2025

SUSTAINABILITY REPORT

達方電子企業永續報告書

DARFON



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Message from Chairman

Our ambition is not merely to be a consistently profitable company but to become a leader in industry transformation, social value creation, and environmental responsibility.

In 2025, the global political and economic landscape continued to evolve rapidly, shaped by geopolitical uncertainty, supply chain realignment, and increasing climate-related risks. For the Darfon Group, however, 2025 was a pivotal year for advancing structural transformation. In today's industrial landscape, corporate resilience can no longer be measured solely by financial performance. It increasingly depends on the ability to anticipate future trends, strategically position operations across global markets, and translate sustainability commitments into meaningful action.

In terms of economic performance, the Darfon Group demonstrated both operational resilience and renewed growth momentum in 2025. Full-year consolidated revenue reached NTD 25.08 billion, representing an increase of 15.5% from the previous year. In the Smart Business segment, 2025 marked the beginning of accelerated AI PC adoption. We capitalized on growth opportunities in the high-end backlit keyboard and gaming laptop markets. Drawing on our deep technological expertise in critical IT peripherals, we not only reinforced our global leadership position, but we also strengthened customer partnerships and engagement amid the AI wave. Together with our customers, we are moving beyond traditional "volume-based competition" toward a qualitative transformation in value creation. In the Green Energy Business, although the global bicycle market continued to face industry headwinds, Darfon remained focused on strengthening its long-term competitiveness throughout the market downturn. Through cross-disciplinary collaboration among subsidiaries, we vertically integrated bicycle frames, battery modules, and electronic control systems to provide customers with comprehensive E-Mobility solutions. At the same time, strategic investments in European distribution channels have enabled us to deepen localized services and gain greater market insight. We view short-term market volatility as an opportunity to reinforce our long-term competitiveness. By integrating capabilities and creating greater value, the Green Energy Business will become a core engine of Darfon's long-term profitability. In response to the shift toward dual-track supply chains, Darfon has actively reconfigured its global production footprint and established a global deployment strategy of "Lean China, Value-Driven Taiwan, Value-Added Europe, and Scale in Vietnam." This strategy is designed not only to diversify geopolitical risks but also to build shorter, more resilient supply chains that are closer to end markets. This configuration has also reduced the carbon footprint of cross-border transportation, aligning supply chain resilience with environmental responsibility.

Sustainability is ingrained in Darfon's DNA. On the environmental front, we have accelerated our low-carbon transformation. In 2025, Darfon achieved LEED Platinum certification and the UL Verified Healthy Building Mark, and was named an Asia-Pacific Climate Leader by the Financial Times. We were also selected as one of Business Weekly's Top 100 Carbon Competitiveness Companies in Taiwan and recognized by Common Wealth Magazine as a 1.5°C-compliant enterprise, demonstrating our unwavering commitment to net-zero emissions. The year 2025 also marked an important milestone on our journey toward net-zero emissions. Our science-based targets were officially validated by the Science Based Targets initiative (SBTi). Guided by these targets, we established a clear emissions reduction pathway to 2031. From a 2021 base year, we are committed to reducing Scope 1 and Scope 2 greenhouse gas emissions by 48.4% and Scope 3 greenhouse gas emissions by 27.5% by 2031. To deliver on these commitments, we are focusing on two strategic priorities. The first is the energy transition. We are increasing the share of renewable electricity and reducing energy consumption through smart energy management. The second is advancing a circular economy for advancing plastics circularity. We are incorporating "design for recyclability" into product development and expanding the use of post-consumer recycled (PCR) plastics. Through these efforts, we aim to reduce carbon emissions, accelerate resource circularity, and put the "Cradle to Cradle" sustainability philosophy into practice.

On the social front, we remain firmly committed to ethical business practices and to creating a diverse, equitable, and inclusive workplace where everyone can thrive. The Company has received the HR Asia Best Companies to Work for in Asia Award for five consecutive years, reflecting our long-standing commitment to talent development and to fostering an inclusive and supportive workplace. We recognize that our people are Darfon's most important asset. Our STP and RD talent development programs, we not only strengthen employees' professional capabilities but also cultivate the cross-disciplinary problem-solving skills needed in the AI era. Darfon also remains committed to fulfilling its corporate social responsibilities, from caring for local communities to safeguarding the well-being of employees around the world.

On the governance front, Darfon is committed to maintaining a governance framework that is transparent, accountable, and effective. We have strengthened the Board's oversight role and linked ESG performance to management evaluations, ensuring that sustainability objectives are embedded in every business decision. This year, Darfon received the "Taiwan Top 100 Sustainability Exemplary Enterprise Award." This recognition not only highlights the Company's outstanding performance in transparent governance and sustainable management but also demonstrates our steadfast commitment to creating long-term value for shareholders.

Looking ahead to 2026, it will be a pivotal year as AI technologies move toward widespread application and the global green transition continues to accelerate. Guided by our core principle of "Innovating Value, Growing Profits," Darfon will continue to create sustainable profitability and long-term corporate value while actively implementing ESG principles and the RBA Code of Conduct to support the Company's long-term and sustainable development. We firmly believe that sustainability is not a burden, but the only passport to the future. Darfon will continue to work alongside customers, suppliers, shareholders, and employees to build a low-carbon, highly efficient corporate model that embodies significant social value.

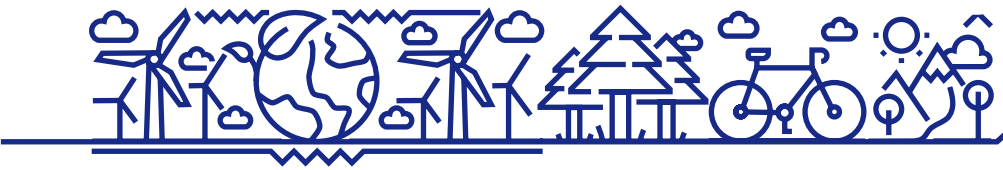
Finally, I would like to express my sincere gratitude to all stakeholders for their longstanding trust in and support for the Darfon Group. Let us remain resilient amid transformation and seize opportunities amid every challenge. Looking ahead, Darfon will continue to pursue its dual-axis strategy of "Smart + Green," combining data-driven management, talent development, and supply chain resilience as we embark on a new chapter in which smart manufacturing and sustainable operations advance hand in hand. Our ambition is not merely to be a consistently profitable company but to become a leader in industry transformation, social value creation, and environmental responsibility.



Chairman
Darfon Electronics Corp.

Darfon Group's Dual-Axis "Smart + Green" Transformation

Sustainability is not a burden, but the only passport to the future. Creating a low-carbon, highly efficient corporate model that embodies significant social value.

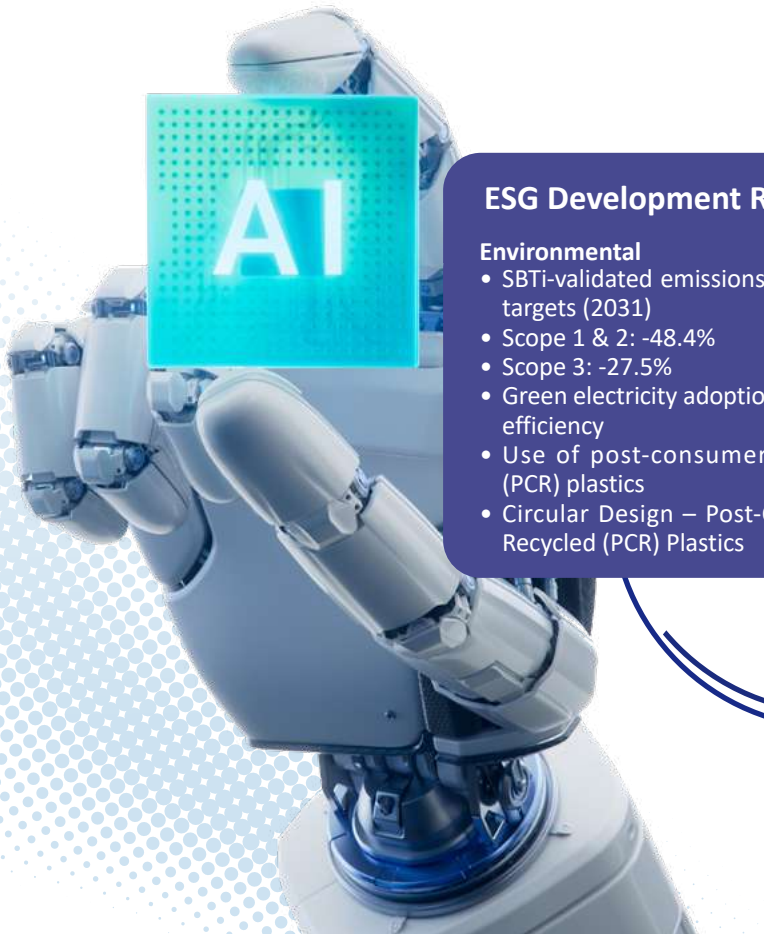


Core DNA and Foundational Capabilities

- Core ESG philosophy: sustainability-driven competitiveness
- Ethical corporate management
- Deep technological expertise: critical IT components
- Human capital: STP and RD talent development
- Customer trust and partnerships

Operational Resilience and Strategic Priorities

- 2025 revenue: NTD 25.07 billion (+15.5%)
- Dual-axis "Smart + Green" strategy
- AI PCs and high-end application market expansion
- Vertical integration of E-Mobility solutions (frames × batteries × electronic controls)
- Global footprint: ◦ Lean China ◦ Value-Driven Taiwan ◦ Value-Added Europe ◦ Scale in Vietnam



ESG Development Roadmap

Environmental

- SBTi-validated emissions reduction targets (2031)
- Scope 1 & 2: -48.4%
- Scope 3: -27.5%
- Green electricity adoption × energy efficiency
- Use of post-consumer recycled (PCR) plastics
- Circular Design – Post-Consumer Recycled (PCR) Plastics

Social

- HR Asia Best Companies to Work for in Asia (6 Consecutive Years)
- Diverse, equitable, and inclusive workplace (DEI)
- Talent development (cross-disciplinary AI capabilities)
- Employee well-being and global care
- Social engagement and local connections

Governance

- Strengthened Board oversight
- ESG-linked performance evaluations
- Transparent governance mechanisms
- Taiwan Top 100 Sustainability Exemplary Enterprise

External Challenges and Opportunities

- Geopolitical risks
- Rapid growth of the AI industry
- Supply chain restructuring
- Climate change pressures

Darfon's strategy:

Turning risks into strength and change into momentum for growth

2025 Sustainability Awards

- Headquarters Achieved LEED (Leadership in Energy and Environmental Design) Platinum Certification
- CommonWealth Magazine Corporate Carbon Reduction Thermometer (TRIPs): 1.5°C Compliant Enterprise
- Named an Asia-Pacific Climate Leader by the Financial Times
- TCSA Sustainability Report Award – Platinum
- HR Asia Best Companies to Work for in Asia Award (6 Consecutive Years, 2021–2025)
- National Golden Award for Architecture
- TCSA Top 100 Sustainability Exemplary Enterprise Award
- Named one of Business Weekly's Carbon Competitiveness Top 100 Companies
- Headquarters Achieved UL Verified Healthy Building Mark
- Astro Tech Honored as 2025 TAIPEI CYCLE Selected ESG Enterprise





Headquarters Achieved LEED (Leadership in Energy and Environmental Design) Platinum Certification



CommonWealth Magazine Corporate Carbon Reduction Thermometer (TRIPs): 1.5°C Compliant Enterprise



Named an Asia-Pacific Climate Leader by the Financial Times



TCSA Sustainability Report Award – Platinum



HR Asia Best Companies to Work for in Asia Award (6 Consecutive Years, 2021–2025)



National Golden Award for Architecture



TCSA Top 100 Sustainability Exemplary Enterprise Award



Named one of Business Weekly's Carbon Competitiveness Top 100 Companies



Headquarters Achieved UL Verified Healthy Building Mark



Astro Tech Honored as 2025 TAIPEI CYCLE Selected ESG Enterprise

2025 Sustainability Performance Highlights

Governance

6-20%
Ranked of the Corporate Governance Evaluation

100%
Communicated the "Integrity, Anti-Corruption, and Confidentiality Commitment"

100%
Employee Training on Ethical Corporate Management

2025 TAIPEI CYCLE
Selected ESG Enterprise
Astro Tech

Environmental

A-
CDP
Water Security

B
CDP
Climate Change

-8.2%
Water Withdrawal Intensity Decreased

-13.77%
Carbon (S1+S2) Average Annual Reduction in emissions intensity from the base year



Social

4,415 attendances
Human Rights-Related Training

41% **58%**
Improved blood pressure, digital monitoring makes health visible.

20 messages
Health Promotion

17 sessions
Health Seminars

NT$ 2,105,360
Annual investment in social engagement

456 people
Employees participated in volunteer activities

1286 hours
Contributing service hours

About This Report

This is the eighth Sustainability Report published by Darfon Electronics Corp. (hereinafter referred to as “Darfon Electronics” or “Darfon”), highlighting Darfon's sustainability strategy, performance, and achievements. Since its establishment in 1997, Darfon has evolved into a leading provider of IT peripherals and green energy solutions, has continued to transform through operational resilience, innovation, and strategic growth. Darfon remains committed to its people-centric management philosophy and is committed to creating a safe, harmonious, and inclusive workplace that respects human rights. At the same time, the Company actively pursues a wide range of sustainability initiatives, including environmental protection and social engagement. While pursuing profitability and growth, Darfon fulfills its corporate social responsibilities and strives to create shared prosperity for industry, the economy, and society.

Reporting Basis

Darfon Electronics collects information on major international economic, environmental, and social issues and conducts a materiality assessment to identify issues of concern to stakeholders. Material topics are identified through stakeholder surveys and internal assessment, and the related implementation results are presented in this Report.

This Report has been prepared in accordance with the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and discloses information with reference to the GRI Standards, the SASB Standards for the Computer Hardware industry, and the TCFD Recommendations, among other frameworks. The Report communicates and activities in the economic, environmental, and social dimensions to stakeholders and discloses related performance and management approaches.



Reporting Boundary

The data cover disclosed in this Report covers the sustainability performance of Darfon Electronics’ global operations from January 1 to December 31, 2025 (the same period as the financial reporting period). The reporting boundary has been expanded this year to cover Darfon’s global operations, with a primary focus on manufacturing sites and supplementary disclosure on offices and distribution locations. The reporting boundary principally covers Darfon’s corporate headquarters in Taoyuan and its operating sites in Tainan, Suzhou, Huaian, Chongqing, Vietnam, Thailand, and the Czech Republic, together with information on subsidiaries. Any differences in the reporting boundary are explained in the relevant sections or tables.

Report Management

The Secretariat of Darfon Electronics’ Sustainability Development Committee is responsible for the overall planning, coordination, communication, data consolidation, editing, and revision of this Report. The Report is published following approval by the Board of Directors.

Restatements of Information (GRI 2-4)

Any restatements of information in this Report are explained in the relevant sections.

Contact Information(GRI 2-3)

If you have any comments or suggestions regarding this report, please feel free to contact Darfon through the following channels:

Sustainability Department, Darfon Electronics Corp.

Address: No. 167-1, Shanying Rd., Guishan Dist., Taoyuan City, Taiwan,33341.

Tel: (03) 250-8800

Stakeholder email: integrity@darfon.com

Darfon Corporate Sustainability Website: https://esg.darfon.com.tw/

2025 Disclosure Boundary

Taiwan	Taoyuan Corporate Headquarters and Tainan Site
China	Suzhou Site, Huaian Site, and Chongqing Site
Southeast Asia	Vietnam Site and Thailand Site
Europe	Czech Republic Site
Subsidiaries	Darfon Energy Technology, Darad Innovation, TD Hitech Energy, Kenstone Metal, Astro Tech, and Unictron Technologies

External Assurance(GRI 2-5)

This Report has been externally assured by AFNOR ASIA LTD. in accordance with the requirements of Type 1, Moderate Level of Assurance under AA1000AS v3.

Reporting Frequency and Publication Date(GRI 2-3)

Darfon Electronics publishes its Sustainability Report annually. This Report was published in August 2026, and related information is available on Darfon’s corporate sustainability website.

1 Company Overview: About Darfon Electronics

Since its establishment in May 1997, Darfon Electronics, an affiliate of the BenQ Group, has consistently upheld its business philosophy of "Innovation, Quality, and Responsibility" and remains committed to delivering products and services that combine technological innovation with sustainable value. In its early years, the Company focused on the research, development, and manufacture of computer peripherals, backlight modules, and passive components. Leveraging its strong technological expertise and manufacturing capabilities, Darfon gradually established a competitive advantage in global markets.



I. Company Profile (GRI 2-1, 2-6)

II. Economic Performance

★ Key Performance Highlights

2025 Waste Resource Recycling Rate **81.6%**

In-House Product Manufacturing Rate 1 **100%**

Full-Year Consolidated Revenue NT$ **250.74** billion

Gross Profit NT$ **39.77** billion

I. Company Profile

Since its establishment in May 1997, Darfon Electronics, an affiliate of the BenQ Group, has consistently upheld its business philosophy of "Innovation, Quality, and Responsibility" and remains committed to delivering products and services that combine technological innovation with sustainable value. In its early years, the Company focused on the research, development, and manufacture of computer peripherals, backlight modules, and passive components. Leveraging its strong technological expertise and manufacturing capabilities, Darfon gradually established a competitive advantage in global markets.

In response to the global transition to net zero and the growing trend toward green transportation, Darfon officially entered the electric-assist bicycle (E-Bike) industry in 2012 and began developing green mobility technologies. In 2015, the Company launched its proprietary brand, BESV, demonstrating its long-term commitment to low-carbon lifestyles and sustainable mobility.

Today, Darfon Electronics has become a leading global provider of computer peripheral components and green energy technologies. Its business comprises two core segments: Smart Products (AIoT) and Green Energy Technology (Green). Its products and solutions are widely used in PC peripherals, smart modules, automotive electronics, passive components, high-precision positioning modules, and green mobility technologies.

Following years of steady development and strategic transformation, Darfon has successfully evolved from a traditional electronics manufacturer into an integrated provider of information technology and green energy solutions. The Group currently operates 14 locations worldwide and continues to advance environmentally friendly products, low-carbon operations, and sustainable value chains, low-carbon operations, and sustainable value chains. Through these efforts, Darfon continues to fulfill its corporate social responsibilities and advances toward sustainable operations and a net-zero future. Darfon is a world-leading specialist in eco-friendly technologies, providing IT peripherals, passive components, and green energy solutions.

Taiwan R&D

The Taiwan headquarters is responsible for product research and development and manufacturing process design, including trial production of new products, production of high-end products, and sales of all products.

Taiwan HQ

Overseas Manufacturing

Through a total of 7 production sites in China and overseas, responsible for the manufacturing of various Darfon Electronics products.

7 production bases

Global Sales

Customer-oriented, with 13 maintenance service and sales centers established in Europe, the United States, South Korea, Japan, and other locations, staying close to local markets and providing customers with the most immediate and effective response.

13 production bases worldwide

Stock Code
8163(TWSE)

Number of Employees (GRI 2-7)
6,309

In-House Production Rate (Unit: %)
100%

TWSE-listed company
listed on November 28, 2007

Paid-In Capital
NTD 2.8 billion

Operational Activities and Business ModelDarfon Electronics adopts an internationalized approach to R&D and productionmarketing division, driving operations from Taiwan to global factories and markets.

Vision: Bringing Enjoyment and Quality to Life

Committed to the development of science and technology in life applications, expecting to bring a more beautiful life to consumers, as the power of progress for human society.

Mission

Darfon is a world-leading specialist in eco-friendly technologies, delivering innovative IT peripherals, passive components, and green energy solutions.

Corporate Culture: Integrity and Self-Discipline, Passion and Professionalism, Execution and Excellence, and Caring and Contribution.

We encourage our employees to pursue ambitious goals with an innovative, proactive, and positive mindset, a commitment to excellence, love for the natural environment, and care for our communities and the people around us. In response to the growing impacts of climate change,
Darfon supports climate action and continues to advance environmentally responsible practices.

Operating Locations

The Darfon Group has 14 operating locations worldwide, including: Facilities in Taiwan and China, operations in Southeast Asia and Europe, and its subsidiaries.



Operating Locations

- Corporate Headquarters: No. 167-1, Shanying Rd., Guishan Dist., Taoyuan City,33341, Taiwan
- Tainan Site: No. 21, Gongye 2nd Rd., Yantian Vil., Annan Dist., Tainan City, 70955, Taiwan
- Suzhou Site: No. 99 Zhuyuan Road, New District, Suzhou City , China
- Huaian Site: No. 9, Xuyang Street, Huaian Economic and Technological Development Zone , China
- Chongqing Site: Buildings 1, 2, and 3, Standard Factory Complex for the Electronics Industry, Hechuan Industrial Park, Hechuan Dist., Chongqing, China; and No. 1569, Gaoyang Rd., Nanjin Subdistrict, Hechuan Dist., Chongqing , China
- Vietnam Site: Dong Van IV Industrial Park, Dai Cuong Commune, Kim Bang District, Ha Nam Province, Vietnam
- Thailand Site: 700/50, 700/52, and 700/54, Moo 6, Nong Mai Daeng Subdistrict, Mueang Chonburi District, Chonburi Province, Thailand
- Czech Republic Site: Cvr.ovice 192, 691 23 Cvr,ovice, Jihomoravský kraj, Czech Republic

Subsidiaries

- Darad Innovation Corp.: Office and Site located in Darfon's corporate headquarters building
- Darfon Energy Technology Corp.: Office and Site located in Darfon's corporate headquarters building
- TD HiTech Energy Inc.: 3F., No. 1, Fenggong Rd., Hukou Township, Hsinchu County 303, Taiwan
- Kenstone Metal Co., Ltd.: No. 9, Gongyequ 5th Rd., Xitun Dist., Taichung City 407, Taiwan
- Astro Tech Co., Ltd.: (Taichung Headquarters) No. 6, Jingke 8th Rd., Nantun Dist., Taichung City 408; (Changhua Site) No. 26-8, Yide S. Rd., Changhua City, Changhua County 500, Taiwan
- Unictron Technologies Corp.: No. 83, Ke Wang Rd., Longtan Dist., Taoyuan City 32556, Taiwan

Strengthening Our International Market Presence: Building a European E-Mobility Distribution Platform

To accelerate the expansion of its green mobility business, Darfon i made a strategic investment in German distributor GROFA, acquiring its equity in stages as part of the Company's broader expansion into the European E-Mobility market. With many years of experience in Europe, GROFA has established strong capabilities in brand management, channel operations, and digital sales. It distributes a range of premium international sports and electric mobility brands and has built a solid market presence in Germany, Austria, Belgium, the Netherlands, and Luxembourg.

By integrating the Group's existing technological and product strengths with GROFA's distribution platform and resources, Darfon is establishing a new European E-Mobility business platform, strengthening local sales and service capabilities, and accelerating its entry into key markets. This initiative will not only increase the market penetration of green products but also expand revenue scale, enhance profitability, and generate vertical integration synergies.

Looking ahead, Darfon will continue to deepen its presence in the European market. Through channel integration and localized services, the Company will promote the wider adoption of low-carbon mobility solutions and work with its partners to address the challenges of global climate change and advance its sustainable growth objectives.

1997
Foundation Building the Foundation

Entering the IT Manufacturing Industry

- Established comprehensive product lines covering ceramic components, microwave components, and other communications and precision components, together with antenna and module solutions.
- Entered the backlight inverter market and became one of the world's major suppliers.

2012
Cross-Sector Expansion

Entering the E-Bike Market and Unlocking New Growth Momentum

- Entered the E-Bike market.

2015
Brand Creation

Launching BESV and Building an Integrated Bicycle Value Chain

- Launched the proprietary BESV brand of electric-assist bicycles and established an integrated value chain encompassing bicycle frames, battery modules, complete bicycle assembly, electronic control systems, and smart integration technologies. This included the acquisition of a premium bicycle assembly Site, a battery module manufacturer, and a bicycle frame R&D and manufacturing company, as well as the establishment of overseas operating sites to expand production capacity.

2021
Solution Expansion

Expanding Green Energy Solutions

- Darfon further expanded its green energy product portfolio, with green energy-related patents representing more than 40% of its patent portfolio. Its products focused on keyboards, inductors, high-end capacitors, and electric bicycles, while the Company continued to expand its E-Mobility green energy solutions, including mobility

2023
Carbon Reduction Commitment

Submitting Science-Based Targets for Validation

- Darfon formally submitted its science-based targets to the Science Based Targets initiative (SBTi) for validation and committed to further strengthening its climate actions in the future, working with supply chain partners to support global climate action. In information technology, the Company remained committed to applying low-carbon innovative technologies to increase the share of green products. In the Green Energy Business, it continued to expand its global market presence and market share, taking concrete action in response to climate-related challenges.

2024
Accelerating Sustainability

Advancing Transformation 2.0 and 1.5°C-Aligned Science-Based Targets in Parallel

- Darfon officially launched its "Transformation 2.0" initiative, evolving from a primary focus on green energy toward comprehensive sustainability-driven innovation. Its 1.5°C-aligned science-based targets were also officially validated by the SBTi.

2025
Strengthening Our International

Market Presence: Acquiring German E-Mobility Distributor GROFA

- By integrating GROFA's brand and sales strengths with the Darfon Group's resources, the Company established a European distribution platform, accelerated its entry into the E-Mobility market, increased revenue and profitability, and generated integration synergies.

II. Economic Performance

Sustainability Taxonomy Disclosures

In response to growing capital market expectations for transparent sustainability disclosures, Darfon Electronics has developed an internal framework for assessing the environmental sustainability of its economic activities, based on the Financial Supervisory Commission's Reference Guidelines for the Recognition of Sustainable Economic Activities, Second Edition and the EU Taxonomy Regulation. Under this framework, we apply the technical screening criteria (TSC) to determine whether an economic activity makes a substantial contribution to an environmental objective. We voluntarily disclose the extent to which the Group's principal economic activities meet the relevant criteria, including compliance with minimum safeguards (MS) and the requirement to do no significant harm (DNSH) to the other environmental objectives.





1. Climate Change Mitigation and the Transition to a Circular Economy

Darfon Electronics identified its principal operating activities as making a substantial contribution to two environmental objectives: "climate change mitigation" and "the transition to a circular economy."



Key disclosures for 2025 are as follows:

- **Climate Change Mitigation:**

  In 2025, Darfon's corporate headquarters achieved LEED Platinum certification and received the UL Verified Healthy Building Mark, making it the first and only technology company headquarters in Taiwan to hold both internationally recognized certifications.

Alignment status:

- In 2025, the Group's corporate headquarters achieved LEED Platinum certification and received the UL Verified Healthy Building Mark.
- Darfon's science-based targets were validated by the SBTi, including a commitment to reduce greenhouse gas emissions by 48.4% by 2031.
- On-site renewable energy generation: The corporate headquarters expanded its rooftop solar photovoltaic installation.
- Renewable energy: In 2025, self-generated renewable electricity for self-consumption reached 8,882,039 kWh, effectively reducing Scope 2 emissions.

- **Transition to a Circular Economy:**
  Achieving sustainable resources through circular design

Alignment status: Darfon has integrated circular economy principles into its operations. In 2025, the waste recycling and resource recovery rate reached 81.6%.

We have implemented battery passports introduced battery passports and green coating technologies while enhancing product design for disassembly and reuse.





2.Assessment Results for Sustainable Economic Activities

Darfon Electronics conducted a self-assessment of its principal economic activities for 2025. The assessment concluded that these activities qualified as sustainable economic activities.



Assessment Criterion	Alignment Status	Detailed Description
Condition 1: Makes a substantial contribution to at least one environmental objective	Aligned	Green products accounted for approximately 30% of the Group's revenue. Products received internationally recognized certifications, including ENERGY STAR and EPEAT. Darfon was also recognized as a 1.5°C-aligned company under CommonWealth Magazine's Corporate Carbon Reduction Thermometer.
Condition 2: Does no significant harm to any of the six environmental objectives (DNSH)	Aligned	No material penalties for environmental pollution were imposed during the past three years. The Group maintained an ISO 14001-certified environmental management system and implemented water resource monitoring were implemented to ensure that biodiversity and water resources were not adversely affected.
Condition 3: Complies with minimum safeguards (MS)	Aligned	Darfon strictly complies with internationally recognized human rights principles, including the United Nations Guiding Principles and applicable labor laws and domestic labor laws. No material penalties relating to labor practices, tax evasion, or complaints from neighboring communities were imposed during the past three years.
Final assessment result: Overall assessment result	Aligned	The Group's revenue for 2025 was NTD 25,073,796 thousand, and the share of revenue generated from green products continued to increase.

3.Financial Information Disclosure and Future Outlook

Darfon Electronics' 2025 Scope 1, Scope 2, and Scope 3 greenhouse gas emissions data were verified by an independent third party to ensure data reliability.

- Linkage with Financial Statements: Revenue and total assets for the year, amounting to NTD 25,073,796 thousand and NTD 33,086,399 thousand, respectively, were derived from the audited financial statements.
- Long-term commitment: Darfon Electronics will continue to monitor the latest developments in the technical screening criteria adopted by the European Union and the Financial Supervisory Commission. The Company will continue refining its methodology for calculating of the proportions of capital expenditure (CapEx) and operating expenditure (OpEx) associated with sustainable economic activities, while further advancing its end-to-end green mobility strategy as it works toward its net-zero emissions vision for 2050.



Note: This disclosure was prepared based on Darfon Electronics' "Corporate ESG Information and Sustainable Economic Activities Self-Assessment Questionnaire," completed on January 20, 2026, and the latest publicly available information published by the Group (https://www.darfon.com/tw/).

Revenue and Operating Results (GRI 201-1,201-4)

Darfon 2025 Full-Year Financial Highlights

Revenue & Profitability

- Consolidated Revenue: NTD 25.074 Billion
- BillionGross Profit: NTD 3.977 Billion

Operating Performance & Net Income

- Operating Loss: NTD 70 Million
- Net Income Attributable to Owners of the Parent: NTD 142 Million

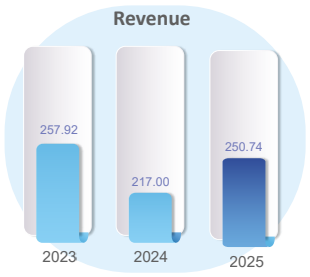
Earnings Per Share

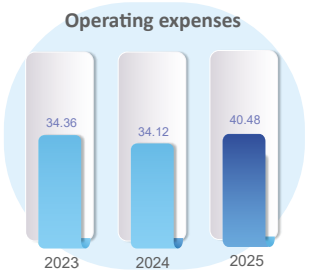
Per Share (EPS): NTD 0.51

Revenue by Product Category

Item (Unit: NTD 100 million)	Amount
Revenue from Primary Direct Economic Value	
Revenue	250.74
Allocated Economic Value	
Operating Costs	201.12
Employee Wages and Benefits (including profit sharing)	38.81
Payments to Capital Providers (interest and dividends)	8.35
Government Payments (taxes)	3.87
Community Investment - Donations	0.06
Retained Economic Value	
Revenue - Operating Costs	-1.48

Item (Unit: NTD 100 million)

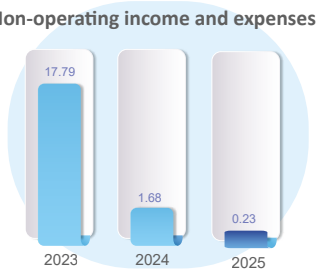




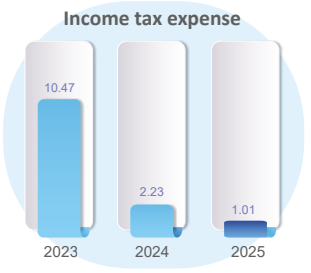


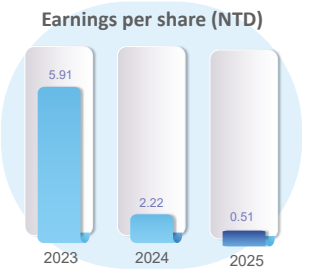


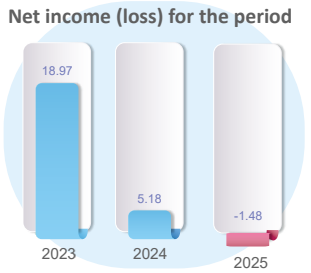
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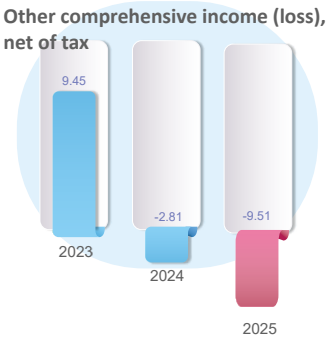


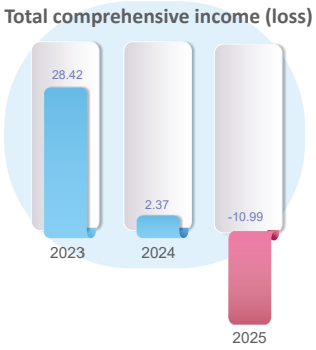


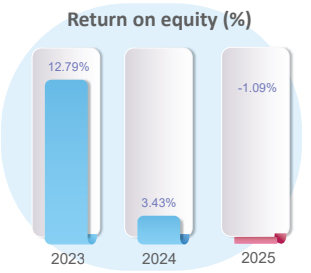












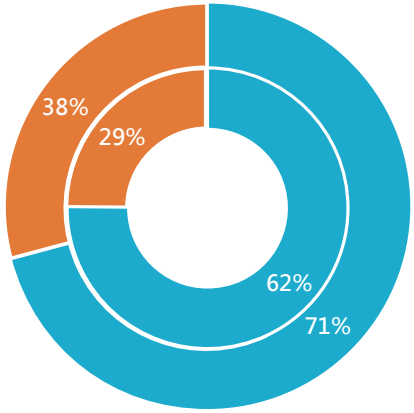
Revenue by Product Category

Category	2024 Revenue (NTD 100 million)	Share of 2024 Revenue (%)	2025 Revenue (NTD 100 million)	Share of 2025 Revenue (%)
IT / Smart Business (AIoT)	153.12	71	154.36	62
Green Energy (GREEN)	63.88	29	96.37	38
Total	217.00	100	250.73	100

Note: Revenue from the Green Energy Business increased significantly following the acquisition of GROFA in 2025.

Product Revenue Contribution in 2024 and 2025

Outer Ring:2025
Inner Ring:2024



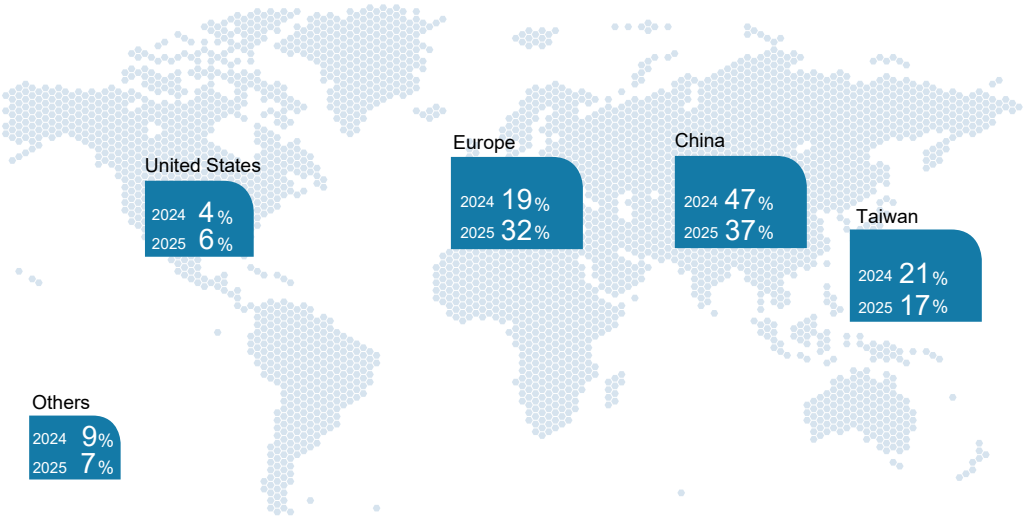


Sales Regions and Proportions of Major Products

Through continuous innovation and technological integration, Darfon Electronics continues to strengthen its position in the smart technology and low-carbon energy markets. Guided by its commitment to sustainability, intelligent technologies, and low-carbon innovation, the Company enhances its global competitiveness through a diversified portfolio of high-value products and solutions. In 2025, exports accounted for 83% of total sales, up 4 percentage points from the previous year. Darfon's principal markets include Europe, the United States, and China.

	2024 Revenue (NTD 100 million)	Share of Sales (%)	2025 Revenue (NTD 100 million)	Share of Sales (%)
Taiwan	44.77	21%	43.35	17%
United States	8.67	4%	14.87	6%
China	102.25	47%	93.12	37%
Europe	40.8	19%	81.17	32%
Others(Note 1)	20.51	9%	18.23	7%
Total	217	100%	250.74	100

Note 1: “Others” includes Japan, South Korea, and other markets.



Key Products and Markets

Darfon Electronics initially built its business around components, backlight modules, and inverters. As its technological capabilities and manufacturing expertise evolved and market demand grew, the Company gradually expanded into IT products while pursuing its transformation into the green energy sector. Today, Darfon's operations span three major areas: smart products (AIoT), green energy products, and E-Bikes. The Company offers a diversified portfolio of high-value products and solutions.

Three Major Areas

Smart Products Note 1

• Peripheral Components and Integrated Passive Components



•Critical IT Peripherals and Precision Components:

* Input Devices: Notebook (NB) and desktop computer (PC) keyboards, backlit keyboards, gaming keyboards and mice, and portable and folio keyboards for tablets.
* Precision Input Technologies: Notebook touchpad modules, haptic touchpads, fingerprint recognition modules, and precision molds.
* Audio Peripherals: Wireless Bluetooth stereo headsets and gaming headsets.

•Integrated Passive Components and Materials:

* Products: Multilayer ceramic capacitors (MLCCs), power inductors, coupled inductors, common-mode chokes, ferrite beads, and LAN transformers.
* Applications: Smartphones, AI servers, in-vehicle infotainment systems, wearable devices, and industrial control equipment.



• AI Technology Integration and AIoT Applications:

•AI PCs: High-value backlight modules and touch technologies for AI PCs.
•Microsoft Copilot Integration: Fingerprint-enabled mice and power switches supporting Microsoft Copilot Recall.
•AI Server Components: MLCCs and inductors for AI servers.
•Smart Services: AI chatbots and smart modules supporting over-the-air (OTA) firmware updates and diagnostics.



Note 1: IT peripherals and precision products and smart (AIoT) products are collectively referred to as smart products.



- **E-Mobility Solutions: E-Bikes**
  - Electric mountain bikes, road bikes, folding bikes, and city bikes.
  - Core Components: Lithium-ion and sodium-ion battery packs, chargers, electronic control kits, motor control systems, and IoT modules.
  - Other Mobility Applications: Electric scooters, electric motorcycles, AGVs/AMRs, industrial vehicles, forklifts, and commercial cleaning equipment.

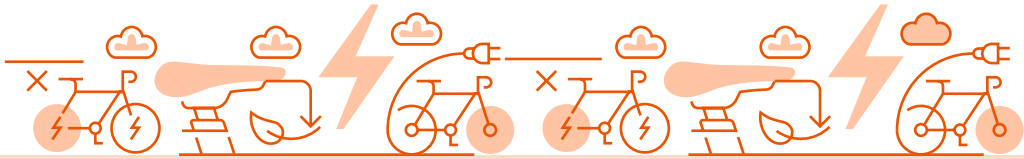
- **Energy Storage and Power Management**
  - Residential & Community Systems: Residential energy storage and emergency power systems.
  - Hybrid Energy Storage Inverters
  - UPS Systems: Small- and medium-sized uninterruptible power supply systems.
  - Large-scale Energy Storage Systems: Industry 4.0 and industrial energy storage applications.



- **Specialized Applications**
  - Drones: Lithium-ion battery modules and chargers.
  - Smart Fitness: Smart Training Stands.
  - Robotics: Power and control solutions.
  - Industrial Energy Recovery: Factory energy recovery and energy-saving systems.



- **Power Solutions ; High-efficiency Power Supplies: Power conversion solutions for power tools, HPC systems, LCD TVs, tablets, and notebook computers.**
  - Darfon's green energy strategy is built on three core technologies—mechanical systems, energy, and materials—enabling the Company to provide integrated solutions spanning product design, R&D, and manufacturing.



• Core Systems and Components

- Drive Systems: Mid-drive and hub-motor control systems.
- Battery and Energy Management: Lithium-ion and sodium-ion battery packs, chargers, and solid-state battery solutions.
- Smart Drivetrain: Electronic shifting systems, electronic locks, and USB Type-C PD 3.1 fast charging.

• Product Applications

- Professional Models: Electric mountain bikes, road bikes, folding bikes, and city bikes.
- Entry-level Smart Bikes: Self-learning motor-assist systems.
- High-performance Models: Speed Pedelecs with battery capacity exceeding 1 kW.
- Other Mobility Applications: Smart electric scooters.

• Smart IoT Applications:

- Connectivity: IoT communication modules, 4G antenna modules, Bluetooth modules, and GSM/GPS positioning.
- Smart Services:
  * Darfon Cloud: Cloud platform services.
  * AI-powered Chatbot: Customer support, diagnostics, and repair scheduling.
  * OTA Firmware Updates: Remote firmware updates and diagnostics.

• Extended Applications

- Smart Training Stand: Indoor cycling and fitness applications.
- Community Engagement: Promoting low-carbon tourism and community development through E-Bike donations.



2 Stainability Management

Darfon conducts an annual materiality assessment in accordance with the GRI Standards 2021, AA1000SES, and AA1000AP to identify sustainability topics that are most relevant to its stakeholders and business. The results guide the development of management approaches, objectives, and action plans.



I. Sustainability Governance

II. Stakeholder and Material Topics Analysis

★ Key Performance Highlights

100% of Products Obtained Environmental & Safety Certifications in All ApplicableCountries

48% of Local Procurement Reducing Carbon Footprint Through Local Sourcing

Childcare Support for Children Aged 0–3 Up to NT$**110,000**

I. Sustainability Governance

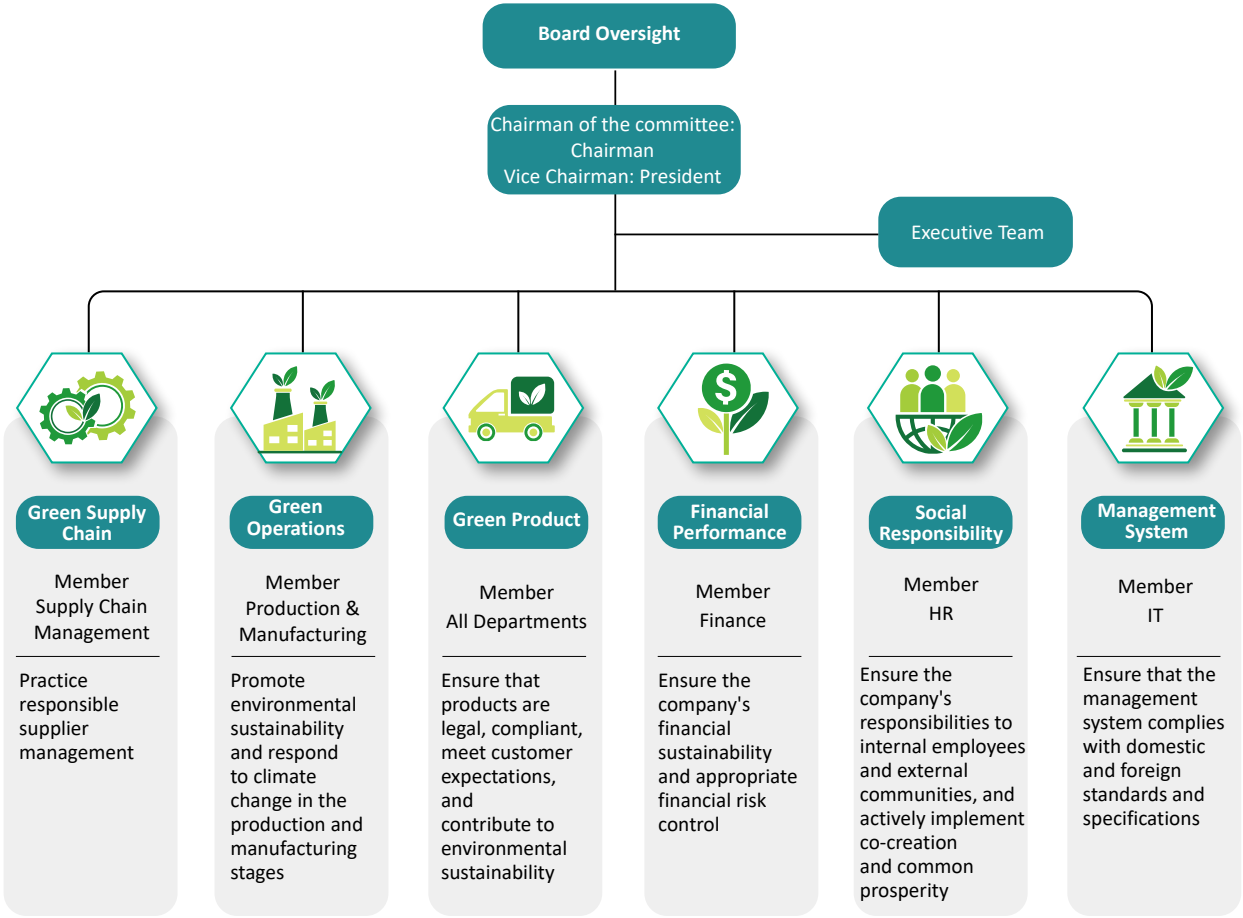
Sustainability Development Committee

Darfon established its Corporate Social Responsibility (CSR) Committee in 2016 and officially renamed it the Sustainability Development Committee in 2021. The Committee is chaired by the Chairman, with the President serving as Vice Chair. It comprises six functional teams, each led by a senior executive from a respective business or corporate function, and is supported by a Secretariat responsible for coordinating and promoting sustainability initiatives across the Group.

In 2022, Darfon adopted its Sustainable Development Best Practice Principles. To strengthen governance effectiveness and transparency, the Sustainability Development Committee reports material sustainability issues, implementation progress, and performance to the Board of Directors annually. The latest report was presented to the Board in May 2026.

In 2025, key matters reported to the Board included sustainability awards and recognitions, Sustainability Report disclosures, climate scenario analysis results, greenhouse gas reduction strategies, social engagement initiatives, and employee well-being programs.

Sustainability Development Committee Organizational Structure



Key Responsibilities of the Sustainability Development Committee

The Sustainability Development Committee is responsible for monitoring developments in corporate governance and economic, environmental, and social (EES) issues in Taiwan, internationally, and across the industries in which Darfon operates. The Committee also identifies and evaluates material sustainability issues that are relevant to stakeholders and the Company's business.

Guided by the Board of Directors, the Committee continuously reviews domestic and international ESG trends, benchmarks leading practices, and assesses their relevance to Darfon's business strategy and operations. It also evaluates the potential impacts of the Company's activities on stakeholders and develops sustainability policies, management frameworks, and implementation plans to support the Company's long-term sustainable development objectives.



II. Stakeholder and Material Topics Analysis

Darfon conducts an annual materiality assessment in accordance with the GRI Standards 2021, AA1000SES, and AA1000AP to identify sustainability topics that are most relevant to its stakeholders and business. The results guide the development of management approaches, objectives, and action plans.

Stakeholder Engagement

Based on the five stakeholder attributes defined by AA1000SES—dependency, responsibility, influence, diverse perspectives, and tension—Darfon identified seven major stakeholder groups. The Company engages stakeholders through various communication channels to understand their concerns and expectations. Engagement results are reviewed annually and reported to the Board of Directors to support effective sustainability governance.

Materiality Assessment

In 2025, Darfon conducted a double materiality assessment in accordance with GRI 3: Material Topics 2021. The process consisted of three steps:

Impact Identification

Identify actual and potential positive and negative impacts of Darfon's operations, products, and services on the economy, environment, people, and human rights.

Impact Assessment

Assess the significance of identified impacts based on their scope, severity, and likelihood.

Material Topic Determination

Prioritize material topics based on the significance of their impacts for sustainability management and disclosure.

The assessment considered stakeholder feedback, business strategy, industry trends, international sustainability standards, and emerging sustainability issues, including the GRI Standards, SDGs, TCFD, SASB, and IFRS S1/S2.

Following the assessment and review by the Sustainability Development Committee, Darfon refined 18 topics into 19 sustainability topics, of which 10 were identified as material topics for priority disclosure and management.

Identification

Darfon identifies material topics by considering international sustainability frameworks, business strategy, industry trends, stakeholder feedback, and emerging sustainability issues.

In 2025, 19 sustainability topics were identified, compared with 18 in the previous year. Following stakeholder surveys and review by the Sustainability Development Committee, 10 material topics were prioritized for sustainability management and disclosure.

Changes in Sustainability Issues and Material Topics

Aspect	2024 Sustainability Issues	2025 Sustainability Issues	Comparison with 2024
G – Governance (Economic)	Corporate governance ★	Corporate governance ★	No change / Material topic
	Customer relationship management ★	Customer relationship management ★	No change / Material topic
	Sustainable supply chain management ★	Sustainable supply chain management ★	No change / Material topic
	Information security ★	Information security ★	No change / Material topic
	Taxation	Taxation	No change
	Ethical corporate management	Ethical corporate management	No change
E – Environmental	Climate strategy ★	Climate strategy ★	No change / Material topic
	Energy management ★	Energy management ★	No change / Material topic
	Waste management ★	Waste management ★	No change / Material topic
	Green product innovation ★	Green product innovation ★	No change / Material topic
	Water resource management	Water resource management	No change
	Air pollution prevention	Air pollution prevention	No change
	Biodiversity	Biodiversity	No change
S – Social	Talent training and development ★	Talent training and development ★	No change / Material topic
	Occupational safety and health ★	Occupational safety and health ★	No change / Material topic
	Talent recruitment and retention	Talent recruitment and retention	No change
	Human rights, diversity, and inclusion	Human rights, diversity, and inclusion	No change
	Social engagement	Social engagement	No change
	-	Product health and safety	New sustainability issue

★ Indicates a material topic for the year

Level of Stakeholder Concern – 137 Stakeholders

A total of 137 questionnaires were collected
Customers: 2 questionnaires; Suppliers/contractors: 13 questionnaires; Government: 5 questionnaires; Employees: 47 questionnaires; Subsidiaries/affiliates: 70 questionnaires

Operational Impact – 36 Internal Executives and Employees

A total of 36 representative executives and employees from different functions assessed the impacts of the material topics on Darfon's operations

Sustainability Impacts – 36 Internal Executives and Employees

The significance of each material topic was assessed in terms of its impacts on the economy, environment, and people, including human rights. A total of 36 executives and employees assisted in identifying material topics with significant impacts from the perspectives of positive and negative impacts, actual and potential impacts, irremediable impacts, the value chain, and financial impacts.



Analysis

Darfon evaluates identified topics based on stakeholder concerns, impacts on the Company's operations, and sustainability impacts. Survey results and assessment findings are analyzed to prioritize topics with the most significant impacts on Darfon and its stakeholders.

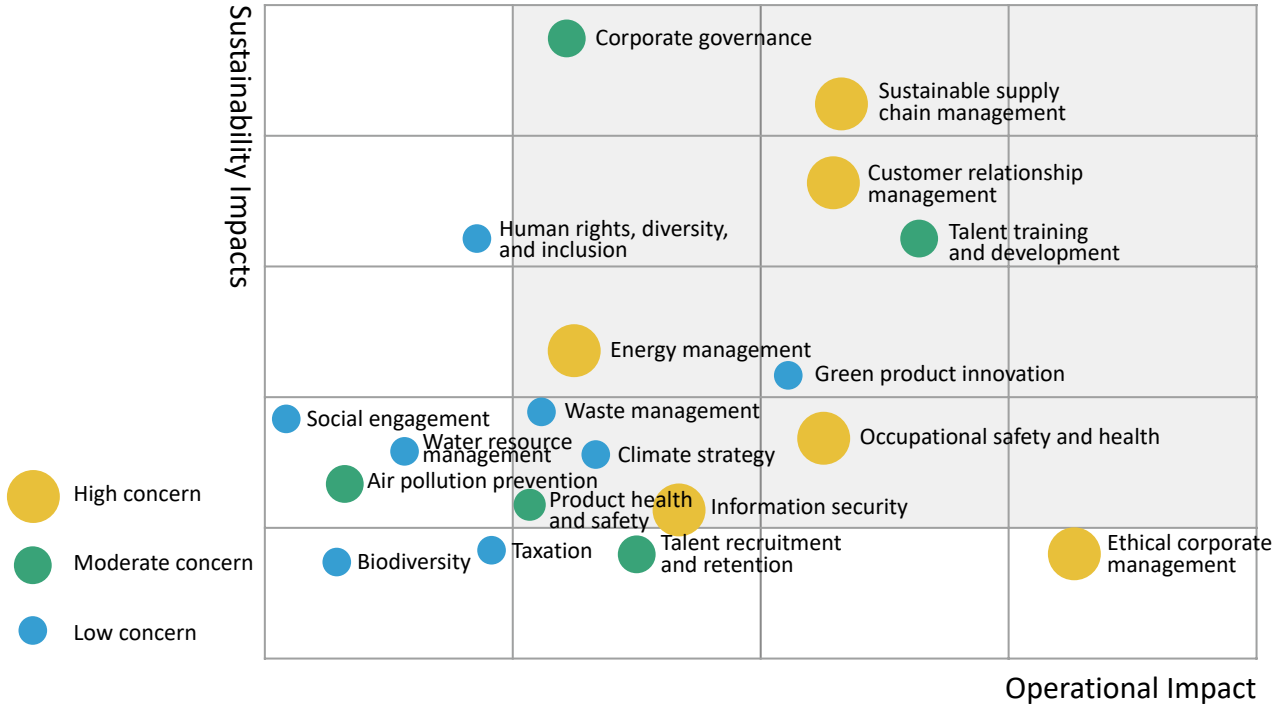
Confirmation

Following review by the Sustainability Development Committee, Darfon identified 10 material topics, corresponding to 12 GRI Material Topics and one Darfon-specific topic. The material topics remained unchanged from the previous year.

Darfon also assessed the occurrence and impacts of each material topic across the upstream, operational, and downstream stages of the value chain. Based on the results, the Company established corresponding management approaches, performance indicators, and targets to manage sustainability impacts and support continuous improvement.



Darfon Material Topic Matrix



3 R&D and Innovation: Product Innovation and Customer Trust

In recent years, Darfon Electronics has actively pursued business transformation, positioning itself as a leading company centered on the Information Technology (IT) and green energy industries, while continuously increasing its investment in innovation and R&D. In 2025, R&D expenditure reached NT$970 million, with a focus on green products and technological innovations that contribute positively to sustainable development. In addition to continuing to develop energy-saving and carbon-reduction technologies for its core keyboard manufacturing business, Darfon is actively expanding its green energy business. Leveraging its established expertise in materials science, the Company is developing two core technology platforms—energy storage and precision mechanisms—to build long-term competitive advantages.

I. Innovation and R&D Initiatives

II. Green and Low-Carbon Products

III. Customer Relationship Management

IV. Supply Chain Management



★ Key Performance Highlights

2025 R&D Expenditure
NT$970 million

Ranked Among Taiwan's Top 100 Patent Applicants
59th

2025 Patents Granted
119 Domestic & International Patents

In 2025, 100% of products manufactured at Darfon's production sites, including IT peripherals, green energy products and components, and E-bike-related products, complied with RoHS requirements, with no major non-compliance incidents reported.

I. Innovation and R&D Initiatives

Darfon continues to invest in innovation and R&D to strengthen its competitiveness in the IT and green energy sectors. In 2025, R&D expenditure totaled NTD 970 million, supporting the development of green products and innovative technologies.

The Company focuses on improving the energy efficiency and carbon reduction performance of its core keyboard products while expanding its green energy business through two core technology platforms: power and energy storage technologies and precision mechanical technologies.

R&D Expenditures

(NTD 100 million)

Item	2023	2024	2025
R&D expenditures	10.47	10.15	9.70

Product Development

Sustainability is integrated into Darfon's product development process from the earliest design stage. The Company promotes modular product architectures for notebook computers and other products, emphasizing ease of assembly, repairability, and recyclability.

Darfon also applies Design for Harvest principles to enhance the reuse and repair of key components, including keyboards and touchpads. In addition, product design considers automated disassembly to improve resource efficiency, facilitate material recovery, and support circular economy practices.

Through these initiatives, Darfon reduces environmental impacts throughout the product life cycle while reinforcing its commitment to sustainable innovation and circular product design.

Technologies Successfully Developed and Innovation Achievements in 2025

Item	Description	Environmental/Social Ben-efits
Materials ap-plications	• Expanded the use of post-consumer recycled (PCR) plastics while evaluating higher recy-cled-content ratios and additional sustainable material sources. • Introduced scissor-switch mechanisms made from 97% bio-based POM and backlight masking made from 100% PET. • Increased the application of 50% PCR POM in scissor-switch mechanisms, 50% PCR reinforced aluminum, and 90% PCR stainless steel in metal plates. • Incorporated materials derived from ocean-bound plastic (OBP), including keycaps made from PCR ABS containing 5% OBP EPS and scissor-switch mechanisms made from 30% OBP PA6.	Promotes the use of recycled and environmentally friendly materials, reduces virgin plas-tic consumption, and supports resource circularity.
Lightweight materials	•Increased the application of 0.3 mm high-strength aluminum sheets and evaluated reducing thickness to 0.2 mm, which could reduce product weight by 50.75% compared with conventional 0.4 mm aluminum sheets. •Added approximately 10% glass beads to plastic materials for mouse products, reducing product weight by approximately 15.7% compared with conventional ABS plastic. Product validation has been completed.	Reduces material consump-tion, lowers product weight, and improves resource effi-ciency throughout the product life cycle.
Low-impact Surface Fin-ishing	Combined UV inkjet printing with laser engraving to produce multicolor finishes while reducing the use of organic solvents.	Reduces volatile organic compound (VOC) emissions and minimizes environmental impact during manufacturing.
USB Type-C PD Bidirectional Shared Charging Technology	Developed a 250 W USB Type-C PD bidirectional shared charging platform that supports high-efficiency charging and discharging for E-Bikes, power tools, and portable energy storage products, with future applications under evaluation for E-Scooters.	Standardized charging inter-faces reduce the number of chargers and electronic waste while improving energy effi-ciency through power recov-ery during product testing. Darfon also developed an energy recovery system that redirects electricity consumed during product testing to battery charging, recovering approximately 85% of testing energy.

Intellectual Property Management

Objectives

- Enhance patent quality: Strengthen the technological value and commercial competitiveness of patents while protecting R&D achievements.
- Manage intellectual property risks: Reduce patent infringement and litigation risks to support stable business expansion and new product development.

Management Measures

- Patent quality management: Establish patent review mechanisms, prioritize strategic technology areas, and regularly evaluate patent portfolios.
- Technology intelligence: Monitor global patent trends, conduct technology analyses, and optimize patent deployment strategies.

Organization and Governance

- Cross-functional collaboration: Strengthen collaboration among R&D, Legal, and Marketing to develop high-value intellectual property.
- Patent review mechanism: Implement a structured review process to improve patent quality and optimize resource allocation.

Intellectual Property Management and Innovation

Darfon has established a systematic intellectual property (IP) management framework to support innovation, R&D, and global market development. The Company promotes innovation through patent incentives, specialized training, and the annual “Inventor of the Year” recognition program. IP analysis and patent searches are integrated into the R&D process to support technology development, optimize patent deployment, and mitigate infringement risks.

Darfon also conducts regular reviews and monitoring of its patent portfolio to strengthen IP protection and optimize resource allocation. In 2025, the Company was not involved in any patent infringement litigation as a plaintiff or defendant.

2025 Performance and Achievements

- 119 patents obtained in 2025.
- 1,164 cumulative patents from 2003–2025.
- 40.9% of patents related to green energy products and systems.
- 59th in Taiwan Intellectual Property Office’s 2025 Top 100 Patent Applicants.

Item	2023	2024	2025
Number of valid patents for the year	136	154	119
Cumulative number of valid patents since 2003	1,022	1,090	1,164
Ranking among corporate patent applicants published by the Taiwan Intellectual Property Office	49	52	59

Note: The data are calculated based on the number of “valid patents” in each year.

Country/Region	Cumulative Number of Patents Obtained as of 2025
Taiwan	357
China	439
Southeast Asia	0
United States	190
Others (South Korea and Japan)	6
Europe	5
Subsidiaries	167
Total	**1,164**



II. Green and Low-Carbon Products

Darfon adopts a value chain approach to the development and management of green and low-carbon products, addressing the sustainability expectations of both upstream suppliers and downstream customers. In addition to continuously improving the energy efficiency and carbon performance of its core keyboard manufacturing operations, the Company is expanding its portfolio of green energy products. Leveraging its expertise in materials science, Darfon is advancing two core technology platforms: power and energy storage technologies and precision mechanical systems. Through continuous innovation, the Company is committed to delivering environmentally responsible products that support the transition to a low-carbon economy.

Value Chain Structure

Upstream(Raw Materials)	Products	Downstream Applications
Semiconductors, integrated cir-cuits (ICs), LEDs, rubber, ceramic and alloy powders, battery cells, and electric motors.	**Smart Devices**	Notebook computers, smartphones, electric vehicles, solar power sys-tems, home appliances, and smart grids.
Integrated circuits (ICs), printed circuit boards (PCBs), electrolytic capacitors, diodes, semiconduc-tors, transformers, filters, resis-tors, inductors, backlight invert-ers, power supplies, and other electronic components.	**Component Products**	Light electric vehicle (LEV) energy storage systems, small- and medi-um-sized uninterruptible power sup-plies, smart-grid energy storage equipment, residential power genera-tion and energy storage systems, community emergency power supply systems, server rooms and telecom-munications base stations, ener-gy-saving monitoring systems, solar power operating sites, and power tools
Ceramic powders, electrode ma-terials, alloy powders, iron pow-ders, and other advanced materi-als	**Integrated Components and Materials**	In-vehicle infotainment systems, au-tomotive lighting, digital set-top boxes, notebook computers, tablet comput-ers, energy storage servers, televi-sions, and home appliances
Bicycle frames, torque sensors, speed sensors, cadence sensors, lithium-ion battery cells, chargers, motors, and drivetrain compo-nents.	**E-Bike Prod-ucts**	Electric-assist bicycles (E-Bikes)



Smart Technologies and Green Energy as Future Growth Drivers

Darfon focuses on smart technologies and green energy as key drivers of sustainable growth.

In smart technologies, the Company leverages its expertise in IT peripherals, precision components, and advanced materials to expand applications in AI-enabled devices and strengthen vertical integration.

Under its Transformation 2.0 strategy, Darfon is expanding its green energy business by integrating frame manufacturing, battery technologies, bicycle assembly, electronic controls, and smart technologies, strengthening its position in the mid- to high-end E-Bike market.

Green Product Management

Darfon integrates environmental considerations into product development through hazardous substance management, RoHS and REACH compliance, and eco-design, helping minimize environmental impacts across the product life cycle.

Green Product Design Principles:

1. Energy-Efficient Design
2. Optimized Product Design
3. Design for Recyclability
4. Material Reduction
5. Use of Recycled and Low-Impact Materials
6. Environmentally Friendly Packaging

Green Product Design Principles



IT Peripherals and Precision Products / Smart (AIoT) Products

Through long-term partnerships with leading global brands, Darfon has integrated sustainability into the development of its IT peripherals and smart (AIoT) products. Sustainability principles are embedded throughout the entire product life cycle—from eco-design and manufacturing to product use and end-of-life recycling—as illustrated below.

Eco-Design

Product designs emphasize material efficiency, lightweight structures, recycled and low-impact materials, improved energy efficiency, and sustainable packaging. Examples include reducing material thickness and product weight while optimizing structural design without compromising product performance.

Green Manufacturing

Manufacturing processes are continuously optimized to improve resource efficiency and maximize production capacity. Standardized components and integrated keyboard designs are adopted to streamline tooling development and reduce material waste.

Product Use

Products are designed with energy-efficient features that reduce power consumption throughout their service life while maintaining high performance and reliability.

End-of-Life Recycling

Products are designed for easy disassembly and material recovery, facilitating recycling and supporting circular economy practices at the end of their service life.

Recycled Material Content in IT Peripheral Products

Component	Material	Maximum Recycled Content Incorporated
Keycap	PCR-ABS(NBL)	85% (NSK) / 90% (DTK laser-engraving material)
	PCR-ABS + OBP-EPS(NBL)	90%(NSK)
	PCR-PC(BL)	85%
Bottom plate	PIR-Al(0.4t)	50%
	PCR-SUS(0.2T)	90%
	PCR-SGCC(0.8T)	50%
Membrane	PCR-PET	100%
Housing	PCR-ABS	85%
	PCR-PC/ABS	95%
	PCR-HiPS	85%
Lattice	PCR-PC/ABS	35%
Scis-sor-switch	PCR-POM	50%
	Bio-POM	97%
	OBP-PA	30%



Recycled Material Applications

To support the transition to a circular economy and achieve its carbon reduction objectives, Darfon actively incorporates recycled materials into the design and manufacture of its IT peripheral products. Recycled materials are applied across key components, including keycaps, bottom covers, housings, and scissor-switch mechanisms, improving product sustainability while increasing resource circularity and reducing reliance on virgin materials.

Product Life Cycle

Eco-Design

Product design emphasizes lightweight materials, material efficiency, and the elimination of hazardous substances. For example, residential energy storage systems use lightweight aluminum alloy housings to improve structural performance, while all electronic components comply with the RoHS requirements for hazardous substances.

Green Manufacturing

Manufacturing processes are optimized to reduce environmental impacts through cleaner production technologies. Lead-free soldering is adopted to minimize hazardous substances, while high-efficiency manufacturing processes improve productivity, reduce resource consumption, and lower energy use.

Product Use

Next-generation residential energy storage products incorporate an advanced circuit architecture that improves battery-to-grid conversion efficiency by 5%, achieving an efficiency of over 96%. High-efficiency, long-life battery technologies also reduce the environmental impacts associated with frequent battery replacement.

End-of-Life Recycling

Recyclable and environmentally friendly packaging materials are used to facilitate material recovery and support circular economy practices at the end of the product life cycle

E-Bike

Darfon has strengthened vertical integration across the E-Bike value chain, covering product design, key component development, and manufacturing. The Company develops rider-centric power-assist systems to enhance riding performance and user experience.

To promote sustainable resource management, all E-Bike packaging cartons are FSC certified, and the packaging supplier, WPA CZ s.r.o., holds FSC Chain of Custody (CoC) certification, ensuring traceability of forest-based materials.

Darfon also tracks packaging material usage by bicycle model to support packaging optimization, material reduction, and resource efficiency, while recycling symbols on packaging cartons facilitate material identification and recycling.

Eco-Design

Product development follows a rider-centric design philosophy, integrating bicycle frames with electronic control systems to deliver responsive, smooth, and comfortable power-assist performance. Lightweight vehicle design and the use of renewable materials further improve energy efficiency and reduce environmental impacts.

Green Manufacturing

Manufacturing emphasizes product adaptability and resource efficiency. Power output modes are configured to comply with regulatory requirements in different markets, while integrated technologies—including GSM/GPS modules, Bluetooth connectivity, and smart displays—enhance product functionality and user experience.

Product Use

Continuous improvements in battery performance and energy management extend riding range, improve energy efficiency, and enhance rider satisfaction. Darfon also continues to explore innovative green energy applications, including solar-assisted power technologies.

End-of-Life Recycling

Environmentally friendly and recyclable packaging materials are used to facilitate material recovery and support circular economy practices at the end of the product life cycle.

III. Customer Relationship Management

Darfon is committed to delivering high-quality products, on-time delivery, and competitive green products and services while building long-term customer partnerships. Through customer relationship management, the Company monitors customer needs and market trends to develop differentiated solutions and enhance customer satisfaction.

Quality Policy and Quality Management

Darfon's quality policy focuses on zero defects, on-time delivery, and competitive green products and services. The Company continuously improves its quality management system through preventive quality assurance, process optimization, and continuous improvement.

All Darfon Group manufacturing sites and listed subsidiaries are certified to ISO 9001 and have implemented QC 080000 HSPM. The Tainan and Huaian sites and Unictron Technologies are also certified to IATF 16949 for automotive quality management.

Coverage		ISO 9001 Certificate	QC 080000 Certificate	IATF 16949 Certificate
Taiwan	Taoyuan Headquarters	√		
	Tainan Site	√	√	√
China	Suzhou Site	√	√	
	Huaian Site	√	√	√
	Chongqing Site	√	√	
Southeast Asia	Vietnam Site	√	√	
	Thailand Site	√	√	
Europe	Czech Republic Site	√		
Subsidiaries	Darad Innovation	√		
	Darfon Energy Technology	√	√	
	TD HiTech Energy	√	√	
	Kenstone Metal	√		
	Astro Tech	√		
	Unictron Technologies	√		√

FSC Chain of Custody Certificate


Certificate of Registration

This is to certify that

WPA CZ s.r.o.

"the certified site" has been certified in accordance with the requirements of the Forest Stewardship Council® A.C. using the FSC® Chain of Custody standards* and that WPA CZ s.r.o. of

Řípská 1153/20a, Slatina, Brno, 627 00, CZECH REPUBLIC

is hereby licensed to use the FSC Logo on and sell as FSC certified all products listed on the attached FSC product schedule as FSC Mix.

Certificate Registration Code: SA-COC-007835
Issue Number: 2.0
Licence Code: FSC-C158144
Issued By: Soil Association Certification Limited, Spear House, 51 Victoria Street, Bristol, BS1 6AD, United Kingdom
Issue Date: 04 July 2025
Valid until the Renewal Date: 03 July 2030
Signed on behalf of Soil Association Certification
Hannah Turner, Director of Forestry

Product Certification and Quality Assurance

Darfon maintains quality management systems tailored to different markets and customer requirements and supports customers in obtaining required product certifications and environmental labels.

In 2025, 100% of Darfon's products obtained the required product safety certifications. No violations of product health and safety regulations or product-related incidents resulting in personal injury were reported.

Customer Communication Channels

Darfon maintains regular communication with customers through business reviews, satisfaction surveys, project reviews, technical discussions, and issue-resolution processes. Dedicated teams monitor customer needs and provide timely solutions to strengthen customer satisfaction and long-term partnerships.

Business Unit	Communication Channels	Frequency	Purpose
HID	QBR/PBR/QTR meetings	One to four times per year (depending on customer)	Review supplier performance, discuss customer feedback, and track improvement actions.
ICM	Customer satisfaction survey	Semiannually	Evaluate quality, delivery, service, green product (GP) management, and overall performance.
GEP	Email, telephone, customer visits, and video conferences	Typically one to two times per month, or as needed	Discuss order status, deliveries, payments, shipments, and project progress while strengthening customer relationships.
E-Bike	Product feedback collected through regional distributors	Weekly meetings and one annual distributor conference	Review market feedback and product quality issues, and discuss product development plans for the next three years.

Customer Feedback and Complaint Management

Darfon has established comprehensive customer feedback and complaint management mechanisms to ensure timely issue resolution and continuous service improvement. Each business unit designates dedicated contact personnel to receive customer feedback through multiple communication channels, including telephone, email, distributors, and customer service platforms.

Customer complaints are managed under the "1-3-5 Principle", which ensures prompt and systematic handling:

Day 1: Complaint received and recorded.

Day 3: Root cause investigation initiated.

Day 5: Response provided together with corrective and preventive actions.

This standardized process enables Darfon to respond efficiently to customer concerns, implement corrective actions promptly, and continuously improve product quality and customer satisfaction.



Customer Complaint Performance

Darfon continued to strengthen customer complaint management in 2025 through timely resolution, root cause analysis, and corrective actions.

- HID: Received 50 customer complaints, compared with 49 in [1]2024, with 100% successfully closed.
- ICM: Achieved an average complaint resolution time of 3.8 days, meeting its internal target.
- GEP: Received four complaints and closed all cases following root cause analysis and corrective actions.
- E-Bike: Received 589 complaints, a 6.1% decrease from 627 in 2024. Average resolution time improved from 3.2 to 3.0 days.

Darfon will continue to enhance complaint management through cross-functional collaboration, data analysis, and continuous improvement to strengthen customer satisfaction.

1

Customer Satisfaction Surveys

Each business unit conducts semiannual customer satisfaction surveys covering its top ten customers by revenue. The surveys assess five key areas:

- Product quality
- Customer service
- Shipment accuracy
- On-time delivery
- Green product performance

Survey results are reviewed to identify improvement opportunities and implement corrective actions. In 2025, overall customer satisfaction exceeded the targets established by each business unit, demonstrating Darfon's continued commitment to customer-centric management and long-term customer relationships.

Customer Satisfaction Performance over the Past Four Years

Business Unit	2023	2024	2025	2025 Target
E-Bike	77	81.3	82.8	80
ICM	96	96	95	91
GEP	83	91	84	80
HID	95.2	93.7	94.7	92
Customer Coverage Rate (%)	>80%	>80%	>80%	>80%

Note: The top 10 customers by revenue of each business unit accounted for more than 80% of the respective business unit's revenue.

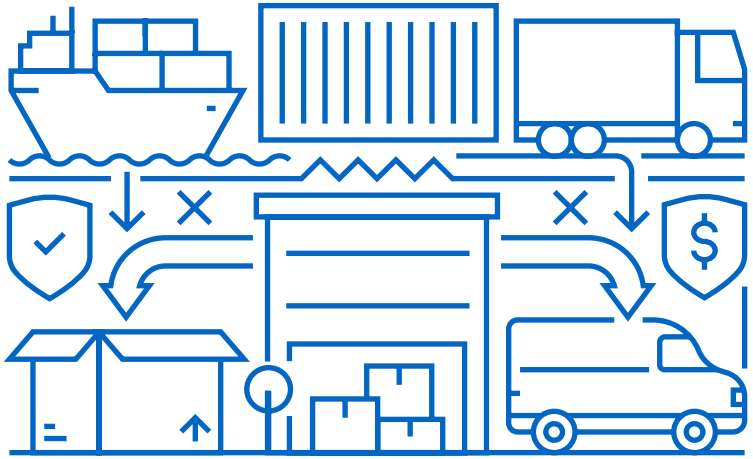


IV.Supply Chain Management

Darfon is committed to responsible supply chain management in accordance with the RBA Code of Conduct, responsible minerals sourcing requirements, and international ESG standards. Suppliers are required to sign the Supplier Corporate Social Responsibility Commitment, while sustainability criteria are integrated into supplier qualification, risk assessment, and audits. Through the PDCA approach, Darfon continuously improves supplier performance in environmental protection, labor and human rights, occupational health and safety, business ethics, and corporate governance, strengthening supply chain resilience and sustainability.

Key Supplier Assessment Areas by Business Unit

Business Unit	Supplier Audit/Survey Category						
	Supplier Self-Assessment	Quality Audit	Green Products	RBA	Corporate Social Responsibility	GHG Inventory / Water Footprint	Responsible Minerals
IT Peripherals	V	V	V	V	V	V	V
Integrated Components and Materials	V	V	V		V	V	V
Green Energy Products		V	V		V		V
E-Bike		V					



4 Ethical Governance: Integrity, Compliance, and Sustainable Management

Darfon Electronics is committed to establishing a transparent and effective governance framework, strengthening the Board of Directors' oversight, and integrating ESG performance into management-level evaluations to ensure that sustainability objectives are embedded in every business decision. In recent years, Darfon has demonstrated strong performance in transparent governance and sustainable operations, reaffirming its commitment to creating long-term value for shareholders.



I. Board Operations and Performance

II. Ethical Corporate Management

III. Risk Management (GRI 2-12)

IV Information Security

★ Key Performance Highlights

Corporate Governance Evaluation:	Cash Dividends:	Employee Integrity Management Training Completion Rate:	Independent Directors Account for:
6-20%	NT$ 0.5	100%	50% of Total Board Member

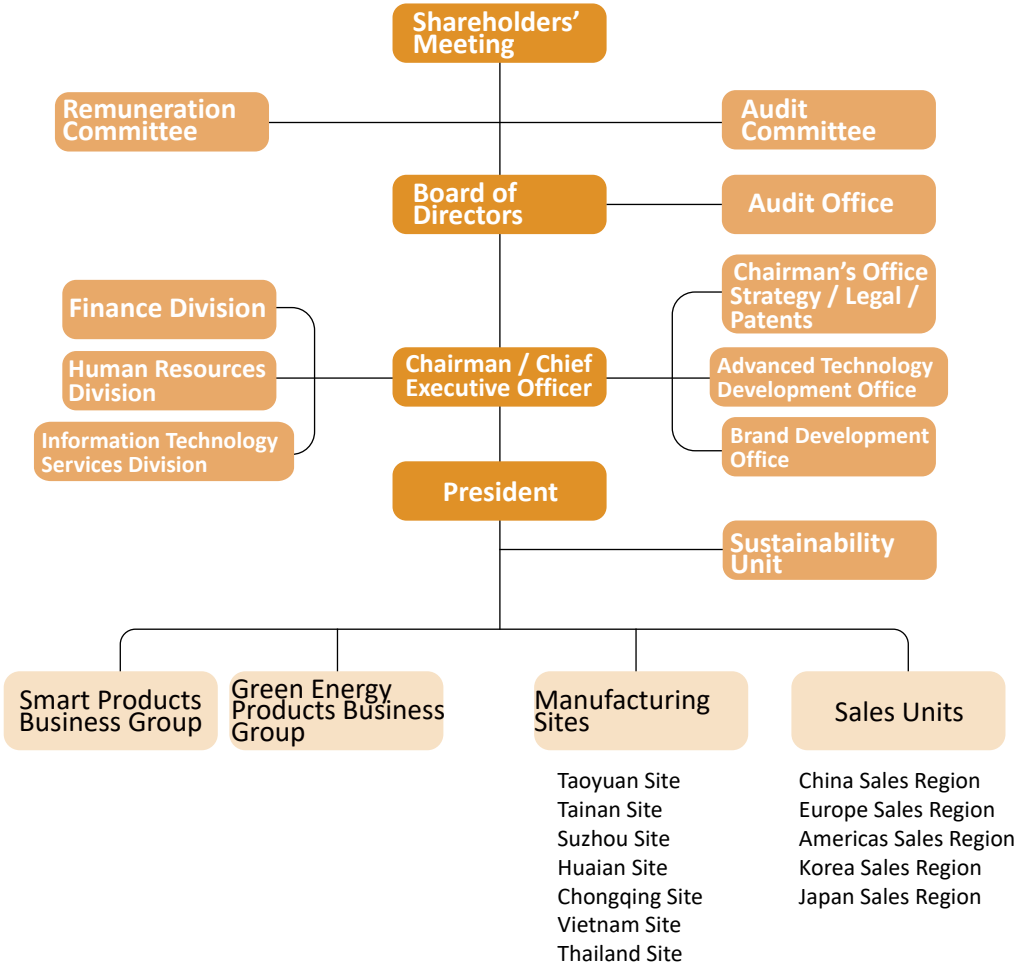
I.Board Operations and Performance

Corporate Governance

The Board of Directors is Darfon's highest governing body, responsible for strategic direction, major business decisions, and management oversight. Darfon has adopted the Corporate Governance Best Practice Principles to strengthen governance effectiveness.

The Company has established the Remuneration Committee and Audit Committee to enhance remuneration transparency, financial oversight, and stakeholder protection. A Corporate Governance Officer has also been appointed to oversee related matters in accordance with applicable regulations.

In 2025, Darfon established an implementation task force for IFRS S1 and IFRS S2 following Taiwan's sustainability disclosure roadmap. Progress is reported quarterly to the Sustainability Development Committee and the Board of Directors



II. Ethical Corporate Management

Darfon is committed to ethical business practices and has established the Ethical Corporate Management Best Practice Principles and Code of Ethical Conduct, both approved by the Board of Directors. These policies prohibit bribery and corruption, improper benefits, unfair competition, and other unethical conduct, and establish standards of conduct for directors, officers, employees, and other relevant personnel.

The Internal Audit Division reports directly to the Board of Directors and assesses integrity-related risks and internal controls. In 2025, 100% of Darfon's operating sites completed integrity risk assessments, with no material integrity-related risks identified.

Ethical Corporate Management Communication and Training (GRI 2-24, 205-2)

Darfon promotes ethical corporate management through policies, training, and regular communications. All new employees are required to sign an Integrity Declaration, with a 100% signing rate in 2025. Integrity-related training and awareness programs cover topics such as conflicts of interest, regulatory compliance, protection of trade secrets and corporate assets, and ethical conduct. The training and communication completion rate reached 100% in 2025.

Darfon also communicates its ethical and anti-corruption requirements to suppliers through the Integrity, Anti-Corruption, and Confidentiality Commitment. In 2025, 100% of suppliers received these requirements, and no supplier relationships were terminated due to integrity or anti-corruption violations.



completion rate reached 100%

100% signing rate

communication completion rate reached **100%**

100% of suppliers received the requirements

Whistleblowing System / Grievance and Reporting Mechanism (GRI 2-25, 2-26)

Darfon has established the Regulations Governing Reporting and Grievance Management and provides reporting and grievance channels for internal and external stakeholders. Employees may seek guidance or report concerns through designated channels, while reported cases are handled in accordance with established procedures to ensure timely investigation and appropriate follow-up.



Internal Reporting

- Human Resources mailbox: my.darfon@darfon.com

External Reporting

- Stakeholder communication platform: https://www.darfon.com.tw/en/channel
- Integrity mailbox: (integrity@darfon.com)

To protect whistleblowers' rights and interests, Darfon strictly protects the confidentiality of whistleblowers' identities and safeguards them against any form of retaliation, ensuring that their legitimate rights and interests are fully protected. All documents related to the reporting, investigation, and review of reported cases are managed in accordance with the Company's internal confidentiality classification procedures and retained by the responsible unit to ensure fair case handling and protect confidential information.

Regulatory Compliance Performance (GRI 2-27, 205-1, 417-2, and 417-3)

To ensure compliance with applicable laws and regulations in every jurisdiction where it operates, Darfon continuously monitors regulatory developments relating to personal data protection, confidentiality, anti-bribery, anti-discrimination, environmental protection, intellectual property rights, insider trading prevention, fair competition, labor protection, product marketing, product labeling, and product safety. The Company also establishes and updates its internal policies and operating procedures to ensure ongoing regulatory compliance.

In 2025, Darfon was not involved in any material legal proceedings, either domestically or internationally, that resulted in fines or penalties of NTD 1 million or more arising from a single incident. There were no confirmed incidents of corruption or legal actions involving anti-competitive behavior, antitrust, or monopolistic practices. The Company also reported no violations related to product health and safety, product labeling, or marketing communications.

III. Risk Management (GRI 2-12)

Darfon has established a Risk Management Committee to oversee the Company's enterprise risk management framework. Each department annually identifies and assesses key risks and opportunities, develops mitigation measures, and conducts emergency response drills to strengthen risk awareness and resilience.

Operating sites also conduct regular risk assessments in accordance with applicable management systems, including ISO 9001, IATF 16949, ISO 14001, ISO 45001, ISO 22301, TIPS, and GMP, to enhance operational resilience and business continuity.

IV. Information Security

Darfon places strong emphasis on information security and has established an information security governance framework based on international standards. The Company implements the ISO 27001 Information Security Management System (ISMS) and conducts regular audits to strengthen the protection of customer information, intellectual property, and digital assets.

Information Security Policy and Governance Structure

As of October 2025, Darfon had obtained ISO 27001:2022 certification for its operations in Taiwan, China, and Vietnam, covering the Group's core information security management system and strengthening its capabilities in cyber risk management and incident response.

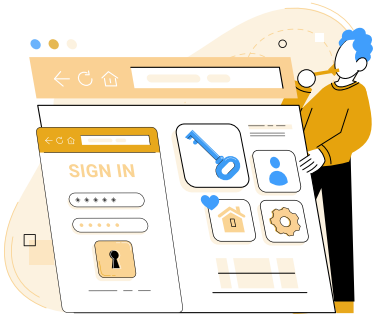
Organizational Chart of the Information Security Committee

- **Information Security Organization Management Execution Team**
  - **Regular Formation of the Execution Team**
  - **Convener Information Security Manager**
    - Information Security Policy Planning
    - Execution of Information Security Decisions
  - **Executive Secretary**
- **Information**
  - **Control Technology Group**
    - External Technology Handling
    - IT Interface Integration
    - Provision of Information Security Tools
- **Human Resources**
  - **Education and Training Group**
    - Shaping Information Security Awareness and Culture
    - New Employee Information Security Training
    - Internal and External Training Planning
    - Information Security Seminars
    - Information Security Month Activities
- **Audit**
  - **Audit Investigation Group**
    - Incident Evidence Collection and Investigation
    - Handling of Disciplinary Incidents
- **Quality Assurance**
  - **Document Control Group**
    - Document Classification Planning
    - Document Category Level
    - Document Control
    - Regular Document Audits
    - Establishment of ISO Documents
- **Legal**
  - **Legal Support Group**
    - Interpretation of Statutes
    - Handling of Legal Risks

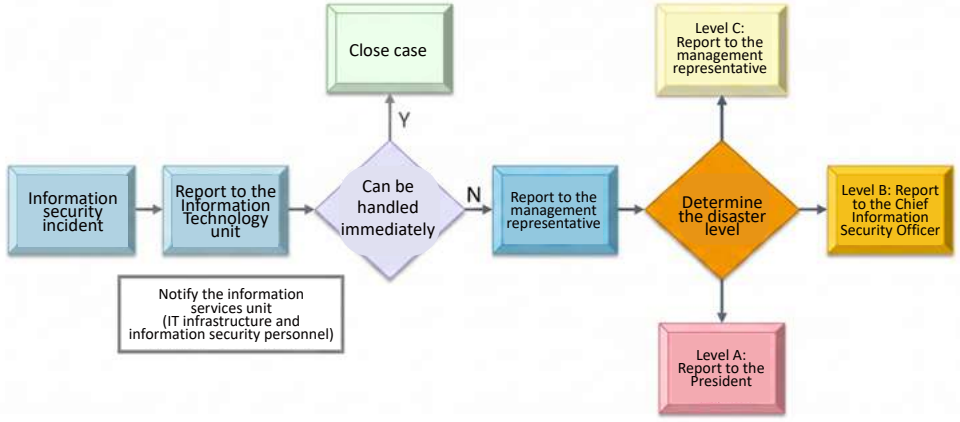
Business Units/ Factories

- Operational Planning for Units
- Regular Self-Inspections
- Implementation of Progress

I Emergency Response and Reporting Process for Information Security Incidents







5 Environmental Sustainability: Advancing Environmental Protection and Climate Action

Darfon is committed to minimizing the environmental impacts of its operations through robust environmental management systems and proactive pollution prevention measures. In response to climate change, the Company continues to expand the use of renewable energy, improve energy efficiency, and reduce greenhouse gas emissions throughout its operations and supply chain. Through these initiatives, Darfon demonstrates its long-term commitment to environmental stewardship and sustainable development.

I. Sustainable Environmental Management

II. Climate Change Response and Adaptation

III. Greenhouse Gas Management

IV. Energy Management

V. Pollution Prevention

VI. Waste Management

VII. Biodiversity Management



★ Key Performance Highlights

- Science-based emissions reduction targets validated by the Science Based Targets initiative (SBTi). Using 2021 as the base year, Darfon has committed to reducing Scope 1 and Scope 2 greenhouse gas emissions by 48.4% and Scope 3 emissions by 27.5% by 2031.

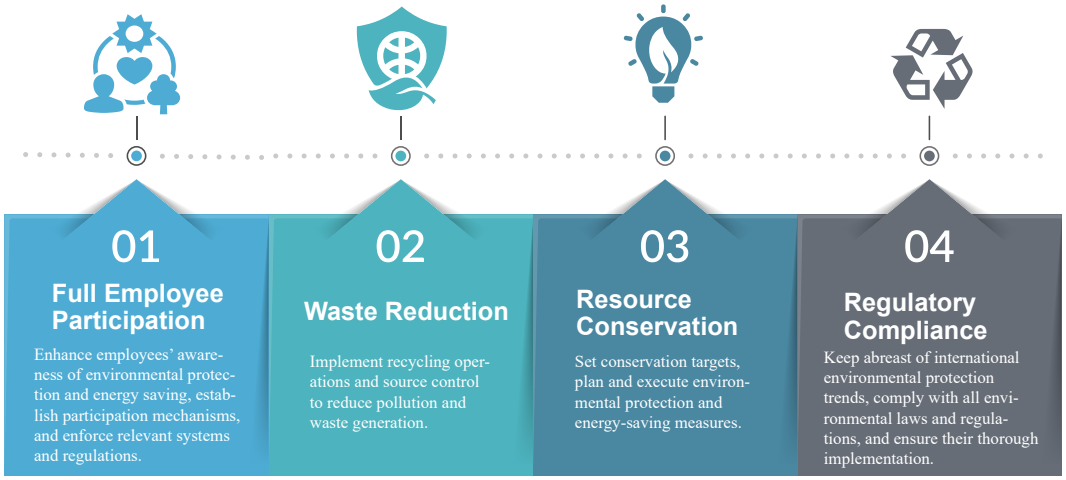
Recognized by CommonWealth Magazine's Corporate Carbon Reduction Thermometer as "Aligned with the 1.5°C Target."

CDP scores:
Climate Change
B;
Water Security
A-

Water withdrawal intensity decreased by 8.22%

Energy intensity decreased by 15.67%

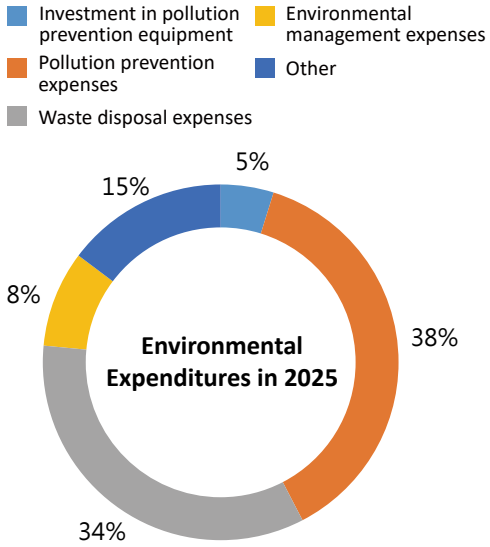
I. Sustainable Environmental Management Darfon Environmental Policy



Environmental Expenditures

In 2025, Darfon's environmental expenditures totaled NTD 98.562 million, representing 0.39% of total revenue. Expenditures were primarily allocated to pollution prevention (37.55%) and waste management and disposal (34.24%), reflecting the Company's continued investment in pollution control, resource management, and environmental protection.

Among all operating sites, the Huaian facility recorded the highest level of environmental expenditures, indicating its strategic importance in the Company's environmental management and pollution prevention efforts.



II. Climate Change Response and Adaptation

Darfon Electronics discloses climate-related information in accordance with the IFRS Sustainability Disclosure Standards, including IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. Applying the principle of financial materiality, the Company identifies and discloses sustainability-related risks and opportunities that could reasonably be expected to affect its cash flows, access to finance, and cost of capital over the short, medium, and long term.

Darfon first adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework in 2022 to assess climate-related risks and opportunities. The assessment identified two key climate-related challenges:

- Managing greenhouse gas (GHG) emissions across Darfon's operations and supply chain.
- Responding to the growing market demand for low-carbon products and green energy by accelerating product innovation and business transformation.

To support global climate action, Darfon submitted its science-based emissions reduction targets to the Science Based Targets initiative (SBTi) in 2023. The targets were validated as being aligned with the 1.5°C pathway.

Using 2021 as the base year, Darfon has established the following emissions reduction targets:

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

- Scope 1 & Scope 2: Reduce emissions by 48.4% by 2031, equivalent to an average annual reduction of 4.84%.
- Scope 3: Reduce emissions by 27.5% by 2031, equivalent to an average annual reduction of 2.75%.

Greenhouse Gas Management

Purchased electricity (Scope 2) represents approximately 91.7% of Darfon's combined Scope 1 and Scope 2 greenhouse gas emissions. Darfon has implemented a range of energy conservation and carbon reduction initiatives across its global operations, including upgrading to high-efficiency equipment, implementing ISO 50001 energy management systems, expanding on-site solar PV generation, procuring renewable electricity, and purchasing Renewable Energy Certificates (RECs) to reduce Scope 2 greenhouse gas emissions.

Reducing Scope 3 Emissions through Low-Carbon Products and Supply Chain Collaboration

Darfon's Scope 3 emissions primarily originate from purchased goods and services and the use phase of its products.

To reduce value chain emissions, Darfon works closely with customers and suppliers to integrate eco-design principles into product development. Key initiatives include:

- Reducing material consumption
- Increasing the use of post-consumer recycled (PCR) materials
- Adopting low-impact materials
- Improving product energy efficiency
- Enhancing product recyclability

These initiatives reduce both embodied carbon and product-use emissions while supporting the development of low-carbon products throughout the value chain.

Climate Change Targets and Performance Indicators

As global carbon reduction policies, carbon border adjustment mechanisms, and net-zero commitments continue to reshape international markets, climate action has become a strategic business priority that directly affects long-term competitiveness.

Guided by its SBTi-validated targets, Darfon has established the following environmental performance targets:

Climate Action

Reduce Scope 1 & 2 emissions by 4.84% annually (2021 baseline) and Scope 3 emissions by 2.75% annually

Energy Management

Reduce electricity intensity by 1% annually and increase renewable electricity usage to 50% by 2030

Waste Management

Maintain 100% compliant treatment of hazardous waste and increase the waste recycling rate to 88% by 2030

Water Stewardshi

Reduce water withdrawal intensity by 1% annually while maintaining a 100% wastewater compliance rate

Green Product Innovation

Increase the proportion of green products to 40%

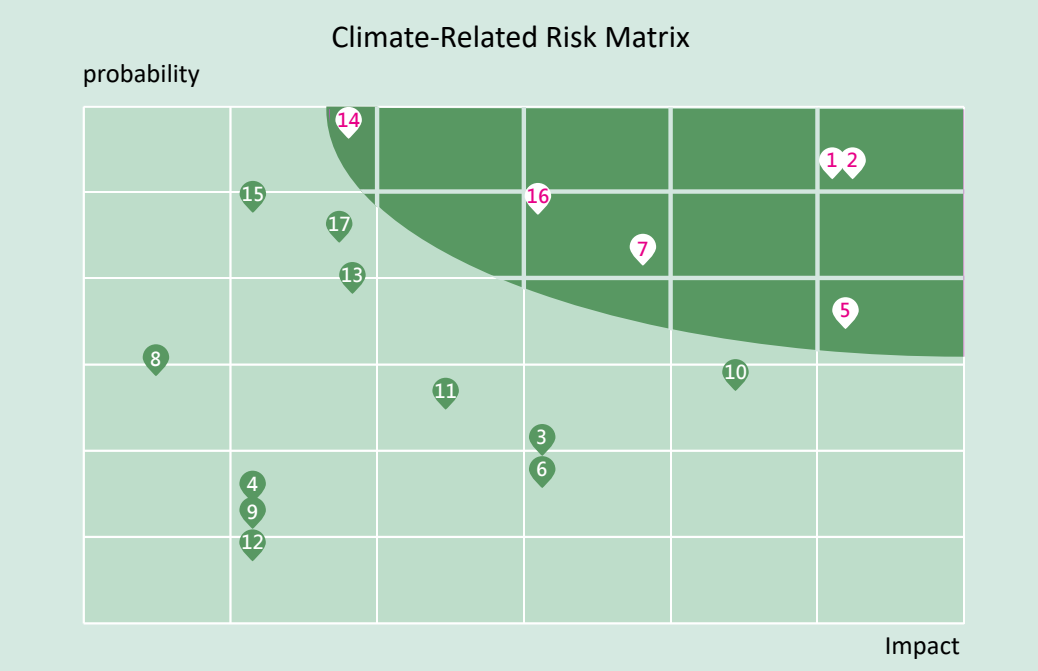
Sustainable Supply Chain

Maintain 100% compliance with environmental and social standards among suppliers



Climate-Related Risk Climate Risk Assessment

Based on its climate risk assessment, Darfon identified four transition risks and two physical risks that are expected to have relatively significant impacts on the Company's operations over the short and medium term. Transition risks primarily relate to evolving climate policies, carbon pricing, changing customer expectations, and rising raw material costs. Physical risks are mainly associated with extreme weather events and rising temperatures.



1. Higher greenhouse gas emissions prices
2. Strengthened greenhouse gas emissions reporting obligations
3. Mandatory/statutory requirements to disclose carbon emissions from existing products and services
4. Climate-related litigation risks
5. Changes in customer behavior
6. Uncertainty in market signals
7. Rising raw material costs
8. Replacement of the Company's existing products and services with low-carbon alternatives
9. Failed investments in new technologies
10. Increased costs associated with the transition to low-carbon technologies
11. Shifts in consumer preferences (toward low-carbon products)
12. Stigmatization of the industry
13. Increasing stakeholder concern and negative feedback
14. Increasing severity of extreme weather events, such as hurricanes and floods
15. Changes in precipitation patterns and extreme variability in climate patterns
16. Rising average temperatures
17. Rising sea levels

To better understand potential business impacts, Darfon assessed the financial implications of each material climate-related risk and developed corresponding mitigation strategies.

Risk Type	Climate-Related Risk	Time Horizon	Potential Business Impact	Estimated Financial Impact	Response Strategy
Transition Risk	Higher carbon pricing	Short term (1 year)	Taiwan will begin collecting carbon fees in 2026. Based on an assumed carbon fee of NTD 300 per tCO_2e and approximately 50,000 tCO_2e of emissions in 2025, annual carbon costs are estimated at NTD 15 million.	Approx. NTD 15 million increase in operating costs	Reduce emissions through energy efficiency improvements, renewable energy adoption, and carbon reduction initiatives.
	Carbon reduction obligations	Medium term (2–3 years)	Investments in renewable energy facilities and RECs will increase decarbonization expenditures between 2025 and 2027.	More than NTD 45 million	Continue implementing energy-saving projects and renewable energy deployment to control long-term compliance costs.
	More stringent GHG disclosure requirements	Medium term (2–3 years)	Expanding Scope 3 inventories and enhancing supply chain data collection, verification, and assurance will require additional resources and external assurance costs.	More than NTD 10 million annually	Strengthen GHG data management systems and continuously monitor regulatory developments to ensure compliance.

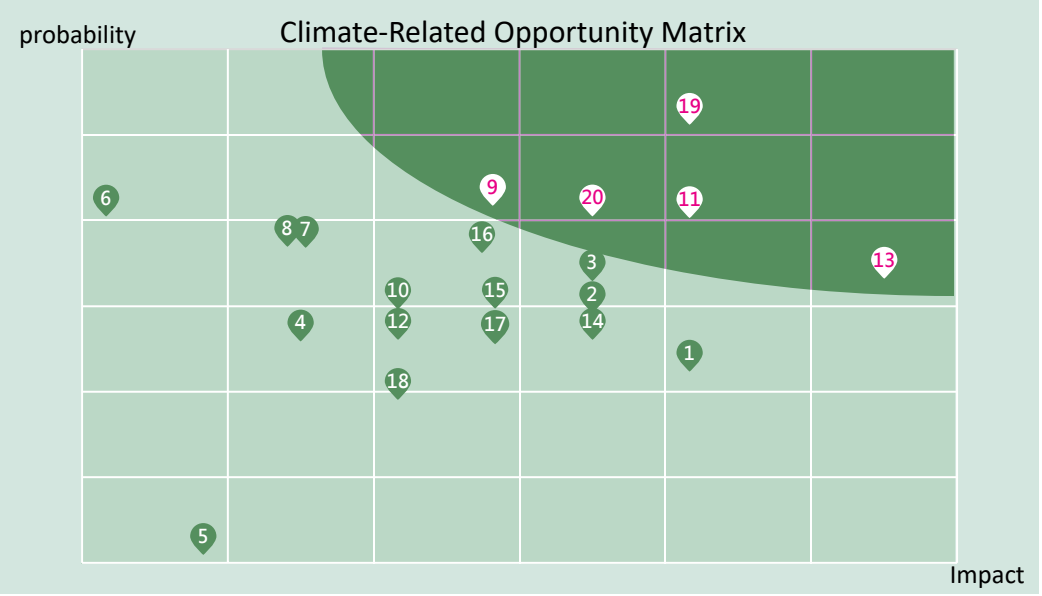
Risk Type	Climate-Related Risk	Time Horizon	Potential Business Impact	Estimated Financial Impact	Response Strategy
Transition Risk	Changing customer expectations	Medium term (2–3 years)	Customers increasingly require low-carbon products, green manufacturing, and sustainable packaging, leading to higher R&D and product transformation costs. Darfon invested NTD 970 million in R&D in 2025.	Increased R&D and product development expenditures	Continue investing in green product innovation, optimize product design, and develop alternative low-carbon materials.
	Rising raw material costs	Medium term (2–3 years)	Demand for low-carbon materials and increasing prices of metals and recycled materials are expected to increase procurement costs by approximately 10–20% while also raising product development costs.	Higher procurement and R&D costs	Increase material recycling, improve resource efficiency, and diversify environmentally friendly material sources.
Physical Risk	Flooding and drought resulting from extreme weather	Short term (1 year)	Extreme weather events may disrupt electricity and water supplies, interrupt production, and increase operational risks.	Higher operating and risk management costs	Enhance infrastructure resilience, strengthen emergency preparedness, and transfer residual risks through insurance.
	Rising average temperatures	Long term (5 years)	Higher temperatures may reduce equipment reliability and increase electricity consumption for cooling systems.	Increased equipment replacement and energy costs	Upgrade cooling systems, improve energy efficiency, and establish heat adaptation and monitoring mechanisms.

Climate-Related Opportunities

Darfon evaluates climate-related opportunities based on their potential impact and likelihood of occurrence, with reference to the opportunities identified in the TCFD Recommendations. Through its opportunity assessment, the Company prioritized five key opportunities that are expected to generate financial benefits, improve operational resilience, and support long-term sustainable growth.

Climate Opportunity Matrix

1. Adoption of more efficient modes of transportation
2. Use of more efficient production and distribution processes
3. Recycling and reuse
4. Transition to more efficient buildings
5. Reduction in water withdrawal and consumption
6. Use of low-carbon energy
7. Adoption of incentive policies
8. Use of new technologies
9. Purchase RECs
10. Transition to decentralized energy
11. Development and/or expansion of low-carbon goods and services
12. Development of climate adaptation and insurance risk solutions
13. R&D and innovation for new products and services
14. Diversification of business activities
15. Shifts in consumer preferences
16. Entry into new markets
17. Use of public-sector incentive programs
18. Access to new assets and regions requiring insurance coverage
19. Participation in renewable energy projects and adoption of energy-efficiency measures
20. Energy substitution/diversification



Financial Impact Assessment of Climate-Related Opportunities

Using the opportunity matrix, we prioritized the identified opportunities and selected five opportunities for further assessment. Their potential financial benefits or cost reductions are described below:

Climate-Related Opportunities	Time Horizon	Potential Business Impact	Estimated Financial Benefit	Response Strategy
Renewable energy investments and energy efficiency initiatives	Short term (1 year)	Expand renewable energy through rooftop solar installations, renewable electricity procurement, and RECs. Lower electricity costs while improving operational efficiency and carbon performance.	In 2025, self-generated renewable electricity reduced purchased electricity costs by approximately NTD 40.38 million, while electricity sales to Taiwan Power Company generated approximately NTD 2.45 million in additional revenue. Initial investments included approximately NTD 25 million for solar facilities and NTD 5 million for RECs.	Continue expanding renewable energy investments and improve operational efficiency through energy management initiatives.
Expansion of low-carbon products and services	Medium to long term (2–5 years)	Increase revenue by expanding green products, identifying sustainable materials, and strengthening green energy and energy storage businesses. More than 40% of Darfon's patents relate to green and low-carbon technologies.	Increased revenue from low-carbon products and emerging green business opportunities.	Continue investing in low-carbon technologies and expand green product offerings.
Innovation in sustainable products and services	Medium to long term (2–5 years)	Accelerate the development of E-Bikes, energy storage systems, and other green technologies to capture emerging market demand and strengthen competitive advantages.	Higher revenue from innovative green products and technologies.	Increase R&D investment and accelerate commercialization of innovative products.
Energy diversification	Medium to long term (2–5 years)	Diversifying energy sources enhances operational resilience, reduces long-term energy cost volatility, and supports business continuity.	Improved operational flexibility and long-term cost stability.	Continue expanding renewable energy infrastructure and diversify energy sources.
Renewable electricity procurement and RECs	Short term (1 year)	Renewable electricity and RECs increase near-term costs but reduce carbon exposure, strengthen regulatory readiness, and improve long-term operational resilience.	Enhanced climate resilience and reduced carbon compliance risks.	Continue increasing renewable electricity procurement while evaluating long-term economic benefits.

III.Greenhouse Gas Management

Greenhouse Gas Emissions

To strengthen the accuracy, transparency, and credibility of its greenhouse gas (GHG) disclosures, Darfon follows the GHG Protocol as the basis for its emissions inventory.

In 2025, the Company obtained independent third-party assurance for 100% of its Scope 1 and Scope 2 greenhouse gas emissions and further expanded third-party assurance coverage for Scope 3 emissions.

The Assured Scope 3 Categories Included:

- Category 1: Purchased goods and services
- Category 3: Fuel- and energy-related activities
- Category 4: Upstream transportation and distribution
- Category 5: Waste generated in operations
- Category 6: Business travel
- Category 7: Employee commuting
- Category 9: Downstream transportation and distribution

	2023	2024	2025
Scope 1	6,402.203	3603.210	4,528.427
Scope 2	72,197.297	47,390.546	50,075.886
Scope 3	295,380.244	157,082.077	114,600.800
Total	373,979.744	208,075.833	169,205.112

Note: For greenhouse gas emissions data and third-party assurance status by site, please refer to the appendix.

By progressively expanding the scope of external assurance, Darfon continues to enhance the reliability and transparency of its climate-related disclosures while strengthening greenhouse gas management across its value chain.

Scope 3 Greenhouse Gas Emissions

GHG Protocol Scope 3 Category		2023	2024	2025
Category 3 –Indirect emissions from transportation		28,277.077	18,921.333	3,862.150
Category 3-1	Upstream transportation and distribution (Category 4)	4,106.998	1,806.019	1,637.853
Category 3-2	Business travel (Category 6)	6,115.575	3,916.622	506.806
Category 3-3	Employee commuting (Category 7)	10,592.684	5,807.630	891.219
Category 3-4	Downstream transportation and distribution (Category 9)	7,461.825	7,391.062	826.272
Category 4 –Indirect emissions from products used by the organization		123,452.687	50,094.488	52,697.200
Category 4-1	Purchased goods and services (Category 1)	81,571.629	35,868.817	26,773.506
Category 4-2	Capital goods (Category 2)	27,575.872	4,918.887	15,641.051
Category 4-3	Fuel- and energy-related activities (Category 3)	12,527.479	8,867.440	9,836.925
Category 4-4	Waste generated in operations (Category 5)	1,777.707	439.344	445.718
Category 5 –Indirect emissions associated with sold products		143,650.480	88,066.256	58,041.450
Category 5-2	Use of Sold Products (Category 11)	137,473.470	84,603.889	53,194.265
Category 5-3	End-of-Life Treatment of Sold Products (Category 12)	6,176.740	3,462.367	4,847.184
Total Scope 3 Emissions		295,380.244	157,082.077	114,600.800

Note 1: The inventory boundary follows the operational control approach and is consistent with the reporting boundary of this Sustainability Report.

Note 2: The category numbers shown in parentheses refer to the 15 Scope 3 categories defined in the GHG Protocol and are cross-referenced to Categories 3–6 under ISO 14064-1:2018.Category 3-6

Greenhouse Gas Emissions Intensity (GRI 305-4 and 305-5)

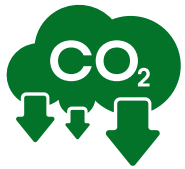
Although consolidated revenue recovered in 2025, Darfon continued to improve its greenhouse gas emissions intensity.

Emissions Intensity A (Scope 1 and Scope 2) declined to 2.18 tCO_2e per NTD million of revenue, representing a significant improvement from the 2021 baseline of 4.33 tCO_2e per NTD million. The result demonstrates that the Company successfully improved operational efficiency while reducing operational greenhouse gas emissions.

Despite the expansion of the Scope 3 inventory and the inclusion of additional operating sites within the reporting boundary, Emissions Intensity B (Scope 1, Scope 2, and Scope 3) decreased to 6.75 tCO_2e per NTD million of revenue in 2025. This reflects Darfon's continued progress in improving carbon efficiency while supporting business growth and expanding climate-related disclosures

Unit: tCO2e	2023	2024	2025
Scope 1 & 2 (tCO2e)	78,599.50	50,993.76	54,604.31
Scope 1, 2 & 3 (tCO2e)	373,979.74	208,075.83	169,205.11
Annual revenue (NTD million)	25,792.00	21,700.23	25,079.00
GHG Emissions Intensity A (tCO2e/NTD million revenue)	3.05	2.35	2.18
GHG Emissions Intensity B(tCO2e/NTD million revenue)	14.50	9.59	6.75

Note: Emissions Intensity A represents Scope 1 and Scope 2 GHG emissions per NTD million of revenue, while Emissions Intensity B represents the combined Scope 1, Scope 2, and Scope 3 GHG emissions per NTD million of revenue.



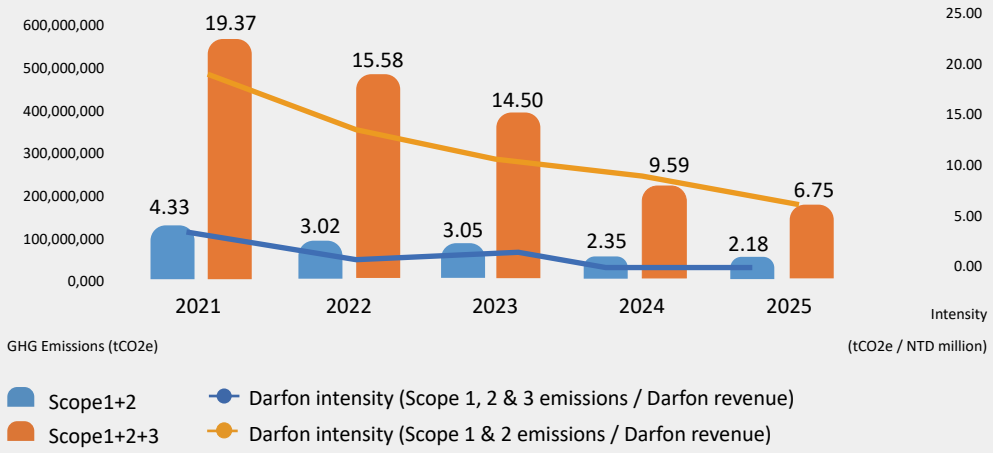


Carbon Reduction Pathway and Net-Zero Emissions Vision

Darfon is committed to strengthening its climate action and accelerating the transition toward a low-carbon future. In response to the growing impacts of climate change, the Company has established science-based greenhouse gas (GHG) reduction targets aligned with a 1.5°C pathway and received validation from the Science Based Targets initiative (SBTi).

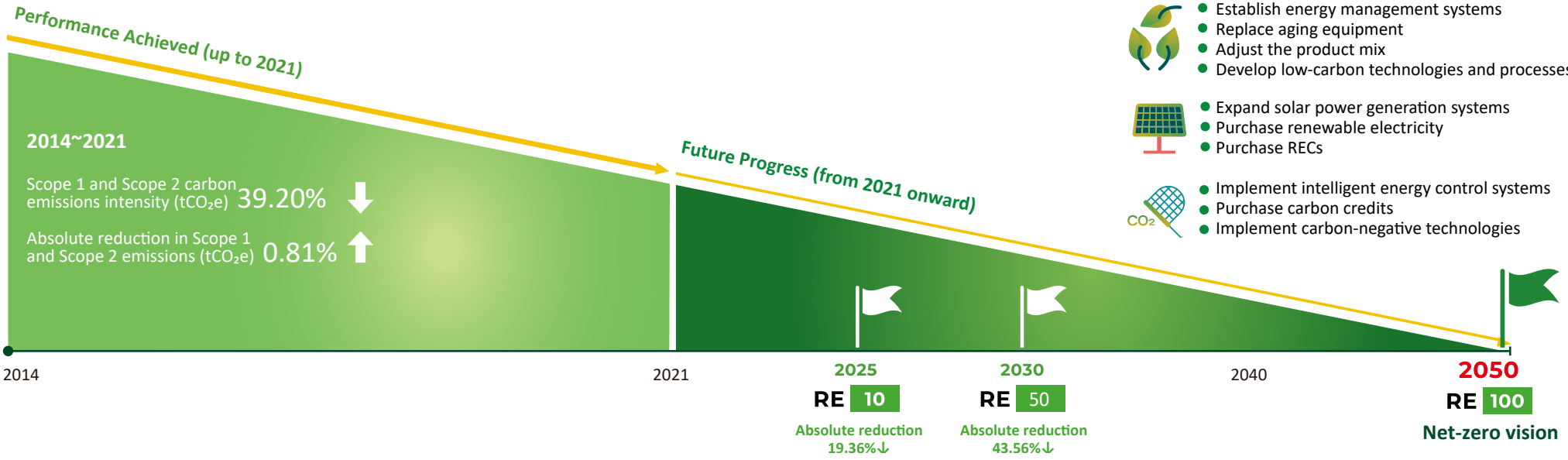
Using 2021 as the base year, Darfon has committed to achieving an absolute reduction of 48.4% in Scope 1 and Scope 2 GHG emissions by 2031, together with an absolute reduction of 27.5% in Scope 3 emissions from Category 3.1 (Purchased Goods and Services) and Category 3.11 (Use of Sold Products). These science-based targets provide the foundation for Darfon's long-term decarbonization strategy and reinforce the Company's commitment to achieving net-zero emissions through continuous improvements in operational efficiency, renewable energy adoption, low-carbon product innovation, and supply chain collaboration.

Greenhouse Gas Emissions and Emissions Intensity Trends



Although revenue increased in 2025, GHG emissions intensity continued to decline. Scope 1 & 2 emissions intensity decreased to 2.18 tCO_2e per NTD million of revenue, while Scope 1, 2 & 3 emissions intensity declined to 6.75, demonstrating that Darfon successfully improved carbon efficiency while supporting business growth.

- Improve production efficiency
- Improve equipment energy efficiency
- Install solar power generation systems

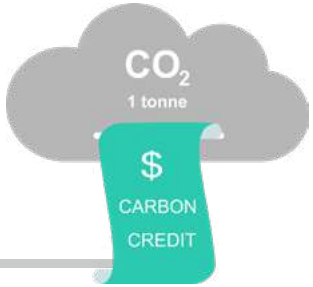


Internal Carbon Pricing

To strengthen climate-related decision-making and support the implementation of its SBTi-aligned decarbonization pathway, Darfon has established an internal carbon price of USD 50 per metric ton of CO_2e. The internal carbon pricing mechanism is incorporated into the evaluation of carbon reduction initiatives and investment decisions, enabling the Company to quantify the financial implications of greenhouse gas emissions and prioritize projects that deliver both environmental and economic value.

By assigning an economic value to carbon emissions, Darfon integrates carbon costs into business planning, capital investment, and operational decision-making. This approach strengthens climate risk management, encourages low-carbon innovation, improves resource allocation, and supports the achievement of the Company's long-term emissions reduction and net-zero objectives.

Internal Carbon Pricing **In alignment with the SBTi**



Guiding initiatives		Expected decarbonization Impac
Implementation mechanism	• Shadow price	• Incorporate more decision-making factors into carbon reduction project evaluation(Shorten the payback period)
Price setting	• NT$1,600 (US$50)	• Achieve SBTi decarbonization pathways($4.84T CO2/y)
Scope of regulation	• Scopel+Scope2	• The higher the proportion of Scope 1 and 2 emissions, the more costly carbon reduction projects tend to be
Regulated items	• (Electricity consumption+Fuel) Carbon reduction projects	• Establish an internal carbon pricing mindset

IV.Energy Management

Darfon manages energy performance through its ISO 50001 Energy Management System, which provides a systematic framework for improving energy efficiency and supporting the Company's climate commitments. As purchased electricity represents the Company's primary source of energy consumption and Scope 2 greenhouse gas emissions, Darfon continues to implement energy conservation and efficiency initiatives across its global operations.

Key initiatives include:

- Replacing aging, energy-intensive equipment with high-efficiency alternatives.
- Optimizing manufacturing processes and HVAC systems to improve overall energy efficiency.
- Increasing renewable energy use through on-site solar PV generation, renewable electricity procurement, and the purchase of RECs to accelerate the Company's decarbonization efforts.
- Continuously monitoring energy performance and identifying improvement opportunities through the ISO 50001 management cycle.

Metrics and Targets

Darfon monitors electricity intensity and the share of renewable energy as its primary energy management performance indicators and has established corresponding short- and long-term targets.

Indicator	2025Performance	2026 Target	2030 Target
Electricity intensity (GJ/NTD million revenue)	15.67 (YoY12.2% ↓)	15.51 (YoY1.0% ↓)	14.89 (YoY1.0↓)
Renewable energy share (%)	18.6	25	50

Note 1: Electricity intensity = (Purchased electricity + on-site solar electricity consumed) ÷ Annual revenue (NTD million).
Note 2: Renewable energy share = Renewable energy consumption ÷ Total electricity consumption (Scope 2 electricity consumption).

Darfon will continue to increase the share of renewable energy through a combination of on-site renewable energy generation, renewable electricity procurement, and renewable energy certificates (RECs) to achieve its 2030 renewable energy target.

Energy Management

In 2025, renewable energy accounted for 18.60% of Darfon's total electricity consumption, reflecting the Company's continued efforts to increase the use of renewable energy through on-site renewable energy generation and the procurement of renewable electricity and renewable energy certificates (RECs).

Purchased non-renewable electricity remained Darfon's primary energy source, accounting for more than 90% of total energy consumption. Huaian, Tainan, and Unictron Technologies were the major electricity-consuming sites. Natural gas and diesel consumption decreased slightly, mainly due to the gradual reduction or phase-out of these fuels at certain sites in China. Liquefied petroleum gas consumption at the Taoyuan site also decreased to 266.07 GJ in 2025.

Overall, although total energy consumption declined slightly, Darfon continued to strengthen energy management efficiency through the introduction of renewable energy and the implementation of energy conservation measures, laying the foundation for achieving its low-carbon operating targets.

Unit: GJ	Site	2023	2024	2025
Purchased non-renewable electricity	Taoyuan	11,349.06	10,860.81	9,866.85
	Tainan	104,343.76	108,125.55	95,478.89
	Suzhou	54,618.86	19,675.84	13,813.14
	Huaian	98,414.28	133,816.71	108,162.52
	Chongqing	73,391.51	70,505.55	52,396.45
	Vietnam	4,456.28	13,441.77	26,970.46
	Thailand	-	-	1,630.41
	Czech Republic	-	-	509.96
	TD HiTech Energy	-	-	288.74
	Kenstone Metal	-	-	6,636.11
	Astro Tech	-	-	4,264.05
	Unictron Technologies	-	-	27,994.25
	Total	346,573.75	356,426.23	348,011.83
Natural gas	Taoyuan	0.00	0.00	0.00
	Tainan	6,492.55	7,498.02	6,494.54
	Suzhou	2,125.25	0.00	0.00
	Huaian	0.00	0.00	0.00
	Chongqing	44.88	0.00	0.00
	Vietnam	-	0.00	0.00
	Thailand	-	-	0.00
	Czech Republic	-	-	8.33
	TD HiTech Energy	-	-	10.62
	Kenstone Metal	-	-	546.48
	Astro Tech	-	-	0.00
	Unictron Technologies	-	-	0.00
	Total	8,662.69	7,498.02	7,059.97
Diesel	Taoyuan	5.73	5.73	4.93
	Tainan	123.09	102.34	154.14
	Suzhou	10.72	3.55	3.64
	Huaian	238.18	909.65	617.23
	Chongqing	394.01	307.45	348.00
	Vietnam	-	0.00	0.00
	Thailand	-	-	0.00
	Czech Republic	-	-	0.00
	TD HiTech Energy	-	-	33.53
	Kenstone Metal	-	-	27.67
	Astro Tech	-	-	407.63
	Unictron Technologies	-	-	85.06
	Total	771.72	1,328.71	1,681.82
Gasoline	Taoyuan	816.69	816.69	622.78
	Tainan	18.08	15.05	13.31
	Suzhou	294.15	299.63	410.35
	Huaian	454.69	395.18	382.82
	Chongqing	1,676.37	1,284.38	1,187.56
	Vietnam	-	151.76	200.61
	Thailand	-	-	174.27
	Czech Republic	-	-	0.00
	TD HiTech Energy	-	-	0.00
	Kenstone Metal	-	-	82.58
	Astro Tech	-	-	326.73
	Unictron Technologies	-	-	651.48
	Total	3,259.98	2,962.69	4,052.48
Liquefied petroleum gas	Taoyuan	304.07	552.81	266.07
	Tainan	0.00	0.00	0.00
	Suzhou	0.00	0.00	0.00
	Huaian	0.00	0.00	0.00
	Chongqing	0.00	0.00	0.00
	Vietnam	-	0.00	0.00
	Thailand	-	-	0.00
	Czech Republic	-	-	0.00
	TD HiTech Energy	-	-	0.00
	Kenstone Metal	-	-	0.50
	Astro Tech	-	-	1.25
	Unictron Technologies	-	-	0.00
	Total	304.07	552.81	267.83
Total non-renewable energy consumption		359,572.22	368,768.47	361,073.92

Note 1:The raw energy consumption data provided by each Site, based on greenhouse gas inventories verified by a third party, were consistently converted into energy values using the latest energy heating value conversion factors published by Taiwan's Bureau of Energy. Examples include 860 kcal/kWh for electricity, 8,067 kcal/m^3 for natural gas, 7,586 kcal/L for gasoline, 8,636 kcal/L for diesel, and 5,993 kcal/kg for liquefied petroleum gas.

Note 2:Thailand, the Czech Republic, TD HiTech Energy, Kenstone Metal, Astro Tech, and Unictron Technologies were newly included in the reporting boundary for the current year; therefore, only 2025 data are disclosed.

Note 3:All data sources and calculation methods were based on the GHG Protocol inventory.

Energy Intensity (GRI302-3, 302-4)

In 2025, Darfon's total energy consumption was 393,055.02 GJ, representing an increase of 1.45% from 2024, primarily reflecting the recovery of operating activities and changes in production capacity. Despite the increase in total energy consumption, annual energy intensity decreased to 15.67 GJ per NTD million of revenue, compared with 17.85 GJ per NTD million of revenue in 2024, representing a 12.22% year-on-year decrease. This demonstrates that Darfon continued to improve energy efficiency while supporting business growth.

Darfon Total (Unit: GJ)	2023	2024	2025
Self-generated renewable electricity	19,265.39	18,683.65	31,981.10
Total non-renewable energy consumption	359,572.22	368,768.47	361,073.92
Total energy consumption	378,837.61	387,452.12	393,055.02
Revenue (NTD million)	25,792.00	21,700.23	25,079.00
Group energy intensity (GJ/NTD million)	14.69	17.85	15.67

Note 1: Energy intensity is calculated based on Darfon's annual revenue, representing the total revenue attributable to entities within the reporting boundary of this Report.

Note 2: Self-generated renewable electricity is generated by solar photovoltaic systems installed at the Taoyuan, Suzhou, Huaian, and Chongqing operating sites and Astro Tech.

Energy Mix over the Years

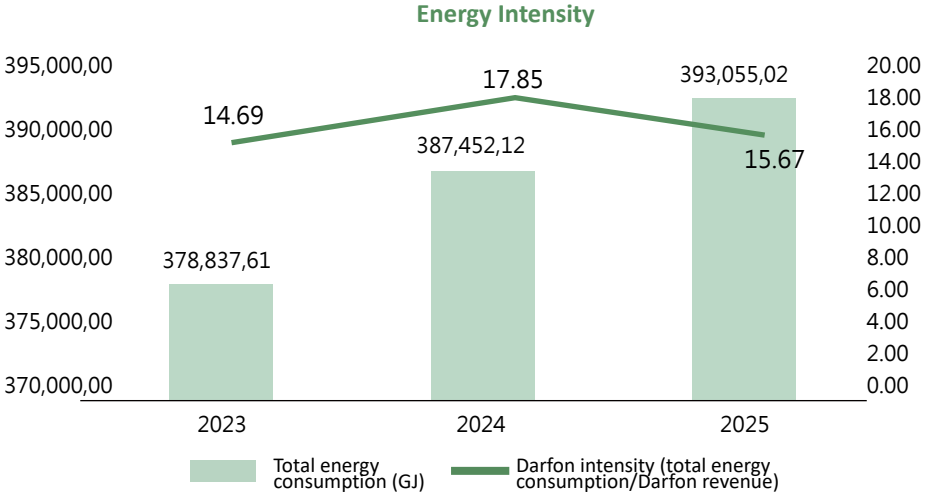
Darfon has continued to advance its energy transition and increase the use of renewable energy. From 2021 to 2025, the share of renewable energy increased steadily from 3.92% to 18.60%, while the share of non-renewable energy decreased from 96.08% to 81.40%. This progress reflects Darfon's continued efforts to diversify its energy mix, improve energy efficiency, and support its transition toward a low-carbon operating model.

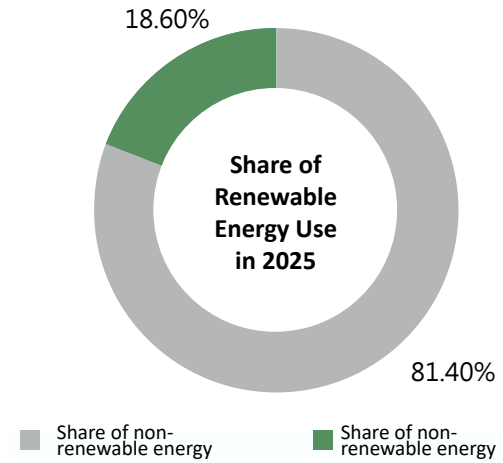
Energy Mix	2021(Base Year)	2022	2023	2024	2025
Share of non-renewable energy	96.08%	94.97%	94.73%	91.29%	81.40%
Share of renewable energy	3.92%	5.03%	5.27%	8.71%	18.60%

Note 1: Renewable energy comprises self-generated renewable electricity and RECs.

Note 2: Self-generated renewable electricity is generated by solar photovoltaic systems at the Taoyuan, Suzhou, Huaian, and Chongqing operating sites and Astro Tech.

Note 3: A total of 13,200,000 kWh of RECs were used in 2025.







Renewable Electricity Sold over the Years

In addition to generating renewable electricity for self-consumption, Darfon actively promotes the utilization of surplus renewable electricity by selling it to the grid. In 2025, Darfon sold 2,071.38 GJ of self-generated renewable electricity, equivalent to approximately 575,278 kWh, representing steady growth compared with previous years. Annual sales of renewable electricity increased from 903.28 GJ in 2021 to 2,071.38 GJ in 2025, demonstrating Darfon's continued efforts to maximize the utilization and value of renewable energy and support the development of a low-carbon energy system.

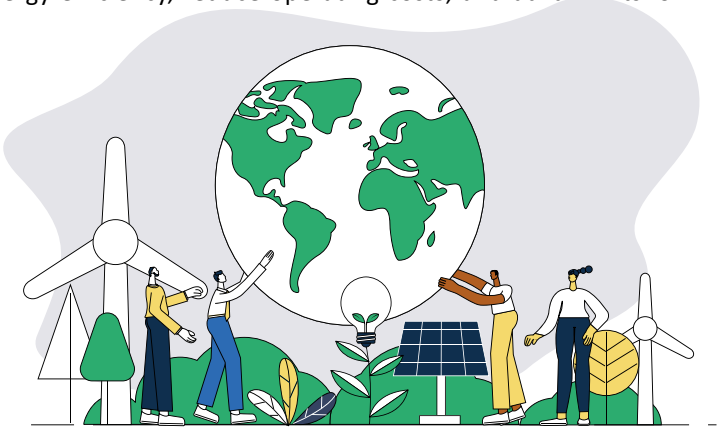
	2023	2024	2025
Self-generated renewable electricity sold (GJ)	797.26	1,125.28	2,071.38

Energy Conservation and Carbon Reduction Initiatives

To strengthen the implementation and effectiveness of its energy management system, Darfon has established an Energy Management Team to coordinate energy management activities and encourage cross-functional participation.

In 2025, Darfon assessed the applicability of energy conservation and carbon reduction initiatives, significant energy uses, and opportunities to improve energy performance. Based on the assessment results and the Company's internal carbon pricing mechanism, Darfon implemented a range of energy-saving improvement initiatives across its operations.

These initiatives resulted in electricity savings of 3,864,887 kWh, equivalent to approximately 2,250.9741 tCO_2e of avoided greenhouse gas emissions, and generated electricity cost savings of NTD 3,376,461. The results demonstrate Darfon's continued efforts to improve energy efficiency, reduce operating costs, and advance its low-carbon transition.



V.Pollution Prevention

Pollution Prevention Management

In accordance with the ISO 14001 Environmental Management System, Darfon has integrated pollution prevention into its daily operations and systematically manages and continuously improves key environmental aspects, including air emissions, water pollution, general industrial waste, and hazardous waste. Through standardized management processes and continuous improvement mechanisms, Darfon strives to reduce environmental impacts, enhance overall environmental performance, and fulfill its commitment to environmental sustainability.

Air Pollution Prevention (GRI 305-6 and 305-7)

Air Pollutant Emissions Management

Darfon monitors and manages air pollutant emissions generated from its manufacturing processes in accordance with applicable environmental regulations and permit requirements.

A summary of air pollutant emissions and ozone-depleting substance (ODS) emissions for 2024 and 2025 is presented below:

- Tainan Site: NOx, SOx, and particulate matter (PM) emissions remained under effective control. The annual monitored VOC concentration was 7 ppm in 2025. HAPs, including toluene and xylene, were also effectively controlled and remained within applicable emission limits.
- Suzhou Site: Following the Site relocation and changes in production processes, relevant processes no longer generated reportable air pollutant emissions.
- Huaian Site: VOC emissions remained significantly below the applicable emission limit, while HAP emissions were also substantially below the applicable limits.
- Chongqing Site – VOC and HAP emissions were effectively controlled in 2025. In particular, xylene emissions decreased substantially from 982.08 kg in 2024 to 1.36 kg in 2025, representing a reduction of approximately 99.9%.
- Vietnam Site – Although certain HAPs are not subject to mandatory local emission controls, Darfon proactively monitors relevant pollutants to ensure that concentrations of toluene, benzene, xylene, ethyl acetate, and other substances remain within applicable reference values.
- Newly Included Subsidiaries: Kenstone Metal and Unictron Technologies were newly included in the reporting boundary in 2025. Their air pollutant emissions are monitored and managed in accordance with applicable requirements.
- Ozone-Depleting Substances: Darfon's manufacturing processes generated no emissions of ozone-depleting substances (ODS).

Site	Pollutant	2024			2025				
		Emissions	Emission Limit	Monitored Value	Emissions			Emission Limit	Monitored Value
		(kg)	mg/ Nm3	mg/ Nm3	(kg)			mg/ Nm3	mg/ Nm3
Tainan Site	(1) Nitrogen oxides (NOx)	9,770.92	150 ppm	1 ppm	1511.68			150ppm	1ppm
	(2) Sulfur oxides (SOx)	2,360.90	100 ppm	1 ppm	2217.43			100ppm	1ppm
	(4) Volatile organic compounds(VOCs)	1,768.65		3 mg/ Nm3	2039.01			Not regulated	7ppm
	(5) Hazardous air pollutants (HAPs)	Toluene	655.44	180 ppm	Estimated value	Toluene	747.39	68.5ppm(4.96g/S)	Estimated value
		Xylene	5.98	175 ppm		Xylene	6.13	68.4ppm(5.71g/S)	
		Ethylbenzene	4.5	175 ppm		Ethylbenzene	4.62	68.4ppm(5.71g/S)	
	(6) Particulate matter (PM)	824.75	50	< 1 mg/ Nm3	735.81	50		1	1
Suzhou Site	(4) Volatile organic compounds (VOCs)	Non-Methane Total Hydrocarbons (NMTHC)	256.615	60	0.00765-0.115	Non-Methane Total Hydrocarbons (NMTHC)	87.984	60	1.62
	(5) Hazardous air pollutants (HAPs)	Methanol	-	-	-	-	-	Not regulated	-
		Isopropyl alcohol	-	-	-	-	-	Not regulated	-
		Sulfuric acid mist	-	-	-	-	-	Not regulated	-
		Benzene	-	-	-	-	-	Not regulated	-
		Toluene	-	-	-	-	-	Not regulated	-
		Xylene	-	-	-	-	-	Not regulated	-
	(6) Particulate matter (PM)	121.413		20	0.00706-0.029	Particulate matter	90.48	20	1.5
	(7) Others	Tin and its compounds	0	0	0	Tin and its compounds	0	5	0
Huaian Site	(4) Volatile organic compounds (VOCs)	4551	50	10	12,025	50		8	8
	(5) Hazardous air pollutants (HAPs)	Benzene	27	0.5	0.12	Benzene	65.53	0.5	0.06
		Toluene	152	20	0.48	Toluene	154.89	20	0.12
		Xylene	255	20	0.89	Xylene	321.24	20	0.23
	(6) Particulate matter (PM)	2058		10	5.37	7,833		10	4.5
Chong-qing Site	(4) Volatile organic compounds (VOCs)	9,069.33	100	1.8~48.3	5,539.46	120	29.5		
	(5) Hazardous air pollutants (HAPs)	Benzene	-	-	-	Benzene	8.67	6	0.04
		Toluene	54.29	40	0.13~0.466	Toluene	69.808	40	1.46
		Xylene	982.08	70	0.926~1.72	Xylene	1.36	70	0.1
	(6) Particulate matter (PM)	-			-	-	13204.8	100	39.7

Site	Pollutant	2024			2025				
		Emissions	Emission Limit	Monitored Value	Emissions			Emission Limit	Monitored Value
		(kg)	mg/ Nm3	mg/ Nm3	(kg)			mg/ Nm3	mg/ Nm3
Vietnam Site	(1) Nitrogen oxides (NOx)	-			-	-	Not regulated	200	42.73
	(2) Sulfur oxides (SOx)	-			-	-	Not regulated	350	22.15
	(5) Hazardous air pollutants (HAPs)	Benzene	Not regulated	5	0.02~0.07	Benzene	Not regulated	5	0,0005
		Toluene	Not regulated	750	0.01~0.08	Toluene	Not regulated	750	0.02~0.07
		Xylene	Not regulated	870	0.02~0.06	Xylene	Not regulated	870	0.02~0.06
		Ethyl acetate	Not regulated	1400	0.02~0.03	Ethyl acetate	Not regulated	1400	0.03
		n-Propanol	Not regulated	980	00.02~0.03	n-Propanol	Not regulated	980.00	0.10
Kenstone Metal	(1) Nitrogen oxides (NOx)	-	-	-	39.42	NA	NA		
	(2) Sulfur oxides (SOx)	-	-	-	NA	NA	NA		
	(5) Hazardous air pollutants (HAPs)	Benzene	-	-	-	Benzene	Not regulated	5.00	0,0005
		Toluene	-	-	-	Toluene	Not regulated	0.15	0.02~0.07
		Xylene	-	-	-	Xylene	98.82	NA	4.57
		Ethyl acetate	-	-	-	Ethyl acetate	Not regulated	1,400.00	0.03
		n-Propanol	-	-	-	n-Propanol	Not regulated	980.00	0.10
	(6) Particulate matter (PM)	-			-	-	0.67	NA	NA
Unictron Tech-nologies	(1) Nitrogen oxides (NOx)	-			-	-	608.94	449.70	-
	(2) Sulfur oxides (SOx)	-			-	-	Not regulated	Not regulated	Not regulated
	(4) Volatile organic compounds (VOCs)	-			-	-	8,079.97	-	-
	(5) Hazardous air pollutants (HAPs)	Benzene				Benzene	Not regulated	5.00	0,0005
		Toluene				Toluene	7.72	33.40	-
		Xylene				Xylene	98.82	Not regulated	4.57
		Ethyl acetate				Ethyl acetate	Not regulated	1,400.00	0.03
		n-Propanol				n-Propanol	Not regulated	980.00	0.10
	(6) Particulate matter (PM)	-			-	-	3,116.23	100.00	-

Note: The Thailand Site, Czech Republic Site, TD HiTech Energy, and Astro Tech do not operate manufacturing processes subject to applicable air pollution control requirements; therefore, no air pollutant emissions data are reported for these sites.

Water Pollution Prevention (GRI 303-1, 303-2, 303-4, 303-5)

To improve water-use efficiency and reduce water consumption, Darfon has implemented water conservation and recycling measures across its operating sites. Several sites have established water recycling systems and achieved initial results, demonstrating the Company's commitment to the efficient and sustainable use of water resources.

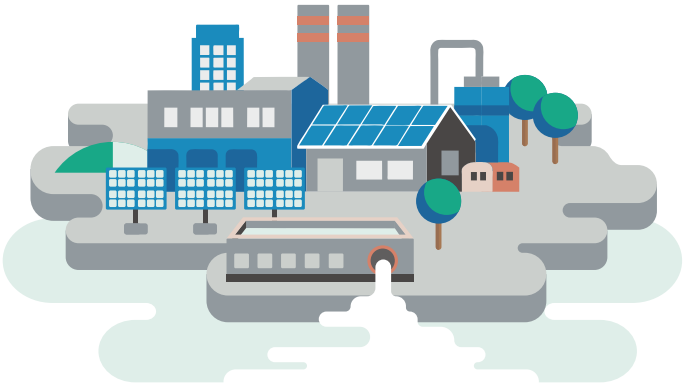
Metrics and Targets

Darfon manages water resources using water withdrawal intensity and the wastewater treatment compliance rate as key performance indicators.

Item	2025 Actual	2026 Target	2030 Target
Water withdrawal intensity	0.022 (YoY -8.22%)	0.027 (YoY-1%)	0.026 (YoY-1%)
Wastewater treatment compliance rate	100%	100%	100%

Water-related Risks

Darfon regularly assesses water-related risks at its operating locations using the World Resources Institute (WRI) Water Risk Assessment Tool. The assessment results indicate that none of Darfon's operating sites are located in areas of high water stress. In addition, the Company does not withdraw water from ecological conservation areas, areas of significant biodiversity value, or protected or restored habitats.



Water Management

All water withdrawn by Darfon is supplied by local water utilities and is primarily used for manufacturing and domestic purposes. Wastewater is properly treated at on-site or designated wastewater treatment facilities before discharge. The following disclosures cover water withdrawal, water discharge, and water consumption.

Water withdrawal sources

Operating Location	Water Source	Water Supplier	Use	
			Manufacturing Use	Domestic Use
Taoyuan Headquarters	Shimen Reservoir	Taiwan Water Corporation		V
Tainan Site	Nanhua Reservoir	Taiwan Water Corporation	V	V
Suzhou Site	Municipal water supply	Suzhou High Tech Zone Water Supply Co., Ltd.	V	V
Huaian Site	Huai River Basin	Huaian Water Supply Co., Ltd.	V	V
Chongqing Site	Jialing River Basin	Hechuan District Water Supply Co., Ltd.		V
Vietnam Site	Red River Basin	Viglacera Corporation	V	V
Thailand Site	Bang Phra Reservoir	AMATA Industrial Estate water supply system		V
Czech Republic Site	Jihlava River	South Moravian regional water supply system (vodovodní soustava)		V
TD HiTech Energy	Baoshan Reservoir	Taiwan Water Corporation		V
Kenstone Metal	Deji Reservoir	Taiwan Water Corporation	V	V
Astro Tech	Wu River Reservoir	Taiwan Water Corporation	V	V
Unictron Technologies	Shimen Reservoir	Taiwan Water Corporation	V	V

Note: Darad Innovation and Darfon Energy Technology are located at the Taoyuan Headquarters, and their data are consolidated into the disclosures and calculations for the Taoyuan Headquarters.

Water-Use Efficiency

In 2025, Darfon Group's total water withdrawal was 559.50 million liters, total water discharge was 390.07 million liters, and total water consumption was 169.43 million liters, representing an increase of approximately 5.53% in water consumption from 2024. The increase in water withdrawal was primarily attributable to the expansion of the water data reporting boundary to cover the entire Group.

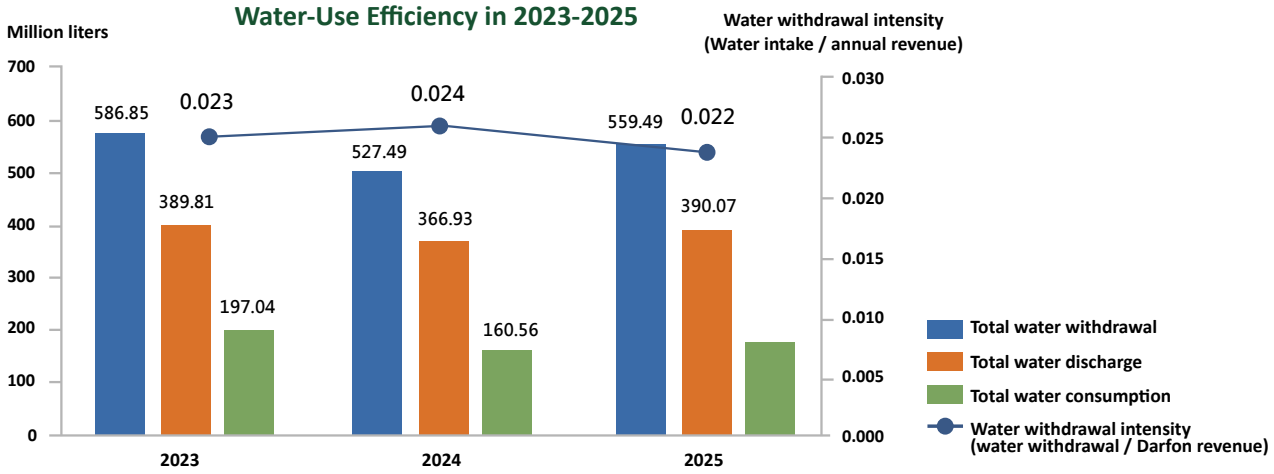
Despite the increase in total water withdrawal, water-use efficiency continued to improve. Water withdrawal intensity decreased from 0.037 million liters per NTD million of revenue in 2024 to 0.022 in 2025, representing an 8.22% year-on-year decrease and the lowest level recorded in the reporting period. Overall, the results demonstrate Darfon's continued efforts to improve water-use efficiency through water conservation measures and manufacturing process optimization, thereby promoting the sustainable use of water resources.

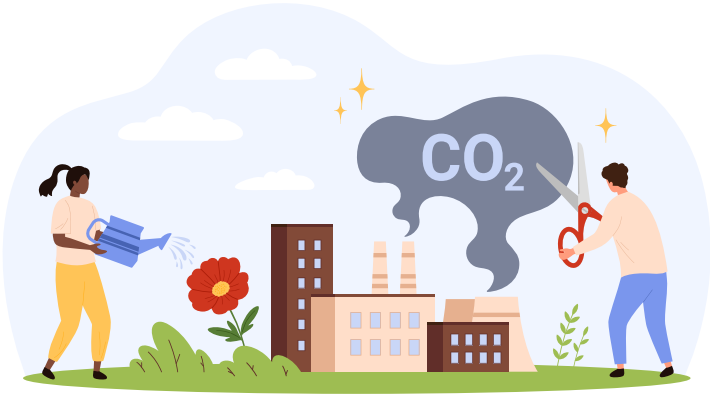
Unit: million liters	2023	2024	2025
Total water withdrawal	586.85	527.49	559.50
Total water discharge	389.81	366.93	390.07
Total water consumption	197.04	160.56	169.43
Annual revenue (NTD millions)	25,792.00	21,700.44	25,079.00
Water withdrawal intensity (water withdrawal/annual revenue)	0.023	0.024	0.022
Note: Total water consumption = total water withdrawal - total water discharge.			

Wastewater Discharge Management

All Darfon Electronics operating sites manage wastewater generated from manufacturing processes in accordance with applicable laws and regulations and strictly comply with their respective discharge permits. To minimize environmental impacts, Darfon has implemented a range of management measures, including source reduction, wastewater segregation, and the application of appropriate treatment equipment and technologies to enhance wastewater treatment performance and effectively remove pollutants.

In addition, wastewater quality is regularly monitored and tested by internal personnel and qualified third-party organizations to ensure that effluent quality continuously complies with applicable environmental laws, regulations, discharge permits, and requirements of competent authorities. In 2025, wastewater discharged from all operating sites complied with applicable discharge standards, with no non-compliance incidents identified.





Water Recycling

According to the 2025 water recycling data, Darfon continued to implement water recovery and recirculation measures across its operating sites. At Taoyuan Headquarters, recycled and recirculated water primarily consisted of recovered condensate and recirculating scrubber water, totaling 4.36 million liters. The Tainan Site recorded 106.19 million liters, while the Huaian Site recorded the highest volume at 128.00 million liters, primarily through the recirculation of scrubber water. The Vietnam Site also recycled and recirculated 0.90 million liters of water despite its relatively smaller operating scale.

Overall, Darfon recycled and recirculated 241.20 million liters of water in 2025, corresponding to a water recycling rate (R1) of 30.12%. These results demonstrate the Company's continued efforts to improve water-use efficiency and promote the sustainable management of water resources.

Item		2025												
Unit: million liters		Taoyuan Headquarters	Tainan Site	Suzhou Site	Huaian Site	Chongqing Site	Vietnam Site	Thailand Site	Czech Republic Site	TD HiTech Energy	Kenstone Metal	Astro Tech	Unictron Technologies	Total
Total recovered water (1)	Condensate/rainwater recovered	4.34	0	0	0	0	0.60	0	0	0	0	0	0	4.94
	Process wastewater recovered	0	27.56	0	0	0	0	0	0	0	0	0	1.75	29.31
Total recirculated water (2)	Scrubber recirculating water	0.02	78.62	0	128.00	0	0.30	0	0	0	0	0	0	206.94
Total recycled and recirculated water (1) + (2)		4.36	106.19	0	128.00	0	0.90	0	0	0	0	0	1.75	241.20
Water recycling rate R1														30.12%

Note: Water recycling rate (R1) = (total recirculated water + total recovered water) / total water use. In accordance with the definition of the Water Resources Agency, total water use = total water withdrawal + total recycled and recirculated water.

VI. Waste Management

Management Mechanisms and Actions

In accordance with the ISO 14001 Environmental Management System, Darfon Electronics has established comprehensive waste management procedures to improve resource efficiency and reduce waste generation. The Company promotes waste reduction, segregation, recycling, and reuse at the source and continuously improves its waste recycling rate to minimize the environmental impacts of its operations.

Darfon applies stricter controls to hazardous waste. Each operating site designates responsible personnel to conduct internal inspections and oversee external waste treatment service providers. Measures include accompanying waste shipments and verifying final treatment methods to ensure compliance with applicable laws, regulations, and environmental standards. These measures help ensure proper and safe waste treatment and reduce potential environmental risks.

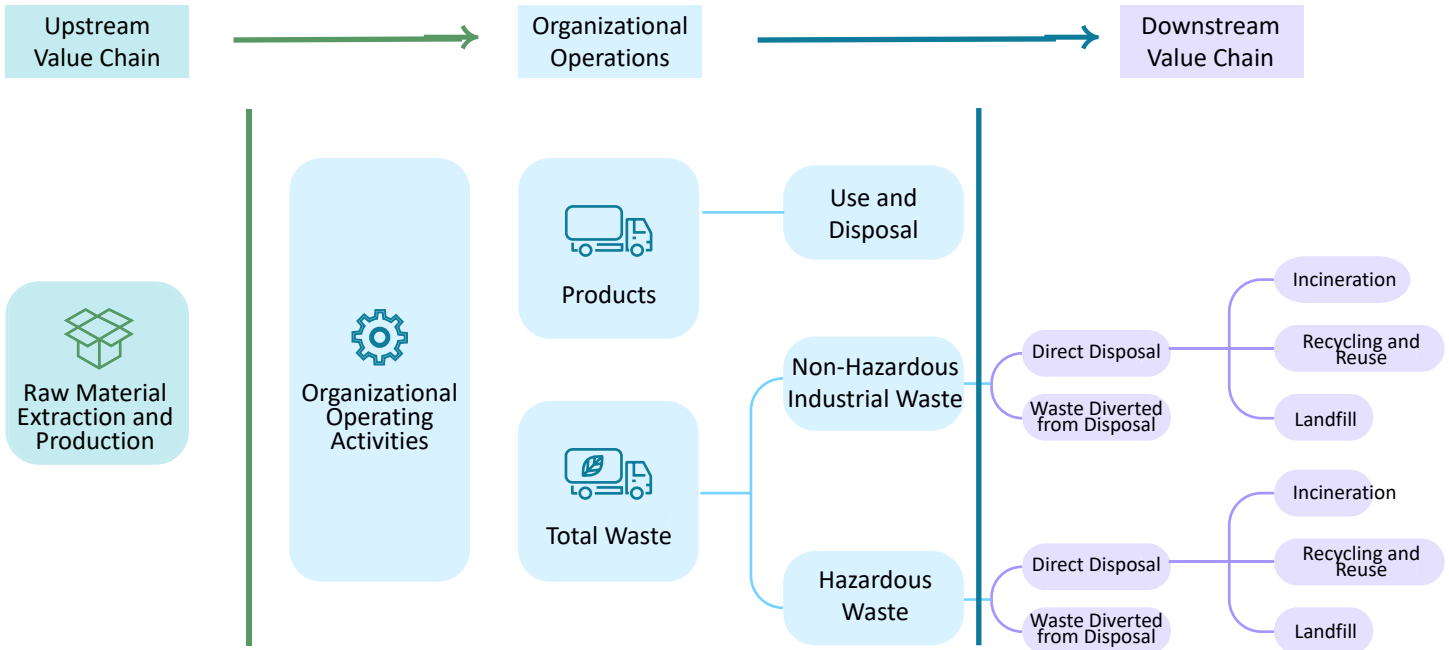
Metrics and Targets

Darfon uses the waste recycling rate and the proper treatment rate of hazardous waste as its waste management metrics and targets.

Item	2025 Actual	2026 Target	2030 Target
Waste recycling rate (%)	81.6	85	88
Proper treatment rate of hazardous waste (%)	100	100	100

Note 1: Waste recycling and reuse rate (%) = Waste reused and recycled / Total waste generated × 100%.

Waste Treatment at Darfon's Operating sites in 2025



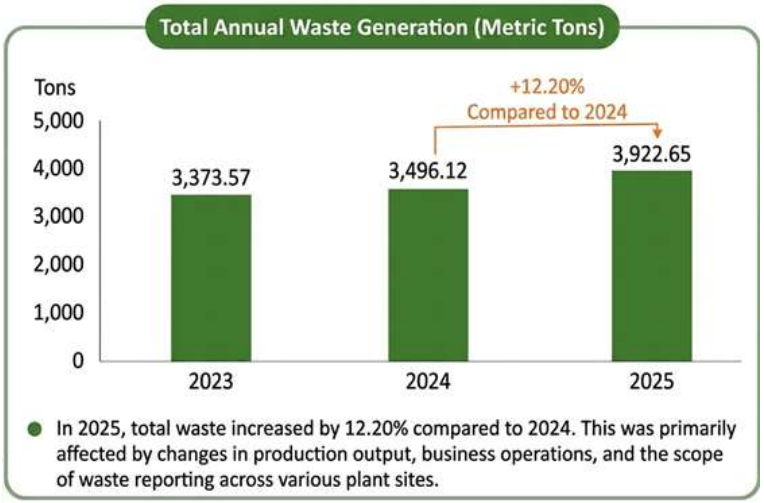


Total Waste over the Years

According to waste statistics for each plant, total waste amounted to 3,922.65 metric tons in 2025. Non-hazardous waste totaled 2,052.57 metric tons in 2025 and was generated primarily by the Chongqing Plant (970.24 metric tons) and the Huai'an Plant (435.83 metric tons). Non-hazardous waste generated by the Taoyuan and Tainan Plants decreased by 21.03% and 15.13%, respectively, from 2024, demonstrating the effectiveness of source reduction measures.

Hazardous waste totaled 1,870.09 metric tons, accounting for 47.67% of total waste. The principal sources were the Tainan Plant (479.28 metric tons), Huai'an Plant (466.84 metric tons), Chongqing Plant (481.72 metric tons), and Unictron (411.50 metric tons). Notably, the Taoyuan Plant generated no hazardous waste in 2025, demonstrating significant improvement in the control of hazardous substances.





Site / Item	Category	Reuse and Recycling	Incineration	Landfill	Total Waste by Category	Site Total
Taoyuan Main Site	Hazardous	0	0	0	0.00	99.28
	Non-hazardous	24.26	75.02	0.00	99.28	
Tainan Site	Hazardous	415.989	51.47	11.82	479.28	578.48
	Non-hazardous	50.54	48.66	0	99.20	
Suzhou Site	Hazardous	6.13	7.85	0	13.98	25.26
	Non-hazardous	11.28	0	0	11.28	
Huaian Site	Hazardous	379.70	87.14	0	466.84	902.67
	Non-hazardous	435.83	0	0	435.83	
Chongqing Site	Hazardous	481.72	0	0	481.72	1451.96
	Non-hazardous	970.24	0	0	970.24	
Vietnam Site	Hazardous	0	16.59	0	16.59	178.68
	Non-hazardous	96.2147	65.88	0	162.09	
Thailand Site	Hazardous	0	0	0	0.00	19.86
	Non-hazardous	19.858	0	0	19.86	
Czech Republic Site	Hazardous	0	0.18	0	0.18	58.63
	Non-hazardous	58.452	0	0	58.45	
TD HiTech Energy	Hazardous	0	0	0	0.00	2.06
	Non-hazardous	0.06	2.00	0	2.06	
Kenstone Metal	Hazardous	0	0	0	0.00	48.66
	Non-hazardous	48.664	0	0	48.66	
Astro Tech	Hazardous	0	0	0	0.00	50.73
	Non-hazardous	46.387	4.34	0	50.73	
Unictron Technologies	Hazardous	70.17	321.43	19.9	411.50	506.38
	Non-hazardous	85.427	9.45	0	94.88	
Total		3,200.92	690.01	31.72	3,922.65	3,922.65

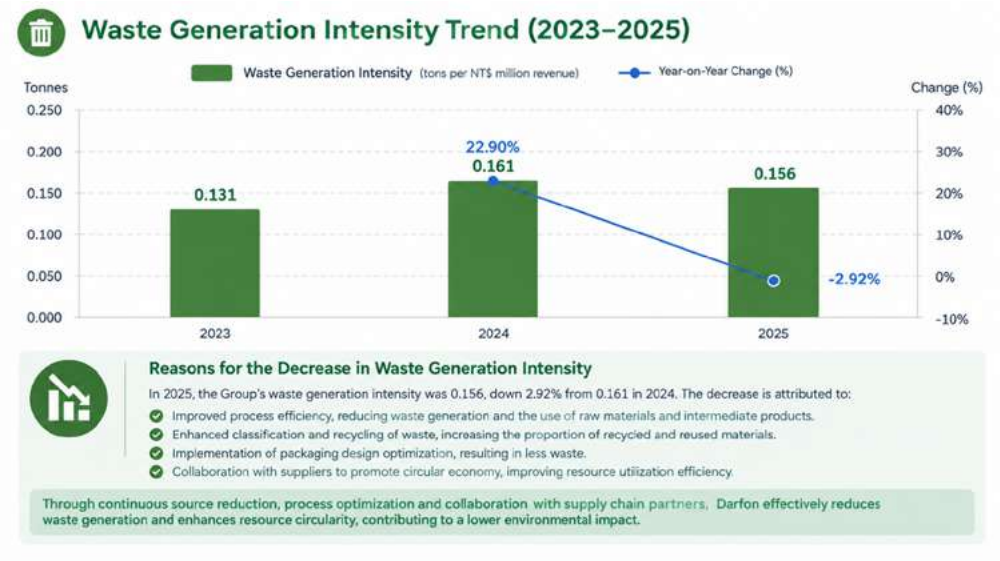
Note 1: Hazardous waste includes waste solvents, electroplating sludge, scrap electronic components, and spent activated carbon. Non-hazardous waste includes waste plastics (domestic and industrial waste), wastepaper (domestic waste), waste wood/pallets, and scrap metals (steel, iron, and aluminum).
Note 2: All waste generated by Darfon's operating sites is treated off-site. Waste quantities are weighed and recorded when the waste leaves the respective site.
Note 3: Non-hazardous waste generated at the operating sites in China excludes domestic waste because such waste is handled by qualified third-party service providers and is therefore not included in the statistics.

Waste Intensity

Data from 2023 to 2025 show that Darfon Electronics' total waste increased from 3,373.57 metric tons in 2023 to 3,496.12 metric tons in 2024. In 2025, the reporting boundary was expanded to include additional subsidiaries, resulting in total reported waste of 3,922.65 metric tons. Nevertheless, waste intensity, measured as the amount of waste generated per NTD million of Group revenue, remained relatively stable overall. Waste intensity was 0.156 in 2025, representing a 2.92% decrease from 0.161 in 2024 and remaining close to the 2021 level of 0.157. This demonstrates that the Group has continued to effectively control waste generation through management optimization and recycling initiatives.

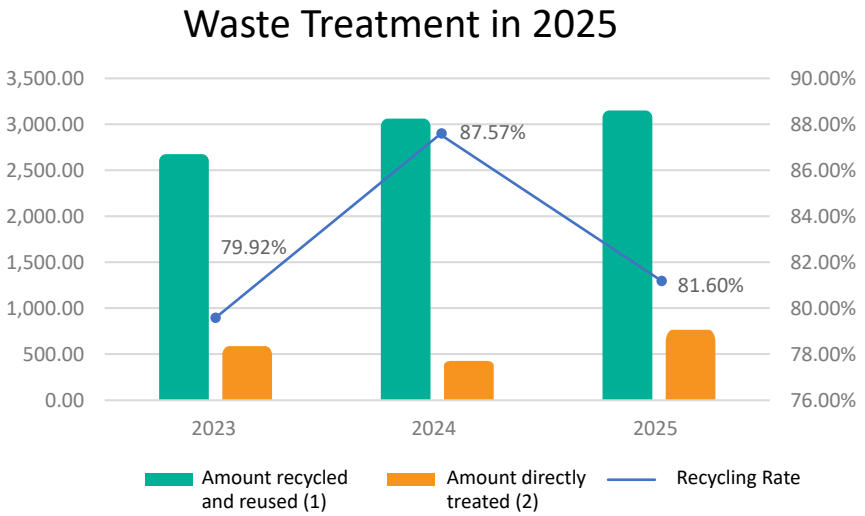
Unit: metric tons	2023	2024	2025
Total waste	3,373.57	3,496.12	3,922.65
Annual revenue (NTD millions)	25,792.00	21,700.23	25,079.00
Waste intensity (total waste per NTD million of annual revenue)	0.131	0.161	0.156
Changes compared to the previous year	-	+22.90%	-2.92%

Note 1: Waste intensity is calculated using Darfon's standalone revenue (i.e., annual revenue), as consolidated revenue includes amounts attributable to entities outside the reporting boundary of this Report.
Note 2: The figures for "annual revenue (NTD millions)" in 2023 and 2024 were misstated. Accordingly, the information on "annual revenue (NTD millions)" and "waste intensity (total waste per NTD million of annual revenue)" has been restated.



Darfon's Waste Recycling Rates over the Years

In 2025, Darfon generated a total of 3,922.65 metric tons of waste, of which 3,200.92 metric tons were recycled and reused, resulting in an overall recycling rate of 81.60%. Although the recycling rate decreased from 87.57% in 2024, primarily due to the expansion of the reporting boundary to include waste data from subsidiaries, the total amount of waste recycled and reused increased by approximately 4.6% compared with 2024. This demonstrates Darfon's continued efforts to promote resource circulation, waste recycling, and reuse.



Unit: metric tons	2023	2024	2025
Amount recycled and reused (1)	2,696.14	3,061.47	3,200.92
Amount directly treated (2)	677.43	434.64	721.7283
Waste generated (1) + (2)	3,373.57	3,496.12	3,922.65
Recycling rate (amount recycled and reused/waste generated)	79.92%	87.57%	81.60%

Note 1: The recycling rate for hazardous waste generated during product manufacturing was 72.39%.
Note 2: Hazardous waste accounted for 47.67% of total waste.

VII. Biodiversity Management

Biodiversity and No-Deforestation Commitment

In pursuing environmental sustainability, Darfon Electronics addresses not only climate change but also the growing global focus on biodiversity conservation and forest protection. Darfon is committed to taking action across its own operations, leveraging its influence throughout the global value chain, and encouraging value chain partners to participate in biodiversity conservation and forest protection and restoration. Through these efforts, Darfon aims to contribute to the Convention on Biological Diversity's 2050 Vision of "living in harmony with nature."

Our Commitments

1.Conserve biodiversity and forests

With the goals of achieving Net Positive Impact and No Gross Deforestation, Darfon is committed to conserving biodiversity and complying with applicable international, national, and local laws and regulations relating to biodiversity and forests.

2.Avoid and minimize biodiversity impacts

Avoid or minimize operations located near areas of significant biodiversity importance. Conduct biodiversity risk assessments covering operating locations, product design and development, and raw material procurement, and implement measures based on the mitigation hierarchy to avoid, minimize, restore, and offset potential impacts, with the goal of achieving No Net Loss of biodiversity.

3.Promote ecosystem restoration and conservation

Continue to promote afforestation, greening, ecosystem restoration, and biodiversity conservation initiatives to support healthy and resilient ecosystems at operating sites, in local communities, and throughout society.

4.Promote environmental awareness

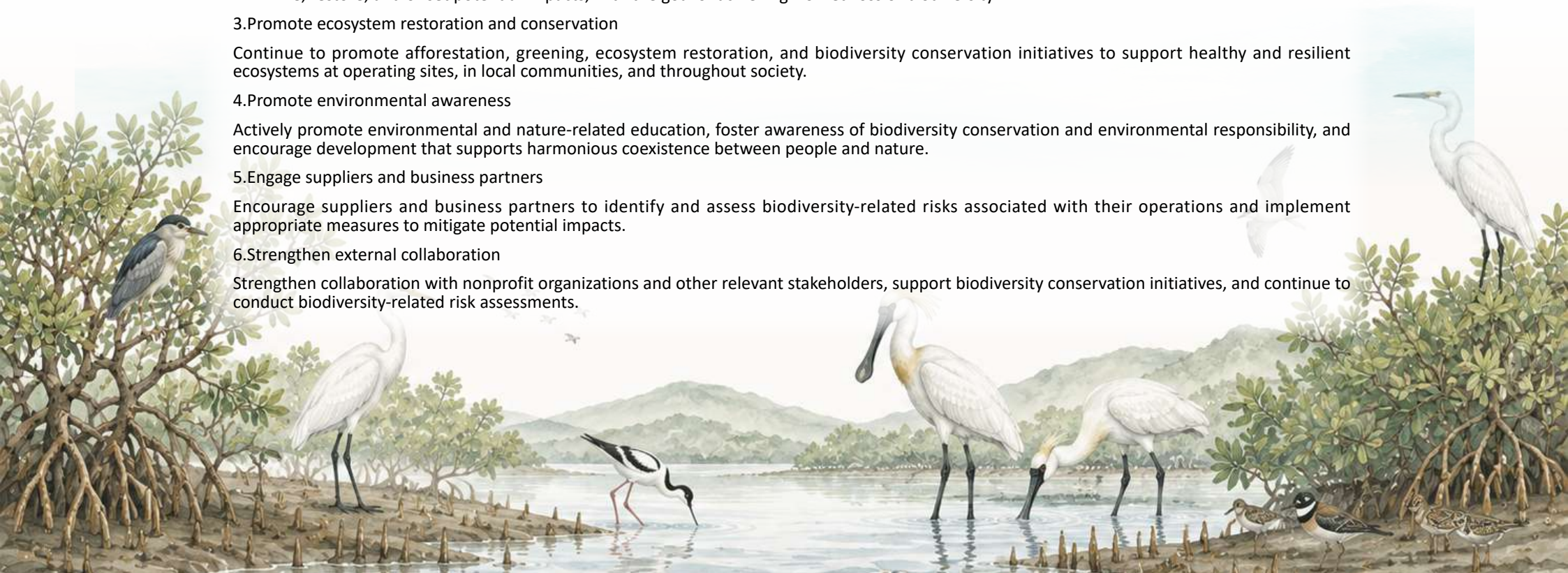
Actively promote environmental and nature-related education, foster awareness of biodiversity conservation and environmental responsibility, and encourage development that supports harmonious coexistence between people and nature.

5.Engage suppliers and business partners

Encourage suppliers and business partners to identify and assess biodiversity-related risks associated with their operations and implement appropriate measures to mitigate potential impacts.

6.Strengthen external collaboration

Strengthen collaboration with nonprofit organizations and other relevant stakeholders, support biodiversity conservation initiatives, and continue to conduct biodiversity-related risk assessments.



Governance and Responsibilities

Darfon has incorporated biodiversity and nature-related considerations into its sustainability governance framework. The Sustainability Development Committee establishes the implementation roadmap, while the Board of Directors provides overall oversight.

- **Board of Directors:** Oversees strategies and management approaches for nature- and climate-related risks and opportunities, building on the Company's existing climate governance framework.
- **Sustainability Development Committee:** Oversees the integration of biodiversity and natural capital considerations into the Company's sustainability strategy and related initiatives.
- Risk Management Committee: Incorporates nature-related risks into the Company's enterprise risk management (ERM) fram

Strategy

Based on the TNFD LEAP approach for analyzing nature-related dependencies and impacts (Locate, Evaluate, Assess, and Prepare), Darfon conducted the following analysis. The four official LEAP phases are Locate, Evaluate, Assess, and Prepare.

1.Locate: Ecological Profile of Operating Locations

Site	Geographic Location	Nearby Important Ecosystems	Ecological Sensitivity	Key Areas of Concern
Taoyuan Site	Guishan District	Urban green spaces and irrigation-pond wetlands	Medium	Habitat fragmentation and invasive species
Tainan Site	Annan District	Taijiang National Park and wetlands	High	Migratory bird habitats and water quality
Suzhou Site	Huqiu District	Taihu Lake wetlands and river-network wetlands	Low	Aquatic ecosystems and light pollution
Huaian Site	Economic Development Zone	Baima Lake wetlands	High	Water pollution and migratory birds
Chongqing Site	Hechuan District	Sanjiang wetlands	Medium	Aquatic habitats
Vietnam Site	Ha Nam Province	Kim Bang limestone forests	Medium	Conservation of the Delacour's langur
Czech Republic Site	South Moravia	Natura 2000 grasslands and wetlands	Low	Agricultural pollution
Thailand Site	Chonburi	Bang Pakong wetlands	Low	Mangroves and water quality

2.Evaluate: Dependencies and Impacts

Principal dependencies

- Water resources (manufacturing processes and cooling)
- Climate regulation (temperature and precipitation)
- Ecosystem services (pollutant absorption)

Principal impacts

- Energy use and carbon emissions
- Water consumption
- Land use and habitat disturbance

3. Assess: Principal Nature-related Risks and Opportunities

Principal risks

- Water stress (climate change)
- Ecological sensitivity of wetlands (Tainan Site)
- Habitat fragmentation (Taoyuan Site)
- Pollution and water-quality risks (Huaian Site)

Principal opportunities

- Green products and low-carbon markets
- Nature-based Solutions (NbS)
- Enhanced ecological brand value and ESG ratings

4. Prepare: Strategic Direction

Darfon adopts the AR3T framework as its strategic direction and seeks to reduce the impacts of its operations on the natural environment through four areas: Avoid, Reduce, Restore, and Transform. The Company has also incorporated biodiversity matters into its existing risk management framework. Building on the TCFD risk management process, it has established a management mechanism encompassing risk identification, analysis, assessment, response, and monitoring. Nature-related risks are incorporated into the enterprise risk management (ERM) system and categorized as physical or transition risks. At the same time, the Company continues to advance supply chain decarbonization and water resource management and seeks to prevent supply chain activities from damaging forests, wetlands, and other important ecosystems. These actions reduce adverse impacts on biodiversity and strengthen the Company's sustainability resilience.

Risk Identification → Analysis → Assessment → Response → Monitoring

Metrics and Targets

The Company continues to establish biodiversity- and nature-related management indicators and incorporates climate change and biodiversity conservation into its sustainability management framework to support sustainability management and performance monitoring.

	Metrics
Environmental metrics	•Water consumption / proportion of recycled water •Area affected by biodiversity impacts •Wastewater discharge quality
Climate metrics (continued from TCFD)	•Scope 1, Scope 2, and Scope 3 emissions •Proportion of renewable energy
Ecological metrics	•Monitoring of indicator species (such as birds) •Area of habitat restored

Short-Term Goals: 2025

- Complete ecological inventories for all operating sites
- Establish a TNFD disclosure mechanism
- Increase the proportion of recycled water by 10%
- Establish a nature-related risk management process

Medium-Term Goals: 2030

- Increase the proportion of recycled water use to ≥ 25%
- Incorporate nature-related risk assessments into supply chain management (100% of high-risk suppliers)
- Increase the area of wetland restoration
- Reduce greenhouse gas emissions by 50% from the 2020 level

Long-Term Goal: 2050

淨零排放 Net Zero

自然正向 Nature Positive

Achieve a net positive impact on nature

Key Biodiversity Issues

Indicator Species


Black-Faced Spoonbill (Tainan Site)


Mangrove Waterbirds (Thailand Site)


Oriental Stork (Huaian Site)

Key Ecosystems


Urban Green Spaces


Wetlands / Salt Fields


Water Bodies and Streams


Limestone Forests


Mangroves/Estuaries

6 Happy Workplace: Creating Value Through Talent

Darfon regards talent as the core driving force behind its sustainable development. Employees are not only key assets but also partners in value creation. The Company is committed to creating a workplace that respects diversity and safeguards human rights. Through systematic career planning, education, and training, it continuously develops employees' professional competencies and organizational adaptability. Talent development not only strengthens corporate resilience but also serves as an important pillar supporting innovation and enhanced competitiveness, enabling the Company and its employees to grow together.



I. Human Rights Protection (GRI 2-23, 2-25)

II. Recruitment and Retention

III. Compensation and Equal Pay

IV. Occupational Health and Safety

★ Performance Highlights



HR Asia Best Companies to Work for in Asia 2025 Award



The Top 100 Sustainable Companies at the Taiwan Corporate Sustainability Awards (TCSA).

★ Under the "Digital Blood Pressure Monitoring Transformation Program," 41% of participants showed significant improvement in blood pressure status, while 58% remained stable



The Platinum Award for Corporate Sustainability Reports at the Taiwan Corporate Sustainability Awards (TCSA)



Darfon's corporate headquarters achieved LEED Platinum certification and received the UL Verified Healthy Building Mark.

I.Human Rights Protection (GRI 2-23, 2-25)

Darfon's Human Rights Policy(GRI 406-1, 407-1, 408-1, 409-1)

"People-oriented" is one of Darfon's core values. We believe that a positive working environment enables employees to grow with confidence, while comprehensive training systems and activities further strengthen employee cohesion and create shared value that benefits the Company, its employees, and society. Darfon respects and supports internationally recognized human rights principles and frameworks, including the Universal Declaration of Human Rights, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. The Company also complies with the laws and regulations of the locations in which it operates when formulating its Human Rights Policy and implements human rights protections in accordance with the principles of protecting, respecting, and remedying human rights. Darfon's Human Rights Policy (https://esg.darfon.com.tw/esg/53/404/) applies to Darfon and its investee companies and covers employees, customers, suppliers, business partners, and joint ventures. We also require suppliers, business partners, and joint ventures to uphold human rights in accordance with standards equivalent to those set forth in this policy.

In 2025, no incidents of discrimination, violations of workers' freedom of association, forced labor, or compulsory labor occurred at Darfon's operating locations. Darfon strictly complies with the RBA Validated Assessment Program (VAP). Darfon's operating sites in China, Thailand, and Vietnam that underwent RBA VAP assessments received Silver recognition.

1 Establishing a Human Rights Management System

Through the RBA framework, we regularly conduct risk assessments to identify, prevent, and mitigate potential human rights impacts.

2 Fulfilling Social Responsibility

We uphold freedom of association, collective bargaining rights, care for vulnerable groups, prohibition of child labor, elimination of all forms of forced labor, and prevention of employment and workplace discrimination—ensuring employee rights and corporate responsibility.

3 Safeguarding Employee Rights

Darfon has established clear internal policies, such as the Work Rules, New Hire and Employment Guidelines, Whistleblower and Complaint Procedures, and Reward and Disciplinary Measures, all of which emphasize human rights protection, including compliance with laws, freedom of employment, humane treatment, and prohibition of discrimination and harassment.

4 Creating Diverse Communication Channels

We provide open and effective communication mechanisms, competitive compensation and benefits, diverse training opportunities, and embed human rights education across various employee programs. Employment freedom and RBA principles are implemented through company regulations and hiring policies. An employee complaint mailbox is also in place to ensure employee voices are heard.

In 2024, no incidents of violations related to freedom of association, child labor, or forced or compulsory labor occurred at any of Darfon's operational sites.

Human Rights Education and Training (GRI 2-24)

Darfon regards human rights as an integral part of its corporate responsibility. Through institutionalized management and workplace planning, the Company actively safeguards employees' fundamental rights. Education, training, and communication mechanisms also help employees fully understand their own rights and recognize the fundamental protections afforded to the stakeholders with whom they interact. In 2025, Darfon recorded a total of 4,415 employee attendances in human rights-related training. Through continued education and institutional implementation, the Company seeks to create a safe and inclusive working environment, reduce potential risks, and fulfill its long-term commitment to protecting human rights.

Creating a Safe Workplace Through Digital Education

In 2025, Darfon launched the "Friendly Workplace" digital learning course, covering the prevention of sexual harassment and unlawful workplace infringement. The pass rate for the post-course assessment was 100%. Darfon will continue to advance education and institutional implementation to create a safe and inclusive working environment, reduce potential risks, and fulfill its long-term commitment to protecting human rights.

Year	2023	2024	2025
Training attendances	2,878	4,417	4,415

Employee Communication

Handling of Employee Feedback in 2025

In 2025, the employee feedback platform received a total of 123 cases, with the overall average response time remaining within five days. Feedback was primarily concentrated in the two categories of living facilities and the Site environment, including:

Category	Cases	%
Food & beverage	73	59.4%
Production-line communication	29	23.6%
Traffic/dormitory/environment	15	12.2%
Unlawful infringement	2	1.6%
Other	4	3.3%
Total	123	100.1%

Note: Percentages may not total 100% due to rounding.

Darfon will continue to optimize its feedback-handling mechanism and implement improvement measures based on the key concerns raised by employees, thereby enhancing overall workplace satisfaction and the effectiveness of employee support systems.

Unlawful workplace infringement

In response to the relevant requirements of the Occupational Safety and Health Act, Darfon has established the “Prevention Plan for Unlawful Workplace Infringement in the Performance of Duties.” In accordance with the Plan, the Taoyuan Headquarters continues to implement measures including hazard identification and risk assessment, appropriate workplace configuration, suitable work arrangements, and relevant education and training to create a safe, respectful, and friendly workplace environment.

In 2025, a total of two grievance reports were received, one at the Tainan Site and one at the subsidiary Unictron Technologies. Following investigation, both cases were substantiated as incidents of unlawful workplace infringement. The cases involved verbal abuse and sexual harassment during working hours. The Company initiated investigation procedures in accordance with the Prevention Plan for Unlawful Workplace Infringement in the Performance of Duties and relevant management regulations.

Following a review by the Personnel Review Committee of Unictron Technologies, the sexual harassment complaint was substantiated, and the following measures were implemented:

1.Disciplinary action was taken against the respondent.

2.Workplace measures were implemented to protect the complainant and prevent recurrence of inappropriate conduc.

Following the investigation and implementation of the relevant corrective measures, the case was closed in accordance with the Company’s complaint-handling procedures.

Human Rights Due Diligence Management Process

① Integrate responsible business conduct standards into policies
② Identify and assess adverse impacts
③ Establish preventive and mitigation measures
④ Track effectiveness
⑤ Communicate externally
⑥ Provide remediation mechanisms



Phase 1 (Foundation Building)

Review applicable laws and regulations, establish policies, form a governance structure, and develop a risk identification checklist.

Phase 2 (Due Diligence Implementation)

Distribute human rights self-assessment questionnaires, collect stakeholder input, and conduct a materiality assessment (producing a risk matrix).

Phase 3 (Improvement and Management)

Develop corrective actions, establish KPIs (such as the grievance closure rate), conduct ongoing follow-up, and report regularly.

Human Rights Due Diligence (GRI 2-24)

To actively identify, prevent, mitigate, and address potential human rights impacts, Darfon conducted a Human Rights Due Diligence (HRDD) assessment in 2025. The assessment was developed with reference to relevant United Nations and international human rights guidance, the draft Guidelines for Respecting Human Rights by Taiwan’s Supply Chain Enterprises published in August 2024, and human rights issues addressed by the Responsible Business Alliance (RBA). Based on these references, Darfon developed a Human Rights Due Diligence Assessment Questionnaire to systematically identify and assess potential human rights risks.

The assessment was conducted through a questionnaire, with likelihood of occurrence and severity of impact each quantitatively rated on a scale of 1 to 5. A risk score (A × B) was then calculated to identify material human rights issues. A score of 9 or above was defined as a significant human rights risk; a score from 3 to below 9 was classified as medium risk; and a score below 3 was classified as low risk.

Cross-comparison of the assessment results and matrix analysis identified no significant human rights risks with an average score of 9 or above. The identified human rights issues were primarily classified as medium or low risk. Based on the assessment results, Darfon consolidated the identified medium-risk issues and formulated corresponding response measures, while also identifying specific potentially vulnerable groups for further attention.

▲ **Assessment scope:** Taoyuan, Tainan, Chongqing, Huaian, Suzhou, Vietnam, Thailand, and Japan
▲ **Assessment subjects:** Employees, migrant workers, local communities, and suppliers

Human Rights Risk Issue	Risk Description	Response Measures
Excessive working hours	The primary causes include employees working overtime on rest days, resulting in excessive working hours, and increased overtime demand due to higher order volumes.	Strengthen working-hours controls by issuing weekly excessive-overtime alerts and requiring advance applications for overtime. Where irregularities arise, HR shall proactively intervene to understand the circumstances and ensure that workers receive the statutory rest period of one rest day after six consecutive working days.
Charging of recruitment agency fees	Migrant workers may be charged recruitment agency fees during the recruitment and placement process.	Implement a zero-fee recruitment policy by subsidizing or eliminating recruitment agency fees, gradually transition toward the Employer Pays Principle, and establish an implementation timetable.
Chemical exposure	Some user departments have not fully complied with prescribed chemical storage requirements.	Chemical storage shall strictly comply with the “Darfon Chemical Management Operating Guidelines,” and spill-prevention measures shall be implemented under normal operating conditions. Strengthen personnel training and increase the frequency of inspections by occupational safety personnel.
Failure to properly use protective equipment	Although regular inspections are conducted, some units have not fully implemented the relevant requirements.	Increase the frequency of inspections at operating sites where protective equipment requirements have not been adequately implemented. Ensure that personnel in designated work areas use the required protective equipment and strictly correct non-compliance in accordance with applicable SOPs.
Occupational injuries	An occupational injury occurred during the reporting perio	Continue implementing PDCA-based occupational safety and health management and on-site audits, while strengthening employees’ awareness of occupational safety and health.
Bullying	An incident of verbal bullying occurred.	The department head convened a coordination meeting, and relevant corrective measures were completed. Darfon will continue to enforce its zero-tolerance policy and strengthen safe and transparent grievance channels to protect affected employees.
Supplier management	Suppliers were found to have working-hours violations and insufficient auditing, indicating that oversight of labor conditions in the supply chain requires further strengthening.	Extend human rights standards to suppliers. To address working-hours violations and inadequate human rights audits, comprehensively distribute supplier management questionnaires and establish “Supplier Management Procedures” for regular guidance and on-site audits, thereby strengthening compliance with labor-rights requirements throughout the supply chain.
Diversity and inclusion	Insufficient workplace support is available for the religious practices and dietary needs of foreign employees, such as Muslim employees.	Darfon provides prayer rooms and food options that accommodate religious requirements at its operating sites and provides facilities where employees may prepare their own meals in accordance with their religious beliefs. The Company will strengthen internal communication to ensure that employees are aware of these existing benefits and facilities.
Child labor	An incident occurred in which an underage worker used false information to obtain employment.	Add a standard operating procedure for multi-step identity document verification to the recruitment process to prevent the improper employment of underage workers.

II.Recruitment and Retention

Employees are a critical form of capital for Darfon's long-term development and an important driver of organizational innovation and continuous improvement. To strengthen workforce stability and organizational effectiveness, Darfon has established comprehensive talent development, training, and retention mechanisms to support employees throughout their careers. The Company regularly reviews and adjusts its employment and human resource management practices in accordance with applicable laws, regulations, and management requirements at each operating location, with the aim of providing appropriate working conditions, fostering a supportive workplace, strengthening employees' alignment with organizational goals, and enhancing organizational stability and operational effectiveness.

Talent Recruitment

Advancing Darfon' s Global Footprint and Building a Diverse International Talent Pool

In response to rapidly changing global markets and evolving competitive dynamics, Darfon continues to advance its global operating footprint and expand its overseas operations. In parallel, the Company is strengthening its talent diversity strategy by recruiting international talent from different countries and backgrounds to enhance cross-cultural collaboration, innovation, and organizational capabilities. As of 2025, Darfon employed 10 international employees.

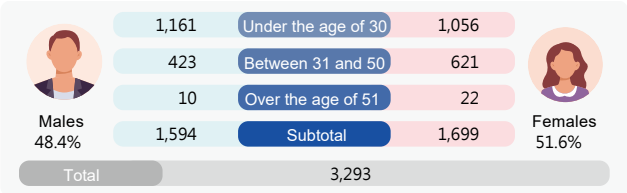
Darfon also places strong emphasis on industry-academia collaboration and works with universities and colleges in Taiwan through initiatives such as the New Southbound Industry-Academia Collaboration International Program and the Industry-Academia Cooperative Program for Overseas Compatriot Students. Through internships and industry-academia projects, Darfon provides students with opportunities to gain practical experience and develop industry-relevant capabilities, while building a sustainable talent pipeline to support the Company's future development and innovation.

New Hires and Employee Turnover (GRI 401-1)

New Hires

In 2025, Darfon recruited 3,293 new employees, representing a 52.2% new hire rate. Employees aged 30 and under accounted for 67.3% of new hires, supporting the Company's long-term talent pipeline. Darfon also employed 10 international employees and continued to develop industry-academia partnerships to strengthen talent development.

Item	2023	2024	2025
Number of new hires	11,001	10,641	3,293
New hire rate (%)	172%	162%	52.2%



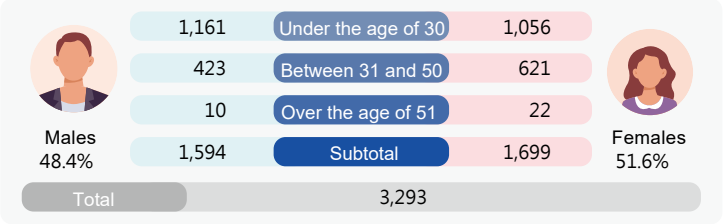
Employee Turnover Rate

In 2025, Darfon continued to implement its global operating strategy of "Lean Operations in China, Value Creation in Taiwan, Value Addition in Europe, and Scale Expansion in Vietnam." Under the direction of lean operations, the Company carried out organizational optimization and functional integration across its operations in China to strengthen operational efficiency and build a more resilient and sustainable operating structure.

Historically, employee turnover at certain manufacturing sites in China was relatively high, partly due to the substantial proportion of fixed-term student workers, short-term workers, and agency workers. These workers generally leave upon completion of their assignments, resulting in a higher number of departures compared with regular employees. In 2025, the significant reduction in employee departures reflected the Company's organizational optimization and the adjustment of its workforce structure toward a more stable core workforce.

Item	2023	2024	2025
Overall turnover rate	162.3%	154%	101.4%
Voluntary turnover rate	91.5%	88%	98.8%
Involuntary turnover rate	70.9%	65%	2.6%

Note: The number of employee departures includes employees who left the Company within three months of joining.



In 2025, a total of 3,102 employees left Darfon, including 1,619 men and 1,483 women. Based on the Company's employee turnover calculation methodology, the overall turnover rate was 101.4%:

- Management and workplace optimization: Continue to enhance organizational management, career development opportunities, and the working environment to strengthen employee engagement and retention.
- Responding to employee needs: Address key factors identified through employee exit feedback, particularly compensation and benefits and family-related considerations. Measures include benchmarking compensation practices against industry standards, providing performance-based incentives, and implementing flexible working arrangements and other employee support measures.

The significant decrease in employee departures in China reflects the combined effects of Darfon's "Lean Operations in China" strategy, organizational restructuring, and workforce optimization, supporting the transition toward a more stable and sustainable workforce model.

Workforce Distribution by Gender, Age, and Employment Type Across Regions (GRI 2-7、2-8、405-1)(TC-HW-330a.1)

Darfon operates manufacturing facilities in Suzhou, Chongqing, and Huaian in Mainland China; the Czech Republic in Europe; and Thailand and Vietnam in Southeast Asia. As of 2025, Darfon had 6,309 employees worldwide, including 761 employees at its corporate headquarters in Taoyuan. Women accounted for 53.5% of Darfon's global workforce, while women accounted for 27.2% of managerial employees.

Due to factors such as industry characteristics and local labor market conditions, men accounted for a relatively high proportion of managerial and engineering personnel at Darfon's operations in Taiwan. The gender distribution at other operating sites varied depending on the nature of the work and local labor market conditions.

Darfon's workforce has become increasingly younger, with employees aged 50 and under accounting for approximately 93.1% of the global workforce.

2025	Taiwan				China				Southeast Asia				Europe				Subsidiaries				Total			
	Male	%	Female	%	Male	%	Female	%	Male	%	Female	%	Male	%	Female	%	Male	%	Female	%	Male	%	Female	%
Headcount	414	54.4%	347	45.6%	1,695	46.0%	1,990	54.0%	283	32.0%	600	68.0%	24	60.0%	16	40.0%	520	55.3%	420	44.7%	2,936	46.5%	3,373	53.5%
Employment category																								
Middle and senior management	84	20.3%	20	5.8%	33	1.95%	6	0.30%	15	5%	3	1%	2	8%	0	0%	59	11.35%	16	3.81%	193	6.57%	45	1.33%
Frontline management	78	18.8%	27	7.8%	110	6.49%	84	4.22%	24	8%	7	1%	2	8%	1	6%	114	21.92%	31	7.38%	328	11.17%	150	4.45%
Engineering personnel	149	36.0%	45	13.0%	124	7.32%	144	7.24%	29	10%	24	4%	5	21%	0	0%	130	25.00%	54	12.86%	437	14.88%	267	7.92%
Administrative personnel	26	6.3%	58	16.7%	43	2.54%	102	5.13%	7	2%	48	8%	0	0%	6	38%	60	11.54%	134	31.90%	136	4.63%	348	10.32%
Direct labor	77	18.6%	197	56.8%	1,385	81.71%	1654	83.12%	208	73%	518	86%	15	63%	9	56%	157	30.19%	185	44.05%	1,842	62.74%	2563	75.99%
Total	414	100%	347	100%	1,695	100.00%	1990	100.00%	283	100%	600	100%	24	100%	16	100%	520	100.00%	420	100.00%	2,936	100.00%	3373	100.00%
Age distribution																								
Aged 30 and under	28	6.8%	44	12.7%	563	33.22%	390	19.60%	143	51%	293	49%	12	50%	7	44%	97	18.65%	68	16.19%	843	28.71%	802	23.78%
Aged 31–50	292	70.5%	244	70.3%	1,070	63.13%	1569	78.84%	131	46%	303	51%	10	42%	8	50%	328	63.08%	273	65.00%	1,831	62.36%	2397	71.06%
Aged 51 and over	94	22.7%	59	17.0%	62	3.66%	31	1.56%	9	3%	4	1%	2	8%	1	6%	95	18.27%	79	18.81%	262	8.92%	174	5.16%
Total	414	100%	347	100%	1,695	100.00%	1990	100.00%	283	100%	600	100%	24	100%	16	100%	520	100.00%	420	100.00%	2,936	100.00%	3373	100.00%
Employment contract																								
Permanent employees	383	92.5%	270	77.8%	1,497	88.32%	1818	91.36%	230	81%	565	94%	9	38%	7	44%	376	79.49%	310	84.24%	2,544	86.43%	3,022	89.43%
Temporary employees	1	0.2%	2	0.6%	198	11.68%	172	8.64%	0	0%	0	0%	15	63%	9	56%	6	1.27%	12	3.26%	220	7.62%	195	5.87%

Foreign employees	30	7.2%	75	21.6%	0	0.00%	0	0.00%	53	19%	35	6%	0	0%	0	0%	91	19.24%	46	12.50%	172	5.95%	156	4.70%
Total	414	100%	347	100%	1,695	100.00%	1990	100.00%	283	100%	600	100%	24	100%	16	100%	473	100.00%	368	100.00%	2,936	100.00%	3,373	100.00%
Educational background																								
Doctorate	5	1.2%	0	0.0%	0	0.00%	0	0.00%	0	0%	1	0%	0	0%	0	0%	4	0.77%	2	0.48%	9	0.31%	3	0.09%
Master's degree	166	40.1%	40	11.5%	5	0.29%	2	0.10%	2	1%	2	0%	8	33%	2	13%	106	20.38%	13	3.10%	287	9.78%	59	1.75%
University	165	39.9%	138	39.8%	158	9.32%	173	8.69%	67	24%	84	14%	2	8%	2	13%	255	49.04%	223	53.10%	647	22.04%	620	18.38%
College or university	24	5.8%	29	8.4%	216	12.74%	164	8.24%	46	16%	67	11%	6	25%	6	38%	73	14.04%	59	14.05%	365	12.43%	325	9.64%
Senior high school / Vocational high school	54	13.0%	137	39.5%	1,291	76.17%	1623	81.56%	114	40%	291	49%	8	33%	6	38%	61	11.73%	106	25.24%	1,528	52.04%	2163	64.13%
Junior high school or below	0	0.0%	3	0.9%	25	1.47%	28	1.41%	54	19%	155	26%	0	0%	0	0%	21	4.04%	17	4.05%	100	3.41%	203	6.02%
Total	414	100%	347	100%	1,695	100.00%	1990	100.00%	283	100%	600	100%	24	100%	16	100%	520	100.00%	420	100.00%	2,936	100.00%	3373	100.00%
On-site workers																								
Cleaning personnel	3	25.0%	7	58.3%	22	25.58%	26	30.23%	1	2%	9	64%	0	0%	0	0%	1	12.50%	5	83.33%	2	12.50%	10	83.33%
Catering personnel	1	8.3%	5	41.7%	13	15.12%	48	55.81%	5	12%	4	29%	0	0%	0	0%	1	12.50%	1	16.67%	2	12.50%	2	16.67%
Security personnel	8	66.7%	0	0.0%	51	59.30%	12	13.95%	37	86%	1	7%	8	33%	0	0%	6	75.00%	0	0.00%	12	75.00%	0	0.00%
Dispatched workers	0	0.0%	0	0.0%	0	0.00%	0	0.00%	0	0%	0	0%	0	0%	0	0%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	12	100%	12	100%	86	100.00%	86	100.00%	43	100%	14	100%	8	33%	0	0%	8	100.00%	6	100%	16	100.00%	12	100%

Note 1: Employment Contracts Under the GRI Definitions:

Permanent employees are employees who have entered into contracts for an indefinite term. Temporary employees are employees who have entered into contracts for a specified term (i.e., fixed-term contracts). Examples include short-term student workers at retail stores and student workers who have entered into internship agreements with Darfon. Migrant workers are also classified as temporary employees because each agreed period of employment may not exceed three years.

Note 2: Employment Types Under the GRI Definitions:

Full-time employees are employees whose weekly, monthly, or annual working hours are defined as full-time under applicable national laws and practices governing working hours. Part-time employees are employees whose weekly, monthly, or annual working hours are fewer than those of full-time employees. Employees with non-guaranteed hours include casual employees, employees on zero-hour contracts, and on-call employees.

Note 3: Workers Who Are Not Employees:

Workers who are not employees are contractor personnel primarily engaged in security, catering, and cleaning services. Darfon enters into fixed-term service contracts with the relevant contractors, who are responsible for assigning personnel to work at Darfon.

Diverse and Inclusive Workplace

To put its corporate culture and values into practice, Darfon upholds four core values: “Integrity and Self-Discipline, Pursuit of Excellence, Passion and Pragmatism, and Care and Contribution.” The Company has established clear standards of conduct for all employees to support sound decision-making in daily operations and foster collaboration toward its corporate vision of “Bringing Enjoyment and Quality to Life.”

As part of its people-oriented management philosophy, Darfon respects and safeguards the human rights of all stakeholders and is committed to fostering a diverse, equitable, and inclusive workplace where employees with different backgrounds and abilities can contribute their strengths.

Darfon Electronics continues to promote the employment of persons with disabilities across its global operating locations. In 2025, Darfon employed a total of 65 persons with disabilities worldwide, comprising 36 men and 29 women. Persons with disabilities accounted for 1.23% of all male employees and 0.86% of all female employees, respectively. By fostering a diverse workforce, Darfon seeks to enrich the professional backgrounds and experience within its teams, enhance workplace flexibility and innovation, and provide opportunities for employees to apply their strengths in suitable roles.

Global Employment of Persons with Disabilities in 2025

2025	Taiwan		China		Southeast Asia		Europe		Subsidiaries		Total	
Gender	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Percentage of employees with disabilities	1.21%	0.58%	1.65%	1.06%	0.00%	0.17%	0.00%	0.00%	0.58%	1.19%	1.23%	0.86%



Parental Leave (GRI 401-3)

Darfon continues to promote a family-friendly workplace by providing maternity, paternity, and parental leave in accordance with applicable laws and regulations. The Company also implements unpaid parental leave and reinstatement mechanisms in accordance with the Gender Equality in Employment Act and the Regulations for Implementing Parental Leave Without Pay for Raising Children.

In 2025, 17 male employees and 5 female employees took parental leave without pay, of whom 12 returned to work upon completion of their leave.

Site Site	Taoyuan Headquarters		Tainan Site		Darad Innovation		Darfon Energy Technology		TD HiTech Energy		Kenstone Metal		Astro Tech		Unictron Technologies	
Category	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Number of employees entitled to parental leave in 2025	18	9	113	189	5	1	6	2	0	1	1	8	6	3	13	11
Number of employees who took parental leave in 2025	1	1	1	0	0	0	0	1	0	0	0	6	3	1	0	3
Number of employees expected to return to work in 2025 (a)	3	2	3	0	0	0	0	0	0	0	0	4	4	1	0	2
Number of employees who actually returned to work in 2025 (b)	3	1	1	0	0	0	0	0	0	0	0	4	3	1	0	2
Return-to-work rate in 2025: (b)/(a)	100.0%	50.0%	33.3%	-	-	-	-	-	-	-	-	100.0%	75.0%	100.0%	-	100.0%
Number of employees who returned to work after parental leave in 2025 (c)	3	1	1	0	0	0	0	0	0	0	0	3	1	1	0	2
Number of employees who returned from parental leave in 2024 and remained employed for 12 months (d)	0	1	0	0	0	0	0	0	0	0	0	1	0	0	0	0
Retention rate in 2024: (d)/(c)	0.0%	100.0%	0.0%	-	-	-	-	-	-	-	-	33.3%	0.0%	0.0%	-	0.0%

Performance Appraisals (GRI 404-3)

Darfon operates a KPI-based performance management system that links corporate, departmental, and individual objectives. Performance and development discussions are conducted regularly to align employee goals with business strategies and support competency development. In 2025, 100% of eligible employees completed performance reviews.

Region	Category	Number of employees receiving performance and career development reviews		Total number of employees		Percentage receiving performance reviews	Number of employees promoted		Employees promoted as a percentage of total employees
		Male	Female	Male	Female		Male	Female	
Taiwan	Middle and senior management	84	20	84	20	100%	4	1	5%
	Frontline management	78	27	78	27	100%	10	6	15%
	Engineering personnel	145	43	149	45	97%	0	0	-
	Administrative personnel	25	57	26	58	98%	0	0	-
	Direct labor	74	191	77	197	97%	0	0	-
	Total	406	338	414	347	97.8%	14	7	2.8%
China	Middle and senior management	33	6	33	6	100%	5	1	15.4%
	Frontline management	110	84	110	84	100%	11	15	13.4%
	Engineering personnel	122	143	124	144	99%	7	5	4.5%
	Administrative personnel	43	98	43	102	97%	1	2	2.1%
	Direct labor	1,376	1,643	1,385	1,654	99%	8	3	0.4%
	Total	1,684	1974	1695	1990	99.3%	32	26	1.6%
Southeast Asia	Middle and senior management	15	3	15	3	100%	0	0	0%
	Frontline management	24	7	24	7	100%	5	5	32%
	Engineering personnel	29	23	29	24	98%	0	0	0%
	Administrative personnel	7	46	7	48	96%	0	0	0%
	Direct labor	203	512	208	518	98%	0	0	0%
	Total	278	591	283	600	98.4%	5	5	1.1%

Region	Category	Number of employees receiving performance and career development reviews		Total number of employees		Percentage receiving performance reviews	Number of employees promoted		Employees promoted as a percentage of total employees
		Male	Female	Male	Female		Male	Female	
Europe	Middle and senior management	2	0	2	0	100%	0	0	0.0%
	Frontline management	2	1	2	1	100%	0	0	0.0%
	Engineering personnel	5	0	5	0	100%	0	0	0.0%
	Administrative personnel	0	6	0	6	100%	0	0	0.0%
	Direct labor	0	0	15	9	0%	0	0	0.0%
	Total	9	7	24	16	40%	0	0	0.0%
Subsidiaries	Middle and senior management	59	16	59	16	100%	4	2	8%
	Frontline management	114	31	114	31	100%	13	4	12%
	Engineering personnel	130	53	130	54	99%	11	3	8%
	Administrative personnel	56	131	60	134	96%	1	4	3%
	Direct labor	151	180	157	185	97%	8	19	8%
	Total	510	411	520	420	98.0%	37	32	7%

Note 1: Employees who have been employed for less than three months are not included in performance appraisals. Upon completing three months of employment, they are evaluated under the “New Employee Appraisal” system.

Employee Satisfaction Survey

To gain a deeper understanding of employees’ needs and expectations, Darfon regularly conducts employee satisfaction surveys. Quantitative data and qualitative feedback are analyzed together and serve as important references for human resources management and organizational improvement. In 2025, ESG and sustainability-related items were included in the questionnaire for the first time, demonstrating Darfon’s commitment to understanding employees’ perspectives and strengthening their awareness and participation in sustainability initiatives.

The overall satisfaction score in 2025 was 4.61 out of 5, indicating that employees generally viewed Darfon’s overall performance positively. The scores for each indicator were as follows:

Taiwan Site assessment item	2023	2024	2025
Recruitment and appointment	4.64	4.62	4.60
Talent management and development	4.6	4.57	4.60
Payroll, attendance, and insurance	4.7	4.67	4.59
Employee relations	4.7	4.67	4.63
ESG and sustainability initiatives	-	4.51	4.58
General administration and facilities management	4.74	4.71	4.67
Overall average score	4.69	4.64	4.61

III.Compensation and Equal Pay

Salaries of Full-Time Non-Managerial Employees

In accordance with the "Operational Procedures for the Reporting of Salary Information of Full-Time Employees Not in a Managerial Position" issued by the Taiwan Stock Exchange, the average salaries of employees at Darfon's operating locations in Taiwan were calculated and reviewed by the Company's CPAs. In 2025, the average number of employees in Taiwan was 758, and the weighted-average number of full-time non-managerial employees was also 758. The average salary of full-time non-managerial employees was NTD 1,039 thousand, representing a 9.57% decrease from the previous year. The median salary was NTD 907 thousand, representing a 5.13% decrease from the previous year.

Ratio of Base Salary and Total Remuneration by Gender (GRI 405-2)

Darfon upholds the principles of equal pay for equal work and fair compensation based on job responsibilities and performance. The Company does not permit gender-based discrimination in compensation adjustments or payments. Going forward, Darfon will continue to implement relevant management measures and mechanisms to further reduce gender-based pay disparities.

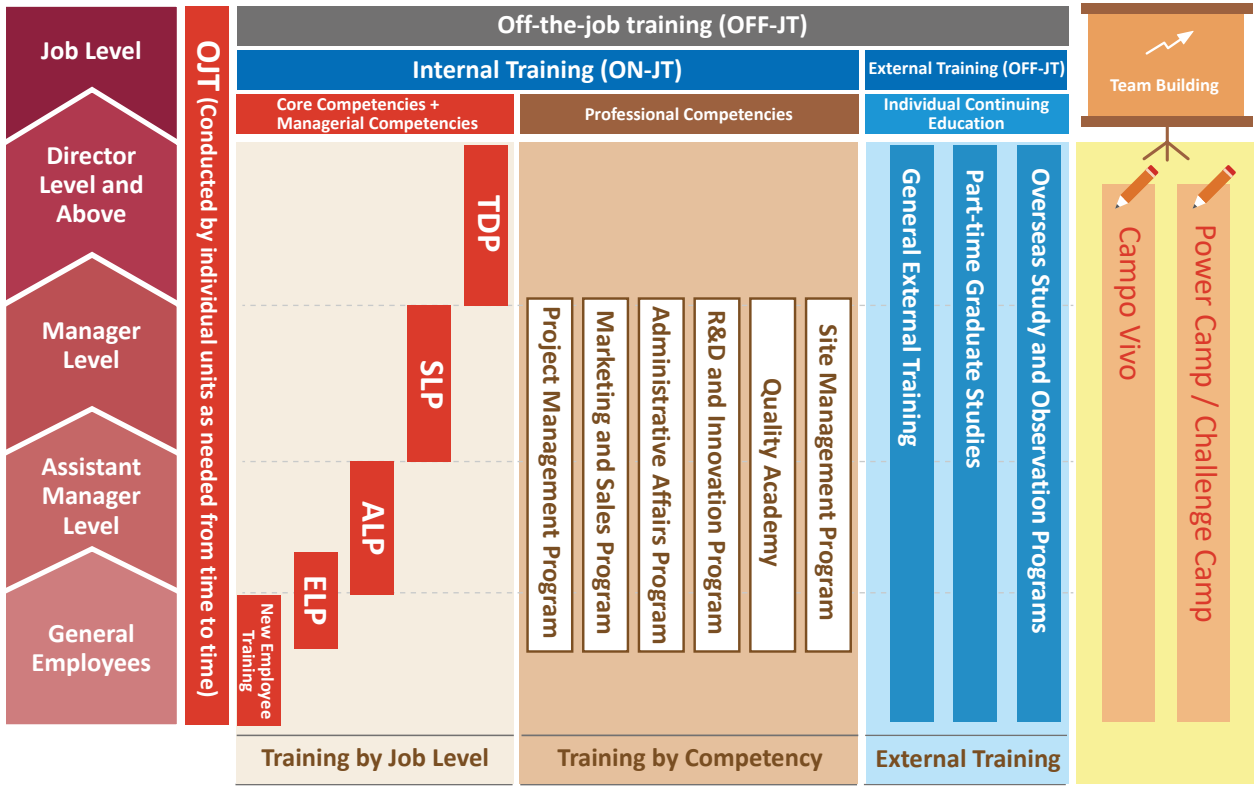
Location	Taiwan operating sites				China				Southeast Asia				Europe				Subsidiaries			
Compensation component	Basic salary		Basic salary + bonuses		Basic salary		Basic salary + bonuses		Basic salary		Basic salary + bonuses		Basic salary		Basic salary + bonuses		Basic salary		Basic salary + bonuses	
Gender	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Middle and senior management	1	0.91	1	0.96	1	0.95	1	0.92	1	0.96	1	0.96	1	Not disclosed	1	Not disclosed	1	0.71	1	0.71
Frontline management	1	0.84	1	0.83	1	0.9	1	0.92	1	0.99	1	1.08	1	Not disclosed	1	Not disclosed	1	0.89	1	0.9
Engineering personnel	1	0.92	1	0.9	1	0.89	1	0.87	1	1.12	1	1.15	1	Not disclosed	1	Not disclosed	1	0.92	1	0.91
Administrative personnel	1	0.99	1	0.99	1	0.96	1	0.86	1	1.12	1	1.09	1	Not disclosed	1	Not disclosed	1	0.91	1	0.9
Direct labor	1	0.98	1	0.95	1	0.95	1	0.84	1	0.97	1	0.97	1	Not disclosed	1	Not disclosed	1	0.99	1	0.99

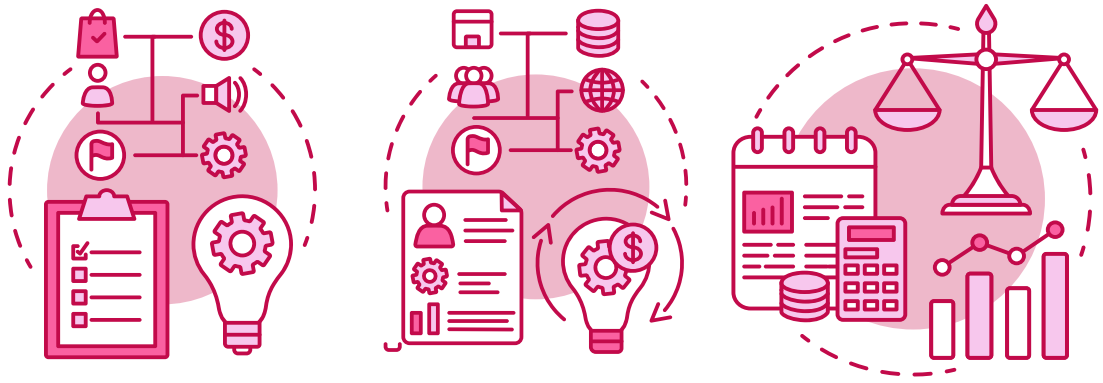
Note 1: Average salary is calculated by dividing the total compensation for each job level in 2025 by the number of employees in the relevant group. Base salary is calculated based on the full monthly salary (recurring salary) of employees in service at the end of 2025. In addition, because employees who joined or left during the year and were therefore employed for less than a full year may create distortions in the ratio due to the timing of bonus payments, employees with less than one year of service are excluded from the calculation of "base salary + bonuses."

Note 2: As salary levels vary among operating locations in China, salary ratios are presented as ranges.

Note 3: Because the workforce in Europe is relatively small, information on the ratio of base salary and total remuneration by gender for 2025 is not disclosed to prevent the potential indirect identification of individual employees' salary information and to protect employee privacy and personal information.







2025 Training Performance (GRI 404-1)

Training hours increased to 69,926 in 2025, with average training hours rising to 11.1 hours per employee. Online learning continued to improve training accessibility and cost-effectiveness.

Indicator	2023	2024	2025
Total training hours	50,708	59,033	69,926
Average hours/person	7.9	9.0	11.1
Education and training expenditure (NTD ten thousands)	342	391	380

Note 1: Average training hours = Total training hours/total number of employees (6,575 employees)

Note 2: Beginning in 2025, the statistics cover Darfon's operating locations worldwide.

Hours	Total training hours			Average training hours		
Employee category	Male	Female	Total	Male	Female	Total
Managerial employees	10,131	3,912	14,043	19.4	20.1	19.6
Non-managerial employees	29,051	26,831	55,882	12.0	8.4	10.0
Total	39,182	30,744	69,926	13.3	9.1	11.1

Note 1: Training includes all types of vocational training and instruction; paid educational leave provided by the organization to employees; external training or education fully or partially funded by the organization; and training on specific topics.

Note 2: This table covers Darfon's operating locations worldwide.



IV.Occupational Health and Safety

Darfon has established and complies with its “Corporate Social Responsibility and Environmental, Safety, and Health Policy” and is committed to creating a safe, healthy, and sustainable working environment. Darfon ESG Policy

Darfon has implemented the ISO 45001:2018 Occupational Health and Safety Management System at designated operating sites to systematically identify, assess, and manage occupational safety and health risks, prevent occupational injuries and illnesses, and continuously improve workplace safety. The Company also promotes employee health and well-being through health examinations, health promotion programs, education and training, and professional health consultation and referral mechanisms, while encouraging employees to maintain an active and healthy lifestyle.

Number of Employees Covered by the ISO 45001 Management System (GRI 403-1 and 403-8)

To strengthen occupational safety and health management across its global operations, Darfon has implemented the ISO 45001:2018 Occupational Health and Safety Management System at its designated production locations. These locations include Taoyuan, Tainan, Suzhou, Huaian, Chongqing, Vietnam, Thailand, the Czech Republic, and Unictron Technologies, subject to the applicable certification scope.

The management systems at these locations have been audited and certified by third-party certification bodies, helping ensure the effective implementation and consistent operation of occupational safety and health management practices. Each location adapts its implementation practices to applicable local laws and regulations and maintains compliance with relevant legal requirements.

For example, Darfon’s operating sites in Taiwan have established occupational safety and health management organizations and appointed qualified occupational safety and health management personnel and other dedicated personnel according to applicable requirements and workforce size, supporting effective system implementation and on-site risk control.

Within the defined boundaries of the ISO 45001 management system, 5,865 employees (95.3%) and 288 non-employees (4.7%) were covered as of December 2025. Accordingly, employees and non-employees within the defined management system boundaries are covered by Darfon’s occupational safety and health risk prevention and protection mechanisms.

	Operating sites certified to ISO 45001								
	Taoyuan Headquarters	Tainan Site	Suzhou Site	Huaian Site	Chongqing Site	Vietnam Site	Thailand Site	Czech Republic Site	Unictron Technologies
Employees	462	299	429	1,649	1,607	759	124	40	496
Non-employees	17	7	30	82	61	55	2	30	4

Note 1: The headcount represents individuals who remained employed as of December 2025.

Note 2: Workers who are not employees are dispatched workers primarily engaged in security, institutional catering, and cleaning services.

Note 3: The subsidiary Unictron Technologies is a listed company.



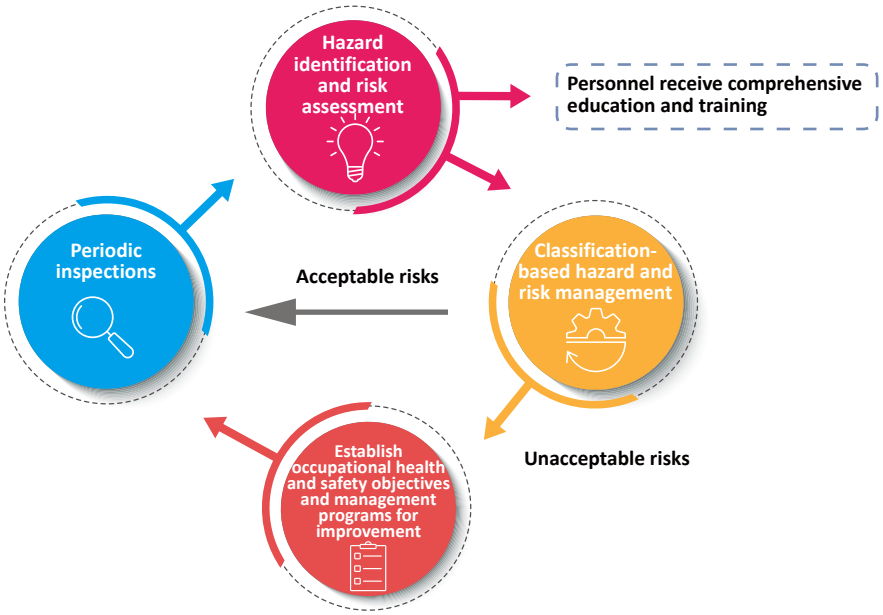
Occupational Safety and Health Management Committees (GRI 403-4)

Darfon's operating locations have established occupational safety and health management organizations and mechanisms for worker participation in accordance with applicable local laws and regulations. Depending on local requirements, these include Occupational Safety and Health Committees in Taiwan, Work Safety Committees in China, Labor Protection Committees in Vietnam, Occupational Safety, Health, and Environment Committees in Thailand, and Occupational Safety and Health Committees in the Czech Republic.

Committee meetings are held regularly, with the frequency determined in accordance with applicable local laws and regulations and site-specific management requirements. Management representatives, department heads, and worker representatives participate in reviewing occupational safety and health policies, the implementation of related programs, risk and incident management, and improvement measures. Through these mechanisms, Darfon promotes effective management–worker communication and consultation, strengthens worker participation in occupational safety and health management, and supports the continuous improvement of workplace safety and health.

Hazard Identification and Risk Assessment (GRI 403-2)

Darfon conducts annual hazard identification and risk assessments covering mechanical, physical, chemical, and ergonomic risks. High-risk items classified as unacceptable are subject to immediate corrective action. In 2025, 16 improvement proposals were implemented, achieving a 100% completion rate.



Worker Participation, Consultation, and Communication

Guided by the principle of "safety first," Darfon places great importance on worker participation, consultation, and communication in occupational safety and health management. Each applicable site holds committee meetings regularly to review occupational safety and health risks and deficiencies, establish improvement priorities, and incorporate worker feedback into corrective and preventive measures.

The number and proportion of worker representatives are determined in accordance with applicable local laws and regulations, ensuring appropriate worker participation and representation. These mechanisms facilitate communication between management and workers and support the continuous improvement of workplace safety and the protection of worker rights.

Site	Number of Meetings	Number of Committee Members	Number and Percentage of Worker Representatives	
Taoyuan Headquarters	4	10	5	50%
Tainan Site	4	18	6	33.3%
Suzhou Site	4	11	2	18.18
Huaian Site	12	17	13	76%
Chongqing Site	4	33	23	70%
Vietnam Site	4	13	2	33%
Thailand Site	9	5	2	40%
Czech Republic Site	12	8	NA	NA
Astro Tech	4	13	6	46%
Unictron Technologies	4	11	4	36%

Note: Darfon Energy Technology, Darad Innovation, TD HiTech, and Kenstone Metal each have fewer than 100 employees and are therefore not required to establish an Occupational Safety and Health Committee.



Education, Training, and Awareness(GRI 403-5)

Building a strong workplace safety culture requires continuous education and communication. To enhance employees' awareness of occupational safety and health and effectively reduce occupational injuries and workplace risks, Darfon develops an environmental, safety, and health (ESH) education and training plan annually based on the actual needs and operational characteristics of each site. Where applicable, participants complete assessments and satisfaction surveys to evaluate learning outcomes and the practicality and relevance of the training content.

Training provided in 2025 covered a broad range of topics, including general occupational safety and health, hazardous chemical hazard communication, environmental, safety, and health risk assessment, machinery safety, forklift and chemical safety, statutory certification, information security, fire drills, chemical incident response drills, prevention of unlawful workplace conduct, CPR and AED training, and health promotion seminars.

Site	Type	Pre-employment Training	On-the-job Training	Total Training
	Target Participants	New Hires and Transferred Employees	Designated or General Personnel	
Taiwan	Total Attendances	143	8149	8292
	Total Hours	429	18634.93	19063.93
China	Total Attendances	3596	4803	8399
	Total Hours	11235	10200	21435
Southeast Asia	Total Attendances	1287	683	1970
	Total Hours	3,614	341.5	3955.5
Europe	Total Attendances	13	65	78
	Total Hours	26	100	126
Subsidiaries	Total Attendances	115	1501	1616
	Total Hours	390	2121.62	2511.62
Total Attendances		5,154	15,201	20,355

Occupational Injury Statistics

Analysis of Occupational Injury Incidents (GRI 403-9 and 403-10)

In 2025, the Darfon Group, including all operating sites and subsidiaries, recorded a total of 15 occupational injury incidents, comprising one case of permanent partial disability and 14 cases of temporary total disability. There were no fatalities resulting from occupational injuries or occupational diseases during the year, and total lost time amounted to 432.5 days.

In 2025, the recordable occupational injury rate increased from 0.49 in 2024 to 15.3, primarily due to individual occupational injury incidents at certain operating sites. Meanwhile, the Lost Day Rate (LDR) decreased from 25.0 in 2024 to 13 in 2025, indicating that the Company's medical support, return-to-work arrangements, and post-incident injury management measures have helped reduce the severity and impact of occupational injuries on employees and operations.

Item	Employees			Non-employees		
	2023	2024	2025	2023	2024	2025
Rate of fatalities resulting from occupational injuries	0	0	0	0	0	0
Rate of high-consequence occupational injuries (excluding fatalities)	0	0	10.1	0	0	0
Rate of recordable occupational injuries	0.7	0.49	15.3	0	0	0
Lost-time occupational injury rate	0.7	0.49	15.3	0	0	0
Rate of fatalities resulting from occupational diseases	0	0	0	0	0	0
Rate of recordable occupational diseases	0	0	0	0	0	0
Lost day rate (LDR)	15.17	25	13	0	0	0
Disabling injury frequency rate (FR)	0.46	0.49	0.66	0	0	0
Disabling injury severity rate (SR)	15.17	25	13	0	0	0

Incident Investigation Process and Occupational Injuries (GRI 403-2)

Darfon has established incident reporting and emergency response mechanisms at each Site. Occupational injuries and near-miss incidents are reported promptly and investigated through root cause analysis (RCA) to identify underlying causes and implement preventive measures.

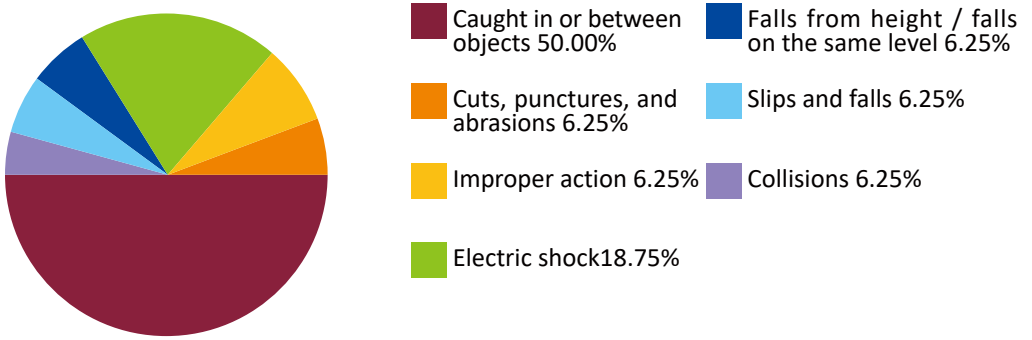
Darfon upholds a “safety first” culture and respects workers’ right to remove themselves from situations involving imminent and serious danger. Workers may stop work or leave hazardous areas without retaliation or adverse impact on their employment rights.

Analysis of Incident Types and Causes in 2025

In 2025, the two major types of incidents were:

- Caught in or between machinery: 50.0% — primarily related to machinery operation and maintenance.
- Falls: 18.75% — primarily related to material handling and work at height.

2025 Occupational Injury Statistics by Category



Key Improvement Measures

Based on the incident analysis, Darfon strengthened the following measures:

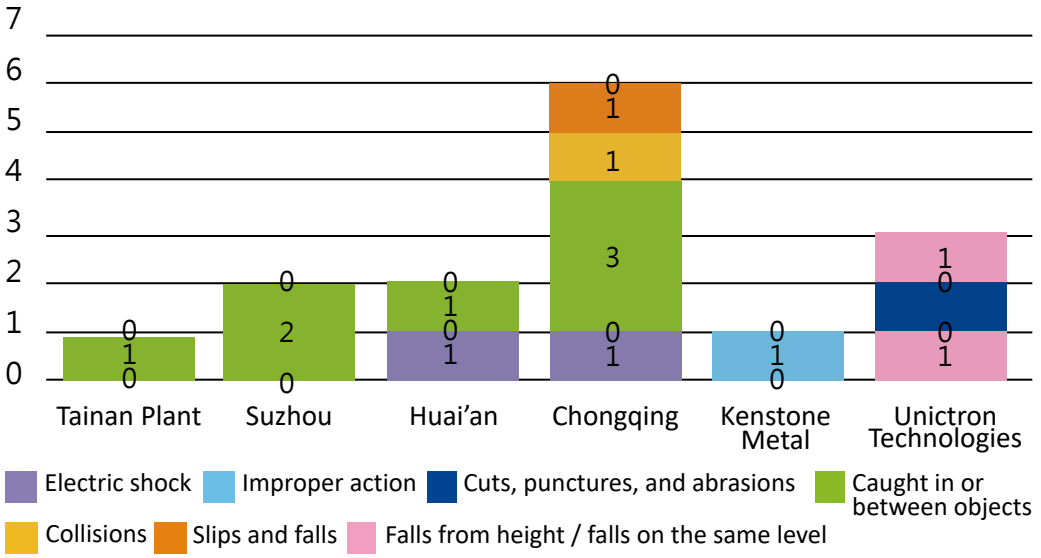
1.Engineering controls: Strengthen machine guarding, safety interlocks, and sensor-based protection systems.

2.Safe operating practices: Enhance targeted training and Behavior-Based Safety (BBS) observations to improve compliance with SOPs.

3.Workplace hazard prevention: Regularly review traffic routes, material handling areas, and workplace conditions to prevent slips, trips, and falls.



2025 Occupational Injury Statistics by Site



Employee Health Promotion and Comprehensive Care (GRI 403-3 and 403-6)

Darfon promotes a comprehensive employee health management system integrating health examinations, risk-based management, health education, professional consultation, and health promotion programs.
2025 Highlights
20 health awareness communications
17 health seminars
Topics included vision care, healthy eating, stress management and disease prevention
Professional occupational physician consultation and referral services available

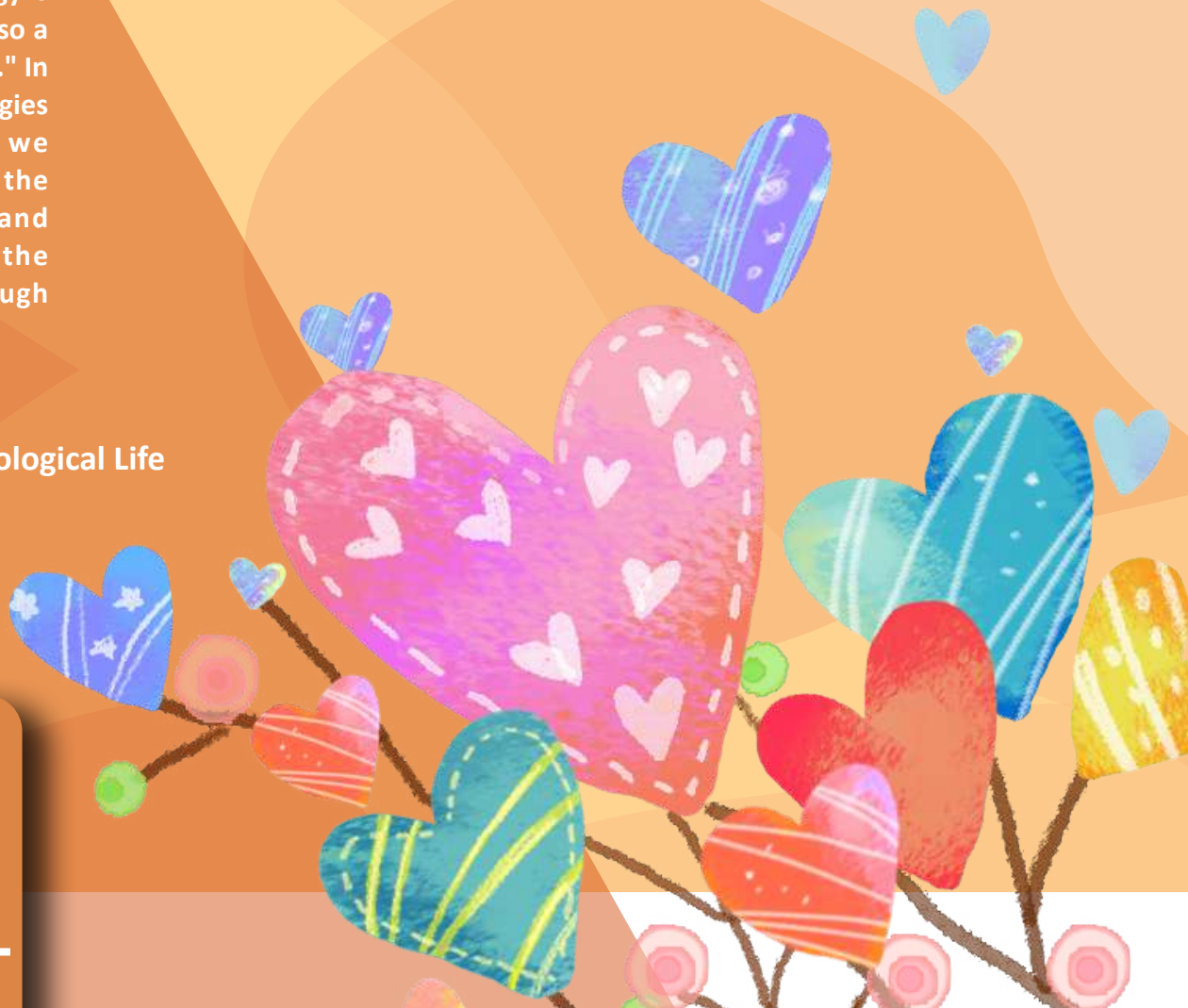
Type	Target participants	Frequency	Item	Taiwan	China	Southeast Asia	Europe	Subsidiaries	Total
General Health Examination	Newly hired or transferred employees.	Before a newly hired employee reports for work.	Items prescribed under the Regulations Governing Labor Health Protection.	132	2,901	1,224	-	88	12,927
General health examination	All current employees.	Local employees: once every two years for those aged 40 and over; once every three years for those under 40. Foreign employees: once every five years for those under 40; once every three years for those aged 40–65; once annually for those aged 65 and over	Items required under the Regulations Governing the Protection of Labor Health, with abdominal ultrasound examinations additionally provided to all employees	261	791	820	18	628	2,518
Occupational Health Examination for Special Operations	Newly hired or transferred employees engaged in work with special health hazards.	Before a newly hired employee reports for work or before a current employee is transferred to such work.	Items prescribed under the Regulations Governing Labor Health Protection.	19	579	81	-	27	706
Annual Occupational Health Examination for Special Operations	Current employees engaged in work with special health hazards.	Conducted annually.	Items prescribed under the Regulations Governing Labor Health Protection.	125	389	65	-	156	735
Health Examination for Senior Executives	Executives at the Director level and above	Assistant Vice Presidents and above: once every two years. Directors: once every three years	Examination items provided by the health examination institution, with carotid ultrasound examinations additionally included	7	1	2	-	9	19

Note 1: At Taoyuan Headquarters in Taiwan, all managerial employees are provided with neck ultrasound examinations.

Note 2: This table presents health examination data for Darfon's Taiwan operations only. Overseas operations conduct health examinations in accordance with applicable local laws and regulations.

7 Caring Contributions · Creating Impact Through Community Engagement

Adhering to Darfon Electronics' corporate vision of "Realizing the Truth, Goodness, and Beauty of Technological Life," we believe that technology is not only a driving force for innovation but also a bridge for conveying "goodness" and "beauty." In 2025, based on our core corporate technologies of "green energy" and "intelligence," we will prioritize three major axes: care for the disadvantaged, sustainable education, and community co-creation, responding to the current challenges faced by society through diverse actions.



I. Realizing the Truth, Goodness, and Beauty of Technological Life

II. Four Concrete Actions for Social Participation

★ Key Performance Highlights

Annual resources invested
NT$ 2,105,360

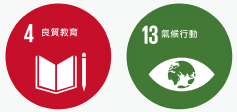
Employee volunteer participation
456 participants |
1,286 volunteer service hours

Beneficiaries
15 local organizations and social welfare groups.

Bringing Enjoyment and Quality to Life Through Technology — Leveraging Green Energy and Smart Technologies to Address Social Issues and Promote Shared Prosperity in Local Communities

Guided by Darfon Electronics' corporate vision of **"Bringing Enjoyment and Quality to Life,"** we believe that technology is not only a driving force for innovation but also a bridge for conveying goodness and beauty. In 2024, building on our core strengths in green energy and smart technologies, we prioritized three major areas: care for disadvantaged groups, sustainability education, and community co-creation. Through diverse actions, we responded to the challenges currently facing society.

From supporting disadvantaged groups and promoting sustainability education to co-creating with local communities, we serve not only as a supporter of social welfare but also apply a "technology + people-centered" approach to addressing underlying problems and reshaping value. By working together with communities, we seek to create a warmer and more sustainable way of life. These efforts not only fulfill our corporate responsibilities but also align with the **United Nations Sustainable Development Goals (SDGs),** demonstrating the important role that companies can play in driving change and advancing shared prosperity.

Four Major Areas of Social Engagement	Engagement programs	Corporate core strengths	SDGs	Beneficiaries
Care for Disadvantaged Groups	● Blood donation and first-aid training ● Charity bazaars and benefit performances ● Dream Fulfillment Companionship Program ● Corporate volunteer participation system	● Building on its green energy and smart technologies, Darfon introduces smart mobility devices to support age-friendly communities and applies its product innovations to support rural healthcare and long-term care development, thereby bringing enjoyment and quality to life through technology. ● Darfon recognizes the diversity of regional needs and responds to the Company's long-term vision of fulfilling its responsibilities as a corporate citizen and promoting social inclusion in local communities. ● Darfon is committed to encouraging employee participation, serving diverse groups, and helping address local resource gaps, thereby achieving the dual goals of corporate growth and shared prosperity through local sustainability.		Hsinchu Blood Center, Xudeng Nursing Home, Taoyuan Jen-Ai Senior Citizens' Home, Sacred Heart Charity Workshop, Taoyuan Family Support Center, Ansheng Long-Term Care Center for the Elderly, and Bade Education and Nursing Institute
Sustainability Education	● Support for a choir at a rural school ● Development of athletic talent ● Mobile learning × sustainability experiences			Wulai Elementary and Junior High School, Wulai District, New Taipei City; National Taiwan Sport University in Linkou; GoodHoard Farm
Community Co-Creation	● Earth-Friendly Initiative ● Really Really Free Market × Material Reuse Platform ● Support for local arts and cultural development ● Smart mobility × community support			Miaoli County Xihu Township Leisure Agriculture Association; Step30 International Ministries; Green Miracle Public Welfare Service Network Association; Eden Social Welfare Foundation; Taiwan Art Foundation
Ecological Conservation	● Beach cleanup × crab release for sustainable oceans	● Environmental protection and coastal ecosystem conservation		Bang Saen Beach and Ang Sila, Chon-buri Province

Key Achievements in 2025

- **Annual resources invested: NTD 2,105,360, including cash donations and in-kind contributions.**
- **Employee volunteer participation: 456 participants, contributing a total of 1,286 volunteer service hours.**
- **Beneficiaries: 15 local organizations and social welfare groups.**

Darfon Electronics believes that corporate growth is closely connected to social development. Guided by our vision of building a more inclusive and sustainable society, Darfon has established a comprehensive framework for social engagement and integrates internal resources with the strengths of external partners to maximize the impact of its community initiatives. Through these efforts, the Company seeks to give back to society while creating shared value and a mutually beneficial future for both Darfon and the communities in which it operates.

Specific Actions Under the Four Major Areas of Social Engagement

Through concrete action, we have strengthened local connections, established long-term partnerships, and increased our local impact. At the same time, we have cultivated employees' awareness of social responsibility, fostered a positive corporate culture, and combined corporate resources with social needs to create shared value. Darfon Electronics will continue to deepen its social engagement and expand its social impact. We are committed to applying systematic project management and performance assessment to ensure the effective use of resources and create greater value for society. Together, we will move toward a more inclusive and sustainable future.

I.Care for Disadvantaged Groups: Taking Action to Bridge Social Divides

[SDGs Addressed] SDG 3 (Good Health and Well-Being) and SDG 10 (Reduced Inequalities)
[Resources Invested] NTD 13,760
[Volunteer Hours] 512 hours
[Beneficiaries] Hsinchu Blood Center, Xudeng Nursing Home, Taoyuan Jen-Ai Senior Citizens' Home, Sacred Heart Charity Workshop, Taoyuan Family Support Center, Ansheng Long-Term Care Center for the Elderly, and Bade Education and Nursing Institute
As social challenges such as widening wealth disparities and an aging population become increasingly severe, Darfon Electronics continues to fulfill its corporate social responsibility by serving as a key link between resources and needs. In 2025, we actively fulfilled our commitment to being people-centered and responsible through the following public welfare initiatives:

[Highlight]

Charity Bazaars and Benefit Performances | Bringing Goodwill Together and Promoting Redistribution

Since the end of 2019, Darfon Electronics has continued to care for society and support disadvantaged groups. On March 1, June 21, and September 13, 2025, the Company organized three public welfare events at Jen-Ai Senior Citizens' Home, combining charity bazaars, benefit performances, and companionship activities. Employee volunteers visited the long-term care institution and brought companionship and warmth to the residents through live performances, interpersonal interaction, and charity sales of donated goods. These activities also connected local communities and the Company through shared efforts for the common good.
On the day of the event, volunteers delivered an impressive saxophone performance. The beautiful music added a memorable highlight and attracted many older residents to stop and listen.
The activities focused on care for older adults and psychological health in an aging society. Drawing on Darfon Electronics' core capabilities in smart technologies and people-centered design, the Company explored the future potential of integrating technology with long-term care through direct participation and technology demonstrations. In addition to donating daily necessities and raising funds to support long-term care operations, Darfon's internal teams designed interactive performances and engagement activities. These sincere interactions helped narrow the generational distance between a technology company and older adults.
Against the backdrop of an accelerating aging society, Darfon Electronics continues to explore how smart technologies can be applied in care settings under its vision of "Bringing Enjoyment and Quality to Life." Through concrete action, the Company advances SDG 3 (Good Health and Well-Being) and SDG 10 (Reduced Inequalities), connects people through technology, responds to human needs through companionship, and works to build a warmer and more sustainable society.



II.Sustainability Education: Driving Value Transformation Through Innovation



[SDGs Addressed] SDG 4 (Quality Education) and SDG 13 (Climate Action)
[Resources Invested] NTD 872,200
[Volunteer Hours] 774 hours
[Beneficiaries] Wulai Elementary and Junior High School, Wulai District, New Taipei City; National Taiwan Sport University in Linkou; GoodHoard Farm
Education is a key force in transforming lives. Long-term external investment and attention are especially important in rural communities where educational resources are relatively limited. In fulfillment of its corporate social responsibility, Darfon Electronics actively promotes the balanced development of educational resources in rural areas. Through diverse approaches encompassing the arts, sports, technology, and community learning, the Company opens up a wider range of learning opportunities for children while helping sustainability literacy take root from an early age and become part of everyday life.

[Highlight]

At a time when climate change and social transformation are accelerating, sustainability education should not remain confined to the classroom. It should also extend into communities and everyday life. As the Taiwan Lantern Festival returned to Taoyuan after nine years, Darfon Electronics organized the meaningful “Taiwan Lantern Festival Green Travel” activity, bringing together 63 community residents and members of the next generation. Through a hands-on DIY experience, sustainability knowledge was transformed from an abstract and difficult concept into practical wisdom that participants could see, touch, and understand.



Under the guidance of a craft instructor, participants made lanterns from recycled red envelopes, putting the principle of maximizing material use into practice. This parent-child DIY activity not only reduced waste but also encouraged interaction among families and employees. It brought cultural heritage and environmental protection together and gave old red envelopes a new life.
After completing the DIY activity, participants traveled together by chartered bus to the festival, reducing carbon emissions. They were also encouraged to bring reusable water bottles to reduce single-use waste. At the exhibition, participants searched for and photographed lantern installations that best represented sustainability. Through features ranging from environmentally friendly materials and energy-saving technologies to ecological protection, they experienced how the festival embodied sustainability values.
The Taiwan Lantern Festival Green Travel activity not only created unforgettable memories but also enhanced participants’ understanding of the SDGs and the value of environmental reuse. It helped embed environmental awareness in their minds and encouraged them to take environmentally responsible action in everyday life.
Darfon Electronics believes that sustainability awareness begins with understanding and grows through action. The Taiwan Lantern Festival Green Travel activity was not merely an environmentally friendly experience but also the beginning of a change in mindset. We hope that environmental action in everyday life will take root like a seed, grow, and become a source of kindness and commitment in every future choice.

III. Community Co-Creation: Technology Connecting Local Communities with a Better Vision

[SDGs Addressed] SDG 11 (Sustainable Cities and Communities), SDG 12 (Responsible Consumption and Production), and SDG 13 (Climate Action)
[Resources Invested] NTD 1,219,400
[Volunteer Hours] 227 hours
[Beneficiaries] Miaoli County Xihu Township Leisure Agriculture Association; Step30 International Ministries; Green Miracle Public Welfare Service Network Association; Eden Social Welfare Foundation; Taiwan Art Foundation
Green spaces are fundamental to life and an important symbol of sustainable communities. Through its Earth-Friendly Initiative, Darfon Electronics embraces the principles of caring for the land and sustainable development. The Company supports the environmentally friendly restoration of tea plantations and strengthens awareness of and action on ecological issues. Darfon also embraces cultural co-creation as a core concept and organizes a range of musical performances and theatrical events, bringing the arts into everyday life. These activities create culturally enriching living environments, encourage local cultural participation, and promote intergenerational interaction and community cohesion.
Darfon further applies technology to advance its vision of shared community prosperity through the concept of “smart mobility × community support.” Since the end of 2023, the Company has donated smart electric mobility-assist vehicles to the Xihu Township Leisure Development Association in Miaoli County to improve mobility for older adults and persons with limited mobility. In 2025, Darfon continued to support the association’s operations. Through these practical applications of smart living, Darfon helps advance the development of age-friendly communities and demonstrates its commitment to using technology to respond to local needs.

[Highlight]

Really Really Free Market × Material Reuse Platform | Giving Love a New Life

In a consumption-driven society, resource waste and the excessive disposal of goods have become increasingly serious problems. Beginning on August 11, 2025, Darfon Electronics held the second Really Really Free Market × Material Reuse Platform event over a two-week period. A total of 320 families participated under the principle of replacing disposal with exchange. More than 2,400 household items were collected, and over 80% were successfully rehomed.
Beyond exchanging and redistributing goods, the activity encouraged employees to sort unused resources in the workplace and at home, including electronic equipment and used batteries. Organizations such as Green Miracle and the Eden Social Welfare Foundation assisted with recycling and reuse. This initiative was not merely an environmentally responsible choice; it also encouraged participants to reconsider the values underlying daily life and explore how responsible consumption and shared living can be expressed through action.





IV.Ecological Protection: Implementing Environmental Protection and Conserving Coastal Ecosystems

Thailand Plant | Putting ESG into Practice: Beach Cleanup × Crab Release for Sustainable Oceans

On November 15, Darfon's colleagues in Thailand gathered at Bang Saen Beach in Chonburi Province for the "SEA SAND SUN – TOGETHER WE CARE" beach cleanup activity, covering a 1.5-kilometer stretch of coastline. Through direct participation, employees put environmental protection into practice and helped conserve the local coastal ecosystem. Following the cleanup, the team visited the Crab Bank in Ang Sila to release juvenile and female crabs back into the sea. This action not only supports the restoration of crab populations and promotes natural regeneration, but it also represents an important contribution to the sustainable management of marine resources. It helps maintain a healthier and more resilient marine ecosystem and demonstrates the team's commitment to contributing to ESG through concrete action.











Appendix

GRI Content Index

Statement of Use	Darfon Electronics has reported in accordance with the GRI Standards for the period from January 1, 2025 to December 31, 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	None

GRI Standard	Disclosure	Section	Page Number
General Disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details	Chapter 1 About Darfon Electronics, I. Company Profile	9
	2-2 Entities included in the organization's sustainability reporting	About This Report Chapter 1 About Darfon Electronics, I. Company Profile	7 9
	2-3 Reporting period, frequency, and contact point	About This Report	7
	2-4 Restatements of information	About This Report	7
	2-5 External assurance	About This Report Appendix: Appendix 3, Third-Party Assurance Statement	7 90
	2-6 Activities, value chain, and other business relationships	Chapter 1 About Darfon Electronics, I. Company Profile Chapter 3 Product Innovation and Customer Trust	9 23
	2-7 Employees	Chapter 1 About Darfon Electronics, I. Company Profile Chapter 6 Talent Value Creation, II. Recruitment and Retention	9 63
	2-8 Workers who are not employees	Chapter 6 Talent Value Creation, II. Recruitment and Retention	63
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	2-12 Role of the highest governance body in overseeing the management of impacts	Chapter 2 Sustainability Management I. Sustainability Management Mechanisms II. Material Topic Identification Chapter 4 Lawful, Disciplined, and Sound Operations I. Board Operations and Performance III. Risk Management	 20 21 33 34
	2-13 Delegation of responsibility for managing impacts	Chapter 2 Sustainability Management, I. Sustainability Management Mechanisms	20
	2-14 Role of the highest governance body in sustainability reporting	Chapter 2 Sustainability Management, I. Sustainability Management Mechanisms	20
	2-15 Conflicts of interest	Chapter 4 Lawful, Disciplined, and Sound Operations, I. Board Operations and Performance	32
	2-16 Communication of critical concerns	Chapter 2 Sustainable Management, II. Material Topic Analysis	21
	2-17 Collective knowledge of the highest governance body	Chapter 4 Lawful, Disciplined, and Sound Operations, I. Board Operations and Performance	33
	2-18 Evaluation of the performance of the highest governance body	Chapter 4 Lawful, Disciplined, and Sound Operations, I. Board Operations and Performance	33
	2-19 Remuneration policies	Chapter 4 Lawful, Disciplined, and Sound Operations, I. Board Operations and Performance	33
	2-20 Process to determine remuneration	Chapter 4 Lawful, Disciplined, and Sound Operations, I. Board Operations and Performance	33
	2-21 Annual total compensation ratio	Reason for omission: Compensation information is confidential Company information.	-
	2-22 Statement on sustainable development strategy	Message from the Management	3

GRI Standard	Disclosure	Section	Page Number
	2-23 Policy commitments	Chapter 3 Product Innovation and Customer Trust II. Green and Low-Carbon Products III. Customer Relationship Management IV. Supply Chain Management Chapter 4 Lawful, Disciplined, and Sound Operations I. Board Operations and Performance II. Ethical Corporate Management III. Risk Management IV. Information Security Chapter 5 Advancing Environmental Protection and Climate Action III. Waste Management IV. Energy Management V. Climate Change Response and Adaptation Chapter 6 Creating Value Through Talent I. Human Rights Protection II. Recruitment and Retention III. Talent Training and Development IV. Occupational Safety and Health	 26 29 31 33 34 35 35 41 44 47 60 63 69 71
	2-24 Embedding policy commitments	Chapter 3 Product Innovation and Customer Trust II. Green and Low-Carbon Products III. Customer Relationship Management IV. Supply Chain Management Chapter 4 Lawful, Disciplined, and Sound Operations I. Board Operations and Performance II. Ethical Corporate Management III. Risk Management IV. Information Security Chapter 5 Advancing Environmental Protection and Climate Action III. Waste Management IV. Energy Management V. Climate Change Response and Adaptation Chapter 6 Creating Value Through Talent I. Human Rights Protection II. Recruitment and Retention III. Talent Training and Development IV. Occupational Safety and Health	 26 29 31 33 34 35 35 41 44 47 60 63 69 71
	2-25 Processes to remediate negative impacts	Chapter 4 Lawful, Disciplined, and Sound Operations, II. Ethical Corporate Management Chapter 6 Creating Value Through Talent, I. Human Rights Protection	54 60
	2-26 Mechanisms for seeking advice and raising concerns	Chapter 4 Lawful, Disciplined, and Sound Operations, II. Ethical Corporate Management	34
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	2-28 Membership associations	-	-
	2-29 Approach to stakeholder engagement	Chapter 2 Sustainable Management, II. Stakeholder and Material Topics Analysis	21
	2-30 Collective bargaining agreements	Chapter 6 Creating Value Through Talent, I. Human Rights Protection	60

GRI Standard	Disclosure	Section	Page Number
Material Topic			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Chapter 2 Sustainable Management, II. Stakeholder and Material Topics Analysis	21
	3-2 List of material topics	Chapter 2 Sustainable Management, II. Stakeholder and Material Topics Analysis	21
Climate Strategy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 2 Sustainable Management, II. Stakeholder and Material Topics Analysis	21
	305-1 Direct (Scope 1) GHG emissions	Chapter 5 Advancing Environmental Protection and Climate Action, III. Greenhouse Gas Management	41
	305-2 Energy indirect (Scope 2) GHG emissions	Chapter 5 Advancing Environmental Protection and Climate Action, III. Greenhouse Gas Management	41
	305-3 Other indirect (Scope 3) GHG emissions	Chapter 5 Advancing Environmental Protection and Climate Action, III. Greenhouse Gas Management	41
	305-4 GHG emissions intensity	Chapter 5 Advancing Environmental Protection and Climate Action, III. Greenhouse Gas Management	41
	305-5 Reduction of GHG emissions	Chapter 5 Advancing Environmental Protection and Climate Action, III. Greenhouse Gas Management	41
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 2 Sustainable Management, II. Stakeholder and Material Topics Analysis	21
	201-2 Financial implications and other risks and opportunities due to climate change	Chapter 5 Advancing Environmental Protection and Climate Action, II. Climate Change Response and Adaptation	37
Energy Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 2 Sustainable Management, II. Stakeholder and Material Topics Analysis	21
	302-1 Energy consumption within the organization	Chapter 5 Advancing Environmental Protection and Climate Action, IV. Energy Management	44
	302-3 Energy intensity	Chapter 5 Advancing Environmental Protection and Climate Action, IV. Energy Management	44
	302-4 Reduction of energy consumption	Chapter 5 Advancing Environmental Protection and Climate Action, IV. Energy Management	44
Green Product Innovation [Company-defined Material Topic]			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 2 Sustainable Management, II. Stakeholder and Material Topics Analysis	21
Talent Training and Development			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 2 Sustainable Management, II. Stakeholder and Material Topics Analysis	21
GRI 404: Training and Education	404-1 Average hours of training per year per employee	Chapter 6 Creating Value Through Talent, III. Talent Training and Development	69
	404-2 Programs for upgrading employee skills and transition assistance programs	Chapter 6 Talent Value Creation, II. Recruitment and Retention	63
	404-3 Percentage of employees receiving regular performance and career development reviews	Chapter 6 Talent Value Creation, II. Recruitment and Retention	63
Occupational safety and health			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 2 Sustainable Management, II. Stakeholder and Material Topics Analysis	21
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Chapter 6 Creating Value Through Talent, IV. Occupational Health and Safety	71
	403-2 Hazard identification, risk assessment, and incident investigation	Chapter 6 Creating Value Through Talent, IV. Occupational Health and Safety	71
	403-3 Occupational health services	Chapter 6 Creating Value Through Talent, IV. Occupational Health and Safety	71
	403-4 Worker participation, consultation, and communication on occupational health and safety	Chapter 6 Creating Value Through Talent, IV. Occupational Health and Safety	71
	403-5 Worker training on occupational health and safety	Chapter 6 Creating Value Through Talent, IV. Occupational Health and Safety	71
	403-6 Promotion of worker health	Chapter 6 Creating Value Through Talent, IV. Occupational Health and Safety	71

GRI Standard	Disclosure	Section	Page Number
GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Chapter 6 Creating Value Through Talent, IV. Occupational Health and Safety	71
	403-8 Workers covered by an occupational health and safety management system	Chapter 6 Creating Value Through Talent, IV. Occupational Health and Safety	71
	403-9 Work-related injuries	Chapter 6 Creating Value Through Talent, IV. Occupational Health and Safety	71
	403-10 Work-related ill health	Chapter 6 Creating Value Through Talent, IV. Occupational Health and Safety	71
Customer relationship management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 2 Sustainable Management, II. Stakeholder and Material Topics Analysis	21
GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	Chapter 3 Product Innovation and Customer Trust, II. Green and Low-Carbon Products Chapter 3 Product Innovation and Customer Trust, III. Customer Relationship Management	26 29
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Chapter 3 Product Innovation and Customer Trust, III. Customer Relationship Management Chapter 4 Lawful, Disciplined, and Sound Operations, II. Ethical Corporate Management	29 34
Corporate governance			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 2 Sustainable Management, II. Stakeholder and Material Topics Analysis	21
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	Chapter 4 Lawful, Disciplined, and Sound Operations, II. Ethical Corporate Management	34
	205-2 Communication and training about anti-corruption policies and procedures	Chapter 4 Lawful, Disciplined, and Sound Operations, II. Ethical Corporate Management	34
	205-3 Confirmed incidents of corruption and actions taken	Chapter 4 Lawful, Disciplined, and Sound Operations, II. Ethical Corporate Management	34
Waste Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 2 Sustainable Management, II. Stakeholder and Material Topics Analysis	21
GRI 306: Waste	306-1 Waste generation and significant waste-related impacts	Chapter 5 Advancing Environmental Protection and Climate Action, VI. Waste Management	52
	306-2 Management of significant waste-related impacts	Chapter 5 Advancing Environmental Protection and Climate Action, VI. Waste Management	52
	306-3 Waste generated	Chapter 5 Advancing Environmental Protection and Climate Action, VI. Waste Management	52
	306-4 Waste diverted from disposal	Chapter 5 Advancing Environmental Protection and Climate Action, VI. Waste Management	52
	306-5 Waste directed to disposal	Chapter 5 Advancing Environmental Protection and Climate Action, VI. Waste Management	52
Information Security			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 2 Sustainable Management, II. Stakeholder and Material Topics Analysis	21
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Chapter 4 Lawful, Disciplined, and Sound Operations, IV. Information Security	35
Sustainable supply chain management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 2 Sustainable Management, II. Stakeholder and Material Topics Analysis	21
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	Chapter 3 Product Innovation and Customer Trust, IV. Supply Chain Management	31
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	Chapter 3 Product Innovation and Customer Trust, IV. Supply Chain Management	31
	308-2 Negative environmental impacts in the supply chain and actions taken	Chapter 3 Product Innovation and Customer Trust, IV. Supply Chain Management	31

GRI Standard	Disclosure	Section	Page Number
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	Chapter 3 Product Innovation and Customer Trust, IV. Supply Chain Management	31
	414-2 Negative social impacts in the supply chain and actions taken	Chapter 3 Product Innovation and Customer Trust, IV. Supply Chain Management	31

SASB Content Index

<table>
<tr><th>Metric Code</th><th>Topic Description</th><th>Unit</th><th>Report Content and Response</th><th>Page Number</th></tr>
<tr><td colspan="5">Product Safety</td></tr>
<tr><td>TC-HW-230a.1</td><td>Description of the approach to identifying and addressing data security risks in products</td><td>N/A</td><td>Chapter 4 Ethical Corporate Governance, IV. Information Security</td><td>35</td></tr>
<tr><td colspan="5">Employee Diversity and Inclusion</td></tr>
<tr><td>TC-HW-330a.1</td><td>Percentage of (1) gender and (2) racial/ethnic group representation for the following employee categories:
(a)Executive Management
(b)Non-Executive Management
(c)Technical Employees
(d)All Other Employees</td><td>%</td><td>(1)Gender Representation of the Global Workforce (%)
<table>
<tr><th></th><th colspan="2">Male</th><th colspan="2">Female</th></tr>
<tr><th></th><th>Headcount</th><th>Percentage</th><th>Headcount</th><th>Percentage</th></tr>
<tr><td>Executive Management
(Middle and Senior Management)</td><td>193</td><td>81.1%</td><td>45</td><td>18.9%</td></tr>
<tr><td>Non-Executive Management
(Frontline Management)</td><td>328</td><td>68.6%</td><td>150</td><td>31.4%</td></tr>
<tr><td>Technical Employees
(Engineering Personnel)</td><td>437</td><td>62.1%</td><td>267</td><td>37.9%</td></tr>
<tr><td>All Other Employees
(Administrative and Direct Labor Personnel)</td><td>1,978</td><td>40.5%</td><td>2,911</td><td>59.5%</td></tr>
</table>
(2)Racial/Ethnic Group Representation of the Global Workforce (%)
Darfon Electronics operates in multiple regions worldwide, and applicable laws and regulations in each jurisdiction impose different requirements concerning the collection and disclosure of racial and ethnic data. Where compliant and secure disclosure conditions become available in the future, Darfon will carefully assess the circumstances and update the relevant information as appropriate, thereby continuing to strengthen its commitment to diversity and inclusion.
For further information on Darfon's policies and practices relating to equity, diversity, and inclusion, please refer to Chapter 6, Creating Value Through Talent.</td><td>59</td></tr>
<tr><td colspan="5">Product Life-cycle Management</td></tr>
<tr><td>TC-HW-410a.1</td><td>Percentage of revenue from products containing IEC 62474 declarable substances</td><td>%</td><td>0%. Darfon's products are electronic components and comply with IEC 62474 requirements.</td><td>-</td></tr>
<tr><td>TC-HW-410a.2</td><td>Percentage of revenue from eligible products meeting EPEAT registration requirements or equivalent standards</td><td>%</td><td>0%. Darfon's products are electronic components and are not products directly subject to EPEAT requirements.</td><td>-</td></tr>
<tr><td>TC-HW-410a.3</td><td>Percentage of revenue from products meeting energy-efficiency certification requirements</td><td>%</td><td>Darfon's products are electronic components and are not products directly subject to ENERGY STAR requirements.</td><td>-</td></tr>
<tr><td>TC-HW-410a.4</td><td>Weight of end-of-life products and electronic waste (e-waste) recovered, and percentage recycled</td><td>Metric tons (t), percentage (%)</td><td>In 2025, discarded products and electronic waste generated during the product life cycle weighed 258.48 metric tons. The recycling rate, including the recycling of discarded product waste, reached 82.74%, demonstrating the value of recycling at the source within a circular economy for green products.</td><td>-</td></tr>
</table>

Supply Chain Management				
TC-HW-430a.1	Percentage of Tier 1 supplier facilities participating in the Responsible Business Alliance (RBA) Validated Audit Process (VAP) or an equivalent audit standard, categorized as follows: (a)Percentage of all supplier facilities (b)Percentage of high-risk supplier facilities	%	(1) No survey was conducted regarding the percentage of supplier facilities that had passed an RBA VAP audit. (2) No survey was conducted regarding the percentage of high-risk supplier facilities that had passed an RBA VAP audit. Although Darfon does not survey whether supplier facilities have passed an RBA VAP audit, it conducts annual surveys using the RBA Self-Assessment Questionnaire (SAQ) to assess suppliers' implementation of environmental and social practices and ensure their alignment with RBA requirements. For further information, please refer to Chapter 3, Section 4, Supply Chain Management.	23
TC-HW-430a.2	Percentage of Tier 1 supplier facilities: (1) Found to be non-conformant with the Responsible Business Alliance (RBA) Validated Audit Process (VAP) or an equivalent standard, (2) For which corrective actions were taken in relation to: (a)Priority non-conformances (b)Other non-conformances	Percentage	(1)No survey was conducted regarding whether suppliers had passed an RBA VAP audit. (2)No survey was conducted regarding whether suppliers had passed an RBA VAP audit or the percentage of corrective actions taken. Although Darfon does not survey whether supplier facilities have passed an RBA VAP audit, it conducts annual surveys using the RBA Self-Assessment Questionnaire (SAQ) to assess suppliers' implementation of environmental and social practices and ensure their alignment with RBA requirements. For further information, please refer to Chapter 3, Section 4, Supply Chain Management.	23
Materials Sourcing				
TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	NA	To reduce the operational impacts of supply chain disruptions and cost fluctuations, Darfon Electronics has established a critical raw material risk management mechanism covering major raw materials used in finished products, including plastics, steel, aluminum sheets and related metal components, and lithium-ion battery cells. Risk Diversification Strategies •Supplier diversification: Risks are diversified by avoiding reliance on any single supply source. •Material reserves and alternatives: Darfon maintains material reserves, develops alternative materials, and procures from alternative sources to address potential supply chain disruption risks. •Collaboration between procurement and R&D: Measures for responding to adverse factors also include leveraging volume purchasing advantages and reducing component usage through R&D initiatives, such as simplifying production processes, to lower costs. Resource Resilience and Sustainable Operations (Recycling Technologies) •Recovery and reuse: Darfon actively invests in the research, development, and application of technologies for recovering and reusing critical materials. •In its TCFD climate risk assessment, Darfon's response measures for rising raw material costs also include increasing the use of recycled materials.	-

Activity Metrics

Code	Metric	Unit	Response
TC-HW-000.A	Number of Units Produced by Product Category	Quantity	Computer peripherals: 50,054,092 units Keyboards: 44,269,647 units Other computer peripherals: 5,784,445 units
TC-HW-000.B	Area of Manufacturing Facilities	Square meters	290,438
TC-HW-000.C	Percentage of Production from Owned Facilities	%	100%

Appendix 1. Sustainability Disclosure Metrics for the Computer and Peripheral Equipment Industry

No.	Metric	Metric Type	Disclosure for the Year	Unit
I.	Total energy consumed, percentage of grid electricity, and percentage of renewable energy	Quantitative	Total energy consumption was 393,055.02 GJ, of which purchased electricity accounted for 88.54%, while renewable energy accounted for 8.14% of total energy consumption.	Gigajoules (GJ), percentage (%)
II.	Total water withdrawal and total water consumption	Quantitative	Total water withdrawal: 559.50 thousand cubic meters Total water consumption: 169.43 thousand cubic meters Note: 1 thousand cubic meters = 1 million liters	Thousand cubic meters (m^3)
III.	Weight of hazardous waste generated and percentage recycled	Quantitative	Total hazardous industrial waste: 1,870.09 metric tons Hazardous industrial waste recycling rate: 72.39%	Metric tons (t), percentage (%)
IV.	Description of the categories, number, and rate of occupational injuries	Quantitative	Number of recordable occupational injuries: 16 Recordable occupational injury rate: 15.3 Occupational injury categories: being trapped or entangled (50.0%) and falling (18.75%).	Quantity
V.	Product life-cycle management disclosure: weight of end-of-life products and electronic waste, and percentage recycled (Note 1)	Quantitative	Not applicable. As Darfon operates under an ODM model, ownership of products transfers to customers upon shipment, and Darfon is therefore unable to recover them.	Metric tons (t), percentage (%)
VI.	Description of risk management associated with the use of critical materials	Qualitative Description	• Green energy products: Strategic inventories are maintained for materials expected to experience price increases and items with long lead times to mitigate cost impacts and material shortage risks. • Integrated components and materials: Materials are stocked based on Material Requirements Planning requirements. For raw materials subject to significant market price volatility, inventory coverage days are increased to stabilize short-term costs.	Not applicable
VII.	Total monetary losses resulting from legal proceedings associated with anti-competitive conduct regulations	Quantitative	0	Reporting currency
VIII.	Production volume of major products by product category	Quantitative	Computer peripherals: 50,054,092 units	Units

Note 1: Relevant explanations shall be provided for the sale of scrap materials or other recycling and recovery methods.

Appendix 2. Climate-Related Information of TWSE- and TPEx-listed Companies

1. Climate-Related Risks and Opportunities Affecting the Company and the Corresponding Response Measures

Item	Implementation Status
1.Describe the Board's and management's oversight and governance of climate-related risks and opportunities. 2.Describe how the identified climate-related risks and opportunities affect the Company's business, strategy, and finances over the short, medium, and long term. 3.Describe the financial impacts of extreme weather events and transition actions. 4.Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management system. 5.Where scenario analysis is used to assess resilience to climate change risks, describe the scenarios, parameters, assumptions, analytical factors, and principal financial impacts used. 6.Where a transition plan has been established to manage climate-related risks, describe the plan and the metrics and targets used to identify and manage physical and transition risks. 7.Where internal carbon pricing is used as a planning tool, describe the basis for determining the price. 8.Where climate-related targets have been established, disclose the activities and scopes of greenhouse gas emissions covered, the planned timeframe, annual progress, and other relevant information. Where carbon offsets or renewable energy certificates (RECs) are used to achieve the targets, disclose the sources and quantities of the emission reduction credits offset or the number of RECs used. 9.Greenhouse gas inventory and assurance status (to be completed separately in Section 1-1).	1. The Sustainability Development Committee under the Board is responsible for managing and establishing policies and short-, medium-, and long-term targets concerning the impacts of climate change. The Sustainability Development Committee reports to the Board regularly each year. 2.–6. Please refer to Chapter 5, Reducing Environmental Impacts: Climate Action, of this Report. 7. To strengthen the assessment of carbon reduction decisions and effectively implement its SBTi-aligned emissions reduction pathway, Darfon has established an internal carbon price of USD 50 per metric ton of carbon. By establishing a carbon pricing mechanism, Darfon further encourages the Company and relevant units to incorporate carbon reduction into business decision-making. 8. Darfon's science-based targets were validated by the Science Based Targets initiative (SBTi) in 2024. The targets are aligned with a future emissions reduction pathway of limiting global warming to 1.5°C. Using 2021 as the base year, Darfon has set annual emissions reduction targets of 4.84% for Scope 1 and Scope 2 emissions and 2.75% for Scope 3 emissions. By 2031, Darfon aims to reduce annual Scope 1 and Scope 2 emissions by 48.4% and annual Scope 3 emissions by 27.5%.

1-1. Greenhouse Gas Inventory and Assurance Status

Instructions for Completion

1.The Company may conduct its greenhouse gas inventory in accordance with the following standards:
(1)The Greenhouse Gas Protocol (GHG Protocol).
(2)ISO 14064-1 issued by the International Organization for Standardization (ISO).
2.The assurance provider shall comply with the requirements governing assurance of sustainability reports established by the Taiwan Stock Exchange Corporation and the Taipei Exchange.
3.Subsidiaries may report separately, on an aggregated basis (e.g., by country or region), or on a consolidated basis (Note 1).
4.Greenhouse gas emissions intensity may be calculated per unit of product/service or revenue. However, data calculated based on revenue (NTD thousands) shall at a minimum be disclosed (Note 2).
5.Operating locations or subsidiaries excluded from the inventory shall not account for more than 5% of total emissions. The aforementioned total emissions refer to emissions calculated based on the mandatory inventory scope specified in Item 1 of these instructions.
6.The description of the assurance status shall summarize the contents of the assurance provider's report, and the assurance opinion shall be uploaded (Note 3).

Darfon Basic Information	**Minimum Disclosure Required Under the Sustainable Development Roadmap for TWSE- and TPEx-listed Companies**
□ **Companies with paid-in capital of NTD 10 billion or more, and companies in the steel and cement industries** □ **Companies with paid-in capital of NTD 5 billion or more but less than NTD 10 billion** ■ **Companies with paid-in capital of less than NTD 5 billion**	□ **Inventory of the parent company as a standalone entity** □ **Inventory of subsidiaries included in the consolidated financial statements** ■ **Assurance of the parent company as a standalone entity** □ **Assurance of subsidiaries included in the consolidated financial statements**

Scope 1 (Direct Emissions)	Total Emissions (tCO_2e)	Assurance Provider	Description of Assurance Status
Taoyuan Headquarters	670.6007	AFNOR ASIA LTD.	Reasonable assurance
Tainan Plant	930.3691		
Suzhou Plant	179.4796		
Huai'an Plant	975.4133		
Chongqing Plant	135.6565		
Vietnam Plant	1,196.0216		
Thailand Plant	117.2643		
Total	4,204.8051		
Scope 2 (Indirect Emissions – Electricity Consumption)	**Total Emissions (tCO_2e)**	**Assurance Provider**	**Description of Assurance Status**
Taoyuan Headquarters	1298.9018	AFNOR ASIA LTD.	Reasonable assurance
Tainan Plant	12,569.1250		
Suzhou Plant	1,770.2376		
Huai'an Plant	14988.9850		
Chongqing Plant	7,721.2647		
Vietnam Plant	4,937.7020		
Thailand Plant	215.0852		
Total	43,501.3013		

Scope 3 (3-1,3-3,3-4,3-5,3-6,3-7,3-9)	Total Emissions (tCO_2e)	Assurance Provider	Description of Assurance Status
Taoyuan Headquarters	1,306.3044	AFNOR ASIA LTD.	Reasonable assurance
Tainan Plant	7,664.9412		
Suzhou Plant	2,249.9016		
Huai'an Plant	11,801.8449		
Chongqing Plant	12,392.4922		
Vietnam Plant	1,036.2859		
Thailand Plant	2,157.6557		
Total	38,609.4259		
Scope 1 + Scope 2 Greenhouse Gas Emissions Intensity (Scope 1 + Scope 2 Emissions/Annual Revenue)		2.18	

Note 1: The greenhouse gas inventory is prepared using the operational control approach. The greenhouse gas emission factors used in calculating emissions are based primarily on the "Greenhouse Gas Emission Factor Management Table, Version 6.0.4," published by the Ministry of Environment, Executive Yuan, and the GHG Protocol. Scope 1, Scope 2, and Scope 3 greenhouse gas emissions from all production locations are consolidated. The greenhouse gases covered by the inventory include CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, and NF_3.
Note 2: Global warming potential values provided in the IPCC Sixth Assessment Report (AR6) are used as the basis for calculation.
Note 3: The Thailand Plant will undergo greenhouse gas inventory verification in 2026.
Note 4: The greenhouse gas inventory and assurance status presented above cover the plants currently subject to verification.

Appendix 3. Third-Party Assurance Statement



Independent
Assurance Statement

Darfon Electronics Corp. 2025 Sustainability Report

The AFNOR GROUP was established in 1926. We are the National Standardization Body of France, a permanent council member in ISO and one of the leading certification bodies in the world. This assurance work was carried out by AFNOR ASIA LTD., a subsidiary of AFNOR GROUP. All the members of the verification team have professional backgrounds and have accepted AA1000 AS, AFAQ 26000, ISO 9001, ISO 14001, ISO 14064, ISO 45001, ISO 50001, and other sustainability-related international standard trainings. All assigned verifiers have been approved as the lead auditors or verifiers. AFNOR ASIA LTD. (hereinafter referred to as AFNOR ASIA) and Darfon Electronics Corp. (hereinafter referred to as DARFON) are independent entities. Except for the contents described in this independent assurance statement, AFNOR ASIA LTD. is not involved in the preparation process of the sustainability report of DARFON.

RESPONSIBILITIES

DARFON is responsible for reporting its economic, environmental, and social operating activities and performance in Taiwan and overseas operating locations in its sustainability report (hereinafter referred to as "the Report") in accordance with the declared sustainability reporting standards.

AFNOR ASIA is responsible for providing an independent assurance statement to DARFON and its stakeholders in accordance with the described scope and method. This statement is for DARFON use only and is not responsible for any other purpose.

SCOPE AND CRITERIA

The assurance scope of the agreement between DARFON and AFNOR ASIA includes:

1. The scope of assurance operation is consistent with the scope disclosed in the "Darfon Electronics Corp. 2025 Sustainability Report"
2. AFNOR ASIA performs assurance operation according to the Type 1 assurance of the AA1000 assurance standard (v3), reviewing and evaluating DARFON's compliance with the AA1000 AccountAbility Principles (2018).
3. The assurance operation includes reviewing and evaluating DARFON's relevant processes, systems and controls and available performance information, as well as compliance with the following reporting criteria:
   - GRI Standards.
   - Task Force on Climate-related Financial Disclosures
   - Sustainability Accounting Standards Board Standards

METHODOLOGY

- The Report is reported in accordance with the GRI Standards, and the content of the Report is reviewed for compliance with the GRI Standards for general disclosure and specific topic disclosure.
- The verification team interviewed relevant personnel to confirm the communication and response mechanism for stakeholders and the decision-making process for material topics, but did not directly contact external stakeholders.
- All documents, data and information related to the preparation of the Report were verified by the verification team through interviews with relevant personnel.
- The process of reviewing organizational outputs, collecting and managing qualitative and quantitative data disclosed in reports based on a sampling plan.
- By interviewing the responsible personnel of each group, examining and reviewing the relevant documents, materials and information, the verification team evaluated the reasonableness of the sources of supporting materials and evidence for the contents of the Report.



CONCLUSION

◆ AA1000 Accountability Principles

Inclusivity

DARFON has established a comprehensive stakeholder participation and communication mechanism, effectively identifying, understanding, and responding to the needs and concerns of various stakeholders. The organization demonstrates its commitment to and responsiveness to stakeholder opinions through continuously engagement and regular reporting of results to governance body. Overall, the organization adheres to the principles of inclusivity and incorporates stakeholder perspectives into its sustainable operations and decision-making processes.

Materiality

DARFON has established appropriate and systematic procedures for identifying, assessing, and managing material topics. Through collecting opinions from internal and external stakeholders, referencing international sustainability standards and frameworks (including GRI, SDGs, TCFD, SASB, and IFRS S1/S2), reviewing internal business strategies and objectives, international benchmarking information, external expert advice, and stakeholder feedback, and assessing actual and potential economic, environmental, social, and human rights impacts, sustainability issues have been identified and updated. Following stakeholder questionnaire analysis and review by the Sustainability Development Committee, ten material topics were ultimately confirmed in key areas for sustainability strategy planning and information disclosure. Overall, its materiality analysis methodology complies with the principle of materiality and incorporates the GRI 3 material topic requirements and a Double Materiality Assessment framework to ensure that material topics fully reflect the significant impacts, risks, and opportunities facing the company's sustainable development.

Responsiveness

DARFON has established concrete response measures for various stakeholder concerns. For example, regarding profitability, risk management, and sustainable value issues of concern to shareholders and investors, it regularly discloses financial performance, climate governance information, and the implementation status of SBTi carbon reduction targets; regarding governance, information security, and environmental risk issues of concern to banks, it has implemented an ISO 27001 information security management system and an internal carbon pricing system; regarding product quality, low-carbon products, and supply chain management issues of concern to customers, it promotes the application of recycled materials and a customer complaint management mechanism; regarding supplier issues, it has established a supplier code of conduct and a supplier sustainability management system; and regarding occupational safety, welfare, and talent development issues of concern to employees, it continues to promote an ISO 45001 occupational health and safety management system, talent development programs, and employee care measures. Overall, for economic, environmental, social, and governance issues of concern to stakeholders, corresponding management measures, performance tracking mechanisms, and information disclosure methods have been established, and implementation status is regularly reported to the governance level, fully demonstrating concrete actions in accordance with the principle of responsiveness.

Impact

DARFON has established an appropriate and systematic impact management mechanism capable of identifying, assessing, and managing the actual and potential economic, environmental, and social impacts of material topics from a value chain perspective, including cause, contribute, and directly linked impact relationships. For example, sustainable supply chain management and occupational safety and health issues involve contributing impacts from the upstream supply chain; climate strategy covers the impacts of different stages, including the supply chain, its own operations, and customer applications; and issues such as corporate governance, energy management, and talent development are primarily directly related to its own operational activities. The organization not only identifies the impacts caused by its own operations but also includes the supply chain and customer application stages in its assessment, and continuously improves its impact performance.



through management systems, performance tracking, and governance oversight mechanisms.

◆ Global Reporting Initiative Sustainability Reporting Standards

Based on the results of the review, it is confirmed that the general disclosures, specific topic disclosures, and material topics management disclosures in the Report have complied with the requirements of the GRI Standards. In the future, the organization can further strengthen the connection between management objectives, annual performance, variance analysis and improvement measures for each material topic, especially by adding quantitative results and cross-year trend descriptions for major impact issues, so as to improve the completeness and comparability of the disclosure of material topics.

◆ Task Force on Climate-related Financial Disclosures

Based on the review results, DARFON has disclosed its climate governance, strategies, risk management, indicators and targets in accordance with the TCFD framework; and has set carbon reduction targets for 2031 in Scope 1, 2, and 3, and through the SBTi 1.5°C scientific carbon reduction target verification. The Report also discloses climate risk, energy management, greenhouse gas management and carbon reduction related performance, showing that a climate governance and management mechanism has been established.

◆ Sustainability Accounting Standards Board Standards

Based on the review results, the Report has made disclosures in accordance with SASB Standards and incorporates industry-related issues such as sustainable supply chain management, product lifecycle, energy management, waste management, and data security, thus conforming to the industry-specific sustainability disclosure standards. In the future, the organization can strengthen the link between indicators and financial impact, such as explaining the impact of issues such as energy efficiency, low-carbon product design, supply chain risks, and information security management on operating costs, revenue opportunities, capital expenditures, or risk control, so as to enhance the decision-making value of investors using information.

ASSURANCE OPINION

AFNOR ASIA has developed a complete sustainability reporting assurance standard based on the verification guidelines of the AA1000 Assurance Standard (v3) and the GRI Standards. Based on the sufficient evidence provided by DARFON and the facts seen during on-site verification, we adhere to the principle of fairness and issue a statement on the global sustainability reporting standards followed by the organization. We have summarized the contents of the Report to provide a fair view of DARFON's relevant operations and specific performance. We believe the focuses on economic, social, and environmental indicators in DARFON in 2025 are well represented.

ASSURANCE LEVEL

In accordance with the AA1000 Assurance Standard (v3), we verified this assurance statement corresponding to a Moderate level. The scope and methods are as described in this statement.

For and on behalf of AFNOR :

Dr. August Tsai
The Director for Certification and Assessment
Jul.13.2026

Verification team: YU TAI CHIANG (Lead Verifier), Kuo-Ping Chiao (Verifier), Cheng Pan Chen (Verifier), Hsin-Te Chen (Verifier)

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