of fatalities	0	0	0
	No. of severe occupational injuries (excluding fatalities)	Total no. of severe occupational injuries – female	0	0	0
		Total no. of severe occupational injuries – male	0	0	0
		Total no. of severe occupational injuries	0	0	0
	No. of recordable occupational injuries	Total number of female occupational injuries cases	0	0	0
		Total number of male occupational injuries cases	0	0	0
		Total number of occupational injuries cases	0	0	0
	Fatal occupational injury rate		0	0	0
	Severe occupational injury rate		0	0	0
	Recordable occupational injury rate		0	0	0

Notes:
1. Fatal occupational injury rate = (Number of fatalities caused by occupational injuries / Total hours worked) × 1,000,000.
2. Severe occupational injury rate = [Number of severe occupational injuries (excluding fatalities) / Total hours worked] × 1,000,000.
3. Recordable occupational injury rate = [Number of recordable occupational injuries / Total hours worked] × 1,000,000.
4. Recordable occupational injuries refer to injury incidents that occur on the Company's premises while performing work duties, regardless of whether they result in lost workdays. The figure includes fatalities but excludes commuting traffic accidents.
5. Severe occupational injuries refer to injury incidents that occur on the Company's premises while performing work duties, result in one or more lost workdays, and are required by law to be reported through the competent authority's reporting platform. The figure excludes fatalities and commuting traffic accidents that occurred between January and October.
6. The 2025 reporting boundary includes the Linkou Office.
7. In 2025, severe occupational injury incidents comprised three equipment-related pinch/crush injuries and one traffic accident occurring within the industrial park

∴ Appendix II: Independent Assurance Statement for the Sustainability Report

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會計師有限確信報告

台虹科技股份有限公司　公鑒：

本事務所受台虹科技股份有限公司（以下稱「貴公司」）之委任，就　貴公司選定 2025 年度永續報告書所報導之績效指標執行確信程序。本會計師業已確信竣事，並依據結果出具有限確信報告。

確信標的資訊與適用基準

有關　貴公司選定 2025 年度永續報告書所報導之績效指標（以下稱「確信標的資訊」）及其適用基準詳列於　貴公司 2025 年度永續報告書之「確信項目彙總表」。　前述確信標的資訊之報導範圍業於永續報告書之「報告書邊界與範疇」段落述明。

上開適用基準係為臺灣證券交易所「上市公司編制與申報永續報告書作業辦法」與相關問答集及有關法令之規定，以及　貴公司依行業特性與其所選定之關鍵績效指標參採其他基準。

管理階層之責任

貴公司管理階層之責任係依據臺灣證券交易所「上市公司編制與申報永續報告書作業辦法」及依行業特性參採其他適用之準則編制永續報告書，且維持與編制永續報告書有關之必要內部控制，以確保績效指標未存有導因於舞弊或錯誤之重大不實表達。

會計師之責任

本會計師係依照確信準則 3000 號（TWSAE3000）「非屬歷史性財務資訊查核或核閱之確信案件」，對確信標的資訊執行確信工作，以發現前述資訊是否在所有重大方面是否有未依適用基準編製而須作修正之情事，並出具有限確信報告。

本會計師依照上述準則所執行之有限確信工作，包括辨認確信標的資訊可能發生重大不實表達之領域，以及針對前述領域設計及執行程序。相較於合理確信案件，有限確信案件所執行程序之性質及時間不同，其範圍亦較小，故於有限確信案件所取得之確信程度亦明顯低於合理確信案件中取得者。因此，本會計師不對　貴公司所選定之關鍵績效指標在所有重大方面，是否依照適用基準編制，表示合理確信之意見。

本會計師係依據所評估之風險領域及重大性以決定實際執行確信工作之範圍，並依據本委任案件之特定情況設計及執行下列確信程序：

- 對參與編製確信標的資訊之相關人員進行訪談，以瞭解編製前述資訊之流程、所應用之資訊系統，以及攸關之內部控制，以辨認重大不實表達之領域。
- 自　貴公司或是其主要利害關係人的訊息管理系統或外部來源，以獲取用於編制非財務指標的原始定量或是定性佐證憑證。

青山永續聯合會計師事務所
台北市中正區衡陽路 36 號 9 樓之 5
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屏東縣屏東市公裕街 202 號 1 樓

- 基於對上述事項之瞭解及所辨認之領域，對確信標的資訊選取樣本進行查詢、觀察、檢查及重新執行測試，以取得有限確信之證據。
- 自　貴公司之管理階層獲得客戶聲明書。

此報告不對 2025 年度永續報告書整體及資訊收集之相關內部控制設計或執行之有效性提供任何確信。2025 年度永續報告書中屬 2024 年 12 月 31 日及更早其間之資訊未經本會計師確信。

會計師之獨立性及品質管理規範

本會計師及本事務所已遵循會計師職業道德規範中有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及盡專業上應有之注意、保密及專業態度。

本事務所適用品質管理準則 1 號（TWSQM1）「會計師事務所之品質管理」，因此維持完備之品質管理制度，包含與遵循職業道德規範、專業準則及所適用法令相關之書面政策及程序。

先天限制

本案諸多確信項目涉及非財務資訊，相較於財務資訊之確信受有更多先天性之限制。對於資料之相關性、重大性及正確性等之質性解釋，則更取決於個別之假設與判斷。

有限確信結論

依據所執行之程序與所獲取之證據，本會計師並未發現確信標的資訊在所有重大方面有未依適用基準編製而須作修正之情事。

其它事項

貴公司網站之維護係　貴公司管理階層之責任，對於確信報告於　貴公司網站公告後任何確信標的資訊或適用基準之變更，本會計師將不負就該等資訊重新執行確信工作之責任。

青山永續聯合會計師事務所
會 計 師　杜 育 任
金融監督管理委員會核准文號
金 管 會 證 字 第 7775 號

中　華　民　國　1 1 5　年　7　月　2 9　日

∴ Appendix III: GRI Standards Content Index

「*」Material Topics

Statement of Use	TAIFLEX Scientific Co., Ltd. has prepared this report in accordance with the GRI Standards for the reporting period from January 1 to December 31, 2025.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	None

Disclosure No.	GRI Disclosure	Corresponding Section	Page Number	Omission/ Note
GRI 2: General Disclosures 2021				
Organization and reporting practice				
2-1	Organizational details	About Taiflex	5	
2-2	Entities included in the organization's sustainability reporting	About this Report	2	
2-3	Reporting period, frequency and contact point	About this Report	2	
2-4	Restatements of information	About this Report	2	
2-5	External assurance	About this Report	2	
Activities and workers				
2-6	Activities, value chain and other business relationships	About Taiflex	5	
		2.1.1 Market Competitiveness and Operating Performance	28	
		3.1.1 Long-Term R&D Investment	54	
2-7	Employees	About Taiflex	5	
		5.1.1 Workforce Diversity and Talent Recruitment	75	
		Appendix I: ESG Information	95	
2-8	Workers who are not employees	Appendix I: ESG Information	95	

Disclosure No.	GRI Disclosure	Corresponding Section	Page Number	Omission/ Note
Governance				
2-9	Governance structure and composition	1.1 Sustainability Governance Framework	9	A new Board of Directors was elected in May 2026.
		2.1.2 Board Structure and Operations	30	
		2.1.3 Board Diversity and Performance Evaluation	33	
		Appendix I: ESG Information	95	
2-10	Nomination and selection of the highest governance body	2.1.2 Board Structure and Operations	30	
		2.1.3 Board Diversity and Performance Evaluation	33	
2-11	Chair of the highest governance body	2.1.2 Board Structure and Operations	30	
2-12	Role of the highest governance body in overseeing the management of impacts	1.1.1 Sustainable Development Committee	9	
2-13	Delegation of responsibility for managing impacts	1.1 Sustainability Governance Framework	9	
		2.1.2 Board Structure and Operations	30	
2-14	Role of the highest governance body in sustainability reporting	About this Report	2	
2-15	Conflicts of interest	2.1.2 Board Structure and Operations	30	
		Appendix I: ESG Information	95	
2-16	Communication of critical concerns	2.1.2 Board Structure and Operations	30	
2-17	Collective knowledge of the highest governance body	2.1.3 Board Diversity and Performance Evaluation Appendix I: ESG Information	33	
		2.1.3 Board Diversity and Performance Evaluation	95	
2-18	Evaluation of the performance of the highest governance body	2.1.3 Board Diversity and Performance Evaluation	33	
2-19	Remuneration policies	2.1.2 Board Structure and Operations	30	
		5.1.2 Compensation, Benefits, and Employee Retention	77	

Disclosure No.	GRI Disclosure	Corresponding Section	Page Number	Omission/ Note
2-20	Process to determine remuneration	2.1.2 Board Structure and Operations	30	
2-21	Annual total compensation ratio	5.1.2 Compensation, Benefits, and Employee Retention	77	
		Appendix I: ESG Information	95	
Strategies, policies and practices				
2-22	Statement on sustainable development strategy	Message from the Management	3	
2-23	Policy commitments	2.2.1 Business Ethics and Anti-Corruption	37	
		4.1.1 Green Procurement Policy	63	
		4.1.3 Building a Green Value Chain and Reducing Environmental Footprints Across the Value Chain	65	
		5.1 Talent Sustainability and Development	75	
		5.1.4 Human Rights Protection and Labor-Management Communication	82	
		5.2.1 OSH Management Framework	85	
2-24	Embedding policy commitments	2.2.1 Business Ethics and Anti-Corruption	37	
		4.1.1 Green Procurement Policy	63	
		4.1.2 Supplier Environmental Management	64	
		5.1.4 Human Rights Protection and Labor-Management Communication	82	
		5.2.1 OSH Management Framework	85	
2-25	Processes to remediate negative impacts	2.2.1 Business Ethics and Anti-Corruption	37	
		4.1.1 Green Procurement Policy	63	
		5.1.4 Human Rights Protection and Labor-Management Communication	82	

Disclosure No.	GRI Disclosure	Corresponding Section	Page Number	Omission/ Note
2-26	Mechanisms for seeking advice and raising concerns	2.2.1 Business Ethics and Anti-Corruption	39	
		5.1.4 Human Rights Protection and Labor-Management Communication	82	
2-27	Compliance with laws and regulations	2.1.2 Board Structure and Operations	30	
		2.2.1 Business Ethics and Anti-Corruption	37	
		2.2.2 Regulatory Compliance and Internal Control	38	
		5.2.1 OSH Management Framework	85	
		Appendix I: ESG Information	95	
2-28	Membership associations	Appendix I: ESG Information	95	
Stakeholder engagement				
2-29	Approach to stakeholder engagement	1.2 Stakeholder Engagement and Response	10	
2-30	Collective bargaining agreements	5.1.4 Human Rights Protection and Labor-Management Communication	82	
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	1.2 Stakeholder Engagement and Response	10	
3-2	List of material topics	1.2 Stakeholder Engagement and Response	10	

GRI Standard Category / Topic	Disclosure No.	GRI Disclosure	Corresponding Section	Page Number	Omission/ Note
Material Topics					
* Economic Performance					
GRI 3 Management of Economic Performance (2021)	3-3	Management of material topics	2.1 Market and Corporate Governance	26	
GRI 201 Economic Performance (2016)	201-1	Direct economic value generated and distributed	2.1.1 Market Competitiveness and Operating Performance	28	
			Appendix I: ESG Information	95	
* Energy Management					
GRI 3 Management of Energy (2021)	3-3	Management of material topics	4.2 Energy and Climate Action	67	
GRI 302 Energy (2016)	302-1	Energy consumption within the organization	4.2.1 Energy Use and Management	68	
			Appendix I: ESG Information	95	
	302-3	Energy intensity	4.2.1 Energy Use and Management	68	
			Appendix I: ESG Information	95	
	302-4	Reduction of energy consumption	4.2.3 Energy Conservation and Carbon Reduction Measures	69	
			Appendix I: ESG Information	95	
* Air Pollutant Emissions					
GRI 3 Management of Emissions (2021)	3-3	Management of material topics	4.3 Resource Circularity and Pollution Prevention	70	
GRI 305 Emissions (2016)	305-6	Emissions of ozone-depleting substances (ODS)	4.3.3 Air Pollution Control	72	
			Appendix I: ESG Information	95	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	4.3.3 Air Pollution Control	72	
			Appendix I: ESG Information	95	

GRI Standard Category / Topic	Disclosure No.	GRI Disclosure	Corresponding Section	Page Number	Omission/ Note
* **Waste**					
GRI 3 Management of Waste (2021)	3-3	Management of material topics	4.3 Resource Circularity and Pollution Prevention	70	
GRI 306 Waste (2020)	306-1	Waste generation and significant waste-related impacts	4.3.4 Waste Management and Resource Circularity	73	
	306-2	Management of significant waste-related impacts	4.3.4 Waste Management and Resource Circularity	73	
	306-3	Waste generated	4.3.4 Waste Management and Resource Circularity	73	
			Appendix I: ESG Information	95	
* **Occupational Safety and Health**					
GRI 3 Management of Occupational Health and Safety (2021)	3-3	Management of material topics	5.2 Workplace Safety and Health	84	
GRI 403 Occupational Health and Safety (2018)	403-1	Occupational health and safety management system	5.2.1 OSH Management Framework	85	
	403-2	Hazard identification, risk assessment, and incident investigation	5.2.1 OSH Management Framework	85	
	403-4	Worker participation, consultation, and communication on occupational health and safety	5.2.1 OSH Management Framework	85	
			5.2.2 Hazard Identification and Incident Investigation	87	
	403-9	Work-related injuries	5.2.1 OSH Management Framework	85	
			Appendix I: ESG Information	95	
	403-10	Work-related ill health	5.2.4 Health Monitoring and Health Promotion	89	
* **Customer Privacy**					
GRI 3 Management of Customer Privacy (2021)	3-3	Management of material topics	2.3.3 Information Security and Customer Privacy	40	
GRI 418 Customer Privacy (2016)	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.3.3 Information Security and Customer Privacy	40	

GRI Standard Category / Topic	Disclosure No.	GRI Disclosure	Corresponding Section	Page Number	Omission/ Note
* **Business Ethics**					
GRI 3 Management of Business Ethics (2021)	3-3	Management of material topics	2.2 Business Ethics, Compliance, and Internal Control	36	
GRI 205 Anti-corruption (2016)	205-2	Communication and training about anti-corruption policies and procedures	2.2.1 Business Ethics and Anti-Corruption	37	
	205-3	Confirmed incidents of corruption and actions taken	2.2.1 Business Ethics and Anti-Corruption	37	
GRI 206 Anti-competitive Behavior (2016)	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.2 Business Ethics, Compliance, and Internal Control	36	
* **Green Energy and Net-Zero Emissions**					
GRI 3 Management of Energy (2021)	3-3	Management of material topics	4.2.1 Energy Use and Management	68	
GRI 302 Energy (2016)	302-1	Energy consumption within the organization	4.2.1 Energy Use and Management	68	
			Appendix I: ESG Information	95	
GRI 305 Emissions (2016)	305-1	Direct (Scope 1) GHG emissions	4.2.2 GHG Emissions and Management	68	
			Appendix I: ESG Information	95	
	305-2	Energy indirect (Scope 2) GHG emissions	4.2.2 GHG Emissions and Management	68	
			Appendix I: ESG Information	95	
	305-3	Other indirect (Scope 3) GHG emissions	4.2.2 GHG Emissions and Management	68	
			Appendix I: ESG Information	95	
* **Talent Attraction and Retention**					
GRI 3 Management of Talent Attraction and Retention (2021)	3-3	Management of material topics	5.1.2 Compensation, Benefits, and Employee Retention	77	

GRI Standard Category / Topic	Disclosure No.	GRI Disclosure	Corresponding Section	Page Number	Omission/ Note
GRI 401 Employment (2016)	401-1	New employee hires and employee turnover	5.1.2 Compensation, Benefits, and Employee Retention	77	
			Appendix I: ESG Information	95	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.1.2 Compensation, Benefits, and Employee Retention	77	
GRI 405 Diversity and Equal Opportunity (2016)	405-1	Diversity of governance bodies and employees	2.1.3 Board Diversity and Performance Evaluation	33	
			5.1 Talent Sustainability and Development	75	
			Appendix I: ESG Information	95	
	405-2	Ratio of basic salary and remuneration of women to men	5.1.2 Compensation, Benefits, and Employee Retention	77	
			Appendix I: ESG Information	95	
* **Product Safety and Quality**					
GRI 3 Management of Product Safety and Quality (2021)	3-3	Management of material topics	3.3 Customer Service and Quality Management	57	
GRI 416 Customer Health and Safety (2016)	416-1	Assessment of the health and safety impacts of product and service categories	3.3.3 Quality Certification and Quality Control	59	
GRI 417 Marketing and Labeling (2016)	417-1	Requirements for product and service information and labeling	3.3.3 Quality Certification and Quality Control	59	
Custom topic					
* **Innovative R&D and Patents**					
GRI 3 Management of Innovative R&D and Patents	3-3	Management of material topics	3.1 Product R&D and Innovation	54	
* **Information Security**					
GRI 3 Management of Information Security	3-3	Management of material topics	2.3.3 Information Security and Customer Privacy	38	

GRI Standard Category / Topic	Disclosure No.	GRI Disclosure	Corresponding Section	Page Number	Omission/ Note
Other Topics					
Topic-specific GRI Standards: 200 Series - Economic Topics					
經濟績效					
GRI 201 Economic Performance (2016)	201-2	Financial implications and other risks and opportunities due to climate change	2.4 Climate Governance and Resilience Management	43	
	201-3	Defined benefit plan obligations and other retirement plans	5.1.2 Compensation, Benefits, and Employee Retention	77	
	201-4	Financial assistance received from government	Appendix I: ESG Information	95	
Market Presence					
GRI 202 Market Presence (2016)	202-1	Ratio of standard entry-level wage by gender compared to local minimum wage	5.1.2 Compensation, Benefits, and Employee Retention	77	
			Appendix I: ESG Information	95	
	202-2	Proportion of senior management hired from the local community	5.1.1 Workforce Diversity and Talent Recruitment	75	
Indirect Economic Impacts					
GRI 203 Indirect Economic Impacts (2016)	203-1	Infrastructure investments and services supported	5.3 Community Investment and Social Inclusion	91	
	203-2	Significant indirect economic impacts	5.1.1 Workforce Diversity and Talent Recruitment	75	
Procurement Practices					
GRI 204 Procurement Practices (2016)	204-1	Proportion of spending on local suppliers	4.1.1 Green Procurement Policy	63	
			Appendix I: ESG Information	95	
Tax					
GRI 207 Tax (2019)	207-1	Approach to tax	2.2.4 Tax Governance	39	
	207-2	Tax governance, control, and risk management	2.2.4 Tax Governance	39	
	207-3	Stakeholder engagement and management of concerns related to tax	2.2.4 Tax Governance	39	

GRI Standard Category / Topic	Disclosure No.	GRI Disclosure	Corresponding Section	Page Number	Omission/ Note
Topic-specific GRI Standards: 300 Series - Environmental Topics					
Materials					
GRI 301 Materials (2016)	301-2	Recycled input materials used	4.1.3 Building a Green Value Chain and Reducing Environmental Footprints Across the Value Chain	65	
			4.3.1 Source Reduction and Material Recycling	71	
			Appendix I: ESG Information	95	
	301-3	Reclaimed products and their packaging materials	4.1.3 Building a Green Value Chain and Reducing Environmental Footprints Across the Value Chain	65	
			Appendix I: ESG Information	95	
Water and Effluents					
GRI 303 Water and Effluents (2018)	303-1	Interactions with water as a shared resource	4.3.2 Water Resources and Effluent Management	72	
	303-2	Management of water discharge-related impacts	4.3.2 Water Resources and Effluent Management	72	
			Appendix I: ESG Information	95	
	303-3	Water withdrawal	4.3.2 Water Resources and Effluent Management	72	
			Appendix I: ESG Information	95	
	303-4	Water discharge	4.3.2 Water Resources and Effluent Management	72	
			Appendix I: ESG Information	95	
	303-5	Water consumption	4.3.2 Water Resources and Effluent Management	72	
			Appendix I: ESG Information	95	

GRI Standard Category / Topic	Disclosure No.	GRI Disclosure	Corresponding Section	Page Number	Omission/ Note
Emissions					
GRI 305 Emissions (2016)	305-4	GHG emissions intensity	4.2.2 GHG Emissions and Management	68	
			Appendix I: ESG Information	95	
	305-5	Reduction of GHG emissions	4.2.3 Energy Conservation and Carbon Reduction Measures	69	
			Appendix I: ESG Information	95	
Waste					
GRI 306 Waste (2020)	306-4	Waste diverted from disposal	4.3.4 Waste Management and Resource Circularity	73	
			Appendix I: ESG Information	95	
	306-5	Waste directed to disposal	4.3.4 Waste Management and Resource Circularity	73	
			Appendix I: ESG Information	95	
Supplier Environmental Assessment					
GRI 308 Supplier Environmental Assessment (2016)	308-1	New suppliers that were screened using environmental criteria	4.1.2 Supplier Environmental Management	64	
	308-2	Negative environmental impacts in the supply chain and actions	4.1.2 Supplier Environmental Management	64	
Topic-specific GRI Standards: 400 Series - Social Topics					
Employment					
GRI 401 Employment (2016)	401-3	Parental leave	Appendix I: ESG Information	95	
Labor/Management Relations					
GRI 402 Labor/Management Relations (2016)	402-1	Minimum notice periods regarding operational changes	5.1.4 Human Rights Protection and Labor-Management Communication	82	

GRI Standard Category / Topic	Disclosure No.	GRI Disclosure	Corresponding Section	Page Number	Omission/ Note
Occupational Health and Safety					
GRI 403 Occupational Health and Safety (2018)	403-3	Occupational health services	5.2.4 Health Monitoring and Health Promotion	89	
	403-5	Worker training on occupational health and safety	5.2.2 Hazard Identification and Incident Investigation	87	
			Appendix I: ESG Information	95	
	403-6	Promotion of worker health	5.2.4 Health Monitoring and Health Promotion	89	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.2.3 Work Environment Management and Emergency Response	88	
	403-8	Workers covered by an occupational health and safety management system	5.2.1 OSH Management Framework	85	
Training and Education					
GRI 404 Training and Education (2016)	404-1	Average hours of training per year per employee	5.1.3 Talent Development and Training	81	
			Appendix I: ESG Information	95	
	404-2	Programs for upgrading employee skills and transition assistance programs	5.1.3 Talent Development and Training	81	
	404-3	Percentage of employees receiving regular performance and career development reviews	5.1.3 Talent Development and Training	81	
Non-discrimination					
GRI 406 Non-discrimination (2016)	406-1	Incidents of discrimination and corrective actions taken	5.1.4 Human Rights Protection and Labor-Management Communication	82	
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	5.1.4 Human Rights Protection and Labor-Management Communication	82	
Child Labor					
GRI 408 Child Labor (2016)	408-1	Operations and suppliers at significant risk for incidents of child labor	5.1.4 Human Rights Protection and Labor-Management Communication	82	

GRI Standard Category / Topic	Disclosure No.	GRI Disclosure	Corresponding Section	Page Number	Omission/ Note
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	5.1.4 Human Rights Protection and Labor-Management Communication	82	
Security Practices					
GRI 410 Security Practices (2016)	410-1	Security personnel trained in human rights policies or procedures	5.1.4 Human Rights Protection and Labor-Management Communication	82	
Rights of Indigenous Peoples					
GRI 411 Rights of Indigenous Peoples (2016)	411-1	Incidents of violations involving rights of indigenous peoples	5.1.4 Human Rights Protection and Labor-Management Communication	82	
Supplier Social Assessment					
GRI 414 Supplier Social Assessment (2016)	414-1	New suppliers that were screened using social criteria	4.1.2 Supplier Environmental Management	64	
	414-2	Negative social impacts in the supply chain and actions taken	4.1.2 Supplier Environmental Management	64	
Public Policy					
GRI 415 Public Policy (2016)	415-1	Political contributions	2.2.4 Tax Governance	39	
Customer Health and Safety					
GRI 416 Customer Health and Safety (2016)	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.3.4 Product Compliance and Hazardous Substance Management	60	
Marketing and Labeling					
GRI 417 Marketing and Labeling (2016)	417-2	Incidents of non-compliance concerning product and service information and labeling	3.3.3 Quality Certification and Quality Control	59	
	417-3	Incidents of non-compliance concerning marketing communications	3.3.3 Quality Certification and Quality Control	59	

∴ Appendix IV: SASB Disclosure Index - Chemicals

▣ Accounting Metric

Topic	Code	Accounting Metric	Category	Unit of Measure	Response
Greenhouse Gas Emissions	RT-CH-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Metric tons (t) CO_2e; Percentage (%)	2025 Scope 1 GHG emissions: 9,611.3534 tCO_2e
	RT-CH-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets	Discussion and Analysis	-	Scope 1 GHG emissions totaled 9,611.35 tCO_2e in 2025, representing a 0.19% decrease from 9,629.84 tCO_2e in 2024. GHG reduction targets: Short-term (2026): 5% reduction in Scope 1 GHG emissions, using 2021 as the base year. Medium-term (2027–2030): 5% reduction in Scope 1 GHG emissions, using 2021 as the base year. Long-term (2031–2040): 5% reduction in Scope 1 GHG emissions, using 2021 as the base year
Air Quality	RT-CH-120a.1	Air emissions of the following pollutants: NO_x (excluding N_2O)	Quantitative	Metric tons (t)	NO_x: 7.06 t
		Air emissions of the following pollutants: SO_x	Quantitative	Metric tons (t)	SO_x: 0 t
		Air emissions of the following pollutants: volatile organic compounds (VOCs)	Quantitative	Metric tons (t)	VOCs: 12.23 t
		Air emissions of the following pollutants: hazardous air pollutants (HAPs)	Quantitative	Metric tons (t)	HAPs: 5.66 t
Energy Management	RT-CH-130a.1	Total energy consumed	Quantitative	Gigajoules (GJ); Percentage (%)	Total energy consumption in 2025: 244,331.99 GJ
		Percentage grid electricity	Quantitative	Gigajoules (GJ); Percentage (%)	Electricity consumption totaled 146,306.48 GJ, representing 59.88% of total energy consumption (146,306.48 GJ ÷ 244,331.99 GJ × 100%). All electricity consumed during the reporting year was purchased from external suppliers.
		Percentage renewable energy	Quantitative	Gigajoules (GJ); Percentage (%)	Renewable energy: 0%
		Total self-generated energy	Quantitative	Gigajoules (GJ); Percentage (%)	Self-generated energy: 0%
Water Management	RT-CH-140a.1	Total water withdrawn, percentage of each in regions with high or extremely high baseline water stress	Quantitative	Thousand cubic meters (1,000 m^3); Percentage (%)	Total water withdrawal in 2025: 97.82 thousand m^3. The Company's operating locations are not located in areas with high or extremely high water stress.
		Total water consumed, percentage of each in regions with high or extremely high baseline water stress	Quantitative	Thousand cubic meters (1,000 m^3); Percentage (%)	Total water consumption in 2025: 37.90 thousand m^3. The Company's operating locations are not located in areas with high or extremely high water stress.
	RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Quantitative	Metric tons (t); Percentage (%)	No violations relating to water discharge permits, water quality standards, or applicable environmental regulations occurred in 2025. The Company conducts effluent water quality testing twice a year and all monitoring results remained stable and complied with applicable discharge standards.

Topic	Code	Accounting Metric	Category	Unit of Measure	Response
Water Management	RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	-	The Company addresses water-related risks through the following two strategies and practices: 1.Except for Taiflex 1, which operates an etching process requiring wastewater treatment through an on-site wastewater treatment facility, the Company's other factories utilize dry manufacturing processes and therefore do not require wastewater treatment facilities. Their wastewater is discharged directly into the industrial park's sewer system. Overall wastewater discharge from the Company's four Kaohsiung factories has declined, contributing to water conservation. 2.The Company conducts effluent water quality testing twice a year and all monitoring results remained stable and complied with applicable discharge standards. No wastewater-related pollution incidents occurred during the reporting year.
Hazardous Waste Management	RT-CH-150a.1	Amount of hazardous waste generated	Quantitative	Metric tons (t)	2025 hazardous waste generated: 1,228.19 metric tons.
		Percentage of hazardous waste recycled	Quantitative	Percentage (%)	2025 hazardous waste recycling rate: 49.45%.
Community Relations	RT-CH-210a.	Discussion of engagement processes to manage risks and opportunities associated with community interests	Discussion and Analysis	-	No stakeholder engagement relating to community-related risks or opportunities was conducted in 2025.
Workforce Health & Safety	RT-CH-320a.1	Total recordable incident rate (TRIR) for (a) direct employees and (b) contract employees	Quantitative	Rate	Contract employees: TRIR of 0. Direct Employees: 10 recordable occupational injuries, with a TRIR of 1.06. The recordable occupational injury rate is calculated as follows: (10 × 200,000) ÷ 1,879,088 = 1.06 The total number of working hours for all employees during the reporting year was 1,879,088 hours.
		Fatality rate for (a) direct employees and (b) contract employees	Quantitative	Rate	Fatality rate for direct employees: 0%. Fatality rate for 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	Discussion and Analysis	-	The Company is committed to protecting all employees from long-term (chronic) occupational health risks through a comprehensive occupational health management approach that spans hazard assessment, exposure monitoring, and follow-up health interventions, thereby safeguarding employees' physical and mental well-being. To assess workplace health risks, the Company conducts work environment monitoring semiannually in accordance with applicable regulations. Monitoring covers both physical agents (such as noise, illumination, carbon dioxide, and air velocity) and chemical agents (including organic solvents, specially regulated chemical substances, and toxic chemicals). The results are analyzed to identify trends and ensure that workplace exposure levels remain well below applicable regulatory limits. In terms of health surveillance, the Company implements a tiered health examination program. In addition to annual general health examinations, employees engaged in specified hazardous operations are required to undergo special health examinations. Examination results form the basis for subsequent health management measures. Employees receive individualized health education and guidance, while occupational medicine specialists provide regular on-site consultation services. Employees with abnormal health findings receive one-on-one case management and follow-up, with work adjustments recommended where necessary. In addition, the Company actively promotes a wide range of health promotion initiatives and provides regular occupational safety and health education and training to strengthen preventive awareness across the workforce and foster a safe and sustainable working environment. Going forward, the Company will continue to invest resources and adopt a data-driven approach to continuously enhance its health protection measures.
Product Design for Use-phase Resource Efficiency	RT-CH-410a.1	Revenue from products designed for use-phase resource efficiency	Quantitative	Reporting currency	Not applicable. The Company has no products designed for use-phase resource efficiency.
Safety & Environmental Stewardship of Chemicals	RT-CH-410b.1	Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances	Quantitative	Percentage of revenue (%); Percentage (%)	In 2025, products containing GHS Category 1 and Category 2 chemical substances accounted for 21% of the Company's revenue.
		Percentage of such products that have undergone a hazard assessment	Quantitative	Percentage of revenue (%); Percentage (%)	In 2025, hazard assessments were completed for 100% of the Company's products containing GHS Category 1 and Category 2 substances.

Topic	Code	Accounting Metric	Category	Unit of Measure	Response
Safety & Environmental Stewardship of Chemicals	RT-CH-410b.2	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	Discussion and Analysis	-	The Company is committed to providing a safe and healthy workplace through comprehensive life cycle management of hazardous chemicals. The Company has established the Hazardous Chemical Labeling and Hazard Communication Management Procedures, which govern the entire management process, from upstream procurement review and hazard communication planning to chemical classification and labeling, as well as regulatory reporting. Through a preventive management approach, the Company extends its chemical management requirements to suppliers to proactively identify and mitigate risks, thereby enhancing workplace safety and health while reducing the likelihood of occupational accidents. To enhance management effectiveness, the Company has implemented a digital cloud-based chemical management system that integrates real-time updates and monitoring of Safety Data Sheets (SDSs) across its manufacturing facilities. The system also enables all operating units to access and download SDSs at any time. Through information transparency and a one-stop platform, the Company transforms regulatory compliance into proactive self-management by individual business units, strengthening employees' ability to identify and respond to chemical hazards while reinforcing its commitment to occupational safety, health, and environmental protection. To minimize the environmental impact of hazardous chemicals, the Company successfully achieved its toxic chemical reduction target in 2025 by reducing the number of regulated toxic chemical substances from 11 to 3, representing a 72% reduction. The Company currently does not use any Chemicals of Concern. Among the chemicals currently in use, N,N-Dimethylformamide (DMF) has the highest usage volume. Comprehensive spill response procedures have been established for DMF to minimize environmental risks, and its storage, handling, and disposal are conducted in strict compliance with applicable regulations.
Genetically Modified Organisms	RT-CH-410C.1	Percentage of products by revenue that contain genetically modified organisms (GMOs)	Quantitative	Percentage of revenue (%); Percentage (%)	Not applicable. The Company does not manufacture products containing GMOs.
Management of the 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	Discussion and Analysis	-	The Company actively participates in the Environmental, Safety, and Health Committees of industry associations, including the Taiwan Printed Circuit Association (TPCA) and the Taiwan Electrical and Electronic Manufacturers' Association (TEEMA). Through regular committee meetings, members discuss environmental, occupational safety and health initiatives, regulatory developments, and other relevant issues, while gathering common industry concerns and feedback. These associations then consolidate members' views and communicate them collectively to the relevant competent authorities.
Operational Safety, Emergency Preparedness & Response	RT-CH-540a.1	Process safety incidents count (PSIC)	Quantitative	Number, Rate	No process safety incidents occurred in 2025.
		Process safety total incident rate (PSTIR)	Quantitative	Number, Rate	No process safety incidents occurred in 2025.
		Process safety incident severity rate (PSISR)	Quantitative	Number, Rate	No process safety incidents occurred in 2025.
	RT-CH-540a.2	Number of transport incidents	Quantitative	Number	No transport incidents occurred in 2025.

Activity Metrics

Code	Activity Metric	Category	Response
RT-CH-000.A	Production by reportable segment	Quantitative	Production of electronic materials products: 32,931 thousand m^2

∴Appendix V: Comparison Table of Sustainability Disclosure Indicators - Electronic Parts and Components Industry in Accordance with the Taiwan Stock Exchange Corporation's "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies"

No.	Indicator	Response
1	Total energy consumed, percentage of electricity sourced from the grid, and percentage of total energy from renewable sources (Quantitative/GJ, %)	Total energy consumed: 244,331.99 GJ Electricity accounted for 59.88% of total energy consumption. All electricity consumed during the reporting year was purchased from external suppliers Percentage of total energy from renewable sources: 0%
2	Total water withdrawal and total water consumption (Quantitative/thousand m^3)	Total water withdrawal: 97.82 thousand m^3 Total water consumption: 37.90 thousand m^3
3	Weight of hazardous waste generated and percentage of recovery (Quantitative/t, %)	Total weight of hazardous waste: 1,228.19 Mt Recovery rate of hazardous waste: 49.45%
4	Explain the type, number and rate of occupational incidents (Quantitative/%, Quantity)	No. of fatalities: 0; Fatality rate: 0 No. of recordable occupational injuries: 10; TRIR: 2.13
5	Product lifecycle management disclosure: including the weight of scrapped products and electronic waste and recycling rateNote (Quantitative/t, %)	Total weight of waste: 784.13 Mt Recycled rate: 100%
6	Description of risk management related to the use of critical materials (Qualitative description)	Certain key materials used in flexible copper clad laminates (FCCL) are oligopolistic in nature. As such, supply chain management and secure material sourcing represent critical sources of competitive advantage in this industry. As one of the industry leaders, the Company benefits from procurement scale and a strong customer base, enabling the establishment of long-term strategic alliances with key raw material suppliers, which in turn provides a significant advantage in securing critical materials. In addition, the Company mitigates supply risks through supply chain diversification and the implementation of a dynamic inventory adjustment mechanism, allowing for flexible global production allocation. Dual sourcing and dual qualification strategies are also applied to critical raw materials to reduce the risks associated with supply disruptions in any single region.
7	Total monetary loss from legal proceedings related to anti-competitive behavior (Quantitative/NT$)	There was no such incident and the total monetary loss from legal proceedings related to anti-competitive behavior was NT$0.
8	Production volume of major products by category (Quantitative/Depend on product category)	Electronic materials products: 32,931 thousand m^2.

Note:
1. Including the sale of production scraps or other forms of recycling or recovery. Relevant details should be disclosed.
2. The statistical scope covers electronic hardware substrates, metal materials, and electronic-grade core film materials generated during the production process (including waste copper-clad laminate, pure copper foil, edge trim, and waste film materials), excluding liquid chemical solvents and general operational waste that do not form part of the physical product.

∴ Appendix VI: Climate-related Information of TWSE/TPEx-listed Companies

Item	Corresponding Section	Page No.
1. Describe the oversight and governance of the Board and management on climate-related risks and opportunities.	2.3.1 Operational Risk Management Mechanism	39
	2.4.1 Climate Governance Framework	43
2. Describe how the identified climate risks and opportunities would affect the business, strategy, and finance of the entity (short, medium, and long-term).	2.4.3 Climate Scenario Analysis and Financial Impact Assessment	46
3. Describe the financial impact of extreme weather events and transition activities.	2.4.3 Climate Scenario Analysis and Financial Impact Assessment	46
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	2.4.3 Climate Scenario Analysis and Financial Impact Assessment	46
5. If scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions and analysis factors used as well as major financial impacts shall be described.	2.4.3 Climate Scenario Analysis and Financial Impact Assessment	46
6. If there is a transition plan for managing climate-related risks, describe the plan details, and the indicators and targets used to identify and manage physical risks and transition risks.	2.4.3 Climate Scenario Analysis and Financial Impact Assessment	46
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	2.4.4 Carbon Pricing	52
8. If climate-related targets have been set, the activities covered, the scope of GHG emissions, the planning horizon, and the progress achieved each year shall be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or the quantity of RECs to be offset shall be specified.	1.4 Sustainability Goals and Practices	18
	4.2 Energy and Climate Action	67
	4.3 Resource Circularity and Pollution Prevention	70
	Appendix VI Climate-related Information of TWSE/TPEx-listed Companies	127
9. GHG inventory and assurance status as well as reduction targets, strategy, and concrete action plans. (Data available in 1-1 and 1-2.)	2.4.2 Climate Risk and Opportunity Identification	44
	Appendix VI Climate-related Information of TWSE/TPEx-listed Companies	127

1-1 GHG Inventory and Assurance Status

Basic information of the Company

- ○ Companies with capital of NT$10 billion or above, the iron and steel industry, or the cement industry
- ○ Companies with capital of NT$5 billion or above but less than NT$10 billion
- ✔ Companies with capital under NT$5 billion

Minimum disclosure required by the Sustainable Development Roadmap for TWSE/TPEx-Listed Companies:

- ○ Inventory for parent company only
- ○ Inventory for all consolidated entities
- ○ Assurance for parent company only
- ○ Assurance for all consolidated entities

1-1-1 GHG Inventory Information

Item \ Year	2024			2025		
	Parent Company	Subsidiaries	Total	Parent Company	Subsidiaries	Total
Scope 1: Total Emissions (Mt CO_2e)	9,629.8389	-	9,629.8389	9,611.3534	-	9,611.3534
Scope 1: Emissions Intensity (Mt CO_2e/ Millions of NT$)	1.1722	-	1.1722	1.0979	-	1.0979
Scope 2: Total Emissions (Mt CO_2e)	18,748.5741	-	18,748.5741	19,263.7041	-	19,263.7041
Scope 2: Emissions Intensity (Mt CO_2e/ Millions of NT$)	2.2822	-	2.2822	2.2006	-	2.2006
Scope 3: Total Emissions (Mt CO_2e)	55,015.0998	-	55,015.0998	58,566.2640	-	58,566.2640
Scope 3: Emissions Intensity (Mt CO_2e/ Millions of NT$)	6.6969	-	6.6969	6.6902	-	6.6902

Note:
1. Scope 1 emissions are direct emissions (i.e., emissions directly from sources owned or controlled by the Company). Scope 2 emissions are indirect energy emissions (i.e., indirect GHG emissions from electricity, heat, or steam). Scope 3 includes all other indirect GHG emissions that occur as a result of the Company's activities but originate from sources not owned or directly controlled by the Company.
2. The intensity of GHG emissions may be calculated per unit of product/service or revenue. The Company's parent company only revenue amounted to NT$8,215 million and NT$8,754 million in 2024 and 2025, respectively.
3. In accordance with the Sustainable Development Roadmap of TWSE and TPEx-listed Companies, the inventory and assurance of the parent company shall be completed by 2026 and 2028, respectively. Taiflex proactively completed both in 2022 in compliance with ISO 14064-1:2018, with verification by a third-party assurance provider.
4. The 2025 GHG emissions of the parent company are based on a self-inventory. External assurance is scheduled for 2026, and the verification results will be disclosed in the next sustainability report.
5. The GHG emission factors for electricity are based on the figures published by the Energy Administration, MOEA: 0.474 kg CO_2e/kWh (2024), and 0.466 kg CO_2e/kWh (2025). Beginning in 2025, the MOEA introduced the "Industrial Electricity Emission Factor" as a separate electricity emission factor for public electricity utilities.
6. The parameters adopted are based on the GHG Emission Factor announced by the Ministry of Environment on February 5, 2024. The global warming potential (GWP) values used for converting emissions to CO_2e are based on the IPCC's Sixth Assessment Report (2021): CO_2 = 1, CH_2 = 27.9, and N_4O = 273.

1-1-2 GHG Assurance Information

Item \ Year	2024		2025	
	Parent Company	Subsidiaries	Parent Company	Subsidiaries
Scope	Scope 1+2+3	-	Scope 1+2+3	-
Agency	SGS Taiwan Limited	-	SGS Taiwan Limited	-
Standards	ISO 14064-1:2018	-	ISO 14064-1:2018	-
Opinion	Reasonable assurance for Scope 1 + Scope 2, and limited assurance for Scope 3		External assurance is scheduled for June 2026	-

1-2 GHG Reduction Targets, Strategy, and Concrete Action Plans



Basic information of the Company

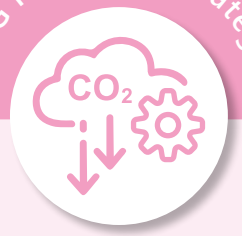
- ○ Companies with capital of NT$10 billion or above, the iron and steel industry, or the cement industry
- ○ Companies with capital of NT$5 billion or above but less than NT$10 billion
- ✅ Companies with capital under NT$5 billion



Minimum disclosure required by the Sustainable Development Roadmap for TWSE/TPEx-Listed Companies:

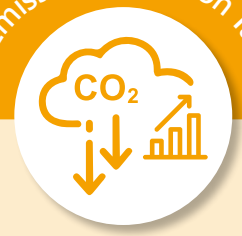
- ○ Disclosure in 2025: GHG reduction targets, strategy, and concrete action plans for the previous Year
- ○ Disclosure in 2026: GHG reduction targets, strategy, and concrete action plans for the previous Year
- ✅ Disclosure in 2027: GHG reduction targets, strategy, and concrete action plans for the previous Year

GHG Reduction Strategy



To reduce GHG emissions, the Company will implement annual energy-saving projects to reduce energy consumption and install self-consumption solar PV systems to lower GHG emissions. For any remaining emissions subject to carbon fees, the Company plans to purchase voluntary carbon credits from external sources as offsets. Electricity and natural gas are the primary energy sources used in the Company's production processes. The Company has established short-, medium-, and long-term plans for equipment upgrades and energy efficiency improvements.

GHG Emission Reduction Targets



- **Short-term targets (2026 to 2027):**
  - 5% reduction in Scope 1 emissions with 2021 being the base year.
  - Taiflex Green Power Co., Ltd. (a subsidiary) with an average annual renewable energy generation of 3,000,000 kWh.
- **Medium-term targets (2027 to 2030):**
  - 5% reduction in Scope 1 emissions with 2021 being the base year.
  - Taiflex Green Power Co., Ltd. (a subsidiary) with an average annual renewable energy generation of 6,000,000 kWh.
- **Long-term targets (2031 to 2040):**
  - 5% reduction in Scope 1 emissions with 2021 being the base year.
  - Taiflex Green Power Co., Ltd. (a subsidiary) with an average annual renewable energy generation of 10,000,000 kWh.

2025 Progress Toward GHG Reduction Targets



- In 2025, the Company's Scope 1 emissions decreased by only 4.63% while Scope 2 emissions decreased by 5.29% compared to 2021, achieving the originally established reduction targets.
- For Scope 1, the Company implemented measures to control natural gas consumption and improve boiler combustion efficiency. In the second half of 2025, ongoing energy-saving initiatives included regular maintenance of boiler equipment and the replacement of thermal storage bricks, effectively managing Scope 1 emissions.
- For Scope 2, the Company establishes annual energy-saving targets and initiatives, monitors electricity consumption across equipment, and, starting in 2025, has implemented energy-efficiency improvement projects targeting high energy-consuming equipment.
- In 2024 and 2025, Taiflex Green Power Co., Ltd. (a subsidiary) achieved cumulative power generation exceeding 1,200,000 kWh. The Company plans to continue investing in solar and biomass power projects in 2026.

∴ Appendix VII: Mapping to the United Nations Sustainable Development Goals (SDGs)

No.	Sustainable Development Goals	Corresponding Section	Page No.
SDG 1	End poverty in all its forms everywhere	5.3 Community Investment and Social Inclusion	91
SDG 3	Ensure healthy lives and promote well-being for all at all ages	1.4 Sustainability Goals and Practices	18
		5.3 Community Investment and Social Inclusion	91
SDG 7	Ensure access to affordable, reliable, sustainable and modern energy for all	1.4 Sustainability Goals and Practices	18
SDG 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	1.4 Sustainability Goals and Practices	18
		5.3 Community Investment and Social Inclusion	91
SDG 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	1.4 Sustainability Goals and Practices	18
SDG 10	Reduce inequality within and among countries	5.3 Community Investment and Social Inclusion	91
SDG 11	Make cities and human settlements inclusive, safe, resilient and sustainable	5.3 Community Investment and Social Inclusion	91
SDG 12	Ensure sustainable consumption and production patterns	1.4 Sustainability Goals and Practices	18
SDG 13	Take urgent action to combat climate change and its impacts	1.4 Sustainability Goals and Practices	18
SDG 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable and inclusive institutions at all levels	1.4 Sustainability Goals and Practices	18
SDG 17	Strengthen the means of implementation and revitalize the global partnership for sustainable development	1.4 Sustainability Goals and Practices	18
		5.3 Community Investment and Social Inclusion	91

∴ Appendix VIII: IFRS S2 Climate-related Disclosure Index

Aspect	IFRS S2 Climate-related Disclosures	Corresponding Section	Page No.
Governance	A. The role of the governance body in overseeing climate-related risks and opportunities	2.4 Climate Governance and Resilience Management	43
		2.4.1 Climate Governance Framework	43
	B. The role of management in overseeing climate-related risks and opportunities	2.4 Climate Governance and Resilience Management	43
		2.4.1 Climate Governance Framework	43
Strategy	A. Climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	2.4.3 Climate Scenario Analysis and Financial Impact Assessment	46
	B. The current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain.	2.4.3 Climate Scenario Analysis and Financial Impact Assessment	46
	C. The effects of climate-related risks and opportunities on the entity's strategy and decision-making.	2.4.3 Climate Scenario Analysis and Financial Impact Assessment	46
	D. The current and anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance, and cash flows.	2.4.3 Climate Scenario Analysis and Financial Impact Assessment	46
	E. Climate resilience through climate-related scenario analysis.	Key assumptions: 2.4.2 Climate Risk and Opportunity Identification	44
		Scenarios used: 2.4.2 Climate Risk and Opportunity Identification	44
		Assessment of impacts and climate resilience: 2.4.3 Climate Scenario Analysis and Financial Impact Assessment	46
Risk Management	The processes used to identify, assess, prioritize, and monitor climate-related risks and opportunities.	2.4.3 Climate Scenario Analysis and Financial Impact Assessment	46
Metrics and Targets	A. Information relevant to cross-industry metric categories (Climate-related Metrics): (1) Greenhouse gas emissions.	Appendix VI Climate-related Information of TWSE/TPEx-listed Companies	127
	B. Information relevant to cross-industry metric categories (Climate-related Metrics): (2) Remuneration.	-	-
	Industry-based metrics.	Appendix IV: SASB Disclosure Index - Chemicals	123
	Information relevant to climate-related targets set by the entity (Climate-related Targets).	Appendix VI Climate-related Information of TWSE/TPEx-listed Companies	127
		1-2 GHG Reduction Targets, Strategy, and Concrete Action Plans	129

We hope this Report would provide our stakeholders with better understanding of our efforts in promoting corporate sustainability and social responsibility. If you have any suggestions or comments regarding our ESG Sustainability Report, please contact us through the following methods:

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